

SENATE BILL NO. 231

INTRODUCED BY ELLIOTT

BY REQUEST OF THE DEPARTMENT OF REVENUE

IN THE SENATE

January 22, 1981	Introduced and referred to Committee on Taxation.
February 18, 1981	Committee recommend bill do pass as amended. Report adopted.
February 19, 1981	Bill printed and placed on members' desks.
February 20, 1981	Second reading, do pass.
February 23, 1981	Correctly engrossed.
February 24, 1981	Third reading, passed. Ayes, 50; Noes, 0. Transmitted to House.

IN THE HOUSE

March 2, 1981	Introduced and referred to Committee on Taxation.
March 16, 1981	Committee recommend bill be concurred in. Report adopted.
March 19, 1981	Second reading, not concurred in.  Bill segregated and rereferred to Committee on Taxation.
March 28, 1981	Committee recommend bill be concurred in. Report adopted.

March 30, 1981

Second reading, concurred in as amended.

On motion rules suspended and bill placed on third reading this day.

March 31, 1981

Third reading, concurred in as amended. Ayes, 73; Noes, 18.

On motion rules suspended and bill allowed to be transmitted on 71st legislative day. Motion adopted.

#### IN THE SENATE

April 1, 1981

Returned from House with amendments.

April 3, 1981

Second reading, amendments concurred in.

April 6, 1981

Third reading, amendments concurred in. Ayes, 49; Noes, 0. Sent to enrolling.

Reported correctly enrolled.

1 *House* BILL NO. 231  
 2 INTRODUCED BY *Elliott*  
 3 BY REQUEST OF THE DEPARTMENT OF REVENUE

4  
 5 A BILL FOR AN ACT ENTITLED: "AN ACT TO REVISE THE ALCOHOLIC  
 6 BEVERAGE LICENSING LAWS AS THEY RELATE TO CORPORATE LICENSE  
 7 APPLICANTS AND LICENSEES; ELIMINATING RESIDENCY REQUIREMENTS  
 8 FOR LICENSES OTHER THAN THOSE FOR ON-PREMISES CONSUMPTION;  
 9 AMENDING SECTIONS 16-4-103, 16-4-108, AND 16-4-401, MCA."

10  
 11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

12 Section 1. Section 16-4-103, MCA, is amended to read:

13 "16-4-103. Wholesalers' licenses -- application for  
 14 and issuance -- subwarehouses -- imported beer handled  
 15 through warehouse or subwarehouse. (1) Any person desiring  
 16 to sell and distribute beer as a wholesaler under the  
 17 provisions of this code shall apply to the department for a  
 18 license to do so and tender with his application the license  
 19 fee provided for, and the department is hereby empowered,  
 20 authorized, and directed to issue wholesale licenses to  
 21 qualified applicants in accordance with the provisions of  
 22 this code. Such license shall be at all times prominently  
 23 displayed in the place of business of such wholesaler.

24 (2) ~~To qualify for a wholesaler's license the~~  
 25 ~~applicant shall be a resident of Montana provided however~~

1 ~~any individual or partnership which has been licensed as a~~  
 2 ~~beer wholesaler may upon incorporation in accordance with~~  
 3 ~~the laws of the state of Montana transfer such license to~~  
 4 ~~the corporation if a majority of the capital stock thereof~~  
 5 ~~is held by said individual or the members of said~~  
 6 ~~partnership if applicant is a foreign corporation, said~~  
 7 ~~corporation shall be authorized to do business in Montana~~  
 8 ~~Said An applicant shall have a fixed place of business,~~  
 9 ~~sufficient capital, the facilities, storehouse, receiving~~  
 10 ~~house, or warehouse for the receiving of, storage, handling,~~  
 11 ~~and moving of beer in large and jobbing quantities for~~  
 12 ~~distribution and sale in original packages to other licensed~~  
 13 ~~wholesalers or licensed retailers. Each wholesaler shall be~~  
 14 ~~is entitled to only one wholesale license, which license~~  
 15 ~~shall be issued for his principal place of business in~~  
 16 ~~Montana. A duplicate license may be issued for one~~  
 17 ~~subwarehouse only, in Montana, for each wholesale licensee.~~  
 18 ~~Said the duplicate license shall at all times be prominently~~  
 19 ~~displayed at said subwarehouse.~~

20 (3) If the applicant is a foreign corporation, the  
 21 corporation must be authorized to do business in Montana."

22 Section 2. Section 16-4-108, MCA, is amended to read:

23 "16-4-108. Wine distributor's license. (1) Any person  
 24 desiring to sell and distribute table wine at wholesale to  
 25 retailers under the provisions of this code shall apply to

1 the department of revenue for a license to do so and shall  
2 tender with his application the annual license fee of \$400  
3 and the department may issue licenses to qualified  
4 applicants in accordance with the provisions of this code.

5 (2) All table wine distributors' licenses issued in  
6 any year shall expire on June 30 at midnight of such year.

7 (3) No license fee may be imposed upon table wine  
8 distributors by a municipality or any other political  
9 subdivision of the state.

10 (4) The license shall be at all times prominently  
11 displayed in the place of business of such table wine  
12 distributor.

13 (5) ~~To qualify for a table wine distributor's license~~  
14 ~~the applicant shall be a resident of Montana; provided,~~  
15 ~~however, any individual or partnership which has been~~  
16 ~~licensed as a table wine distributor may, upon incorporation~~  
17 ~~in accordance with the laws of Montana, transfer such~~  
18 ~~license to the corporation if a majority of the capital~~  
19 ~~stock thereof is held by said individual or the members of~~  
20 ~~said partnership or if applicant is a foreign corporation~~  
21 ~~said corporation shall be authorized to do business in~~  
22 ~~Montana; and said~~ An applicant shall have a fixed place of  
23 business, sufficient capital, the facilities, storehouse,  
24 receiving house or warehouse for the receiving of, storage,  
25 handling, and moving of table wine in large and jobbing

1 quantities for distribution and sale in original packages to  
2 other licensed table wine distributors or licensed  
3 retailers. Each table wine distributor ~~shall be~~ is entitled  
4 to only one wholesale table wine license, which license  
5 shall be issued for his principal place of business in  
6 Montana; ~~and~~ A duplicate license may be issued for one  
7 subwarehouse only in Montana for each table wine  
8 distributor's license; ~~which said~~ The duplicate license  
9 shall at all times be prominently displayed at said  
10 subwarehouse. A table wine distributor may also hold a  
11 license to sell beer at wholesale but shall not hold or have  
12 any interest, direct or indirect, in any license to sell  
13 beer, wine, or liquor at retail.

14 ~~(6) If the applicant is a foreign corporation, the~~  
15 ~~corporation must be authorized to do business in Montana.~~

16 Section 3. Section 16-4-401, MCA, is amended to read:  
17 "16-4-401. License as privilege -- criteria for  
18 decision on application. (1) A license under this code is a  
19 privilege which the state may grant to an applicant and is  
20 not a right to which any applicant is entitled.

21 ~~(2) The Except as provided in subsection (5), in the~~  
22 ~~case of a license that permits on-premises consumption, the~~  
23 department must find in every case where it makes an order  
24 for the issuance of a new license or for the approval of the  
25 transfer of a license that:

(a) in the case of an individual applicant:

~~(1)~~(i) neither the applicant nor any member of his immediate family has an ownership interest in any other establishment licensed under this chapter for all-beverages sales;

~~(2)~~(ii) the applicant or any member of his immediate family is without financing from or any affiliation to a manufacturer, bottler, or distributor of beer, wine, or liquor;

~~(3)~~(iii) the applicant is a resident of the state and is qualified to vote in a state election;

~~(4)~~(iv) the applicant's past record and present status as a purveyor of alcoholic beverages and as a businessman and citizen demonstrate that he is likely to operate his establishment in compliance with all applicable laws of the state and local governments; and

~~(5)~~(v) the applicant is not under the age of 19 years; and

(b) in the case of a corporate applicant:

(i) the owners of at least 51% of the outstanding stock meet the requirements of subsection (2)(a)(iii);

(ii) each owner of 10% or more of the outstanding stock meets the requirements for an individual applicant listed in subsection (2)(a) of this section; and

(iii) the corporation is authorized to do business in

Montana.

(3) In the case of a license that permits only off-premises consumption or that is for the manufacture or wholesaling of an alcoholic beverage, the department must find in every case where it makes an order for the issuance of a new license or for the approval of the transfer of a license that:

(a) in the case of an individual applicant:

(i) neither the applicant nor any member of his immediate family has an ownership interest in any other establishment licensed under this chapter for all-beverages sales;

(ii) the applicant or any member of his immediate family is without financing from or any affiliation to a manufacturer, bottler, or distributor of beer, wine, or liquor;

(iii) the applicant has not been convicted of a felony or, if the applicant has been convicted of a felony, his rights have been restored;

(iv) the applicant's past record and present status as a purveyor of alcoholic beverages and as a businessman and citizen demonstrate that he is likely to operate his establishment in compliance with all applicable laws of the state and local governments; and

(v) the applicant is not under the age of 19 years;

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1 and

2 (b) in the case of a corporate applicant:

3 (i) the owners of at least 51% of the outstanding  
4 stock meet the requirements of subsection (3)(a)(iii);

5 (ii) each owner of 10% or more of the outstanding stock  
6 meets the requirements for an individual listed in  
7 subsection (3)(a) of this section; and

8 (iii) the corporation is authorized to do business in  
9 Montana.

10 (4) In the case of a corporate applicant, the  
11 requirements of subsections (2)(b) and (3)(b) apply  
12 separately to each class of stock.

13 (5) The provisions of subsection (2) do not apply to  
14 an applicant for or holder of a license pursuant to  
15 16-4-302."

-End-

Approved by Committee  
on Taxation

SENATE BILL NO. 231

INTRODUCED BY ELLIOTT

BY REQUEST OF THE DEPARTMENT OF REVENUE

A BILL FOR AN ACT ENTITLED: "AN ACT TO REVISE THE ALCOHOLIC BEVERAGE LICENSING LAWS AS THEY RELATE TO CORPORATE LICENSE APPLICANTS AND LICENSEES; ELIMINATING RESIDENCY REQUIREMENTS FOR LICENSES OTHER THAN THOSE FOR ON-PREMISES CONSUMPTION; AMENDING SECTIONS 16-4-103, 16-4-108, AND 16-4-401, MCA."

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

Section 1. Section 16-4-103, MCA, is amended to read:

"16-4-103. Wholesalers' licenses -- application for and issuance -- subwarehouses -- imported beer handled through warehouse or subwarehouse. (1) Any person desiring to sell and distribute beer as a wholesaler under the provisions of this code shall apply to the department for a license to do so and tender with his application the license fee provided for, and the department is hereby empowered, authorized, and directed to issue wholesale licenses to qualified applicants in accordance with the provisions of this code. Such license shall be at all times prominently displayed in the place of business of such wholesaler.

(2) ~~to qualify for a wholesaler's license, the applicant shall be a resident of Montana; provided, however,~~

~~any individual or partnership which has been licensed as a beer wholesaler may, upon incorporation in accordance with the laws of the state of Montana, transfer such license to the corporation if a majority of the capital stock thereof is held by said individual or the members of said partnership, if applicant is a foreign corporation, said corporation shall be authorized to do business in Montana. Said an applicant shall have a fixed place of business, sufficient capital, the facilities, storehouse, receiving house, or warehouse for the receiving of, storage, handling, and moving of beer in large and jobbing quantities for distribution and sale in original packages to other licensed wholesalers or licensed retailers. Each wholesaler ~~shall be~~ is entitled to only one wholesale license, which license shall be issued for his principal place of business in Montana. A duplicate license may be issued for one subwarehouse only, in Montana, for each wholesale licensee. Said the duplicate license shall at all times be prominently displayed at said subwarehouse.~~

(3) If the applicant is a foreign corporation, the corporation must be authorized to do business in Montana."

Section 2. Section 16-4-108, MCA, is amended to read:

"16-4-108. Wine distributor's license. (1) Any person desiring to sell and distribute table wine at wholesale to retailers under the provisions of this code shall apply to

1 the department of revenue for a license to do so and shall  
2 tender with his application the annual license fee of \$400  
3 and the department may issue licenses to qualified  
4 applicants in accordance with the provisions of this code.

5 (2) All table wine distributors' licenses issued in  
6 any year shall expire on June 30 at midnight of such year.

7 (3) No license fee may be imposed upon table wine  
8 distributors by a municipality or any other political  
9 subdivision of the state.

10 (4) The license shall be at all times prominently  
11 displayed in the place of business of such table wine  
12 distributor.

13 (5) ~~To qualify for a table wine distributor's license~~  
14 ~~the applicant shall be a resident of Montana provided,~~  
15 ~~however, any individual or partnership which has been~~  
16 ~~licensed as a table wine distributor may upon incorporation~~  
17 ~~in accordance with the laws of Montana transfer such~~  
18 ~~license to the corporation if a majority of the capital~~  
19 ~~stock thereof is held by said individual or the members of~~  
20 ~~said partnership or if applicant is a foreign corporation~~  
21 ~~said corporation shall be authorized to do business in~~  
22 ~~Montana and said~~ An applicant shall have a fixed place of  
23 business, sufficient capital, the facilities, storehouse,  
24 receiving house or warehouse for the receiving of, storage,  
25 handling, and moving of table wine in large and jobbing

1 quantities for distribution and sale in original packages to  
2 other licensed table wine distributors or licensed  
3 retailers. Each table wine distributor shall be is entitled  
4 to only one wholesale table wine license, which license  
5 shall be issued for his principal place of business in  
6 Montana ~~and~~ A duplicate license may be issued for one  
7 subwarehouse only in Montana for each table wine  
8 distributor's license ~~which said~~ The duplicate license  
9 shall at all times be prominently displayed at said  
10 subwarehouse. A table wine distributor may also hold a  
11 license to sell beer at wholesale but shall not hold or have  
12 any interest, direct or indirect, in any license to sell  
13 beer, wine, or liquor at retail.

14 (6) If the applicant is a foreign corporation, the  
15 corporation must be authorized to do business in Montana.

16 Section 3. Section 16-4-401, MCA, is amended to read:  
17 "16-4-401. License as privilege -- criteria for  
18 decision on application. (1) A license under this code is a  
19 privilege which the state may grant to an applicant and is  
20 not a right to which any applicant is entitled.

21 (2) ~~The~~ Except as provided in subsection (5), in the  
22 case of a license that permits on-premises consumption, the  
23 department must find in every case where it makes an order  
24 for the issuance of a new license or for the approval of the  
25 transfer of a license that:



1       (a) in the case of an individual applicant:  
 2       (1) neither the applicant nor any member of his  
 3 immediate family has an ownership interest in any other  
 4 establishment licensed under this chapter for all-beverages  
 5 sales;  
 6       (2) (ii) the applicant or any member of his immediate  
 7 family is without financing from or any affiliation to a  
 8 manufacturer, bottler, or distributor of beer, wine, or  
 9 liquor;  
 10       (3) (iii) the applicant is a resident of the state and  
 11 is qualified to vote in a state election;  
 12       (4) (iv) the applicant's past record and present status  
 13 as a purveyor of alcoholic beverages and as a businessman  
 14 and citizen demonstrate that he is likely to operate his  
 15 establishment in compliance with all applicable laws of the  
 16 state and local governments; and  
 17       (5) (v) the applicant is not under the age of 19  
 18 years; and  
 19       (b) in the case of a corporate applicant:  
 20       (i) the owners of at least 51% of the outstanding  
 21 stock meet the requirements of subsection (2)(a)(iii);  
 22       (ii) each owner of 10% or more of the outstanding stock  
 23 meets the requirements for an individual applicant listed in  
 24 subsection (2)(a) of this section; and  
 25       (iii) the corporation is authorized to do business in

1       Montana; AND  
 2       (IV) IN THE CASE OF A CORPORATION NOT LISTED ON A  
 3 NATIONAL STOCK EXCHANGE, EACH OWNER OF STOCK MEETS THE  
 4 REQUIREMENTS OF SUBSECTION (2)(A)(I).  
 5       (3) In the case of a license that permits only  
 6 off-premises consumption or that is for the manufacture or  
 7 wholesaling of an alcoholic beverage, the department must  
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 22 rights have been restored;  
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 24 a purveyor of alcoholic beverages and as a businessman and  
 25 citizen demonstrate that he is likely to operate his

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7 stock meet the requirements of subsection (3)(a)(iii);

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11 (iii) the corporation is authorized to do business in  
12 Montana.

13 (4) In the case of a corporate applicant, the  
14 requirements of subsections (2)(b) and (3)(b) apply  
15 separately to each class of stock.

16 (5) The provisions of subsection (2) do not apply to  
17 an applicant for or holder of a license pursuant to  
18 16-4-302."

-End-

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25 retailers under the provisions of this code shall apply to

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6 any year shall expire on June 30 at midnight of such year.

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22 case of a license that permits on-premises consumption, the  
23 department must find in every case where it makes an order  
24 for the issuance of a new license or for the approval of the  
25 transfer of a license that:

1 (a) in the case of an individual applicant:

2 (1)(i) neither the applicant nor any member of his  
3 immediate family has an ownership interest in any other  
4 establishment licensed under this chapter for all-beverages  
5 sales;

6 (2)(ii) the applicant or any member of his immediate  
7 family is without financing from or any affiliation to a  
8 manufacturer, bottler, or distributor of beer, wine, or  
9 liquor;

10 (3)(iii) the applicant is a resident of the state and  
11 is qualified to vote in a state election;

12 (4)(iv) the applicant's past record and present status  
13 as a purveyor of alcoholic beverages and as a businessman  
14 and citizen demonstrate that he is likely to operate his  
15 establishment in compliance with all applicable laws of the  
16 state and local governments; and

17 (5)(v) the applicant is not under the age of 19  
18 years; and

19 (b) in the case of a corporate applicant:

20 (i) the owners of at least 51% of the outstanding  
21 stock meet the requirements of subsection (2)(a)(iii);

22 (ii) each owner of 10% or more of the outstanding stock  
23 meets the requirements for an individual applicant listed in  
24 subsection (2)(a) of this section; and

25 (iii) the corporation is authorized to do business in

1 Montana; AND

2 (IV) IN THE CASE OF A CORPORATION NOT LISTED ON A  
3 NATIONAL STOCK EXCHANGE, EACH OWNER OF STOCK MEETS THE  
4 REQUIREMENTS OF SUBSECTION (2)(A)(I).

5 (3) In the case of a license that permits only  
6 off-premises consumption or that is for the manufacture or  
7 wholesaling of an alcoholic beverage, the department must  
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22 rights have been restored;

23 (iv) the applicant's past record and present status as  
24 a purveyor of alcoholic beverages and as a businessman and  
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10 subsection (3)(a) of this section; and  
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12 Montana.  
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17 an applicant for or holder of a license pursuant to  
18 16-4-302."

-End-

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A BILL FOR AN ACT ENTITLED: "AN ACT TO REVISE THE ALCOHOLIC BEVERAGE LICENSING LAWS AS THEY RELATE TO CORPORATE LICENSE APPLICANTS AND LICENSEES; ELIMINATING RESIDENCY REQUIREMENTS FOR LICENSES OTHER THAN THOSE FOR ON-PREMISES CONSUMPTION; AND PROVIDING FOR LICENSES ISSUED PRIOR TO THE EFFECTIVE DATE OF THIS ACT; AMENDING SECTIONS 16-4-103, 16-4-108, AND 16-4-401, MCA."

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

Section 1. Section 16-4-103, MCA, is amended to read:

"16-4-103. Wholesalers' licenses -- application for and issuance -- subwarehouses -- imported beer handled through warehouse or subwarehouse. (1) Any person desiring to sell and distribute beer as a wholesaler under the provisions of this code shall apply to the department for a license to do so and tender with his application the license fee provided for, and the department is hereby empowered, authorized, and directed to issue wholesale licenses to qualified applicants in accordance with the provisions of this code. Such license shall be at all times prominently displayed in the place of business of such wholesaler.

~~(2) To qualify for a wholesaler's license, the applicant shall be a resident of Montana; provided, however, any individual or partnership which has been licensed as a beer wholesaler may, upon incorporation in accordance with the laws of the state of Montana, transfer such license to the corporation if a majority of the capital stock thereof is held by said individual or the members of said partnership; if applicant is a foreign corporation, said corporation shall be authorized to do business in Montana.~~ Said applicant shall have a fixed place of business, sufficient capital, the facilities, storehouse, receiving house, or warehouse for the receiving of, storage, handling, and moving of beer in large and jobbing quantities for distribution and sale in original packages to other licensed wholesalers or licensed retailers. Each wholesaler shall be entitled to only one wholesale license, which license shall be issued for his principal place of business in Montana. A duplicate license may be issued for one subwarehouse only, in Montana, for each wholesale licensee. ~~Said~~ The duplicate license shall at all times be prominently displayed at said subwarehouse.

(3) If the applicant is a foreign corporation, the corporation must be authorized to do business in Montana."

Section 2. Section 16-4-108, MCA, is amended to read:

"16-4-108. Wine distributor's license. (1) Any person

1 desiring to sell and distribute table wine at wholesale to  
 2 retailers under the provisions of this code shall apply to  
 3 the department of revenue for a license to do so and shall  
 4 tender with his application the annual license fee of \$400  
 5 and the department may issue licenses to qualified  
 6 applicants in accordance with the provisions of this code.

7 (2) All table wine distributors' licenses issued in  
 8 any year shall expire on June 30 at midnight of such year.

9 (3) No license fee may be imposed upon table wine  
 10 distributors by a municipality or any other political  
 11 subdivision of the state.

12 (4) The license shall be at all times prominently  
 13 displayed in the place of business of such table wine  
 14 distributor.

15 (5) ~~To qualify for a table wine distributor's license~~  
 16 ~~the applicant shall be a resident of Montana provided,~~  
 17 ~~however, any individual or partnership which has been~~  
 18 ~~licensed as a table wine distributor may, upon incorporation~~  
 19 ~~in accordance with the laws of Montana, transfer such~~  
 20 ~~license to the corporation if a majority of the capital~~  
 21 ~~stock thereof is held by said individual or the members of~~  
 22 ~~said partnership or if applicant is a foreign corporation~~  
 23 ~~said corporation shall be authorized to do business in~~  
 24 ~~Montana and said An applicant shall have a fixed place of~~  
 25 business, sufficient capital, the facilities, storehouse,

1 receiving house or warehouse for the receiving of, storage,  
 2 handling, and moving of table wine in large and jobbing  
 3 quantities for distribution and sale in original packages to  
 4 other licensed table wine distributors or licensed  
 5 retailers. Each table wine distributor ~~shall be~~ is entitled  
 6 to only one wholesale table wine license, which license  
 7 shall be issued for his principal place of business in  
 8 Montana ~~and~~ A duplicate license may be issued for one  
 9 subwarehouse only in Montana for each table wine  
 10 distributor's license ~~which said~~ The duplicate license  
 11 shall at all times be prominently displayed at said  
 12 subwarehouse. A table wine distributor may also hold a  
 13 license to sell beer at wholesale but shall not hold or have  
 14 any interest, direct or indirect, in any license to sell  
 15 beer, wine, or liquor at retail.

16 (6) If the applicant is a foreign corporation, the  
 17 corporation must be authorized to do business in Montana."

18 Section 3. Section 16-4-401, MCA, is amended to read:  
 19 "16-4-401. License as privilege -- criteria for  
 20 decision on application. (1) A license under this code is a  
 21 privilege which the state may grant to an applicant and is  
 22 not a right to which any applicant is entitled.

23 (2) The Except as provided in subsection (5), in the  
 24 case of a license that permits on-premises consumption, the  
 25 department must find in every case where it makes an order



1 for the issuance of a new license or for the approval of the  
2 transfer of a license that:

3 (a) in the case of an individual applicant:

4 ~~(1)~~(i) neither the applicant nor any member of his  
5 immediate family has an ownership interest in any other  
6 establishment licensed under this chapter for all-beverages  
7 sales;

8 ~~(2)~~(ii) the applicant or any member of his immediate  
9 family is without financing from or any affiliation to a  
10 manufacturer, bottler, or distributor of beer, wine, or  
11 liquor;

12 ~~(3)~~(iii) the applicant is a resident of the state and  
13 is qualified to vote in a state election;

14 ~~(4)~~(iv) the applicant's past record and present status  
15 as a purveyor of alcoholic beverages and as a businessman  
16 and citizen demonstrate that he is likely to operate his  
17 establishment in compliance with all applicable laws of the  
18 state and local governments; and

19 ~~(5)~~(v) the applicant is not under the age of 19  
20 years; and

21 (b) in the case of a corporate applicant:

22 (i) the owners of at least 51% of the outstanding  
23 stock meet the requirements of subsection (2)(a)(iii);

24 (ii) each owner of 10% or more of the outstanding stock  
25 meets the requirements for an individual applicant listed in

1 subsection (2)(a) of this section; and

2 (iii) the corporation is authorized to do business in  
3 Montana; AND

4 (IV) IN THE CASE OF A CORPORATION NOT LISTED ON A  
5 NATIONAL STOCK EXCHANGE, EACH OWNER OF STOCK MEETS THE  
6 REQUIREMENTS OF SUBSECTION (2)(A)(I).

7 (3) In the case of a license that permits only  
8 off-premises consumption or that is for the manufacture or  
9 wholesaling of an alcoholic beverage, the department must  
10 find in every case where it makes an order for the issuance  
11 of a new license or for the approval of the transfer of a  
12 license that:

13 (a) in the case of an individual applicant:

14 (i) neither the applicant nor any member of his  
15 immediate family has an ownership interest in any other  
16 establishment licensed under this chapter for all-beverages  
17 sales;

18 (ii) the applicant or any member of his immediate  
19 family is without financing from or any affiliation to a  
20 manufacturer, bottler, or distributor of beer, wine, or  
21 liquor;

22 (iii) the applicant has not been convicted of a felony  
23 or, if the applicant has been convicted of a felony, his  
24 rights have been restored;

25 (iv) the applicant's past record and present status as

1 a purveyor of alcoholic beverages and as a businessman and  
2 citizen demonstrate that he is likely to operate his  
3 establishment in compliance with all applicable laws of the  
4 state and local governments; and

5 (v) the applicant is not under the age of 19 years;  
6 and

7 (b) in the case of a corporate applicant:

8 (i) the owners of at least 51% of the outstanding  
9 stock meet the requirements of subsection (3)(a)(iii);

10 (ii) each owner of 10% or more of the outstanding stock  
11 meets the requirements for an individual listed in  
12 subsection (3)(a) of this section; and

13 (iii) the corporation is authorized to do business in  
14 Montana.

15 (4) In the case of a corporate applicant, the  
16 requirements of subsections (2)(b) and (3)(b) apply  
17 separately to each class of stock.

18 (5) The provisions of subsection (2) do not apply to  
19 an applicant for or holder of a license pursuant to  
20 16-4-302."

21 SECTION 4. EFFECT ON EXISTING LICENSES. THE  
22 PROVISIONS OF THIS ACT DO NOT AFFECT THE VALIDITY OF ANY  
23 ALCOHOLIC BEVERAGE LICENSE THAT PERMITS ON-PREMISES  
24 CONSUMPTION AND THAT HAS BEEN ISSUED PRIOR TO THE EFFECTIVE  
25 DATE OF THIS ACT OR THE REISSUANCE OF THE LICENSE.

House amendments to Senate Bill 231:

1. Title, line 9.

Following: line 8

Insert: "AND PROVIDING FOR LICENSES ISSUED PRIOR TO THE  
EFFECTIVE DATE OF THIS ACT;"

2. Page 7.

Following: line 18

Insert: "Section 4. Effect on existing licenses. The  
provisions of this act do not affect the validity of  
any alcoholic beverage license that permits on-premises  
consumption and that has been issued prior to the effective  
date of this act or the reissuance of the license."