SENATE BILL NO. 461
INTRODUCED BY SENATE TAXATION COMMITYEE
GOODOVER, TOHE, MCCALLUM, NORMAN
BY REQUEST OF THE SENATE TAXATION COMMITTER

In THE SENATE

February 13. 1901

February 21, 1981

February 23, 1981

February 24, 1981
Pebruary 25, 1981
introduced and referred to Comittee on Taxation.

Comaittee recommend bill do pass as amended. Report adopted.

Bill printed and placed on members' desks.
second reading, do pass.
On motion rules aspended. Bill placed on calendar for third reading this day.

Third reading, passed. Ayes, 46; Noes, 3. Transaitted to bouse.

IN THE BOOSE

March 3, 1981

March 13. 1981

March 26, 1981
Warch 28, 1981

Introduced and referred to Comittee on musinemand Induetry.

Committeo recommend bill be concurred in. Report adopted.
second reading, concurred in.
Third reading, concurred in. Ayes, 81; Noes, 13.

March 30. 1981

Warch 31. 1981

April 3, 1981
April 9. 1901

April 11. 1981

April 17, 1981

April 20. 1981

Meturned from Houne. Concurred in. . Sent to enrolling.

Correctly enrolled.
Siqned by President.
Delivered to Governor.
Returned Erom Governor with recombended amendments.

Second reading, Governor'z amendments concurred in.

On motion rules sumpended and Governor's amendments placed on calendar for third reading this day.

Third reading, Govarnor's amendments concurred in. Ayes, 49: Noss, 0. mansmitted to House.

IN TAE HOUSE
Second reading, Governor's anendments concurred in.

On motion rules suspended and Governor's amendments placed on third reading this day.

Third reading, Governor's amenament concurred in. Ayes, 79: Noen, 14.

IN THE 3ENATE


intronucei by Sowet Taxithm Commetten
Sordine
a gill for an act entitled: man act to pemove the
restrictions on all-odeverages liquor litenses transferred
from one qudta area to another five years after the transfer
and to allon the transfers of all-beverages licenses to
quota areas that are less than 130 percent over queta, an
INCREASE FROM 125 PERCENT; AMENDING SECTIONS 16-4-202,
16-4-2C4, AND 15-4-591, MCA."
3E It enacted by the legislature of the state of montana:
Section 1. Section 16-4-204, MCA, is amended to read:
"16-4-204. Contents of license -- posting -- privileqe
-- transfer -- expiration. (1) Every license issued uncer
this part shall set forth the name of the person to whor
issued, the location, by street and number or other
appropriate specific description of location if no street
Adoress exists, of the premises where the business is to de
carried on under said license, and such other information as
the department shall deem necessary. If the 1 icensee is a
partaership or if more than one person has any interest in
the business operated under the license, the names of all
persons in the fartnership or interested in the business
must appear on the license. Every license must be posted in a conspicuous place on the premises wherein the business authorized under the license is conducted, and such license shall be exhibited upon request to any authorized representative of the department or to any peace officer of the state of Montana.
(2) Any license issued under the provisions of this part shall be considered a privilege personal to the licensee named in the license and shall be good until the expiration of the license unless sooner revoked or suspended.
(3) A Iicense may be transferred to the executor or administrator of the estate of any deceased 1 icensee when such estate consists in whole or in part of the business of selling liquor under a license, and in such event the license may descend or be disposed of with the business to which it is applicable under appropriate probate proceedings.
(4) In the event of a major loss or damage to licensed premises by unforeseen natural causes or in case of expiration of lease of the licensed premises or in the ovent of eviction or increase of rent by the landlord fin case of rented licensed premises) or in case of proposed removal of license to premises as substantially suited for the retail liquor business as the premises vicated, the licensee may
apply to the department for a transfer of the license to different premises. The department may in its discretion permit a transfer in such cases if it appears to the department that such a transfer is required to do justice to the licansee applying for the transfer. The aepartment shall in no event nor for any cause permit a transfer to different premises where the sanitary, health, and service facilities are less satisfactory than such facilities which exist or had existed at the premises from which the transfer is proposed to be made.
(5) Upon a bona fide sale of the business operated under any iicense, the license may be transferred to a qualified purchaser. No transfer of any license as to person or location shall be effective unless and until approved by the department, and any licensee or transferee or proposed transferee who operates or attempts to operate under any supposedly transferred license prior to the approval of such transfer by the department, endorsed upon the license in writing, shall be considered as operating without a license and the license affected may be revoked or suspended by the department. The department may, within its discretion, perinit a qualified purchaser to operate the business to be transferred pending final approval, providing the application for transfer has been filed with the department. it was originally issued only when the following criterie are met:
(i) the total number of all-beverages liconses in the original quota area exceeded the quota for that area by at Teast 25\% 30\% in the most recent census;
(ij) the total number of all-beverages licenses in the quota area to which the license would be transferred did not exceed that area's quota by more than 25* 30\% in the most recent census; and
(iii) the department finds, after a public hearing,
that the public convenience and necessity would be served by such a transfer.
(b) * Eor 5_years after_the_tcansfer_of a license transferfed between quota areas under this--seetion subsection_(6)(a)e the llcense may not be mortgaged or pledged as security and may not be transferred to another person except for a transfer by inheritence upon the death of the licensee. A license transferred between quota areas under this section may be held only by natural persons for 5 xears_folleming the transfer. For the purpose of this section, natural persons shall not include limited partnerships or other business entities of any kind in which each natural person is not a full participant in the
(6) (a) A license may be transferred to a now ownership and to a location outside the quota area for which -4-

approval of the catering application by the sponsor of the special event, and a fee of $\$ 40$ must be filed with the department at least 10 days prior to the event and shall describe the location of the premises where the event is to be held, the nature of the event, and the period during which the event is to be held. An all-beverage licensee who holds an endorsement granted under this subsection (7) may not receive approval to cater an event of which he is the sponsor. The catered event must be within 100 miles of the licensee's regular place of business. If obtained, the licensee shall display in a prominent place on those premises, the written approval from the department for each event which is catered pursuant to this subsection.
(d) The licensee shall file with each application for an event to be catered a written statement of approval of the premises where the event is to be held issued by the department of health and environmental sciences.
(e) The sale of alcoholic beverages pursuant to 3 catering endorsement is subject to the provisions of 16-6-103.
(f) The sale of alcoholic beverages pursuant to a catering endorsement is subject to the provisions of 16-3-306, unless entities named in 16-3-306 give their written approval.
(9) Except as abave provided, no license shall be

```
transferred or sold nor shall it be used for any place of business not described in the license; provided, however, that such license may be subject to nortqage and other valid liens, in which event the name of the mortgagee, upon application to and approval of the department, must be endorsed on the license.
(9) All licenses shall expire at midnight of June 30 of each year."
Section 2. Section \(16-4-501, M C A\), is amended to read:
"16-4-501. License and permit fees. (1) Each beer licensee 1 icensed to sell either beer or table wine only, or both beer and table wine, under the provisions of this code, shall pay an annual 1 icense fee as follows:
(a) each brewer, wherever located, whose product is sold or offered for sale within the state, \(\$ 500\); for each storage depot, \$400;
(b) each beer wholesaler, \(\$ 400\); each table wine distributor, \$400;
(c) each beer retailery \(\$ 200\); with a wine license amendment, an additional \(\$ 200\);
(d) for a license to sell beer at retail for off-premises consumption only, the same as a retail beer license; for a license to sell table wine at retail for off-premises consumption only, either alone or in conjunction with beer, \(\$ 200\);
```

(e) any unit of a nationally chartered veterans* organization, $\$ 50$.
(2) The permit fee under 16-4-301(1) is computed at the rate of $\$ 15$ a day for each day beer is sold at those events lasting 2 or more days but in no case be less than $\$ 30$.
(2) The permit fee under 16-4-301(2) is $\$ 10$ for the sale of beer only or $\$ 20$ for the sale of all alconolic beverages.
(4) Passenger carrier licenses shall be issued upon payment by the applicant of an annual license fee in the sur of $\$ 300$.
(5) The annual license fee for a license to sell wine on the premises, when issued as an amendment to a beer-only license, is $\$ 200$.
(6) The annual fee for resort retail liquor licenses within a given resort area shall be $\$ 2,000$ for each license.
(7) Each licensee licensed under the quotas of 16-4-201 shall pay an annual license fee as follows:
(a) except as hereinafter provided, for each license outside of incorporated cities and incorporated towns or in incorporated cities and incorporated towns with a population of 1ess than 2,000, $\$ 400$;
(b) except as hereinafter provided, for each incense in incorporated cities with a population of more than 2,000
and less than 5,000 or within a distance of 5 miles thereof, measured in a straight line from the nearest entrance of the premises to be 1 icensed to the nearest boundary of such city. \$500;
(c) except as hereinafter provided, for each license in incorporated cities with a population of more than 5,000 and less than 10,000 or within a distance of 5 miles thereof, measured in a straight line from the nearest entrance of the oremises to be licensed to the nearest boundary of such city, $\$ 850$;
(d) for each license in incorporated cities with a population of $10,00 c$ or more or within a distance of 5 miles thereof, weasured in a straight line from the nearest entrance of the prenises to be licensed to the nearest bcundary of such city, 5800 :
(e) the distance of 5 miles from the corporate 1 imits of any incorporated cities and incorporated towns is measured in a straight line from the nearest entrance of the premises to be licensed to the nearest boundary of such city or towni and where the premises of the applicant to be licensed are situated within 5 miles of the corporate boundaries of two or more incorporated cities or incorporated towns of different populations, the license fee chargeable by the larger incorporated city or incorporated town applies and shall be paid by the applicant. when the
premises of the applicant to be licensed ara situated within an incorporated town or incorporated city and any portion of the incorporated town or incorporated city is without a 5-mile limit, the license fee chargeable by the smaller incorporated town or incorporatad city applies and shall be paid by the applicant.
(f) an applicant for the issuance of an original license to be located in areas described in subsection (d) of this subsection shall pay ane-time original license fee of $\$ 20,000$ for any such license issued. The one-time license fee of $\$ 20,000$ shall not apply tc any transfer or renewal of a license duly issued prior to July 1, 1974. All Jicenses, however, are subject to the annual renewal fee of $\$ 800$.
18)_Ine_holiter_of_a_Ucense_issued_under_the_guetas_of 16=4=201_but_whiche_gursuant to 16-4-204(6)(c)e_is_no_longar considerad__to_ne_a_gugta_license_shall_pay_an_annual_fes equal_te the annual fee that would_be__due__if_the__license were_still a quota_licensee
f8tig) The fee for one all-beverage license to a public airport shall be $\$ 000$. This license is nontransferable.
f9fill The license fees herein provided for are exclusive of and in addition to other license fees chargeable in Montana for the sale of alconolic beverages."

Section 3. Section 16-4-202, $A C A$, is amended to read:
w16-4-202. Rasort 1icenses. (1) It is the intent ana purpose of this section to encourage the growth of quality recreational resort facilities in unceveloped areas of the state and to provide for the orderly growth of existing recreational sites by the establisiment of resort areas within which retail liquor licenses may be issued by the department under the terms and as more particulariy prescribed below. In addition to the licenses as otherwise set forth in [this act], the department may issue resort retail liquor licenses in a resort area.
(2) For the purposes of this section, a rescrt area is defined as a recreatianal facility meeting the qualifications determined by the department as hereinefter provided.
(3) The department shall determine that the area for which licenses are to be issued is a resort area, such determination to be made under and pursuant to rules to be first promulgated on or Before December 31. 1975.
(4) In addition to the other requirements of this code, a resort area, for the purposes of qualification for the issuance of resort retail liquor license, must have a current actual valuation of resort or recreational facilitiesp including land and improveaents thereon, of not less than $\$ 500,000$, at least half of which valuation must be for a structure or structures within the resort erea, and
must be under the sole ownership ar control of one person or entity at the tise of the filing of the resort area plat referred to in subsection (5) of this section. The wicre control shall mean lands held under lease, option, or cermit.
(5) The resort ares must be deterwined by the resort developer or landowner by a plat setting forth the resort boundaries, designating the ownershif of the lands within the resort area, which plat must be verified by the resort developer or landowner and filed with the department prior to the filing of any applications by individuals for licenses within the resort area. Such plat must show the location and general design of the buildings and other iniprovements to be built in said area in which resort retail liquor licenses are to or may be located. A master plan for the development of the area may be filed by the resort developer in satisfaction of this section.
( $\delta$ ) Upon such filing the department shall forthwith schedule a public hearing to be held in Helena, Nontana, to determine whether the facility proposed by the resort developer or landowner is a resort area within the meaning of the rules of the department. At least 30 days nrior to the date of the hearing, the department shall publish notice thereof, with a description of the location of the proposed resort area, in a newspaper published in the county or
counties in which the resort is located, once a week for 4 consecutive weeks. Each resort developer or londowner shall, at the time of filing his apolicationg pay to the cepartment an amount sufficient to cover the costs of said publication.
(7) Persons may present statements to the department at the hearing in person or in writing in opposition or suppert of the plat.
(8) Within 30 days of the hearing, the department shall accept or reject the plat. If rejected the department must state $i \pm s$ reasons and set forth the conditions, if any, urider which the plat will be accepted, and the decision of the department may be reviewed pursuant to the review procedure set forth in 16-4-406.
(9) Dnce filed with the department, the bounderies of a resort may not be chenged without full hearing as above provided and the prior approval of the department, which approval shall be according to public convenience and necessity.
(10) (a) bhen the department has accepted 3 plat and a given resort area has been determined, applications may then be filed with the department by persons for the issuance of resort retail 1iquor 1 icenses within the resort area.
(t) Each applicant must submit plans showing the location, appearance, and floor plan of the premises for


#### Abstract

which application for a license is made. (c) If an applicant otherwise qualifies for a resort license but the premises to be licensed are still in construction or are otherwise incomplete at the time of such application, the department shall issue aletter stating that the license will be issued at such time as the qualifications for a licensed premises have been met, setting forth such time $\mathbf{l i m i t a t i o n s ~ a n d ~ r e q u i r e m e n t s ~ a s ~ t h e ~}$ department may establish. (11) A__resort__license_may_not_be_mortgaged_or_oledoed as_security_and_may_not_be_transferred_to_annther__erson except_for_z_transfer_bx_inheritance_upon_the_death_of_the licensefa In addition te--the--restrietions--on--sate--or transfer--of--a--7ieense--ns-provided-in-t6-4-zet, no resort retail 7 iquor license may be sold or transferred for operation at a location outside of the boundaries of the resort area. (12) A resort retail liquor license shall not be subject to the quota 1 imitations set forth in 15-4-2014 and if the requirements of this section have been met, 3 resort retail liquor license shall be issued by the department on the basis that the department has determined that such license is justitied by public convenience and necessity, in accordance with the procedure required in 16-4-207."




## Aprroved by Comnittee on Taxation

SENATE BILL NO. 461
Introduced by senate taxation committee GOODOVER, TOWE, MCCALLUK, NORMAN by Request of the senate taxation committee A bill for an act entitled: wan act to remove the restrictions on all-beverages liquor licenses transferred from one quota area to another five years after the transfer and to allow the transfers of all-beverages licenses to puota areas that are less than $\mathbf{t 3 0} 133$ PERCENT OVER quotap AN INCREASE FROM 125 PERCENT; AMENDING SECTIONS 16-4-202. AND 16-4-204, ANB-36-4-50士7 MCA." be it enacteo by the legislature of the state of montana:

Section 1. Section 16-4-204, MCA, is amended to read:
"16-4-204. Contents of license -- posting -- privilege -- transfer - expiration. (1) Every license issued under this part shall set forth the name of the person to whom issued, the location, by street and number or other appropriate specific description of location if no street address existsp of the prenises where the business is to be carried on under said license, and such other information as the department shall deem necessary. If the licensee is a partnership or if more than one person has any interest in the business operated under the iicense, the names of all
persons in the partsership or interested in the busimess must appear on the license. Every license must be posted in a conspicuous place on the preaises whergin the business authorized under the license is conducted, and such license shall be exhibited upon request to any authorized representative of the department or to any peace officer of the state of Montana.
(2) Any license issued under the provisions of this part shall be considered a privilege persional to the licensee named in the license and shall be good until the expiration of the license unless sooner revoked or suspended.
(3) A license may be transferred to the executor or administrator of the estate of any deceased licensee when such estate consists in whole or in part of the business of selling liquor under a licenser and in such event the icense may descend or be disposed of with the busimess to which it is applicable under appropriate probate proceedings.
(4) In the event of a major loss or damage to licensed premises by unforeseen natural causes or in case of expiration of lease of the licensed premises or in the event of eviction or increase of rent by the fandlord (in case of rented licensed premises) or in case of proposed removal of license to premises as substantially suited for the retail

department.
(6) (a) A license may be transferred to a new ownership and to a location outside the quota area for which it wat originally issued only when the following criteria are met:
(i) the cotal number of all-beverages licenses in the original quota area exceeded the quota for that area by at

(ii) the total number of all-beverages licenses in the quota area to which the license would be transferced did not enceed that area's quota by more than z5\% 큰 $33 x$ in the most recent census: and
(iii) the department finds, after a public hearing, that the public convenience and necessity would be served by such a transfer.
(b) For 5 years ofter the transfer of a license tramefremred between quota areas under thts--section subsection (6) (ale the license may not bortgaged or pledged as security and may not be transferred to another person except for a transfer by interitance upon the death of the licensee. A license transferred between quota areas under this section may be held only by natural persons for 5 years following the transfer. For the purpose of this sections matural persons shall not include limited partnerships or other business entities of any kind in which
each natural person is not a full participant in the
ownership and operation of the business authorized by the
license.
tet-After-5-rears-from-the-tote-af-tensfer-of--ethe





30bseetion-tottoltitit
tdt(C) once_a_license is transferred to a new guota
area under subsection (6)(ale it may not be transferred to
another guota area or back to the original guota area.
(7) (a) Any all-beverage licensee is, upon the
approval and in the discretion of the liquor division.
entitled to a catering endorsement to his all-beverage
license to allow the catering and sale of alcaholic
beverages to persons attending a special event upon premises
not otherwise licensed for the sale of alcoholic beverages,
such beverages to be consumed on the premises where the
event is held.
(b) A written application for a catering endorsement
and an annual fee of $\$ 250$ must be submitted to the
department for its approval.
(c) A written application for each event for which the
licensee intends ta provide catering servicesp the written approval of the catering application oy the sponsor of the special event, and a fee of $\$ 40 \mathrm{must}$ be filed with the department at least 10 days prior to the event and shall describe the location of the premises where the event is to be neld, the nature of the event, and the period during which the event is to be held. An all-beverage licensee who holds an endorsement granted under this subsection (7) may not receive approval to cater an event of which he is the sponsor. The catered event must be within 100 miles of the licensee's regular place of business. If obtained. the licensee strall display in a prominent place on those premises, the written approval from the department for each event wich is catered pursuant to this subsection.
(d) The licensee shall file with each application for an event to be catered a written statement of approval of the premises where the event is to be held issued by the department of nealth and environmental sciences.
(e) The sale of alcoholic beverages pursuant to a catering endorsement is subject to the provisions of 16-6-103.
(f) The sale of alcoholic beverages pursuant to a catering endorsement is subject to the provisions of 16-3-306, unless entities named in 16-3-306 give their written approval.
（8）Except as above prowided．no license shall be transferfed or sold nor shail it be used for any place of business not described in the license；provided，hamewer． that such license may be subjuct to mortgage and other valid liens，in which event the name of the mortgagee，upon application to and approval of the department，must be endorsed on the license．
（9）All licenses shall expire at midnight．of tune 30 of each year．＂

Section－Z＝－Section－k6－4－58tr－MEAF－is－mandecto－－rieadt

 beth－beer－ond－teble－wines－wnder－the－prawtsions－of－this－eodev simatt－poy－an－mnuot－ticenae－fee－ms－fottowst
tot－eaeh－brewer－wherever－łocetedy－whose－－product－－is sotd－－7or－－offered－－for－state－within－the－stoteq－$\$ 500$－for－each starage－stepotp－4400t

$$
\text { tht-retel--beer-whotesater7-- } 400+\text {--each -tabte--wine }
$$

## disteributorv－5400t

tei－－each－beer－－retertert－－te00t－with－－a－wine－ticense






$$
\begin{aligned}
& \text { eorjometion-with-berer-teot } \\
& \text { fey--any-untit-of--a-natiomatyy--ctrarter ed--veterang } \\
& \text { orgonizotionv- } 5500 \\
& t Z^{+}+- \text {Fhe-pernt } t-\text { Fee--under- } \mathbf{t 6 - 4 - 3 0 4 + t + i s t e a m p t r e d - e t ~} \\
& \text { twe-rate-of-sk5-b-wey-for-ench-day-betr-is--sotd-at--those } \\
& \text { events--tosting--z-or-more-dibys-but-in-no-case-be-tess-than } \\
& \text { \$30. }
\end{aligned}
$$

beverages．
tti－－Passenger－earfier－ticenses－shat＋－－be－－issued－－apon
payment－by－the－appticiont－of－min－annat－license－fee－in－the－sim
of $5390=$
on－the－prenfitest－when－issured－as－zn－amendment－to－a－beer－onty
－icensey－is－sze日
f6t－－Fhe－gnnsat－－fee－for－pesort－retait +7 quor－ticenses
within－a－given－resert－ures－smoti－be－szto00－for－ebeh－ticensev
f7y－Enen－－ticonsee－－tieensed－－under－－the－－－quatas－－of
t6－4－Z日I－shath－pay－en－annem－tieense－fee－ors－fortewst
incorporeted－ettite－ment－incorpor ated－towns－witw－a－poputetion
of－7ess－than－2yerem－s400t


in-incerporated-tities-with-a-poptiation-of-more-then--2ve0e

mearsured-in-a-streight-tine-from-the-mearest-entronco-of-the
premises--te-be--iteensed--to--the-nearest-boundary-of-sueh
efty- $\$ 500$
tet--exeept-ts-hereinafter-providedy-for-each-license
in-ineorporated-eities-with-a-popatotion-of-more-than-5ve日e

thereofy-measured-in--z-strotght--tinu-from-the-nearest
entronee-of-the-prewises-cto-be--tieensed-to--the-nearest
boandary-of-such-eftyr- $\mathbf{5 6 5 0 4}$


thereefr-measured-in--a--strat ght-i-ine--from-the-nearest
entronce-of--the-prewises--te--be--7icensed-te-the-nearest
boundar $\gamma$-of-sweh-eit
te7--the-distance-of-s-mites-from-the-corporate-timits
of---ony-ineor porated--cities-- and-ineer pordeed--tewns--is
measured-in-a-stratght-tine-from-the-mearest-entrance-of-the
prenises-to-be-tieensed-to-the-nearest-boundary-of-sweh-eity
or-tawn-and-where-the--premises--of--the-i-apptieant--to-be
treensed--are--situated--within--5--mites--of-the-corporate
boundaries--of--two---or---wiore---ineor porstet--eitites---ar
incorpor ated-towns-of-different-poputationsy-the-ticenge-fee
ehargeable--by--the-t ar ger-ineor porated-eity-or-itheorporoted mearsured-in-a-stereight-tine-from-the-mearest-entronce-of-the premises--te--be--Hieensed--to--the-nearest-boundary-of-sueh efty- $\$ 500$
tet--exeept-di-hereinafter-providedy-for--edr-iteense in--ineorporated-eities-with-z-popatation-of-mere-than-5yeer
 thereofy-measured-in--z-stroight--time-from--the-nearest entronee-of-the-prewises-to-be--tieensed-to--tme-nearest boandery-of-such-eity- 56504
 popotatron-of-i eve00-or-mope-or-within-e-distence-of-5-wites thereaf 7 -measured-in--a--strot gith--ine-from--the--neareat ent ramee-of-the--prewises--te-be-ntieensed-te-the-mesrest bounder $\gamma$-of-swen-eit
te7--the-distance-of-s-mites-from-the-corporate--tinits of---ony--ineor porated--citives--and--ineer porde ed--tewns--is measured-in-a-stratght-tine-from-the-mearest-entrance-of-the prenises-to-be-tieensed-to-the-nearest-boundary-of-swen-tity or-tawn-and-where-the--premises--of--the--apptieant-to-be treensed--are--situated--within--5--mites--of-the-corporate boundaries--of--two---or---wiore---ineorporetet---ettites--ar incorper ated-towns-of-different-poputationsy-the-ticenge-fee ehargeabte--by--the-tar ger-ineor porated-eity-or-itheorporoted
town-appties-and-shot7-be-paid-by-the--appticantw--When--the premtses-of-the-apptitent-te-be-4teensed-are-sftuated-wtthin en-ineoppereted-town-or-incorporated-efty-and-any-poption-of the--incorporated--tawn--op--incorporated--etty-is-wthout-0 s-mite-7+mity-the-ticense--fee--ehargeabte--by-mhe-smetter fneorporated--town-or-tneorporated-eity-appties-and-sheti-be patd-by-the-appiteantw
tff--an-appticent--for--the--issuanee--of--an--ortginat +teense--to-be-toeated-in-areas-deserfbed-tn-subsection-tdt of-thts-subsection-she77-pay-a-one-time-originot-ticense-fee
 fee-of-szevene-shał7-not-apply-to-any-transfer-or-renewot-of a-ticense-du7y-issued-prior-to-juły-howeverp-are-subject-to-the-onnuat-renewat-fee-of-4606.





teyt9t--7he--fee--for--one--at7-beverage--7teense--to-d
 nontransferabtet
f9ttilit-Fhe---Hfeense--fees--heretn--prorided-for--are exełustye--of--ond--in--addftfon--te-othef---7ieense---fees Chargeabte--tn-Montena-for-the-sułe-af-ateohotte-beveragestm

Section 2. Section 16-4-202, MCA, is amended to read: "16-4-202. Resort licenses. (1) It is the intent and purpose of this section to encourage the growth of quality recreational resort facilities in undeveloped areas of the state and to provide for the orderly growth of existing recreational sites by the establishment of resort areas within which retail liquor licenses may be issued by the department under the terms and as more particularly prescribed below. In addition to the licenses as otherwise set forth in [this act], the department may issue resort retail liquor licenses in a resort area.
(2) For the purposes of this section. a resort area is defined as a recreational facility meeting the qualifications determined by the department as hereinafter provided.
(3) The department shall determine that the ared for which licenses are to be issued is a resort area, such determination to be made under and pursuant to rules to be first promulgated on or before December 31. 1975.
(4) In addition to the other requirements of this codeva resort area, for the purposes of qualification for the issuance of resort retail liquor license, must have a current actual valuation of resort or recreational facilities, including land and improvements thereon, of not less than $\$ 500,000$, at least half of which valuation must be
for a structure or structures within the resort areay and must be under the sole ownership or control of one person or entity at the time of the filing of the resort area plat referred to in subsection (5) of this section. The word control shall mean lands held under lease, option, or permit.
(5) The resort area must be determined by the resort developer or landowner by a plat setting forth the resort boundariesp designating the ownership of the lands within the resort area, which piat must be verified by the resort developer or landowner and filed with the department prior to the filing of any applications by individuals for licenses within the resort area. Such plat musit show the location and general design of the buildings and other improvements to be built in said area in which resort retail liquor licenses are to or may be located. A master plan for the development of the area may be filed by the resort developer in satisfaction of this sectiona
(6) Upon such filing the department shall forthwith schedule a public hearing to be held in Helena, Montanap to determine whether the facility proposed by the resort developer or landowner is a resort area within the meaning of the rules of the department. At least 30 days prior to the date of the hearing, the department shall publish notice thereof, with a description of the location of the proposed
resort area, in a newspaper published in the county or counties in which the resort is located, once a week for 4 consecutave weeks. Each resort developer or landowner shall, at the time of filing his applicatione pay to the department an amount sufficient to cover the costs of said publication.
(7) Persans may present statements to the department at the hearing in person or in writing in opposition or support of the plat.
(8) Within 30 days of the hearing, the department shall accept or reject the plat. If rejected the department must state its reasons and set forth the conditions, if any, under which the plat will be accepted, and the decision of the department may be reviewed pursuant to the review procedure set forth in 16-4-406.
(9) Once filed with the department, the boundaries of a resort may not be changed without full mearing as above provided and the prior approval of the department, which approval shall be according to public convenience and necessity.
(10) (a) when the department has accepted a plat and a given resort area has been determined, applications may then be filed with the department by persons for the issuance of resort retail liquor licenses within the resort area.
(0) Each applicant wust submit plans showing the
location, appearance, and floor plan of the premises for which application for a license is made.
(c) If an applicant otherwise qualifies for a resort license but the premises to be licensed are still in construction or are otherwise incomplete at the time of such application, the department shall issue a letter stating that the license will be issued at such time as the qualifications for a licensed premises have been met. setting forth such time limitations and requirements as the department may establish.
(11) A resort license may not be mortgaged or pledged as security and_may not_be transferred to another_person except for a transfer_by inheritance_upon the death of the licensee. In addition to--the--restrictions--on--sate--or tmonsfer--of-m--itieense--as-prowided-in-tb-4-Ze4, no resort retail liquor licerise may be sold or transferred for operation at a location outside of the boundaries of the resort area.
(12) A resort retail liquor license shall not be subject to the quota limitations set forth in 16-4-201, and if the requirements of this section have been met, a resort retail liquor license shall be issued by the department on the basis that the department has determined that such license is justified by public convenience and necessity, in accordance with the procedure required in 16-4-207."

$$
\begin{aligned}
& \text { End- } \\
& -14-
\end{aligned}
$$

SENATE BILL NO. 461 introduced by senate taxation committee GGODDVER, TOWE; MCCALLUM, NORMAN
by request of the senate taxation committee

A BILL FOR AN ACt ENTITLED: wAN ACT TO REMOVE THE RESTRIGTIONS ON ALL-BEVERAGES LIQUOR LICENSES TRANSFERREO from one quota area to another five years after the transfer and to allow the transfers of all-beverages licenses to quota areas that are less than t3e 133 PERCENT QVER quota, AN INCREASE FROM 125 PERCENT; AMEMDING SECTIONS 16-4-202* AND 16-4-204. ANB-26-4-50t\% MCA.*
be it enacted by the legislature of the state of montana:
Section 1. Section 16-4-204, MCAp is amended to read:
"16-4-204. Contents of license -- posting -- privilege -- transfer -- expiration. (1) Every license issued under this part shall set forth the name of the person to whom issued, the location, by street and number or other appropriate specific description of location if no street address exists, of the premises where the business is to be carried on under said license, and such other information as the department shall deem necessary. If the licensee is a partnership or if more than one person has any interest in the business operated under the license, the nawes of all
persons in the partnership or interested in the businiess must appear on the license. Every license must be postiad in a conspicuous place on the premises wherein the busimess authorized under the iicense is conducted, and such license shall be exhibited upon request to any authorized representative of the departanent or any peace officer of the state of montana.
(2) Any license issued under the provisions of this part strail be considered a privilege persional to the licensee named in the license and shall be good until the expiration of the license unless sooner revoked or suspended.
(3) A license may be transferred to the executor or administrator of the estate of any deceased licensee then such estate consists in whole or in part of the business of selling liquor under a license, and in such event the Ircense may descend or be disposed of with the busimess to which it is applicable under appropriate probate proceedings.
(4) In the event of a major loss or damage to licensed premises by unforeseen natural causes or in case of expiration of lease of the licensed prewises or in the event of eviction or increase of rent by the landlord fin case of rented licensed premises, or in case of proposed removal of license to premises as substantially suited for the cetail
liquor business as the premises vacated, the licensee may apply to the department for a transfer of the license to different preaises. The department may in its discretion permit a transfer in such cases if it appears to the department that such a transfer is required to do justice to the licensee applying for the transfer. The department shall in no event nor for any cause permit a transfer to different premises where the sanitary, healthy and service facilities are less satisfactory than such facilities which exist or had existed at the premises from which the transfer is proposed to be made.
(5) Upon a bana fide sale of the business operated under any license, the license may be transferred to a qualified purchaser. No transfer of any license as to person or location shall be effective unless and until approved by the department, and any licensee or transferee or proposed transferee who operates or attempts to operate under any supposediy transferred license prior to the approval of such transfer by the department, endorsed upon the license in writing, shall be considered as operating without a license and the license affected may be revoked or suspended by the department. The department may, within its discretiong permit a qualified purchaser to operate the business to be transferred pending final approval, providing the application for transfer has been filed with the
department.
(6) (a) A iicense may be transferred to a new ownership and to a location outside the quota area for which it was originally issued only when the following criteria are met:
(i) the total number of all-beverages licenses in the
original quota area exceeded the quota for that area by at

(ii) the total number of all-beverages licenses in the quota area to which the licanse would be transferred did not exceed that area"s quota by more than 25 角 300 33x in the most recent census: and
(iii) the department finds, after a publichearing, that the public convenience and necessity would be served by such a transfer.
(D) A For s years after: the transfer of a license erfowferred betwaen quota areas under thts-section subsection ( 6 )(a)le the license may not be mortgaged or pledged as security and may not be transferred to another person except for a transfer by inheritance upon the death of the licensee. A license transferred between quota areas under this section may be held only by natural persons for 5 years following the transfer. For the purpose of this section. natural persons shall not include limited partnerships or other business entities of any kind in which
( ( iii) the departan
each natural person is not a full participant in the ownership and operation of the business authorized by the 1icense.
tet=After-5-xetry-from-the-dote-of-itronsfer-of--the






tut (C) Once_d_license is transferred_to_new guota area unger subsection_(6)lali it may not be_transferred to another guota_area_or back to the original guota area.
(7) (a) Any all-beverage licensee ist upon the approval and in the discretion of the liquor division. entitled to a catering endorsement to his all-beverage license to allow the catering and sale of alcoholic beverages to persons attending a special event upon premises not otherwise licensed for the sate of alcoholic beverages, such beverages to be consumed on the prenises where the event is held.
(b) A witten application for a catering endorsement and an annual fee of $\$ 250$ must be submitted to the department for its approval.
(c) Awritten application for each event for which the

Iicensee intends to provide catering services, the written approval of the catering application by the sponsor of the special event, and $a$ fee of $\$ 40$ must befiled with the department at least 10 days prior to the event and shall describe the location of the premises where the event is to be held, the nature of the event, and the period during which the event is to be held. An all-beverage licensee who holds an endorsement granted under this subsection (T) may not receive approval to cater an event of which he is the sponsor. The catered event must be within 100 miles of the licensee's regular place of business. if obtained, the licensee shall display in a prominent place on those premises, the written approval from the department for each event which is catered pursuant to this subsection.
(d) The licensee shall file with each appication for an event to be catered a written statement of approval of the premises where the event is to be held issued by the department of health and environmental sciences.
(e) The sale of alconolic beverages pursuant to a catering endorsement is subject to the provisions of 16-6-103.
(f) The sale of alcoholic beverages purswant to a catering endorsement is subject to the provisions of 16-3-306, unless entities named in 16-3-306 give their written approval.
（8）Except as above provided，no license shall be transferred or sold nor shall it be used for any place of business not described in the license；provided，however． that such license may be subject to mortgage and other valid liens，in which event the name of the mortgagee，upon application to and approval of the department，must be endorsed on the license．
（9）All licenses shall expire at midnight of June 30 of each year．＊

m6－4－50trw－ticense－－and－－permit－feesw－－fty－Each－beer ticensee－ticemsed－ta－setil－tithef beer－or－tabte－wime－antyp－or both－beer－and－tabte－winep－under－the－provistons－of－thry－eodev strot＋－por－on－annuat－tieense－fee－0s－fottomst
tot－－eseh－trewer－wherever－Hocotedy－－whose－－proawet－is sotb－－or－－offered－－far－sate－within－the－stetev－45日时－for－each stertage－depotp－\＄4e日t
tbt－－each－beer－whotesaterv－$\$ 4004$－－each－－tabte－－wine distributert－4－4日安


off-premi ses--censumption-onlyv--the--s one-as-o-reteit-beer
tieenset-for-oticense to-sett--tabte-mine--ot--retatt--for
off-premises --- eonstumpt 子 An---ont yru--erther---tone---or--in

## eonjunetion－with－beerv－sze日t

tet－－any－unit－－of－－b－notionat＋y－ehartered－－veterans＊ organizationv－4506

 events－－testimg－－z－om－more－deys－brt－in－no－cose－be－tess－than $\$ 30=$
 stte－－of－－beer－－owity－op－－t20－for－the－sate－of－ott－ateonotre beveroges：
tti－－passenger－eerrier－tieenses－shatt－－be－－issued－－upon
 of－ 8300 ．
 on－the－prewistsy－when－i saved－ms－an－bmendment－te－t－beer－onty tieensev－ts－sze日．
f6t－－Fhe－－annubt－－fer－for－resort－retait－tiquor－tieenses withtn－a－grven－resort－area－shołt－be－szr0日0－for－eaeh－Hieensen
 t6－4－ZӨt－smotz－poy－an－annuxt－tivense－fee－ss－fot＋owst
tth－－weept－－as－－hereinafter－phoutdedv－for－ebeth－tieense outsithe－of－triepporated－eitites－and－tnewporeted－towns－or－in the er parated－eities－and－incorpor eted－towns－with－a－popwiation of－tess－than－Zve日年－400t
tbi－－exeept－as－－hereinditerprovidedy－for－tech－ifeense
－8－
SB 401
in－incorporated－cities－with－a－poputation－of－more－than－Zve00 ant－7ess－than－5－8e日－or－withrn－b－disturce－of－5－wtyesithereof meas ured－in－a－straight－tine－from－the－nearest－entrance－of－the premises－－to－be－－tieensed－teo－the－neafest－boundary－of－sueh ettry－45e日t
tef－－exeept－athereinafter－providedy－for－ebeh－lieense in－incorporated－eities－with－z－poputation－of－more－than－5veen
 thereofv－－meascref－in－－a－－gtrai ght－－ting－－frow－the－neareist entrance－of－the－premitser－to－be－－tieensed－－to－the－－nearest toundory－of－swen－eityp－56501
fdt－for－each－－ticense一－in－ineor poratedleities－with－a
 thereofq－measured－－in－－b－－stratght－－tine－－from－the－－mearest entrance－－of－－the－－prewises－－te－be－－tieensed－to－the－nearest boundery－of－such－cityv－f800t
fef－－the－distame－of－5－wites－from－the－eorporote－－tinits of－－－any－－inear parated－－etties－－and－－imeerporated－－towns－ist measured－in－o－stfatght－tine－from－the－nesrest－entrance－of－the premises－to－be－tieensed－to－the－nearest－boundary－of－steth－eity or－townt－and－where－the－－premtses－－of－the－－apptitant－－to－be ＋ieensed－－are－－situated－－within－－5－－mrtes－－of－－the－corporate boundaries－－of－－two－－－or－－－mere－－－incerporated－－－eities－－or incorporbtef－towns－of－different－popotations，－the－ticense－fee ehargeobte－by－－the－+ arger－ineor por ated－eity－or－tmearportted
town－appties－and－she7t－be－poid－by－the－oppticentw－－When－the premises－of－the－apptieant－to－be－tieensed－are－sttuated－within an－ineorporeted－town－or－ineorporated－eity－and－any－portton－of the－－＋neorporated－－town－－or－－ineorpormted－－efty－is－w＋thout－a 5－w＋7e－7＋mitt－the－7icense－－fee－－thargeabte－－by－－the－－smatter tnearporated－town－or－ineorporsted－efty－appties－and－shat＋－be potd－by－the－epptieant：
fft－－an－oppticant－－for－－the－－issuance－－of－－an－－ortgtnat
tieense－－te－－be－toented－in－ereas－deseribed－tn－subseetion－tat of－thi－s－subsection－shati－pay－a－one－t＋me－orig＋not－tieense－fee of－szereve－for－any－such－7feense－tssuedr－fhe－one－time－tieense fee－of－ $32 \theta$ т0e日－shett－net－apply－to－ony－transfer－or－renewat－of
 howeverf－ore－subject－to－the－ennuat－renewat－fee－of－＊80e．





fott2t－－Fhe－－fee－－for－－one－－att－beverage－－tifense－to－6
 nontransferabtes
t9ttilet－7he－－Htcense－fees－－heretn－－provided－－for－－bre exe7usitye－－of－－and－－in－－adidtton－－tom－other－－－4ieensem－－fees emargiezbte－－in－Montane－for－the－sate－of－ateonotie－beversgesf＂

Section 2. Section 16-4-202, MCA, is amended to read: "16-4-202. Resort licenses. (1) It is the intent and purpose of this section to encourage the growth of quality recreational resort facilities in' undeveloped areas of the state and to provide for the orderly growth of existing recreational sites by the establishment of resort areas within which retail iiquor licenses may be issued by the department under the terms and as more particularty prescribed befow. In eddition to the licenses as otherwise set forth in [this act], the departant may issue resort retail liquor licenses in a resort area.
(2) For the purposes of this section a resort area is defined as a recreational facility meeting the qualifications determined by the department as hereirafter provided.
(3) The department shall determine that the area for which licenses are to be issued is a resort area. such determination to be made under and pursuant to rules to be First promilgated on or before December 31. 1975.
(4) In addition to the other requirements of this codef a resort area, for the purposes of qualification for the issuance of resort retail liquor license, must have a current actual valuation of resort or recreational facilities, including land and improvements thereon, of not less than 5500,000 , at least half of which valuation must be
for a structure or structures within the resort areap and must be under the sole ownership or control of one person or entity at the time of the filing of the resort area plat referred to in subsection (5) of this section. The word control shall mean lands held under lease. optiony or permit.
(5) The resort area must be determined by the resort developer or landowner by a plat setting forth the resort boundaries. designating the ownership of the lands within the resort area. wich plat must be verified by the resort developer or landowner and filed with the department prior to the filing of any applications by individuals for licenses within the resort area. such plat must show the location and general design of the buildings and other improvements to be built in said area in which resort retail Iiquar licenses are to or may be located. A master plan for the development of the area may be filed by the resort developer in satisfaction of this section.
(6) Upon such filing the department shall forthwith schedule a pubilic hearing to be held in Helenap Montana, to determine whether the facility proposed by the resort developer or landomer is a resort area within the meaning of the rules of the department. At least 30 days prior to the date of the hearing, the department shall publish notice thereof. with a description of the location of the proposed
resort area, in a newspaper published in the county or
counties in which the resort is located. once a week for 4
consecutive weeks. Each resort developer or landowner
shall, at the time of filing his applicationg pay to the
department an amount sufficient to cover the costs of said
publication.
(7) Persons may present statements to the department
at the hearing in person or in writing in opposition or
support of the plat.
(8) Within 30 days of the hearing, the department shall accept or reject the plat. If rejected the department must state its reasons and set forth the conditions, if any. under which the plat will be accepted and the decision of the department may be reviewed pursuant to the review procedure set forth in 16-4-406.
(9) Once filed with the department, the boundaries of a resort may not be changed without full nearing as above provided and the prior approval of the department, which approval shall be according to public convenience and necessity
(10) (a) When the department has accepted a plat and a given resort area has been determined. applications may then be filed with the department by persons for the issuance of resort retail liquor licenses within the resort areae
(b) Esch applicant must submit plans showing the
location, appearance, and floor plan of the premises for which application for a license is made.
(c) If an applicant otherwise qualifies for a resort license but the premises to be licensed are still in construction or are otherwise incomplete at the time of such applicationg the department shall issue a letter stating that the license will be issued at such time as the qualifications for a licensed premises have been met. seting forth such time limitations and requirements as the department may establish.
(11) A resort 1 icense may not be_mortgaged or plegged as security and_may_not_be transferred to another person except for a transfer_by inheritonce_upon_the deatn_of the licensee. In addition te-the-rrestritions--on--sate-or transfer-of--t--7teense--as-provided-in-t6-4-Zet, no resort retail liquor license may be sold or transferred for operation at a location outside of the boundaries of the resort area.
(12) A resort retail liquor license shall not be subject to the quota limitations set forth in 16-4-201, and if the requirements of this section have been met, a resort retail liquor license shall be issued by the department on the basis that the department has determined that such license is justified by public convenience and necessity, in accordance with the procedure required in 16-4-207."
-End-
$-14-$

# SENATE BILL NO. 461 <br> INTRDDUCED SY SENATE TAXATION COMMITTEE GGODOVER, TOWE, McCALLUM, NORMAN 

 by request of the senate taxation committeeA BILL FQR AN ACT ENTITLED: MAN ACT TO REMOVE THE restrictions on all-beverages liquor licenses transferred from one quota area to another five years after the transfer and to allow the transfers of all-beverages licenses to guota areas that are less than t3e 133 percent over quota, AN INCREASE FROM 125 PERCENT; AMENDING SECTIONS 16-4-2020 ANQ 16-4-204, ANB-士6-4-50tV MCA."

## be it enacted by the legislature of the state of mantana:

Section 1. Section 16-4-204, MCA, is amended to read:
"16-4-204. Contents of license -- posting - privilege -- transfer -- expiration. (1) Every license issued under this part shall set forth the name of the person to whom issued, the location, of street and number or other appropriate specific description of location if no street address exists, of the premises where the business is to de carried on under said license, and such other information as the department shall deem necessary. If the licensee is a partnership or if more than one person has any interest in the business operated under the license, the names of all
persons in the partnership or interested in the business must appear on the license. Every license must be posted in a conspicuous place on the premises wherein the business authorized under the license is conducted, and such license shali be exhibited upon request to any authorized representative of the department or to any peace officer of the state of Montana.
(2) Any license issued under the provisions of this part shall be considered a privilege personal to the licensee named in the license and shall be good until the expiration of the license unless sooner revoked or suspended.
(3) A license may be transferred to the executor or administrator of the estate of any deceased licensee when such estate consists in whole or in part of the business of selliny liquor under a license, and in such event the license may descend or be disposed of with the business to which it is applicable under appropriate probate proceedings.
(4) In the event of a major loss or damage to licensed premises by unforeseen natural causes or in case of expiration of lease of the licensed premises or in the event of eviction or increase of rent by the landlord (in case of rented licensed premises) or in case of proposed removal of license to premises as substantially suited for the retail

[^0]department.
(6) (a) A license may be transferred to a new ownership and to a location outside the quota area for which it was originally issued only when the following criteria are met:
(i) the total number of all-beverages licenses in the original quota area exceeded the quota for that area by at least 25\% 3-
(ii) the total number of all-beverages licenses in the quota area to which the license would be transferred dit not
 most recent census; and
(iii) the department finds, after a public hearing, that the public convenience and necessity would be served oy such a transfer.
(b) For_5_years_after the transfer_of a icense transferfed between quota areas under this--section subsection_(b)(al_ the_license may not be mortgaged or pledged as security and may not be transferred to another person except for a transfer by inheritance upon the death of the licensee. A license transferred between quota areas under this section may be held only by natural persons for s years following the _transfer. For the purpose of this section, natural persons shall not include limited partnerships or other business entities of any $k i n d$ in which
each natural person is not a full participant in the ownership and operation of the business authorizej by the license
fet＝－After－5－yegrs－from－the－dote－of－ニtronsfer－ofz－the

士teense－that－is－no－fonger－eonsidered－to－be－port－of－the－guoto system－- moz $=$ not－be二Inctuded二in－the二computotionzto－determine Whetherニoーguoto subsection－f6tfottitiv
toticl＿once＿a＿license＿istransferred＿to＿a＿new quota area＿under subsection＿（6）lallit may＿not be＿transferred＿to another＿quota＿area or back＿to the＿original＿guota＿areaw
（7）（a）Any all－beverage licensee isp upon the approval and in the discretion of the liquor division． entitled to a catering endorsement to his all－beverage license to allow the catering and sale of alcoholic beverages to persons attending a special event upon premises not otherwise licensed for the sale of alcoholic beverages， such beverages to be consumed on the premises where the event is held．
（b）A written application for a catering endorsement and an annual fee of $s 250$ must be suomitted to the department for its approval．
（c）A written application for each event for which the


#### Abstract

licensee intends to provide catering servicesp the written approval of the catering application by the sponsor of the special event，and a fee of $\$ 40$ must be filed with the department at least 10 days prior to the event and shall describe the location of the premises where the event is to be held，the nature of the event，and the period during which the event is to be held．An alj－beverage licensee who holds an endorsement granted under this subsection（T）may not receive approval to cater an event of which he is the sponsor．The catered event must be within 100 miles of the licensee＇s regular place of business．If obtained，the licensee shall display in a prominent place on those premises，the written approval from the department for each event which is catered pursuant to this subsection． （d）The licensee shall file with each application for an event to be catered a written statement of approval of the premises where the event is to be held issued by the department of health and environmental sciences． （e）The sale of alcoholic beverages pursuant to a catering endorsement is subject to the provisions of 16－6－103． （f）The sale of alcoholic beverages pursuant to a catering endorsement is subject to the provisions of 16－3－306，unless entities named in 16－3－306 give their written approval．


## amendmentr－an－additionat－szi日＊

fot--for--a--ticense--to--sett--beer--at--retait---for off－premtses－－eonsamption－－ontyp－the－－same－as－a－retait－beer ＋icenset－for－a－tieense－to－set＋－－tabte－－wine－－at－－retait－－for off－premises－－－eonsumption－－－on $\dagger$ yw－－－etther－－－atome－－－or－－in
conjunction－with－beery－sze日t
tef－－any－unit－－of－－a－－notionafty－－chartered－－veterans＝ organtzatronv－\＄50．
（モ゙ナー－Fhe－－permit－－fee－－under－16－4－3日ttti－is－computed－nt the－rate－of－st5－d－day－for－each－day－beer－－is－－sotd－－at－－thase events－－fasting－－z－－or－more－days－but－in－no－ease－be－tess－than 530．
t3t－－fhe－permit－fee－under－t6－4－30ttzt－is－ sote－－of－－beer－－onty－－or－－sz日－－for－the－state－of－att－ateohotre beverages．
f4t－Pnssenger－earrier－ticenses－shaty－－be－－issued－upon payment－by－the－appticant－of－an－annuat－tieense－fee－in－the－sam of $\$ 300=$
f5t－－fhe－－annaat－ticense－fee－for－a－ticense－to－sett－wine on－the－premisest－when－issued－as－an－amendment－to－o－－beer－onty ＋ieenseq－ts－sze日。
t6t－－Fhe－－annuat－－fee－for－resort－retait－tiquer－titenses

f7f－－Each－－tieensee－－ticensed－－under－－the－－－quotes－－－of t6－4－zet－shatt－pay－an－annubt－ticense－fee－as－fottowst
fot－－exeept－－as－－mereinafter－providedr－for－each－tieense outstde－of－tincorporated－eitites－and－theorperated－towns－or－－th ineorporated－etties－and－incorporated－towns－with－a－popttation of－tess－than－zve日ev－\＆4
ftot－－exeept－－as－～mereinafter－providedr－for－each－ticense
in－incorporated－eities－with－o－popototion－of－more－thon－ZZ日五 ond－tess－then－5ve00－of－within－a－distance－of－5－mites－thereefy mensured－in－a－strorght－tine－from－the－nearest－entranee－of－the premises－te－be－－tieensed－－to－－the－nearest－boundary－of－sach eftyp－5500t
tet－－except－os－hereinofter－providedy－for－each－ticense in－－incerperated－eitites－with－e－popołation－of－more－than－5ve日e and－tess－than－－ $\mathbf{4}$ 日r $\theta \theta \theta--$ or－－within－－a－－distance－－of－－5－－mites thereofy－－messured－－in－－b－－straight－－＋ine－－from－－the－nearest ent rance－of－the－premises－－to－－be－－7ieensed－－to－－the－－nearest boundary－of－such－eteyr－ 5659 t
tat－－for－－each－－7icense－－in－－ineorporated－cities－with－a poputation－of－7eve日日－or－mare－or－within－a－distanee－of－5－mites thereofv－measur ed－－in－－e－straight－－7ine－－from－the－－nearest entrance－－of－－the－－premises－－to－－be－－ticensed－to－the－nearest bountary－of－sulh－eityr－$\$ 80 \theta$ ；
tet－－the－distance－of－5－mites－from－the－earporate－－timits of－－－any－－incer portted－－eities－－ond－－ineor parated－－towns－is measured－in－a－straight－itine－from－the－nearest－entrance－of－the premises－to－be－tieensed－to－the－nearest－boundary－of－sueh－tity or－townt－and－where－the－－premtses－－of－－the－－apotitant－－te－－be treensed－－are－situated－－within－－5－－mites－－of－－the－corporate boundaries－－of－－two－－－or－－mare－－－tricer porated－－－eitites－－－or incorported－towns－of－different－popułationsy－the－＋icense－fee emorgeobte－－by－the－targer－ineor porated－eity－or－inearpor oted
town－applites－ond－shat＋－be－patd－by－the－－apptieantz－－When－－the premises－of－the－apptieant－to－be－ticensed－are－situoted－within an－incorporated－town－or－ineerparated－eity－and－ony－portion－of the－－ineorporated－－town－－or－－ine orporated－－efty－is－witheot－a 5－mite－timity－the－ticense－－fee－－hargeabte－－by－the－－smatter incorporated－－tawn－or－ineorporated－erty－applies－and－shatt－be perd－by－the－apptieantr
ffi－－an－applieant－－for－－the－－isstanee－－of－－an－originat tieense－－to－－be－toeated－in－areas－deseribed－in－subseetion－tol of－this－subsection－shatt－pay－a－one－time－originot－ticense－fee of－$\$ 2 \theta, \theta \theta \theta-f$ or－any－such－ticense－issuedz－Fhe－one－time－ticense fee－of－steve日祭－shatt－not－apptr－te－any－tpansfer－or－renewat－of
 howeverg－are－subject－te－the－annuat－renewat－fee－of－s\＆e日

18亡＝－Fhe－hotder－of二e＝tieense－t3sued－gnder－the－guotos－of




tatt9t－－Fhe－－fee－－far－－one－－at＋－beverage－－7teense－－to－e pubtie－－－bifport－－－shatt－－－be－－－ $486 \theta$－－－Fhis－－－ticense－－－－is nontransferabłes
 exetastve－－of－－and－－in－－addition－－to－－other－－－ticense－－－fees ehargeabte－－tn－Mont ana－for－the－sate－of－ateohotie－beveragesv＊

Section 2. Section 16-4-202, MCA, is amended tu read: *16-4-202. Resort licenses. (1) It is the intent and purpose of this section to encourage the growth of quality recreational resort facilities in undeveloped areas of the state and to provide for the orderly growth of existing recreational sites by the establishment of resort areas within which retail liquor licenses may be issued by the department under the terms and as more particularly prescribed below- In addition to the licenses as otherwise set forth in [this act], the department may issue resort retail iiquor licenses in a resort area.
(2) For the purposes of this section, a resort area is defined as a recreational facility meetiny the qualifications determined by the department as hereinafter provided.
(3) The department shall determine that the area for which licenses are to be issued is a resort area, such determination to be made under and pursuant to rules to be first promulgated on or before December 31, 1975.
(4) In addition to the other requirements of this code, a resort area, for the purposes of qualification for the issuance oftiresort retail liquor license, must have a current actual valuation of resort or recreational facilities. including land and improvements thereon, of not less than $\$ 500,000$, at least half of which valuation must be
for a structure or structures within the resort arear and must be under the sole ownership or contral of one person or entity at the time of the filing of the resort area plat referred to in subsection (5) of this section. The word control shall mean lands held under lease, option, or permit.
(5) The resort area must be determined by the resort developer or landowner by a plat setting forth the resort boundaries. designating the ownership of the lands within the resort ared, which plat must be verified by the resort developer or landowner and filed with the department prior to the filing of any applications by individuals for licenses within the resort area. such plat must show the location and general design of the buildinys and other improvements to be built in said area in which resort retail liquor licenses are to or may be located. a master plan for the development of the area may be filed by the resort developer in satisfaction of this section.
(6) Upon such filing the department shall forthwith schedule a public hearing to be held in Helena. Montans, to determine whether the facility proposed by the resort developer or landowner is a resort area within the meaning of the rules of the department. At least 30 days prior to the date of the hearing, the department shall publish notice thereof, with a description of the location of the proposed
resort area, in a newspaper published in the county or counties in which the resort is located, once a week for 4 consecutive weeks. Each resort developer or landowner shall, at the time of filing his application, pay to the department an amount sufficient to cover the costs of said publication.
(7) Persons may present statements to the department at the hearing in person or in writing in opposition or support of the plat.
(8) Within 30 days of the hearing. the department shall accept or reject the plat. If rejected the department must state its reasons and set forth the conditions, if any. under which the plat will be accepted, and the decision of the department may be reviewed pursuant to the review procedure set forth in 16-4-406.
(9) Jnce filed with the department, the boundaries af a resort may not be changed without full hearing as above provided and the prior approval of the department, which approval shall be according to public convenience and necessity.
(10) (a) when the department has accepted a plat and a given resort area has been determined, applications may then be filed with the department by persons for the issuance of resort retail liquor licenses within the resort area.
(b) Each applicant must submit plans showing the
location: appearances and floor plan of the premises for which application for a license is made.
(C) If an applicant otherwise qualifies for a resort license but the premises to be licensed are still in construction or are otherwise incomplete at the time of such application. the department shall issue a letter stating that the license will be issued at such time as the qualifications for a licensed premises have been met. setting forth such time limitations and requirements as the department may establish.
(11) A resort license may not_be_mortgaged_or pledged as_security and_may_not be_transferred_to another_person except for_a transfer_by inheritance_ugon the_death_of the licensee. In addition te--the--restrietions--on-sate--or transfer--of--a--7icense--as-provided-in-76-4-2日4, no resort retail liquor license may be sold or transferred for operation at a location outside of the boundaries of the resort ared.
(12) A resort retail liquor license shall not be subject to the quata limitations set forth in 16-4-201, and if the requirements of this section have been metr a resort retail liquor license shall be issued by the department on the basis that the department has determined that such license is justified by public convenience and necessity, in accordance with the procedure required in 16-4-207."

## SENATE BILL NO. 461

Intruouced gy senate taxation committee g GODOVER, TOWE, MCCALLUM, NORMAN
by Request of the senate taxation committee

A BILL FOR AN ACT ENTITLED: MAN ACT TJ REMOVE THE restrictions on all-beverages liquor licenses transferred from one quota area to another 5 years after the transfer ano to allow the transfers of all-beverages licenses io quota areas that are less than $\mathbf{t} 3 \boldsymbol{\theta} \underline{1} \underline{3} \underline{3}$ percent over ouota, AN INCREASE FROM 125 PERCENT: AMENDING SECTIONS 16-4-2027 AND 16-4-204, ANE-76-4-5日士: MCA."
bf it enacteg by the legislature of the state of montana:
Section 1. Section 16-4-204, MCA, is amended to read:
"16-4-204. Contents of license -- posting -- privilege -- transfer -- expiration. (1) Every license issued under this part shall set forth the name of the person to whom issued. the location, by street and number or other appropriate specific description of location if no street address exists, of the premises where the business is to be carried on under said license, and such other information as the department shall deem necessary. If the licensee is a partnership or if more than one person has any interest in the business operated under the license, the names of all
persons in the partnership or interested in the business must appear on the license. Every license must be posted in a conspicuous place on the premises wherein the business authorized under the license is conducted, and such license shall be exhibited upon request to any authorized representative of the department or to any peace officer of the state of Montana.
(2) Any license issued under the provisions of this part shall be considered a privilege personal to the licensee named in the license and shall be good until the expiration of the license unless sooner revoked or suspended.
(3) A license may be transferred to the executor or administrator of the estate of any deceased licensee when such estate consists in whole or in part of the business of selling liquor under a license, and in such event the license may descend or be disposed of with the business to which it is applicable under appropriate probate proceedings.
(4) In the event of a major loss or damage to licensed premises by unforeseen natural causes or in case of expiration of lease of the licensed premises or in the event of eviction or increase of rent by the landord fin case of rented licensed premises) or in case of proposed removal of license to premises as substantially suited for the retail
liquor business as the premises vacated, the licensee may apply to the department for a transfer of the license to different premises. The department may in its discretion permit a transfer in such cases if it appears to the -epartment that such a transfer is required to do justice to the licensee appiying for the transfer. The department shall in no event nor for any cause permit a transfer to different premises where the sanitary, health, and service facilities are less satisfactory than such facilities which exist or had existed at the premises from which the transfer is proposed to be made.
(5) Upon a bona fide sale of the business operated under any license, the license may be transferred to a qualified purchaser. No transfer of any license as to person or lacation shall be effective unless and until approved by the department, and any licensee or transferee or proposed transferee who operates or attempts to operate under any supposedly transferred license prior to the approval of such transfer by the department, endorsed upon the license in writing, shall be considered as operating withqut a license and the license affected may be revoked or suspended by the department. The department may, within its discretion, permit a qualified purchaser to operate the business to be transferred pending final approval, providing the application for transfer has been filed with the
department.
(6) (a) A license may be transferred to a new ownership and to location outside the quota area for which it was originally issued only when the following criteriz are met:
(i) the total number of all-beverages licenses in the origind quota area exceeded the quota for that area by dt least 25\% 30\% 252 in the most recent census;
(ii) the total number of all-beverages licenses in the quota area to which the license would be transferred did not
 most recent census: and
(iii) the department finds, after a public redring. that the pubic convenience and necessity woula be served by such a transfer.
(b) For 5 years after the transfer of_d license transferfed between quota areas under this-seetion subsection_lollale the license may not be mortgaged or pledged as security and may not be transferred to mother person except for a transfer by inheritance upon the death of the licensee. A license transferred between quota areas under this section may be held only by natural persons for 5 years following the transfer. For the purpose of this section natural persons shall not include limited partnerships or other business entities of any kind in which
each natural person is not a full participant in the ownership and operation of the business authorized by the license.


 tieense-that二i9-noztonger-considered-to-bezeart-of=the-guoto



 area_under subsection_(6)(a) it may not be transferred_to another_quota area_or back to the original quata area.
(T) (a) Any all-beverage licensee is, upon the approval and in the discretion of the liquor division. entitled to a catering endorsement to his all-beverage license to allow the catering and sale of alcaholic beverages to persons attending a special event upon premises not otherwise licensed for the sale of alcoholic beverages. such beverages to be consumed on the premises where the event is held.
(b) A written application for a catering endorsement and an annual fee of $\$ 250$ must be submitted to the department for its approval.
(c) Aritten application for each event for which the
licensee intends to provide catering servicesp the written approval of the catering application by the sponsor of the special event, and a fee of $\$ 40$ must befiled with the department at least 10 days prior to the event and shall describe the location of the premises where the event is to be held, the nature of the event, and the period during which the event is to be held. An all-beverage licensee who holds an endorsement granted under this subsection (7) may not receive approval to cater an event of which he is the sponsor. The catered event must be within 100 miles of the licensee's regular place of business. If obtained, the licensee shall display in a prominent place on those premises, the written approval from the department for each event which is catered pursuant to this subsection.
(d) The licensee shall file with each application for an event to be catered a written statement of approval of the premises where the event is to be held issued by the department of health and environmental sciencese
(e) The sale of alcoholic beverages pursuant to a catering endorsement is subject to the provisions of 16-6-103.
(f) The sale of alcoholic beverages pursuant to a catering endorsement is subject to the provisions of 16-3-306. unless entities named in 16-3-306 give their written approval.
（8）Except as above provided，no license shall be transferred or sold nor shall it be used for any place of business not described in the license；provided，however． that such license may be subject to mortyage and other valid liens，in which event the name of the mortgagee，upon application to and approval of the department，must be endorsed on the iicense．
（9）All licenses shall expire at midnight of june 30 of each year．＂

Seetion－z＝－section－16－4－50tv－MEAv－is－amended－to－－reodt

tieensee－tieensed－to－sett－either－beer－or－tabte－wine－ontyt－or both－beer－and－tabte－winev－under－the－provistons－of－this－codev strotf－poy－on－onnuet－ticense－fee－as－fottowst
tot－－each－brewery－wherever－tochtedy－－whose－－produet－－is soty－－or－－offered－for－sate－within－the－stotev－s500t－for－each storage－depot－ 3400
tht－－each－beer－－whotesatery－s400t－－eneh－－tabte－－－wine atstributory－ $44 \theta \theta t$
fet－－een－－beer－－retaiterv－－ amendmentr－an－oddttionat－szeot
fot－－for－s－－7icense－to－sełt－－beer－－at－－feteit－－－for off－premises－－consumption－－ontyp－－the－same－as－a－retait－beer Hieensef－for－a－Hicense－to－set＋－－table－－wine－－ot－－retart－－for off－premises－－－eonsumption－－－onlym－－－tther－－－eteme－－－er－－in

## eonjonction－with－beery－\＆ze日t

tet－－any－－unit－－ef－－z－－nationałty－－chartered－－veterans＾ organizetionv－558z
 the－rate－of－5it5－a－day－for－each－day－beer－－is－－sotd－at－those events－－tasting－－z－or－more－days－but－in－no－ease－be－tess－than \＄30w
t3t－－Fhe－permit－Fee－under－t6－4－30ttzi－is－－ 5 te－for－－the state－－of－－beer－－onty－or－－zze－－fer－the－sate－of－ott－otconotic beveroges＊

44－－Passenger－earrier－ticenses－shath－－be－itsued－upon payment－by－the－appticant－of－an－anmat－ticense－fee－in－the－sum ef－5300．
t5t－－Fhe－－anncot－ificense－fee－for－a－ticense－to－sett－wine on－the－premisesv－when－isisued－ms－on－omendment－to－a－beer－onty

f6t－－Fhe－onnuat－－fee－for－resort－retait－4iquor－tieenses within－a－given－mesart－area－shatl－be－szye日－for－eath－tie＝nseu
 16－4－Z日t－shat＋－pay－an－annuat－lifense－fee－as－fottows＊
tot－－exeept－－as－－hereinofter－providedv－for－each－ticense outside－of－ineorporoted－citites－and－inearporated－towns－or－－in incorporated－eities－and－ineorporated－towns－with－t－poputation of－tess－than－Zッ日e日－$-44 \theta \theta$
tbi－－exeept－－as－－hereinafter－providedp－for－each－tieense
in－ineorporated－eitites－with－a－pepatation－of－more－thon－－Zve日e and－tess－than－5ye日e－or－within－a－dtstance－of－5－wites－thereefy meastred－in－a－straight－lime－from－the－nearest－entrance－of－the premises－－to－－be－－4icensed－－to－－the－neorest－boundory－of－such eteyp－50500t
tet－－exeept－as－hereinafter－providedy－for－－each－－tieense in－－ineorporated－etties－with－a－poputation－of－more－than－5－0ө日 ond－tess－than－－terte日－－or－－within－a－－distanee－－of－－5－－mites thereofy－－measured－－in－－a－－straight－－tine－－from－－the－nearest entranee－of－the－premises－－te－－be－－titeensed－－to－－the－－neorest boundary－of－such－eityp－\＄650t
fot－－for－－each－－ficense－－in－incor porated－eities－with－a popatetion－of $\rightarrow \theta$－$\theta \theta \theta-$ or－more－or－within－d－distance－of－5－mites thereofy－measured－－in－－o－－straight－－tine－－from－－the－－nearest entranee－－of－－the－－premtses－－to－be－－lifeensed－to－the－nespest boundary－of－surh－eityp－sze日t
tef－－the－distanee－of－5－mites－from－the－corporate－timits of－－－any－ineor porated－－eities－－and－－ineorparated－－towns－－is measured－in－a－straight－＋ine－from－the－mearest－entrance－of－the premises－to－be－tieensed－te－the－nearest－boundary－of－surh－eity of－townt－and－where－the－－premises－－of－－the－－applicent－－to－－be Hieensed－－bre－－situated－－within－－5－－mites－－of－－the－corporste boundar res－－of－－twa－－－or－－－more－－－incorporated－－－citites－－－or incorporatet－towns－of－different－poputationst－the－titense－fee ehargeobte－－by－－the－tar ger－ineorporated－eity－or－ineorporated
town－appties－and－shat＋－be－poid－by－the－－apptieant $\quad$－－When－－the premises－of－the－apptieant－to－be－ticensed－are－situated－within an－incorporated－town－er－ineorportated－city－and－any－portion－of the－－ineorporated－town－－or－－ineorporoted－－eity－is－without－a s－mite－timity－the－tteense－fee－chargeabte－－by－the－－smatter incorporated－－t own－or－incor porat ed－etty－appties－and－shatt－be poid－by－the－apptieont．
ffi－－on－apptieant－－for－－the－－is suance－－of－－an－－originat Hieense－－to－be－toeated－in－areas－described－in－subseetion－tot of－this－subsection－shat＋－pay－b－one－time－originat－ticense－fee
 fee－of－szer日e日－shat＋－not－appty－to－any－transfer－or－renewat－of a－ticense－duly－issued－prifor－eo－tuty－tr－t974r－Att－－ticensest hewever $p$－ore－subject－te－the－omuat－renewat－fee－ef－ 880 ．






 nontransferable＊
t9＋tt日t－Fhe－－－ticense－－fees－－herern－－provided－－for－－ore exetustve－－of－－and－in－－addition－－to－－other－－－tieense－－－fees Chargeabte－－in－Monting－for－tine－s ate－of－ateohotre－beverages：＂

$$
-9-
$$

52． 461

Section 2. Section 16-4-202, MCA, is amended to read:
"16-4-202. Resort licenses. (I) It is the intent and purpose of this section to encourage the growth of quality recreational resort facilities in undeveloped areas of the state and to provide for the orderly growth of existing recreational sites by the establishment of resort areas within which retail liquor licenses may be issued by the department under the terms and as more particulariy prescribed below. In addition to the licenses as otherwise set forth in [this act], the department may issue resort retail liquor licenses in a resort area.
(2) For the purposes of this section, a resort area is defined as a recreational facility meeting the qualifications determined by the department as hereinafter provided.
(3) The department shall determine that the area for which licenses are to be issued is a resort areap such determination to be made under and pursuant to rules to be first promulgated on or before December 31, 1975.
(4) In addition to the other requirements of this code, acesort areep, for the purposes of qualification for the issuance of resort retail liquor license, must have a current actual valuation of resort or recreational facilities, including $l$ and and improvements thereon, of not less than 5500,000 , at least half of which valuation must be
for a structure or structures within the resort area, and must be under the sole ownerstip or control of one person or entity at the time of the filing of the resort area plat referred to in subsection (5) of this section. The wort control shall mean lands held under lease, option, or permit.
(5) The resort area must be determined by the resort developer or landowner by a plat setting forth the resort boundaries, designating the ownership of the lands within the resort area, which plat must be verified by the resort developer or landowner and filed with the department prior to the filing of any applications by individuals for licenses within the resort area. Such plat must show the location and general design of the buildings and other improvements to be built in said area in which resort retail liquor licenses are to or may be located. A master plonfor the development of the area may be filed by the resort developer in satisfaction of this section.
(6) Upon such filing the department shall forthwith schedule a public hearing to be held in Helenap Montana, to determine whether the facility proposed by the resort developer or landowner is a resort area within the meaning of the rules of the department. At least 30 days prior to the date of the hearing, the department shall publish notice thereof. with a description of the location of the proposed

```
resort area, in a newspaper published in the county or
counties in which the resort is located, once a week for 4
consecutive weeks. Each resort developer or landawner
shall, at the time of filinghis application, pay to the
department an amount sufficient to cover the costs of said
publication.
    17) Persons may present statements to the deoartment
at the hearing in person or in writing in opposition or
support of the plat.
（8）Within 30 days of the hearing，the department shall accept or reject the piat．If rejected the department must state its reasons and set forth the conditions．if any under which the plat will be accepted，and the decision of the department may be reviemed pursuant to the review procedure set forth in 16－4－406．
（9）Once filed with the departmenty the boundaries of a resort may not be changed without full hearing as above provided and the prior approval of the department，which approval shall be according to public convenience and necessity．
area，in a newspaper publisted in the county or counties in which the resort is located，once week for 4
（10）（a）when the department has accepted a plat and a given resort area has been determined，applications may then De filed with the department by persons for the issuance of resort retail liquor licenses within the resort area．
（b）EAch applicant must submit plans showing the
location，appearance，and floor plan of the premises for which application for a license is made．
（c）If an applicant otherwise qualifies for a resort license but the premises to be licensed are still in construction or are otherwise incomplete at the \(t i m e ~ o f ~ s u c h ~\) application，the department shall issue a letter stating that the iicense will be issued at such time as the qualifications for a licensed premises have been met． setting forth such time linitations and requirements as the department may establish．
（11）A－zresort－＿ticense二mey－ngt－be－mertaged－or－ptedged os－security－and－may－not－be＝－transferred－－to－zonother－zeperson except－二for二－otronsfer－by－inheritonee－upon－the－death－of－the tieensees In addition to－－the－－restritetions－on－－sote－－or transfer－－of－－a－－tieense－－as－－provided－－in－－ \(\mathbf{1 6 - 4 - 2 0 4}\) IO＿THE RESTRICIIONS＿ON SALE＿OR＿IRANSFER OF A LICENSE＿AS＿PROYIOED＿IN 16－4－204，no resort retail liquor license may be sold or transferred for operation at a location outside of the boundaries of the resort area．
（12）A resort retail liquor license shall not be subject to the quota limitations set forth in 16－4－201，and if the requirements of this section have been met，a resort retail liquor license shall be issued by the department on the basis that the department has determined that such license is justified by public convenience and necessity，in
－14－
Sa 461

SB 0461/03

1 accordance with the procedure required in 16-4-207."
-End-
```

April 8, 1981

```

PROPOSED GOVERNOR'S AMENDMENTS TO SB 46l; REFERENCE COPY, AS FOLLOWS:
1. Page 14, Lines 11 through 14. Following: (ll)
Delete: A resort license may not be mortgaged or pledged as security and may not be transferred to another person except for a transfer by inheritance upon the death of the licensee.
2. Page l4, Line 14

Following: "addition"
Insert: "to the restrictions on sale or transfer of a license as provided in 16-4-204"

\section*{State of 3tmutana}
(1)ffice of the (rourriur

Edema 396

April 8, 1981

The Honorable Jean A. Turnage
President of the Senate
State Capitol
Helena, Montana 59620
The Honorable Robert L. Marks
Speaker of the House
State Capitol
Helena, Montana 59620
Dear Senator Turnage and Representative Marks:
In accordance with the power vested in me as Governor by the Constitution and the laws of the State of Montana, I hereby return Senate Bill No. 461, "AN ACT TO REMOVE THE RESTRICTIONS ON ALL-BEVERAGES LIQUOR LICENSES TRANSFERRED FROM ONE QUOTA AREA TO ANOTHER 5 YEARS AFTER THE TRANSFER AND TO ALLOW THE TRANSFERS OF ALL-BEVERAGES LICENSES TO QUOTA AREAS THAT ARE LESS THAN 133 PERCENT OVER QUOTA, AN INCREASE FROM 125 PERCENT; AMENDING SECTIONS 16-4-202, AND 16-4-204," without my signature and recommend the attached amendments for the following reasons.

The language of \(S B 461\) on page 14, lines 11 through 14 c creates a statutory bar against any mortgaging or pledging of resort all-alcoholic beverage licenses as security. Additionally, the language bars any transfer of the license except upon inheritance by death, similar to the current provisions affecting floater all-alcoholic beverage licenses.

The unamended statutory provisions allow the resort allalcoholic beverage license to be mortgaged or pledged as security and allows the transfer of such licenses with the restriction that such licenses may not be transferred to locations outside the boundaries of the resort area. Currently, at least four resort all-alcoholic beverage licenses have been mortgaged or pledged as security with secured parties and their security interests recorded with the Department of Revenue, Liquor Division.
- Senator Turnage and Representative Marks April 8, 1981
Page Two

The amendments \(I\) am proposing maintain the existing statutory provisions for mortgaging and transferring resort all-alcoholic beverage licenses.

I urge your concurrence in these amendments.
```


[^0]:    liquor business as the premises vacated, the licensee may apply to the department for a transfer of the license to different premises. The department may in its discretion

    ```
    permit a transfer in such cases if it appears to the
    ``` department that such a transfer is required to to justice to the licensee applying for the transfer. the department shall in no event nor for any cause permit a transfer to different premises where the sanitary, health, and service facilities are less satisfactory than such facilities which exist or had existed at the premises from which the transfer is proposed to be made.
    (5) Upon a bona fide sale of the business operated under any license, the license may be transferred to a qualified purchaser. No transfer of any license as to person or location shall be effective unless and until approved by the department, and any licensee or transferee or proposed transferee who operates or attempts to operate under any supposedly transferred license prior to the approval of such transfer by the department, andorsed upon the license in writing, shall de considered as operating without a license and the license affected may be revoked or suspended by the department. The department may, within its discretion, permit a qualified purchaser to operate the business to be transferred pending final approval. providing the application for transfer has been filed with the
    ```

