



APPLICATION FOR LICENSE TO SELL TOBACCO-RELATED PRODUCTS

You have requested information about a license to sell tobacco-related products in the City of Crystal. Please review and provide the following information:

1. Complete the license application as required in Section 1137 of the City Ordinance.

All applications for license must be signed and certified by the applicant. If applicant is an individual, it must be signed by such person; if applicant is a corporation, by an officer thereof; if applicant is a partnership, by one of the general partners; if applicant is an unincorporated association, by the manager or managing officer thereof.

Remember to include the following information with your City of Crystal application*:

- MN Business Tax Identification Number
- Federal Business Tax Identification Number
- MN *Certificate of Compliance* form for Workers' Compensation (attached)
- City of Crystal *Certification of Financial Responsibility* form (attached)
- MN Department of Revenue *License Application to Make Retail Sales of Cigarette and Other Tobacco Products* form CT102 (attached)
- Attach a copy of the Certificate of Assumed Name issued by the MN Secretary of State (if applicable)
- If applicant does not own the business premises, attach a true & complete copy of the signed lease agreement

**Any missing information will delay the processing of your license.*

License Fee and Term

2. Submit license fee with completed application. The license period is January 1 through December 31. The annual license fee is \$325 and pro-rated at \$27.08/per month.
3. **City Ordinance - Tobacco**
Read Crystal City Code Section 1137, regulating the licensing of tobacco-related products.
4. **License Approval**
Upon receipt of a completed application and fee, the license application will be presented to the City Council for consideration. City Council meetings are typically conducted on the first and third Tuesday of the month. License application materials must be submitted at least seven (7) days prior to a City Council meeting.
5. **Questions?** To obtain a tobacco-related products license application or for more information, please call Customer Service at 763-531-1000.



APPLICATION FOR LICENSE

4141 Douglas Drive N, Crystal, MN 55422
 Telephone: (763) 531-1000 / Facsimile: (763) 531-1188
 www.crystalmn.gov

For TTY communication, contact the Minnesota Relay Service at 711

PLEASE PRINT CLEARLY

Applicant's Name:	Fee: * (0100-4135)	\$
Home Address:	Home Phone: ()	
City/State/Zip:	Cell Phone: ()	
Business Name:	Business Phone: ()	
Doing Business As:	Fax Phone: ()	
Business Address, including zip code:		
MN Tax ID #: <small>(NOTE: you must provide a copy of the confirmation letter from the State.)</small>	Federal Tax ID #:	
If a Minnesota Tax ID number is not required, please explain here and provide your social security number:		

I enclose the sum of _____ and ____/100 dollars to the City of Crystal as required by the Ordinances of said City and have complied with all the requirements of said Ordinances necessary for obtaining this License.

I hereby make application to **SELL TOBACCO PRODUCTS** at the above business address for the period _____, 20____ through December 31, 20____, subject to all conditions and provisions of said Ordinance.

ADDITIONAL REQUIREMENTS

1. MN *Certificate of Compliance* form for Workers' Compensation (attached)
2. City of Crystal *Certification of Financial Responsibility* form (attached)
3. MN Department of Revenue *License Application to Make Retail Sales of Cigarette and Other Tobacco Products* form *CT102* (attached)
4. Attach a copy of the Certificate of Assumed Name issued by the MN Secretary of State (if applicable)
5. If applicant does not own the business premises, attach a true & complete copy of the signed lease agreement

I certify that the information in this Application For License is true and complete to the best of my knowledge. **NOTE:** *If applicant is not a person, the following MUST sign: corporation: an officer; partnership: a general manager; unincorporated association: manager or managing officer.*

Applicant Signature: _____ **Dated:** _____, 20____

Printed Name of Applicant: _____ **Title (if applicable):** _____

*Fee: \$325; pro-rated at \$27.08/month *(If exempt, fill out Licensing Fee Exemption Form)*

APPLICATION FOR LICENSE INVOLVING PRIVATE OR CONFIDENTIAL INFORMATION
(Includes Tennessee Warning)

Under Minnesota law (M.S. 270.72), the agency issuing you this license is required to provide to the Minnesota Commissioner of Revenue your Minnesota business tax identification number or the Social Security number of each license applicant.

Under the Minnesota Government Data Practices Act and the Federal Privacy Act of 1974, we must advise you that:

- This information may be used to deny the issuance, renewal or transfer of your license if you owe the Minnesota Department of Revenue delinquent taxes, penalties, or interest;
- The licensing agency will supply this information only to the Minnesota Department of Revenue. However, under the Federal Exchange of Information Act, the Department of Revenue is allowed to supply this information to the Internal Revenue Service;
- Failure to supply this information may jeopardize or delay the issuance of your license or the processing of your renewal application.

(ALSO FILL OUT REVERSE SIDE OF THIS FORM.)

City Use Only:	JDE# _____	Date Entered: _____
	PIMS ID# _____	Council Date: _____

Certificate of Compliance Minnesota Workers' Compensation Law

THIS FORM MUST BE COMPLETED BY THE BUSINESS LICENSE APPLICANT

PRINT IN INK or TYPE.

Minnesota Statutes, Section 176.182 requires every state and local licensing agency to withhold the issuance or renewal of a license or permit to operate a business in Minnesota until the applicant presents acceptable evidence of compliance with the workers' compensation insurance coverage requirement of Minnesota Statutes, Chapter 176. If the required information is not provided or is falsely stated, it shall result in a \$2,000 penalty assessed against the applicant by the commissioner of the Department of Labor and Industry.

A valid workers' compensation policy must be kept in effect at all times by employers as required by law.

LICENSE or CERTIFICATE NO (if applicable)	BUSINESS TELEPHONE NO.	FAX TELEPHONE NO.
BUSINESS NAME (Use the person(s) name if business structure is sole proprietor or partnership (i.e., John Doe, or John Doe and Jane Doe), otherwise it is the legal name of the business entity.)		
DBA ("doing business as" or also known as an assumed name) (if applicable)		
BUSINESS ADDRESS (must be physical street address, no PO boxes)	CITY	STATE ZIP CODE
COUNTY	E-MAIL ADDRESS	

YOUR LICENSE OR CERTIFICATE WILL NOT BE ISSUED WITHOUT THE FOLLOWING INFORMATION. *You must complete number 1 or 2 below.*

NUMBER 1 – Workers' compensation insurance policy information

INSURANCE COMPANY NAME (not the insurance agent)	NAIC Number	
POLICY NO.	EFFECTIVE DATE	EXPIRATION DATE

NUMBER 2 – Reason for exemption from workers' compensation insurance

If you have questions regarding the need to obtain workers' compensation coverage, including exemptions, contact 651.284.5032 or 1-800-342-5354.

- I have no employees. (See Minn. Stat. § 176.011, subd. 9 for the definition of an employee.)
- I am self-insured for workers' compensation (attach a copy of the authorization to self-insure from the Minnesota Department of Commerce).
- I have employees but they are not covered by the workers' compensation law. (See Minn. Stat. § 176.041 for a list of excluded employees.) Explain why your employees are not covered:

Other: _____

I certify that the information provided on this form is accurate and complete. If I am signing on behalf of a business, I certify that I am authorized to sign on behalf of the business.

PRINT NAME		
APPLICANT SIGNATURE (required)	TITLE	DATE

NOTE: You must notify us if there is any change to your Workers' Compensation Insurance Information or Employee Status Change by resubmitting this form. This material can be made available in different forms, such as large print, Braille or on a tape.



4141 Douglas Drive North • Crystal, Minnesota 55422-1696

Tel: (763) 531-1000 • Fax: (763) 531-1188 • www.crystalmn.gov

Certification of Financial Responsibility

This form must be completed and returned with a City license application.

To the best of my knowledge, based upon a review of the status of the property/business located in the City of Crystal at _____, I attest that the foregoing property/business is financially responsible as outlined in Crystal City Code 1005.29 (a), printed in full on the reverse of this form.

I hereby certify that I/we are current on the following financial obligations:

(Circle answers)

- | | | |
|-----|----|---|
| Yes | No | Property Taxes paid |
| Yes | No | Utility Bills paid |
| Yes | No | State Taxes paid |
| Yes | No | Federal Taxes paid |
| Yes | No | Other governmental obligations or claims concerning me or the business entity named on this license application |

If "NO" is circled for any of the above, describe the payment plan or other agreement approved by the applicable governmental entity.

See entire Crystal City Code 1005.29 (a) on the reverse side of this form.

I certify under penalty of perjury that the foregoing is true and correct.

Executed on: _____ (date)

Print Name

Signature

Note: Filing a false statement with a government agency is a criminal offense.

Staff use only:
 UB PrevUB UB Cert Tax PrevTax
 Verified compliance _____ <date>
 Staff initials: _____

The City of Crystal has adopted the following ordinance:

Crystal City Code 1005.29 Financial responsibility; applicability. (a) Prior to the issuance of a license the applicant must file with the city clerk satisfactory evidence of financial responsibility. "Satisfactory evidence of financial responsibility" shall be shown by a certification under oath that the property taxes, public utility bills, and all state and federal taxes or other governmental obligations or claims concerning the business entity applying for the license are current, and that no notice of delinquency or default has been issued, or if any of the financial obligations stated in this subsection are delinquent or in default, that any such delinquency or default is subject to a payment plan or other agreement approved by the applicable governmental entity. "Satisfactory evidence of financial responsibility" as required by this subsection shall in addition be shown by any individual applicant and all individual owners and/or shareholders of the business entity. Operation of a business licensed under this section without having on-going evidence on file with the City of the financial responsibility required by this subsection is grounds for revocation or suspension of the license.

What does this mean for a City-issued business license?

Prior to issuance of a City-issued business license or renewal license, license holders are required to certify that the property taxes, utility bill, and all state and federal taxes for the property or the business entity applying are current. Also, the applicant must certify that no notice of delinquency or default has been issued or is subject to a payment plan.

What will happen if a license holder is not financially responsible?

A hearing is granted before the City Council. The Council may deny, suspend or revoke the City-issued business license. Upon providing satisfactory evidence of financial responsibility, the business owner may re-apply for the license.

License Application to Make Retail Sales of Cigarette and Other Tobacco Products

To be completed by applicant when applying for a license with a city or county.

Print or type	Applicant's Minnesota tax ID number	The Minnesota tax ID must be issued in the same legal name of the licensee below.		<i>FOR MUNICIPAL USE ONLY</i>	
				License number	
				Period covered	
				Date of issuance	
	Cigarettes/tobacco products will be sold (a separate license is required for each location or vending machine): <i>(not allowed in crystal)</i> <input type="checkbox"/> Over counter <input checked="" type="checkbox"/> Through vending machine <input type="checkbox"/> Both			Federal employer ID number (FEIN)	
	Licensee's legal name			Daytime phone	
	Business trade name (doing business as)			Other phone number	
	Complete address of business location (permit location)			County	Other phone number
City			State	Zip code	Fax number
Mailing address (if different than business address)			City	State	Zip code
					Email address

Business information	Type of legal organization (check one):					
	<input type="checkbox"/> Sole proprietor	<input type="checkbox"/> Minnesota corporation: Enter date of incorporation _____				
	<input type="checkbox"/> Partnership	<input type="checkbox"/> Out-of-state corporation: State of incorporation _____				
	<input type="checkbox"/> Other (describe) _____	Are you registered to do business in Minnesota?		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
	Corporate officers or partners (attach a list if necessary)					
	Name		Title			
Address		City	State	Zip code		
Name		Title				
Address		City	State	Zip code		

Statement of understanding	As a licensed tobacco products or cigarette retailer, I understand that:					
	1. I can purchase cigarettes only from a Minnesota distributor or subjobber who holds a license with the Minnesota Department of Revenue.					
	2. I must obtain a tobacco products distributor license if I purchase untaxed tobacco products from an out-of-state company.					
	3. I may not sell cigarettes affixed with Minnesota Native American stamps unless my retail business is located on a reservation that has a tax agreement with the State of Minnesota.					
	4. I may not purchase from or exchange cigarettes or tobacco products with another retailer.					
	5. I must keep complete and legible cigarette and tobacco products invoices on the licensed premises, or make invoices available within one hour of request, for at least one year after the date of the purchase.					
	6. I know that the Minnesota Department of Revenue and/or law enforcement may conduct cigarette and tobacco inspections of the premises, including inspections of inventory, invoices and licenses, and I understand that a refusal to allow an inspection is grounds for revocation of my license.					
	7. I know that failure to comply with all requirements can result in criminal penalties, including the loss of cigarettes and tobacco products.					

Sign here	Licensee signature	Title	Print name	Date	Daytime phone
	Licensing agent's signature	Title	Print name	Date	Daytime phone

License applicant: Submit this form to the licensing authority along with the license application.
Licensing authority: Mail or fax a copy of approved form to:
 Minnesota Revenue, Mail Station 3331, St. Paul, MN 55146-3331.

License Requirements for Retailers

Sales of cigarettes and tobacco products in Minnesota

2

Cigarette and Tobacco Products Taxes Fact Sheet 2

Fact Sheet

Businesses that make retail sales of cigarettes and tobacco products to the public in Minnesota are required to have a special retailer's license. This fact sheet summarizes the requirements for obtaining a retailer's license and the responsibilities of a license holder.

Retail licensing requirements

Retail sellers of cigarettes and tobacco products in Minnesota must have a Minnesota Cigarette and Tobacco Product Retailer's license prior to purchasing or selling cigarettes or tobacco products.

A separate license is required for each location or vending machine from which cigarettes or tobacco products are sold at retail.

Licenses are administered by the city, county or town in which the business is located.

Responsibilities of license holders

License display. You must conspicuously display your license at each retail location so that it is visible to the public, according to your licensing authority's rule.

Records. You must keep complete and legible records — including invoices of all your cigarette and tobacco product purchases — at each licensed location for at least one year after the date of purchase. All invoices must be made available to Department of Revenue staff or law enforcement officers within one hour of request.

Purchases. You must purchase your inventory of cigarettes and other tobacco products from a licensed Minnesota cigarette and/or tobacco distributor or subjobber. If you make illegal purchases of cigarettes or tobacco products, you are subject to civil and criminal penalties, and possible seizure of your cigarettes and tobacco products.

Sales. You must only sell to adults aged 18 years or older Minnesota-stamped cigarettes or tobacco products on which Minnesota tax has been paid.

You are not allowed to sell cigarettes below cost, according to the Minnesota Unfair Cigarette Sales Act (UCSA). In addition, it is illegal for you to resell cigarettes or tobacco products on which Minnesota tax has not been paid (e.g., items you purchased over the Internet, through mail order or brought in from another

state). If you make illegal sales of cigarettes or tobacco products, you are subject to civil and criminal penalties, and possible seizure of your cigarettes and tobacco products.

Inspections. You must allow Department of Revenue staff or law enforcement officers — without a search warrant — to enter your place of business and inspect the premises, the records you are required to keep, and the packages of cigarettes, tobacco products, and vending devices.

Definitions

Cigarette. Any roll for smoking made wholly or in part of tobacco that weighs 4.5 pounds or less per thousand:

- (1) the wrapper or cover of which is made of paper or another substance or material except tobacco; or
- (2) wrapped in any substance containing tobacco, however labeled or named, which, because of its appearance, size, the type of tobacco used in the filler, or its packaging, pricing, marketing, or labeling, is likely to be offered to or purchased by consumers as a cigarette, as defined in clause (1), unless it is wrapped in whole tobacco leaf and does not have a cellulose acetate or other cigarette-like filter.

Invoices. A detailed list of cigarettes and tobacco products purchased in Minnesota. Each invoice must contain the following items:

- name of the seller
- name of the purchaser
- date of sale
- invoice number
- an itemized list of goods sold including the cigarette brand, number of cartons of each brand, unit price, and identification of tobacco products by name, quantity, and unit price; and any rebates, discounts, or other reductions.

Minnesota Unfair Cigarette Sales Act (UCSA). The Minnesota Legislature considered the practice of selling cigarettes at below wholesale or retail cost to be an unfair and deceptive business practice and an unfair method of competition. UCSA is the policy to protect the public by prohibiting sales of cigarettes at below wholesale or retail cost.

Retailer. Any person who, in Minnesota, is in the business of selling or offering to sell cigarettes and other tobacco products at retail.

Continued

Tobacco products. Any kind or form of tobacco — except cigarettes — that is prepared to be suitable for chewing and/or smoking in a pipe or otherwise. Tobacco products include cigars, cheroots, stogies, periques, granulated, plug cut, crimp cut, ready rubbed, and other smoking tobacco; snuff; snuff flour; cavendish; plug and twist tobacco; fine-cut and other chewing tobacco; shorts; refuse scraps, clippings, cuttings and sweepings of tobacco; e-cigarettes, e-juice, etc.

Effective August 1, 2010, the definition of tobacco products has expanded to include any product containing, made or derived from tobacco that is intended for human consumption, whether chewed, smoked, absorbed, dissolved, inhaled, snorted, sniffed or ingested by any other means. The definition excludes any tobacco product that has been approved by the United States Food and Drug Administration and is being marketed and sold exclusively as a tobacco cessation or tobacco dependence product, or for any other medical purpose.

Penalties

Criminal penalties are in addition to any civil penalties that may apply.

Unstamped cigarettes or untaxed tobacco products. It is illegal for any person, other than a licensed distributor or a consumer, to possess, receive, or transport unstamped cigarettes or untaxed tobacco products. It is presumed that any individual possessing more than 4,999 unstamped cigarettes or more than \$350 worth of untaxed tobacco products is not a consumer.

If you, directly or indirectly, purchase for resale cigarettes without the proper stamp affixed, your sales and use tax permit may be revoked.

Sales of cigarette packages with Indian stamp. If you are not located on an Indian reservation, it is illegal for you to sell or offer to sell cigarette packages with Indian stamps.

Sales after license revocation. If you sell cigarettes or tobacco products after your license has been revoked, you are guilty of a felony.

Purchases from unlicensed sellers. It is illegal for you to purchase cigarettes or tobacco products from any person who is not a Minnesota licensed distributor or subjobber.

If you purchase for resale from an unlicensed seller more than 20,000 cigarettes or \$500 or more worth of tobacco products, your sales and use tax permit may be revoked.

Unstamped cigarettes presumption

Whenever a package of cigarettes is found in the place of business or in the possession of any person without a proper stamp affixed, it is presumed that those cigarettes are kept or held illegally.

This presumption does not apply to:

- cigarettes in the possession or place of business of a licensed distributor
- cigarettes in the possession of a common carrier or sleeping car company engaged in interstate commerce
- cigarettes held in a public warehouse of first destination in Minnesota, in the original, unbroken shipping containers from the manufacturer or distributor

Criminal penalties	
	Penalty
Unstamped cigarettes	
To possess, receive or transport:	
• fewer than 5,000	Misdemeanor
• 5,000 or more, but fewer than 20,001	Gross misdemeanor
• more than 20,000	Felony
Untaxed tobacco products	
To possess, receive or transport:	
• up to \$350 worth	Misdemeanor
• more than \$350, but less than \$1,400	Gross misdemeanor
• \$1,400 or more	Felony
Cigarettes with Indian stamp	
To sell or offer to sell:	
• more than 200, but fewer than 5,000	Misdemeanor
• 5,000 or more, but fewer than 20,001	Gross misdemeanor
• more than 20,000	Felony
Cigarette purchases from an unlicensed seller	
To purchase from an unlicensed seller:	
• fewer than 5,000	Misdemeanor
• 5,000 or more, but fewer than 20,001	Gross misdemeanor
• more than 20,000	Felony
Tobacco products purchases from an unlicensed seller	
To purchase from an unlicensed seller:	
• up to \$350 worth	Misdemeanor
• more than \$350, but less than \$1,400	Gross misdemeanor
• \$1,400 or more	Felony
Sales after license revocation	
To sell cigarettes or tobacco products after your license has been revoked	
Felony	
<i>Any other violation of state law, unless otherwise specified, is a misdemeanor. Criminal penalties are in addition to any civil penalties that may be imposed.</i>	

- 200 cigarettes or less in the possession of a person other than a distributor when those cigarettes are intended for personal use and not to be sold or offered for sale
- cigarettes sold under circumstances in which the tax cannot legally be imposed because of federal law.

Anonymous tip line

To report suspected cigarette or tobacco tax violations:

Email: tax.fraud@state.mn.us
 Phone: 651-297-5195 or 1-800-657-3500
 Fax: 651-556-3105

Section 1137 - Tobacco
(Added, Ord No. 98-2)

1137.01. Definition. "Tobacco" means cigarettes; cigars; cheroots; stogies, perique; granulated, plug cut, crimp cut, ready rubbed, and other smoking tobacco; snuff, snuff flour; cavendish; plug and twist tobacco; fine cut and other chewing tobaccos; shorts; refuse scraps, clippings, cuttings and sweepings of tobacco and other kinds and forms of tobacco, prepared in such manner as to be suitable for chewing or smoking in a pipe or other tobacco-related devices. means any substance or product containing tobacco leaf, including, but not limited to, cigars, cigarettes, snuff, chewing tobacco, dipping tobacco or cigarette paper or wrappers.

1137.03. General rule; application required. Subdivision 1. It is unlawful to buy for retail sale, sell at retail, or otherwise dispose for consideration tobacco without a license. (Amended, Ord. No. 2012-01, Sec. 1)

Subd. 2. Application required; contents. An application form provided by the city clerk must be completed by every applicant for a new license or for renewal of an existing license. Every new applicant must provide all the following information:

- a) Applicant name and address, including the name of the business if it is to be conducted under a designation, name, or style other than the name of the applicant as a natural person, and a copy of the certificate issued by the Minnesota Secretary of State, as required by Minnesota Statutes, Section 333.01 as it may be amended.
- b) If the applicant does not own the business premises, a true and complete copy of the executed lease.

Subd. 3. Application execution. All applications for a license under this chapter must be signed and certified by the applicant. If the application is that of a natural person, it must be signed and certified by such person; if that of a corporation, by an officer thereof; if that of a partnership, by one of the general partners; and if that of an unincorporated association, by the manager or managing officer thereof.

Subd. 4 Combination applications. The information required of the licensee may be combined with the application requirements of an additional license, such as licenses regulated by Section 1200 to minimize duplication in the application process.

Subd. 5. Financial responsibility. Prior to the issuance of a license the applicant must file with the city clerk satisfactory evidence of financial responsibility. "Satisfactory evidence of financial responsibility" shall be shown by a certification under oath that the property taxes, public utility bills, and all state and federal taxes or other governmental obligations or claims concerning the business entity applying for the license are current, and that no notice of delinquency or default has been issued, or if any of the financial obligations stated in this subsection are delinquent or in default, that any such delinquency or default is subject to a payment plan or other agreement approved by the applicable governmental entity. "Satisfactory evidence of financial responsibility" as required by this subsection shall in addition be shown by any individual applicant and all individual owners and/or shareholders of the business entity. Operation of a business licensed under this section without having on-going evidence on file with the city of the financial responsibility required by this subdivision is grounds for revocation or suspension of the license.

1137.05. Fees. The license fee is set by appendix IV. The license expires on December 31 annually. The license fee may be prorated for a portion of a year.

1137.07. Restriction. A tobacco product license will not be issued for a movable place of business. The license is issued only for the sale of tobacco products at a specific place of business.

1137.09. Prohibited sales and use. Subdivision 1. Sales to minors. It is unlawful to sell, offer for sale or deliver tobacco to a person under the age of 18 years.

Subd. 2. Use by minors. It is unlawful for any person under the age of 18 years to purchase, possess, or consume tobacco.

Subd. 3. Vending machines. The sale of tobacco by coin operated vending machines is prohibited.

Subd. 4. Individual packages. It is unlawful to offer for sale or to sell (i) cigarettes packaged in units smaller than a carton containing ten packages or (ii) single packages of smokeless tobacco in open displays that are accessible to the public without the intervention of a store employee.

1137.11. Penalties. Subdivision 1. Misdemeanors. A person who violates this section or Minnesota Statutes Chapter 297F, each as amended, is guilty of a misdemeanor. (Amended, Ord. No. 2012-01, Sec. 2)

Subd. 2. Administrative civil penalties; individuals. A person who sells tobacco to a person under the age of 18 years is subject to an administrative penalty. A person under the age of 18 who attempts to purchase tobacco is subject to an administrative penalty. The city council may impose administrative penalties under this subdivision as follows:

First violation: a civil fine in an amount up to \$750.

Second violation within 24 months after the first violation: a civil fine in an amount up to \$1,500.

Third violation within 24 months after the first violation: a civil fine in an amount up to \$2,000. (Amended, Ord. No. 2001-07, Sec. 1; Ord. No. 2014 - 01)

Subd. 3. Administrative civil penalties; licensee. If a licensee or an employee of a licensee is found to have sold tobacco to a person under the age of 18 years, or committed a violation of Minnesota Statutes Chapter 297F, as amended, the city council may impose an administrative penalty as follows: (Amended, Ord. No. 2012-01, Sec. 2)

First violation: a civil fine in an amount up to \$750 and license suspension for a period up to one day.

Second violation within 24 months after the first violation: a civil fine in an amount up to \$1,500 and suspension of license for a period of up to 5 days.

Third violation within 24 months after the first violation: a civil fine in an amount up to \$2,000 and suspension of license for a period of up to 10 days.

Fourth violation within 36 months after the first violation: revocation of license. (Amended, Ord. No. 2001-07, Sec. 2; Ord. No. 2002-09, Sec. 1, Ord. No. 2014-1)

Subd. 4. Defense. It is an affirmative defense to a charge of selling tobacco to a person under the age of 18 years in violation of this section that the licensee or individual making the sale relied in good faith upon proof of age as described in Minnesota Statutes, section 340A.503, subdivision 6.

Subd. 5. Education and training. In addition to or in lieu of any other penalty imposed under this section, any person under the age of 18 years who purchases, possesses, or consumes tobacco may be required to attend an educational seminar approved by the chief of police regarding the legal and medical implications of tobacco use.

Subd. 6. Presumptions regarding administrative penalties. The administrative penalties described in subdivisions 2 and 3 of this section are the presumed sanctions for the violations indicated. In the event of any license suspension imposed under subdivision 3, the city council may select which days a suspension will be served. Notwithstanding the provisions of subdivision 3, a license may be revoked for any violation of this section when in the judgment of the council it is appropriate to do so. The city council may impose lesser penalties under subdivisions 2 and 3 when in the judgment of the council it is appropriate to do so, provided that in no event will the amount of any fine or period of suspension be less than the amounts and periods specified in Minnesota Statutes, section 461.12, subdivisions 2 and 3, as amended. The city council may by resolution revise the amount of the above civil penalties stated in subdivisions 2 and 3 above, in Appendix IV. Other mandatory requirements may be made of the establishment, including but not limited to, meetings with the Police Department staff to present a plan of action to assure that the problem will not continue, mandatory education sessions with Crime Prevention staff, or other actions that the City Council deems appropriate. (Added, Ord. No. 2001-07, Sec. 3, Amended, Ord. No. 2012-01, Sec. 2)

1137.13. Compliance monitoring. Subdivision 1. The police department must periodically, but at least once a year, perform compliance checks on all cigarette licensees in the city. License applicants must be informed of this policy at the time of license application and renewal. Violators of this section may be subject to more frequent compliance monitoring than non-violating licensees. The police department must make an annual report to the city council on the compliance checks conducted pursuant to this section.

Subd. 2. Exemption. A person no younger than 15 nor older than 17 may be enlisted by the police department to assist in the compliance checks provided that (i) written consent from the person's parent or guardian has been obtained, and (ii) that the person must at all times act only under the direct supervision of a law enforcement officer or an employee of the licensing department or in conjunction with an in-house program that has been pre-approved by the police department. A person who purchases or attempts to purchase tobacco while acting in this capacity is exempt from the penalties imposed by this section.

Subd. 3. Additional checks. If a licensee or employee of a licensee is guilty of a second violation within the 24-month period since the initial violation, the police department must conduct at least one compliance check at that licensed premises within the time remaining in that 24-month period.