

1 *Senate* BILL NO. *248*
 2 INTRODUCED BY *Deeble*

3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT PERMITTING THE
 5 DEPARTMENT OF REVENUE TO LICENSE THE CATERING OF ALCOHOLIC
 6 BEVERAGES OFF THE PREMISES OF A TAVERN; AMENDING SECTION
 7 4-4-206, R.C.M. 1947."

8
 9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10 Section 1. Section 4-4-206, R.C.M. 1947, is amended to
 11 read as follows:

12 "4-4-206. Contents of license -- posting -- privilege
 13 -- transfer -- expiration. (1) Every license issued under
 14 this code shall set forth the name of the person to whom
 15 issued, the location by street and number, or other
 16 appropriate specific description of location if no street
 17 address exists, of the premises where the business is to be
 18 carried on under said license, and such other information as
 19 the department shall deem necessary. If the licensee is a
 20 partnership or if more than one person has any interest in
 21 the business operated under the license, the names of all
 22 persons in the partnership or interested in the business
 23 must appear on the license. Every license must be posted in
 24 a conspicuous place on the premises wherein the business
 25 authorized under the license is conducted and such license

1 shall be exhibited upon request to any authorized
 2 representative of the department or to any peace officer of
 3 the state of Montana.

4 (2) Any license issued under the provisions of this
 5 code shall be considered a privilege personal to the
 6 licensee named in the license and shall be good until the
 7 expiration of the license, unless sooner revoked or
 8 suspended. A license may be transferred to the executor or
 9 administrator of the estate of any deceased licensee when
 10 such estate consists in whole or in part of the business of
 11 selling liquor under a license and in such event the license
 12 may descend or be disposed of with the business to which it
 13 is applicable under appropriate probate proceedings.

14 (3) In the event of a major loss or damage to licensed
 15 premises by unforeseen natural causes, or in case of
 16 expiration of lease of the licensed premises, or in the
 17 event of eviction or increase of rent by the landlord, in
 18 case of rented, licensed premises, or in case of proposed
 19 removal of license to premises as substantially suited for
 20 the retail liquor business as the premises vacated, the
 21 licensee may apply to the department for a transfer of the
 22 license to a different premises, the department may in its
 23 discretion permit a transfer in such cases if it appears to
 24 the department that such a transfer is required to do
 25 justice to the licensee applying for the transfer. The

1 department shall in no event, nor for any cause, permit a
 2 transfer to a different premises where the sanitary, health
 3 and service facilities are less satisfactory than such
 4 facilities which exist or had existed at the premises from
 5 which the transfer is proposed to be made.

6 (4) Upon a bona fide sale of the business operated
 7 under any license the license may be transferred to a
 8 qualified purchaser. No transfer of any license as to
 9 person or location shall be effective unless and until
 10 approved by the department and any licensee or transferee or
 11 proposed transferee who operates or attempts to operate
 12 under any supposedly transferred license prior to the
 13 approval of such transfer by the department, endorsed upon
 14 the license in writing, shall be considered as operating
 15 without a license and the license affected may be revoked or
 16 suspended by the department; however, the department may,
 17 within its discretion permit a qualified purchaser to
 18 operate the business to be transferred pending final
 19 approval, providing the application for transfer has been
 20 filed with the department.

21 (a) A license may be transferred to a new ownership
 22 and to a location outside the quota area for which it was
 23 originally issued only when the following criteria are met:

24 (i) the total number of all-beverages licenses in the
 25 original quota area exceeded the quota for that area by at

1 least twenty-five percent (25%) in the most recent census;
 2 and

3 (ii) the total number of all-beverages licenses in the
 4 quota area to which the license would be transferred did not
 5 exceed that area's quota by more than twenty-five percent
 6 (25%) in the most recent census; and

7 (iii) the department finds, after a public hearing,
 8 that the public convenience and necessity would be served by
 9 such a transfer.

10 (b) A license transferred between quota areas under
 11 this section may not be mortgaged or pledged as security,
 12 and may not be transferred to another person, except for a
 13 transfer by inheritance upon the death of the licensee. A
 14 license transferred between quota areas under this section
 15 may be held only by natural persons. For the purpose of
 16 this section, natural persons shall not include limited
 17 partnerships or other business entities of any kind in which
 18 each natural person is not a full participant in the
 19 ownership and operation of the business authorized by the
 20 license.

21 (5) The department may issue a catering endorsement to
 22 an all-beverages license, upon application by the licensee
 23 and finding that the licensee is equipped to cater to
 24 gatherings of persons upon premises other than his tavern by
 25 furnishing alcoholic beverages to such persons on a sporadic

1 and unscheduled basis. The licensee shall obtain prior
2 written approval from the department for each gathering he
3 intends to cater and shall display this approval on the
4 premises in which the catered gathering occurs. The fees
5 are \$50 for the catering endorsement and \$10 for each prior
6 written approval.

7 (6) Except as above provided, no license shall be
8 transferred or sold, nor shall it be used for any place of
9 business not described in the license, provided however,
10 that such license may be subject to mortgage and other valid
11 liens, in which event the name of the mortgagee, upon
12 application to and approval of the department, must be
13 endorsed on the license. All licenses shall expire at
14 midnight of June thirtieth of each year."

-End-

STATE OF MONTANA

REQUEST NO. 188-77

FISCAL NOTE

Form BD-15

In compliance with a written request received January 25, 19 77, there is hereby submitted a Fiscal Note for Senate Bill 248 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly.

Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION

This bill permits the Department of Revenue to license the catering of alcoholic beverages off the premises of a tavern.

ASSUMPTIONS

1. There will be 25 catering endorsements issued @ \$50 each.
2. There will be 60 prior written approvals for catering gatherings @ \$10 each.

FISCAL IMPACT

	FY 78			FY 79		
	Under	Under	Increase	Under	Under	Increase
	Current	Proposed		Current	Proposed	
	Law	Law		Law	Law	
Liquor License Catering Endorsement	\$ 0	\$1250	\$1250	\$ 0	\$1250	\$1250
Catering prior approvals	\$ 0	\$ 600	\$ 600	\$ 0	\$ 600	\$ 600
TOTAL REVENUE	<u>\$ 0</u>	<u>\$1850</u>	<u>\$1850</u>	<u>\$ 0</u>	<u>\$1850</u>	<u>\$1850</u>

PREPARED BY DEPARTMENT OF REVENUE

Robert P. J. [Signature]
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1-26-77

Approved by Committee
on Business and Industry

Senate BILL NO. 248
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SB 248

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