HOUSE BILL NO. 132

INTRODUCED BY WILLIAMS

BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE

IN THE HOUSE

January	8, 3	1983		Introduced and referred to Committee on Business and Industry.
January	21,	1983		Committee recommend bill do pass as amended. Report adopted.
January	22,	1983		Bill printed and placed on members' desks.
January	24,	1983		Motion pass consideration.
January	25,	1983		Second reading, do pass.
January	26,	1983		Considered correctly en- grossed.
January	27,	1983		Third reading, passed. Transmitted to Senate.
			IN THE SI	ENATE
January	28,	1983	 	Introduced and referred to Committee on Business and Industry.
February	<i>z</i> 3,	1983		Committee recommend bill be concurred in. Report adopted.
Pebruary	7,	1983		Second reading, concurred in.
February	7 9,	1983		Third reading, concurred in. Ayes, 48; Noes, 0.

IN THE HOUSE

February 9, 1983

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February 10, 1983

Returned to House. Sent to enrolling. Reported correctly enrolled. 48th Legislature

LC 0380/01

House BILL NO. 132 ÷1: INTRODUCED BY Williams 2 BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE 3 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE A LATE FEE 5 6 TO BE CHARGED TO NONTANA ALCOHOLIC BEVERAGE LICENSEES WHO FAIL TO PAY ANNUAL RENEWAL FEES IN A TIMELY MANNER; AMENDING 7 SECTION 16-4-501, MCA." 8 والمراجع والمراجع والمنافع والمراجع والمراجع والمراجع والمراجع والمراجع والمراجع والمراجع والمراجع والمراجع 9 10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NONTANA: 11 Section 1. Section 16-4-501, NCA, is amended to read: 12 #16-4-501. License and permit fees. (1) Each beer 13 licensee licensed to sell either beer or table wine only, or both beer and table wine, under the provisions of this code, 14 15 shall pay an annual license fee as follows: 16 (a) each brewer, wherever located, whose product is 17 sold or offered for sale within the state, \$500; for each storage depot, \$400; 18 19 (b) each beer wholesaler, \$400; each table wine distributor, \$400; 20 21 (c) each beer retailer, \$200; with a wine license 22 amendment, an additional \$200: (d) for a license to sell beer at retail for 23 **Z4** off-premises consumption only, the same as a retail beer license; for a license to sell table wine at retail for 25

 A second sec second sec 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 and table wine are sold at those events lasting 2 or more days but in no case be less than \$30. (3) The permit fee under 16-4-301(2) is \$10 for the sale of beer and table wine only or \$20 for the sale of all alcoholic beverages. (4) Passenger carrier licenses shall be issued upon payment by the applicant of an annual license fee in the sum 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

17 license, is \$200.

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18 (6) The annual fee for resort retail liquor licenses
19 within a given resort area shall be \$2,000 for each license.

20 (7) Each licensee licensed under the quotas of
21 16-4-201 shall pay an annual license fee as follows:

(a) except as hereinafter provided, for each license
outside of incorporated citles and incorporated towns or in
incorporated citles and incorporated towns with a population
of less than 2,000, \$250 for a unit of a nationally
INTRODUCED BILL

-2-

B 132

1 chartered veterans* organization and \$400 for all other 2 licensees;

3 (b) except as hereinafter provided, for each license 4 in incorporated cities with a population of more than 2,000 and less than 5,000 or within a distance of 5 miles thereof, 5 measured over the shortest public road or highway from the 6 7 nearest entrance of the premises to be licensed to the 8 nearest boundary of such city, \$350 for a unit of a 9 nationally chartered veterans" organization and \$500 for all 10 other licensees;

11 (c) except as hereinafter provided, for each license 12 in incorporated cities with a population of more than 5,000 and less than 10,000 or within a distance of 5 miles 13 thereof, measured over the shortest public road or highway 14 15 from the nearest entrance of the premises to be licensed to 16 the nearest boundary of such city, \$500 for a unit of a nationally chartered veterans' organization and \$650 for all 17 18 other licensees;

(d) for each license in incorporated cities with a population of 10,000 or more or within a distance of 5 miles thereof, measured over the shortest public road or highway from the nearest entrance of the premises to be licensed to the nearest boundary of such city, \$650 for a unit of a nationally chartered veterans* organization and \$800 for all other licensees;

(e) the distance of 5 miles from the corporate limits 1 2 of any incorporated cities and incorporated towns is 3 measured over the shortest public road or highway from the 4 nearest entrance of the premises to be licensed to the 5 nearest boundary of such city or town; and where the 6 premises of the applicant to be licensed are situated within 7 5 miles of the corporate boundaries of two or more 8 incorporated cities or incorporated towns of different populations, the license fee chargeable by the larger 9 incorporated city or incorporated town applies and shall be 10 paid by the applicant. When the premises of the applicant to 11 12 be licensed are situated within an incorporated town or 13 incorporated city and any portion of the incorporated town 14 or incorporated city is without a 5-mile limit, the license 15 fee chargeable by the smaller incorporated town or incorporated city applies and shall be paid by the 16 applicant. 17

(f) an applicant for the issuance of an original 18 license to be located in areas described in subsection (d) 19 of this subsection shall pay a one-time original license fee 20 21 of \$20,000 for any such license issued. The one-time license 22 fee of \$20,000 shall not apply to any transfer or renewal of a license duly issued prior to July 1, 1974. All licenses: 23 24 however, are subject to the annual renewal fee. 25 (8) The fee for one all-beverage license to a public

-3-

LC 0380/01

LC 0380/01

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1	airport shall be \$800. This license is nontransferable.
2	(9) The license fees herein provided for are exclusive
3	of and in addition to other license fees chargeable in
4	Montana for the sale of alcoholic beverages.
5	(10) In addition to other license fees, the department
6	of revenue may require a licensee to pay a late fee ofnot
7	to exceed \$500 if the annual renewal fee is not paid on or
8	before July 1 of the renewal year. Such late fee must be
9	based on the added cost to the department of collecting the
10	annyal_renewal_fee."

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Approved by Committee on <u>Business and Industry</u>

1	HOUSE BILL NO. 132
- 2	INTRODUCED BY WILLIAMS
3	BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE
4	
5	A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE A LATE FEE
6	TO BE CHARGED TO HONTANA ALCOHOLIC BEVERAGE LICENSEES WHO
7	FAIL TO PAY ANNUAL RENEWAL FEES IN A TIMELY MANNER;
8	AUIHORIZINGSUSPENSION_OR_BEVOCATION_OE_ALCOHOLIC_BEVERAGE
ò	LICENSESIEANNUALBENEWALEEEISNOIIIMELYPAID:
10	ELIMINATING_PROVISIONS_THAT_ALCOHOLIC_BEVERAGE_LICENSES
11	EXPIRE JUNE 30 DF EACH YEAR: AMENDING SECTIONS
12	16-4-204. 16-4-407. AND 16-4-501. MCA."
13	
13	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
-	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: Seciion 1. Seciion 16-4-204. MCa. IS AMENDED 10 READ:
14	
14 15	SECTION 1. SECTION 16-4-204. HCA. IS AMENDED TO READ:
14 15 16	SECTION 1. SECTION 16-4-204: MCA. IS AMENDED 10 READ: #16-4-204. Contents of license posting privilege
14 15 16 17	SECTION 1. SECTION 16-4-204. MCA. IS AMENDED 10 READ: #16-4-204. Contents of license posting privilege catering endorsement transfer expiration. (1) Every
14 15 16 17 18	SECTION 1. SECTION 16-4-204: MCA. IS AMENDED 10 READ: "16-4-204. Contents of license posting privilege catering endorsement transfer expiration. (1) Every license issued under this part shall set forth the name of
14 15 16 17 18 19	SECTION 1. SECTION 16-4-204. MCA. IS AMENDED 10 READ: "16-4-204. Contents of license posting privilege catering endorsement 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
14 15 16 17 18 19 20	SECTION 1. SECTION 16-4-204. MCA. IS AMENDED 10 READ: "16-4-204. Contents of license posting privilege catering endorsement 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
14 15 16 17 18 19 20 21	SECTION 1. SECTION 16-4-204. MCA. IS AMENDED 10 READ: #16-4-204. Contents of license posting privilege catering endorsement 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
14 15 16 17 18 19 20 21 21 22	SECTION 1. SECTION 16-4-204. MCA. IS AMENDED 10 READ: "16-4-204. Contents of license posting privilege catering endorsement 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

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.

8 (2) Any license issued under the provisions of this 9 part shall be considered a privilege personal to the 10 licensee named in the license and shall be good until the 11 expiration of the license unless sooner revoked or 12 suspended.

13 (3) A license may be transferred to the executor or 14 administrator of the estate of any deceased licensee when 15 such estate consists in whole or in part of the business of 16 selling liquor under a license, and in such event the 17 license may descend or be disposed of with the business to 18 which it is applicable under appropriate probate 19 proceedings.

20 (4) In the event of a major loss or damage to licensed 21 premises by unforeseen natural causes or in case of 22 expiration of lease of the licensed premises or in the event 23 of eviction or increase of rent by the landlord (in case of 24 rented licensed premises) or in case of proposed removal of 25 license to premises as substantially suited for the retail

> -2- HB 132 SECOND READING

1 liquor business as the premises vacated, the licensee may 2 apply to the department for a transfer of the license to 3 different premises. The department may in its discretion 4 permit a transfer in such cases if it appears to the 5 department that such a transfer is required to do justice to 6 the licensee applying for the transfer. The department 7 shall in no event nor for any cause permit a transfer to 8 different premises where the sanitary, health, and service 9 facilities are less satisfactory than such facilities which 10 exist or had existed at the premises from which the transfer 11 is proposed to be made.

12 (5) Upon a bona fide sale of the business operated 13 under any license, the license may be transferred to a qualified purchaser. No transfer of any license as to 14 person or location shall be effective unless and until 15 16 approved by the department, and any licensee or transferee 17 or proposed transferee who operates or attempts to operate 15 under any supposedly transferred license prior to the approval of such transfer by the department, endorsed upon 19 20 the license in writing, shall be considered as operating 21 without a license and the license affected may be revoked or 22 suspended by the department. The department may, within its 23 discretion, permit a qualified purchaser to operate the 24 business to be transferred pending final approval, providing 25 the application for transfer has been filed with the HB 0132/02

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1	department.
2	(6) (a) Except as provided in subsection (6)(b), a
3	license may be transferred to a new ownership and to a
4	location outside the quota area for which it was originally
5	issued only when the following criteria are met:
6	(i) the total number of all-beverages licenses in the
7	original quota area exceeded the quota for that area by at
B	least 25% in the most recent census prescribed in 16-4-502;
9	(ii) the total number of all-beverages licenses in the
10	quota area to which the license would be transferred did not
11	exceed that area's quota by more than 33% in the most recent
12	census prescribed in 16-4-502; and
13	(iii) the department finds, after a public hearing,
14	that the public convenience and necessity would be served by
15	such a transfer.
16	(b) A license within an incorporated quota area may be
17	transferred to a new ownership and to a new unincorporated
18	location within the same county on application to and with
19	consent of the department when the quota of the
20	all-beverages licenses in the original quota area exceeds
21	the quota for that area by at least 25% in the most recent
22	census and will not fall below that level because of the
23	transfer.
24	(c) For 5 years after the transfer of a license
25	between quota areas under subsection (6)(a), the license may

-4-

-3-

HB 132

HB 132

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not be mortgaged or pledged as security and may not be 1 2 transferred to another person except for a transfer by 3 inheritance upon the death of the licensee. A license 4 transferred between guota areas under this section may be 5 held only by natural persons for 5 years following the transfer. For the purpose of this section, natural persons 6 shall not include limited partnersnips or other business 7 entities of any kind in which each natural person is not a 8 9 full participant in the ownership and operation of the 10 business authorized by the license.

(d) Once a license is transferred to a new quota area
 under subsection (6)(a), it may not be transferred to
 another quota area or back to the original quota area.

14 (7) (a) Any all-beverage licensee is, upon the approval and in the discretion of the liquor division, 15 entitled to a catering endorsement to his all-beverage 16 17 license to allow the catering and sale of alcoholic beverages to persons attending a special event upon premises 18 not otherwise licensed for the sale of alcoholic beverages, 19 such beverages to be consumed on the premises where the 20 event is held. 21

22 (b) A written application for a catering endorsement
23 and an annual fee of \$250 must be submitted to the
24 department for its approval.

25 (c) A written application for each event for which the

-5-

3 special event, and a fee of \$40 must be filed with the 4 department at least 10 days prior to the event and shall 5 describe the location of the premises where the event is to 6 be held, the nature of the event, and the period during 7 which the event is to be held. An all-beverage licensee who holds an endorsement granted under this subsection (7) may 8 9 not receive approval to cater an event of which he is the 10 sponsor. The catered event must be within 100 miles of the 11 licensee's regular place of business. If obtained, the 12 licensee shall display in a prominent place on those 13 premises, the written approval from the department for each 14 event which is catered pursuant to this subsection.

licensee intends to provide catering services, the written

approval of the catering application by the sponsor of the

15 (d) The licensee shall file with each application for 16 an event to be catered a written statement of approval of 17 the premises where the event is to be held issued by the 18 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.

22 (f) The sale of alcoholic beverages pursuant to a 23 catering endorsement is subject to the provisions of 24 16-3-306, unless entities named in 16-3-306 give their 25 written approval.

-6-

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HB 132

1 (8) Except as above provided, no license shall be 2 transferred or sold nor shall it be used for any place of 3 business not described in the license; provided, nowever, 4 that such license may be subject to mortgage and other valid 5 liens, in which event the name of the mortgagee, upon 6 application to and approval of the department, must be 7 endorsed on the license.

8 (9)--All-licenses-shall-expire-at-midnight-of--June--30 9 of-each-veart^a

10 SECTION 2. SECTION 16-4-407. MCA. IS AMENDED TO READ: 11 "16-4-407. Expiration of licenses. Each July 1, the 12 department shall issue licenses to brewers, wholesalers, or 13 retailers or for the retail sale of alcoholic beverages on 14 an annual basis and at such fees as are prescribed by law, 15 and such licenses shall-expire-at are subject to suspension or revocation under 16-4-406 after midnight of June 30 of 16 17 the succeeding year if the annual renewal fees, required by 18 16-4-501 are not paid. The department shall notify each 19 applicant for an original license or renewal that he should 20 inform himself of applicable provisions of federal law which 21 may require a permit from a federal agency."

Section 3. Section 16-4-501, MCA, is amended to read:
 *16-4-501. License and permit fees. (1) Each beer
 licensee licensed to sell either beer or table wine only, or
 both beer and table wine, under the provisions of this code,

-7-

1 shall pay an annual license fee as follows:

2 (a) each brewer, wherever located, whose product is
3 sold or offered for sale within the state, \$500; for each
4 storage depot, \$400;

5 (b) each beer wholesaler, \$400; each table wine
6 distributor, \$400;

7 (c) each beer retailer, \$200; with a wine license
8 amendment, an additional \$200;

9 (d) for a license to sell beer at retail far 10 off-premises consumption only, the same as a retail beer 11 license; for a license to sell table wine at retail for 12 off-premises consumption only, either alone or in 13 conjunction with beer, \$200;

14 (e) any unit of a nationally chartered veterans¹
15 organization, \$50.

16 (2) The permit fee under 16-4-301(1) is computed at 17 the rate of \$15 a day for each day beer and table wine are 18 sold at those events lasting 2 or more days but in no case 19 be less than \$30.

20 (3) The permit fee under 16-4-301(2) is \$10 for the
21 sale of beer and table wine only or \$20 for the sale of all
22 alcoholic beverages.

(4) Passenger carrier licenses shall be issued upon
payment by the applicant of an annual license fee in the sum
of \$300.

-8-

1 (5) The annual license fee for a license to sell wine 2 on the premises, when issued as an amendment to a beer-only 3 license, is \$200.

4 (6) The annual fee for resort retail liquor licenses
5 within a given resort area shall be \$2,000 for each license.
6 (7), Each licensee licensed under the quotas of
7 16-4-201 shall pay an annual license fee as follows:

8 (a) except as hereinafter provided, for each license 9 outside of incorporated cities and incorporated towns or in 10 incorporated cities and incorporated towns with a population 11 of less than 2,000, \$250 for a unit of a nationally 12 chartered veterans' organization and \$400 for all other 13 licensees;

14 (b) except as hereinafter provided, for each license in incorporated cities with a population of more than 2,000 15 and less than 5,000 or within a distance of 5 miles thereof, 16 17 measured over the shortest public road or highway from the 18 nearest entrance of the premises to be licensed to the nearest boundary of such city, \$350 for a unit of a 19 nationally chartered veterans! organization and \$500 for all 20 21 other licensees;

(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 over the shortest public road or highway

1 from the nearest entrance of the premises to be licensed to 2 the nearest boundary of such city, \$500 for a unit of a 3 nationally chartered veterans, organization and \$650 for all 4 other licensees;

5 (d) for each license in incorporated cities with a 6 population of 10,000 or more or within a distance of 5 miles 7 thereof, measured over the shortest public road or highway 8 from the nearest entrance of the premises to be licensed to 9 the nearest boundary of such city, \$650 for a unit of a 10 nationally chartered veterans' organization and \$800 for all 11 other licensees;

12 (e) the distance of 5 miles from the corporate limits 13 of any incorporated cities and incorporated towns is 14 measured over the shortest public road or highway from the 15 nearest entrance of the premises to be licensed to the 16 nearest boundary of such city or town; and where the 17 premises of the applicant to be licensed are situated within 18 5 miles of the corporate boundaries of two or more 19 incorporated cities or incorporated towns of different 20 populations, the license fee chargeable by the larger 21 incorporated city or incorporated town applies and shall be paid by the applicant. When the premises of the applicant to 22 23 be licensed are situated within an incorporated town or 24 incorporated city and any portion of the incorporated town or incorporated city is without a 5-mile limit, the license 25

-9-

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fee chargeable by the smaller incorporated town or
 incorporated city applies and shall be paid by the
 applicant.

4 (f) an applicant for the issuance of an original 5 license to be located in areas described in subsection (d) 6 of this subsection shall pay a one-time original license fee 7 of \$20,000 for any such license issued. The one-time license 8 fee of \$20,000 shall not apply to any transfer or renewal of 9 a license duly issued prior to July 1, 1974. All licenses, 10 however, are subject to the annual renewal fee.

(8) The fee for one all-beverage license to a public
 airport shall be \$800. This license is nontransferable.

13 (9) The license fees herein provided for are exclusive
14 of and in addition to other license fees chargeable in
15 Nontana for the sale of alcoholic beverages.

16 [10] In addition to other license fees, the department 17 of revenue may require a licensee to pay a late fee of not 18 to:exceed_s500_if_the_anouol_renewal_fee_is_not_psid__on__or 19 before___wiy__i__of__the_renewai-yeary_Such_late_fee_must_be 20 based-on_the_odded_cost_to-the_department_of_collecting__the 21 anoval--renewal-fee 33 1/34 OF ANY LICENSE FEE DELINQUENT_ON 22 JULY 1 OF THE RENEWAL YEAR. 66 2/3% OF ANY LICENSE FEE 23 DELINQUENT ON AUGUST 1 DE THE RENEWAL YEAR+ AND 1003 DE ANY 24 LICENSE FEE DELINQUENT ON SEPTEMBER 1 OF THE RENEWAL YEAR."

-11-

)-22-83 HB 0132/02

1	HOUSE BILL NO. 132
2	INTRODUCED BY WILLIAMS
3	BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE
4	
5	A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE A LATE FEE
6	TO BE CHARGED TO MONTANA ALCOHOLIC BEVERAGE LICENSEES WHO
7	FAIL TO PAY ANNUAL RENEWAL FEES IN A TIMELY MANNER;
8	AUIHORIZINGSUSPENSIONOR_REVOCATION_OF_ALCOHOLIC_BEVERAGE
9	LICENSES_IE_ANNUAL_BENEWAL_EEE_IS_NOT_TIMELY_PAID:
10	ELIMINATING PROVISIONS THAT ALCOHOLIC BEVERAGE LICENSES
11	EXPIRE_JUNE_30QEEACHYEAR: AMENDING SECTION SECTIONS
12	16-4-204.16-4-407. AND 16-4-501. MCA."
13	
14	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
15	SECTION 1. SECTION 16-4-204. HCA. IS AMENDED TO READ:
16	*16-4-204. Contents of license posting privilege
17	catering endorsement transfer expiration. (1) Every
18	license issued under this part shall set forth the name of
19	the person to whom issued, the location, by street and
20	number or other appropriate specific description of location
21	if no street address exists, of the premises where the
22	business is to be carried on under said license, and such
23	other information as the department shall deem necessary.
24	If the licensee is a partnership or if more than one person
25	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.

B (2) Any license issued under the provisions of this 9 part shall be considered a privilege personal to the 10 licensee named in the license and shall be good until the 11 expiration of the license unless sooner revoked or 12 suspended.

13 (3) A license may be transferred to the executor or 14 administrator of the estate of any deceased licensee when 15 such estate consists in whole or in part of the business of 16 selling liquor under a license, and in such event the 17 license may descend or be disposed of with the business to 18 which it is applicable under appropriate probate 19 proceedings.

20 (4) In the event of a major loss or damage to licensed 21 premises by unforeseen natural causes or in case of 22 expiration of lease of the licensed premises or in the event 23 of eviction or increase of rent by the landlord (in case of 24 rented licensed premises) or in case of proposed removal of 25 license to premises as substantially suited for the retail

> -2- нв 132 THIRD READING

liquor business as the premises vacated, the licensee may 1 2 apply to the department for a transfer of the license to 3 different premises. The department may in its discretion 4 permit a transfer in such cases if it appears to the 5 department that such a transfer is required to do justice to 6 the licensee applying for the transfer. The department 7 shall in no event nor for any cause permit a transfer to 6 different premises where the sanitary, health, and service 9 facilities are less satisfactory than such facilities which 10 exist or had existed at the premises from which the transfer 11 is proposed to be made.

12 (5) Upon a bona fide sale of the business operated 13 under any license, the license may be transferred to a 14 qualified purchaser. No transfer of any license as to 15 person or location shall be effective unless and until 16 approved by the department, and any licensee or transferee 17 or proposed transferee who operates or attempts to operate under any supposedly transferred license prior to the 19 19 approval of such transfer by the department, endorsed upon the license in writing, shall be considered as operating 20 21 without a license and the license affected may be revoked or 22 suspended by the department. The department may, within its 23 discretion, permit a qualified purchaser to operate the 24 business to be transferred pending final approval, providing 25 the application for transfer has been filed with the

1 department.

2 (6) (a) Except as provided in subsection (6)(b), a
3 license may be transferred to a new ownership and to a
4 location outside the quota area for which it was originally
5 issued only when the following criteria are met:

6 (i) the total number of all-beverages licenses in the 7 original quota area exceeded the quota for that area by at 8 least 25% in the most recent census prescribed in 16-4-502; 9 (ii) the total number of all-beverages licenses in the 10 quota area to which the license would be transferred did not 11 exceed that area's quota by more than 33% in the most recent 12 census prescribed in 16-4-502; and

13 (iii) the department finds, after a public hearing,
14 that the public convenience and necessity would be served by
15 such a transfer.

16 (b) A license within an incorporated guota area may be 17 transferred to a new ownership and to a new unincorporated location within the same county on application to and with 18 19 consent of the department when the quota of the all-beverages licenses in the original quota area exceeds 20 the quota for that area by at least 25% in the most recent 21 22 census and will not fall below that level because of the 23 transfer.

24 (c) For 5 years after the transfer of a license
25 between quota areas under subsection (6)(a), the license may

-4-

-3--

HB 132

1 not be mortgaged or pledged as security and may not be z transferred to another person except for a transfer by inheritance upon the death of the licensee. A license 3 transferred between quota areas under this section may be 4 5 held only by natural persons for 5 years following the transfer. For the purpose of this section, natural persons 6 shall not include limited partnerships or other business 7 8 entities of any kind in which each natural person is not a 9 full participant in the ownership and operation of the 10 business authorized by the license.

(d) Once a license is transferred to a new quota area
 under subsection (6)(a), it may not be transferred to
 another quota area or back to the original quota area.

(7) (a) Any all-beverage licensee is, upon the 14 15 approval and in the discretion of the liquor division, entitled to a catering endorsement to his all-beverage 16 17 license to allow the catering and sale of alcoholic 18 beverages to persons attending a special event upon premises 19 not otherwise licensed for the sale of alcoholic beverages, 20 such beverages to be consumed on the premises where the 21 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.

25 (c) A written application for each event for which the

-5-

HB 132

1 licensee intends to provide catering services, the written 2 approval of the catering application by the sponsor of the 3 special event, and a fee of \$40 must be filed with the department at least 10 days prior to the event and shall 4 5 describe the location of the premises where the event is to 6 be held, the nature of the event, and the period during 7 which the event is to be held. An all-beverage licensee who holds an endorsement granted under this subsection (7) may 8 9 not receive approval to cater an event of which he is the 10 sponsor. The catered event must be within 100 miles of the licensee's regular place of business. If obtained, the 11 12 licensee shall display in a prominent place on those 13 premises, the written approval from the department for each 14 event which is catered pursuant to this subsection.

15 (d) The licensee shall file with each application for 16 an event to be catered a written statement of approval of 17 the premises where the event is to be held issued by the 18 department of health and environmental sciences.

19 (e) The sale of alcoholic beverages pursuant to a
20 catering endorsement is subject to the provisions of
21 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.

-6-

	1	(8) Except as above provided, no license shall be	1	shall pay an annual license fee as follows:
	2	transferred or sold nor shall it be used for any place of	2	(a) each brewer, wherever located, whose product is
	3	business not described in the license; provided, however,	3	sold or offered for sale within the state; \$500; for each
	4	that such license may be subject to mortgage and other valid	4	storage depot, \$400;
	5	liens, in which event the name of the mortgagee, upon	5	(b) each beer wholesaler, \$400; each table wine
	6	application to and approval of the department, must be	6	distributor, \$400;
	7	endorsed on the license.	7	(c) each beer retailer, \$200; with a wine license
	8	t9}&ll-l+canses-shall-expire-at-midnight-ofdune30	8	amendment, an additional \$200;
	9	of-each-years"	9	(d) for a license to sell beer at retail for
1	10	SECTION_ZSECTION16-4-407. MEA. IS_AMENDED_TO_READ:	10	off-premises consumption only, the same as a retail beer
:	11	"16-4-407. Expiration of licenses. Each July 1, the	11	license; for a license to sell table wine at retail for
1	12	department shall issue licenses to brewers, wholesalers, or	12	off-premises consumption only, either alone or in
1	13	retailers or for the retail sale of alcoholic beverages on	13	conjunction with beer, \$200;
2	14	an annual basis and at such fees as are prescribed by law.	14	(e) any unit of a nationally chartered veterans*
1	15	and such licenses shall-expire-at are subject to suspension	15	organization, \$50.
	16	or revocation under 16-4-406 after midnight of June 30 of	16	(2) The permit fee under 16-4-301(1) is computed at
1	17	the succeeding year if the annual renewal fees required by	17	the rate of \$15 a day for each day beer and table wine are
:	18	16-4-501 are not paid. The department shall notify each	18	sold at those events lasting 2 or more days but in no case
1	19	applicant for an original license or renewal that he should	19	be less than \$30.
1	20	inform himself of applicable provisions of federal law which	20	(3) The permit fee under 16-4-301(2) is \$10 for the
2	21	may require a permit from a federal agency."	21	sale of beer and table wine only or \$20 for the sale of all
i	22	Section 3. Section 16-4-501, MCA, is amended to read:	22	alcoholic peverages.
i	23	"16-4-501. License and permit fees. (1) Each beer	23	(4) Passenger carrier licenses shall be issued upon
:	24	licensee licansed to sell either beer or table wine only, or	24	payment by the applicant of an annual license fee in the sum
	25	both beer and table wine, under the provisions of this code,	25	of \$300.

-7-

HB 132

-8-

HB 132

1 (5) The annual license fee for a license to sell wine 2 on the premises, when issued as an amendment to a beer-only 3 license, is \$200.

4 (6) The annual fee for resort retail liquor licenses
5 within a given resort area shall be \$2,000 for each license.
6 (7) Each licensee licensed under the quotas of
7 16-4-201 shall pay an annual license fee as follows:

8 (a) except as hereinafter provided, for each license 9 outside of incorporated cities and incorporated towns or in 10 incorporated cities and incorporated towns with a population 11 of less than 2,000, \$250 for a unit of a nationally 12 chartered veterans² organization and \$400 for all other 13 licensees;

14 (b) except as hereinafter provided, for each license 15 in incorporated cities with a population of more than 2,000 16 and less than 5,000 or within a distance of 5 miles thereof, 17 measured over the shortest public road or highway from the 18 nearest entrance of the premises to be licensed to the 19 nearest boundary of such city, \$350 for a unit of a nationally chartered veterans' organization and \$500 for all 20 21 other licensees:

(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 over the shortest public road or highway

-9-

1 from the nearest entrance of the premises to be licensed to 2 the nearest boundary of such city, \$500 for a unit of a 3 nationally chartered veterans' organization and \$650 for all 4 other licensees;

5 (d) for each license in incorporated cities with a 6 population of 10,000 or more or within a distance of 5 miles 7 thereof, measured over the shortest public road or highway 8 from the nearest entrance of the premises to be licensed to 9 the nearest boundary of such city, \$650 for a unit of a 10 nationally chartered veterans⁴ organization and \$800 for all 11 other licensees;

12 (e) the distance of 5 miles from the corporate limits 13 of any incorporated cities and incorporated towns is measured over the shortest public road or highway from the 14 15 nearest entrance of the premises to be licensed to the 16 nearest boundary of such city or town; and where the 17 premises of the applicant to be licensed are situated within 18 5 miles of the corporate boundaries of two or nore incorporated cities or incorporated towns of different 19 20 populations, the license fee chargeable by the larger incorporated city or incorporated town applies and shall be 21 22 paid by the applicant. When the premises of the applicant to 23 be licensed are situated within an incorporated town or 24 incorporated city and any portion of the incorporated town 25 or incorporated city is without a 5-mile limit, the license

-10-

fee chargeable by the smaller incorporated town or
 incorporated city applies and shall be paid by the
 applicant.

4 (f) an applicant for the issuance of an original 5 license to be located in areas described in subsection (d) 6 of this subsection shall pay a one-time original license fee 7 of \$20,000 for any such license issued. The one-time license 8 fee of \$20,000 shall not apply to any transfer or renewal of 9 a license duly issued prior to July 1, 1974. All licenses, 10 however, are subject to the annual renewal fee.

(B) The fee for one all-beverage license to a public
 airport shall be \$800. This license is nontransferable.

13 (9) The license fees herein provided for are exclusive
14 of and in addition to other license fees chargeable in
15 Montana for the sale of alcoholic beverages.

16 (10) In addition to other license fees, the department 17 of revenue may require a licensee to pay a late fee of not 18 to_categod_s500_if_the_angual_renewal_fee_is_not_paid--on_ren 19 20 based_on_the_added_cost_to_the_department_of_collecting__the 21 JULY 1 DE THE BENEVAL YEAR. 66.2/3% DE ANY LICENSE FEE 22 23 DELINGUENT ON AUGUST 1 DE THE RENEWAL YEAR+ AND 100% OF ANY 24 LICENSE FEE DELINQUENT ON SEPTEMBER 1 DE THE RENEWAL YEAR.* -End-

1	HOUSE BILL NO. 132
Z	INTRODUCED BY WILLIAMS
3	BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE
4	
5	A BILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE A LATE FEE
6	TO BE CHARGED TO MONTANA ALCOHOLIC BEVERAGE LICENSEES WHO
7	FAIL TO PAY ANNUAL RENEWAL FEES IN A TIMELY MANNER;
e	AUTHORIZINGSUSPENSIONOR_REVOCATION_OF_ALCOHOLIC_REVERAGE
9	LICENSES_IE_ANNUAL_BENEWAL_EEE_IS_NOIIIMELYPAID:
10	ELIMINATINGPROVISIONSIHAIALCOHOLICBEVERAGELICENSES
11	EXPIRE JUNE 30 OF LEACH YEAR: AMENDING SECTIONS
12	16-4-2241_16-4-4071_AND 16-4-501, MCA.=
13	
14	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
15	SECTION 1. SECTION 16-4-204. MCA. IS AMENDED TO BEAD:
16	*16-4-204. Contents of license posting privilege
17	catering endorsement transfer expiration. (1) Every
18	license issued under this part shall set forth the name of
19	the person to whom issued, the location, by street and
20	number or other appropriate specific description of location
21	if no street address exists, of the premises where the
22	business is to be carried on under said license, and such
23	other information as the department shall deem necessary.
24	If the licensee is a partnership or if more than one person
25	has any interest in the business operated under the license,

1 the names of all persons in the partnership or interested in 2 the business must appear on the license. Every license must 3 be posted in a conspicuous place on the premises wherein the 4 business authorized under the license is conducted, and such 5 license shall be exhibited upon request to any authorized 6 representative of the department or to any peace officer of 7 the state of Montana.

8 (2) Any license issued under the provisions of this 9 part shall be considered a privilege personal to the 10 licensee named in the license and shall be good until the 11 expiration of the license unless sooner revoked or 12 suspended.

13 (3) A license may be transferred to the executor or 14 administrator of the estate of any deceased licensee when 15 such estate consists in whole or in part of the business of 16 selling liquor under a license, and in such event the 17 license may descend or be disposed of with the business to 18 which it is applicable under appropriate probate 19 proceedings.

20 (4) In the event of a major loss or damage to licensed 21 premises by unforeseen natural causes or in case of 22 expiration of lease of the licensed premises or in the event 23 of eviction or increase of rent by the landlord (in case of 24 rented licensed premises) or in case of proposed removal of 25 license to premises as substantially suited for the retail

-2- HS 132 REFERENCE BILL

1 liquor business as the premises vacated, the licensee may 2 apply to the department for a transfer of the license to 3 different premises. The department may in its discretion permit a transfer in such cases if it appears to the 4 department that such a transfer is required to do justice to 5 the licensee applying for the transfer. The department 6 shall in no event nor for any cause permit a transfer to 7 8 different premises where the sanitary, health, and service 9 facilities are less satisfactory than such facilities which 10 exist or had existed at the premises from which the transfer 11 is proposed to be made.

12 (5) Upon a bona fide sale of the business operated 13 under any license, the license may be transferred to a qualified purchaser. No transfer of any license as to 14 person or location shall be effective unless and until 15 16 approved by the department, and any licensee or transferee 17 or proposed transferee who operates or attempts to operate 18 under any supposedly transferred license prior to the 19 approval of such transfer by the department, endorsed upon 20 the license in writing, shall be considered as operating 21 without a license and the license affected may be revoked or 22 suspended by the department. The department may, within its 23 discretion, permit a gualified purchaser to operate the 24 business to be transferred pending final approval, providing 25 the application for transfer has been filed with the

-3-

3 department.

1	department.
z	(6) (a) Except as provided in subsection (6)(b), a
3	license may be transferred to a new ownership and to a
4	location outside the quota area for which it was originally
5	issued only when the following criteria are met:
6	(i) the total number of all-beverages licenses in the
7	original quota area exceeded the quota for that area by at
8	least 25% in the most recent census prescribed in 16-4-502;
9	(ii) the total number of all-beverages licenses in the
10	quota area to which the license would be transferred did not
11	exceed that area's quota by more than 33% in the most recent
12	census prescribed in 16-4-502; and
13	(iii) the department finds, after a public hearing,
14	that the public convenience and necessity would be served by
15	such a transfer.
16	(b) A license within an incorporated quota area may be
17	transferred to a new ownership and to a new unincorporated

18 location within the same county on application to and with 19 consent of the department when the quota of the 20 all-beverages licenses in the original quota area exceeds 21 the quota for that area by at least 25% in the most recent 22 census and will not fall below that level because of the 23 transfer.

24 (c) For 5 years after the transfer of a license
25 between quota areas under subsection (6)(a), the license may

-4-

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HB 132

not be mortgaged or pledged as security and may not be 1 transferred to another person except for a transfer by 2 inheritance upon the death of the licensee. A license 3 transferred between quota areas under this section may be 4 5 held only by natural persons for 5 years following the transfer. For the purpose of this section, natural persons 6 shall not include limited partnerships or other business 7 entities of any kind in which each natural person is not a 8 full participant in the ownership and operation of the 9 10 business authorized by the license.

(d) Once a license is transferred to a new quota area
 under subsection (6)(a), it may not be transferred to
 another quota area or back to the original quota area.

(7) (a) Any all-beverage licensee is, upon the 14 approval and in the discretion of the liquor division, 15 entitled to a catering endorsement to his all-beverage 16 17 license to allow the catering and sale of alcoholic beverages to persons attending a special event upon premises 18 not otherwise licensed for the sale of alcoholic beverages. 19 such beverages to be consumed on the premises where the 20 21 event is held.

(a) A written application for a catering endorsement
 and an annual fee of \$250 must be submitted to the
 department for its approval.

25 (c) A written application for each event for which the

licensee intends to provide catering services, the written 1 Z approval of the catering application by the sponsor of the 3 special event, and a fee of \$40 must be filed with the 4 department at least 10 days prior to the event and shall 5 describe the location of the premises where the event is to 6 be held, the nature of the event, and the period during 7 which the event is to be held. An all-beverage licensee who 8 holds an endorsement granted under this subsection (7) may 9 not receive approval to cater an event of which he is the sponsor. The catered event must be within 100 miles of the 10 11 licensee's regular place of business. If obtained, the 12 licensee shall display in a prominent place on those 13 premises, the written approval from the department for each 14 event which is catered pursuant to this subsection.

15 (d) The licensee shall file with each application for
16 an event to be catered a written statement of approval of
17 the premises where the event is to be held issued by the
18 department of health and environmental sciences.

19 (e) The sale of alcoholic beverages pursuant to a
20 catering endorsement is subject to the provisions of
21 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.

-6-

-5-

HB 132

HB 0132/02

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HB 132

1 shall pay an annual license fee as follows: 1 (8) Except as above provided, no license shall be 2 transferred or sold nor shall it be used for any place of 2 (a) each brewer, wherever located, whose product is 3 business not described in the license; provided, however, 3 sold or offered for sale within the state, \$500; for each 4 that such license may be subject to mortgage and other valid 4 storage depoty \$400; liens, in which event the name of the mortgagee, upon 5 5 (b) each beer wholesaler, \$400; each table wine application to and approval of the department, must be 6 6 distributor, \$400; 7 endorsed on the license. (c) each beer retailer, \$200; with a wine license 7 8 8 amendment, an additional \$200; (d) for a license to sell beer at retail for 9 of-each-vears" 9 10 SECTION_2.__SECTION__16-4-407. MCA. IS_AMENDED_TO_READ: off-pramises consumption only, the same as a retail beer 10 license; for a license to sell table wine at retail for 11 "16-4-407. Expiration of licenses. Each July 1. the 11 12 department shall issue licenses to brewers, wholesalers, or 12 off-premises consumption only, either alone or 13 retailers or for the retail sale of alcoholic beverages on 13 conjunction with beer, \$200; (e) any unit of a nationally chartered veterans" 14 14 an annual basis and at such fees as are prescribed by law, and such licenses shall-expire-at are subject to suspension 15 15 organization, \$50. 16 at_rayocation_under_16=4=406_after midnight of June 30 of 16 (2) The permit fee under 16-4-301(1) is computed at 17 the succeeding year if the annual renewal fees required by 17 the rate of \$15 a day for each day beer and table wine are 18 16-4-501_are_not_paid. The department shall notify each 18 sold at those events lasting 2 or more days but in no case 19 applicant for an original license or renewal that he should 19 be less than \$30. (3) The permit fee under 16-4-301(2) is \$10 for the 20 inform himself of applicable provisions of federal law which 20 21 may require a permit from a federal agency.* sale of beer and table wine only or \$20 for the sale of all 21 22 Section 3. Section 16-4-501, MCA, is amended to read: 22 alcoholic beverages. 23 "16-4-501. License and permit fees. (1) Each beer 23 (4) Passenger carrier licenses shall be issued upon 24 licensee licensed to sell either beer or table wine only, or 24 payment by the applicant of an annual license fee in the sum both beer and table wine, under the provisions of this code, 25 of \$300. 25 -7-HB 132 -8-

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-9-

HB 132

-10-

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-11- HB 132