

SENATE BILL NO. 62

INTRODUCED BY TURNAGE, TOWE

BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE

IN THE SENATE

January 6, 1983	Introduced and referred to Committee on Business and Industry.
January 19, 1983	Committee recommend bill do pass as amended. Report adopted.
January 20, 1983	Bill printed and placed on members' desks.
January 21, 1983	Second reading, pass consideration.
	Referred to Committee on Business and Industry.
February 1, 1983	Committee recommend bill do pass as amended. Report adopted.
February 2, 1983	Bill printed and placed on members' desks.
February 3, 1983	Second reading, do pass.
February 4, 1983	Correctly engrossed.
February 5, 1983	Third reading, passed. Ayes, 45; Noes, 0. Transmitted to House.

IN THE HOUSE

February 7, 1983	Introduced and referred to Committee on Business and Industry.
------------------	--

March 2, 1983

Committee recommend bill be
concurrent in as amended.
Report adopted.

March 4, 1983

Second reading, concurrent in.

March 7, 1983

Third reading, concurrent in.

IN THE SENATE

March 8, 1983

Returned to Senate with
amendments.

March 9, 1983

Second reading, amendments
concurrent in.

March 10, 1983

Third reading, amendments
concurrent in. Ayes, 48; Noes,
0. Sent to enrolling.

Reported correctly enrolled.

1 *Senate* BILL NO. 62
 2 INTRODUCED BY Turnage
 3 BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE

4
 5 A BILL FOR AN ACT ENTITLED: "AN ACT RELATING TO THE
 6 LICENSING CRITERIA LIMITING OWNERSHIP OF MONTANA RETAIL
 7 ALCOHOLIC BEVERAGES LICENSES; AMENDING SECTION 16-4-401,
 8 MCA."

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

11 Section 1. Section 16-4-401, MCA, is amended to read:

12 "16-4-401. License as privilege — criteria for
 13 decision on application. (1) A license under this code is a
 14 privilege which the state may grant to an applicant and is
 15 not a right to which any applicant is entitled.

16 (2) Except as provided in subsection (5), in the case
 17 of a license that permits on-premises consumption, the
 18 department must find in every case where in which it makes
 19 an order for the issuance of a new license or for the
 20 approval of the transfer of a license that:

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

22 (i) ~~neither the applicant nor any member of his~~
 23 ~~immediate family has does not possess~~ an ownership interest
 24 in any other establishment licensed under this chapter for
 25 all-beverages sales;

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

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

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

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

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

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

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

20 (iii) the corporation is authorized to do business in
 21 Montana; and

22 (iv) in the case of a corporation not listed on a
 23 national stock exchange, each owner of stock meets the
 24 requirements of subsection (2)(a)(i).

25 (3) In the case of a license that permits only

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

(a) in the case of an individual applicant:

~~(i) neither the applicant nor any member of his~~
~~immediate family has does not possess~~ an ownership interest
 in any other establishment licensed under this chapter for
 all-beverages sales;

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

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

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

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

(b) in the case of a corporate applicant:

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

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

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

~~(4) In the case of a license that permits the~~
~~manufacture or wholesaling of an alcoholic beverage, the~~
~~department must find in every case in which it makes an~~
~~order for the issuance of a new license or for the approval~~
~~of the transfer of a license that:~~

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

~~(i) the applicant has no ownership interest in any~~
~~establishment licensed under this chapter for retail~~
~~alcoholic beverages sales;~~

~~(ii) the applicant has no financing from or affiliation~~
~~to a manufacturer, bottler, or distributor of beer, wine, or~~
~~liquor;~~

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

~~(iv) the applicant's past record and present status as~~
~~a purveyor of alcoholic beverages and as a businessman and~~
~~citizen demonstrate that he is likely to operate his~~

1 establishment in compliance with all applicable laws of the
2 state and local governments; and

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

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

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

8 (ii) each owner of 10% or more of the outstanding stock
9 meets the requirements for an individual listed in
10 subsection (4)(a) of this section; and

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

13 ~~(4)(5)~~ In the case of a corporate applicant, the
14 requirements of subsections (2)(b), and (3)(b), and (4)(b)
15 apply separately to each class of stock.

16 ~~(5)(6)~~ The provisions of subsection (2) do not apply
17 to an applicant for or holder of a license pursuant to
18 16-4-302."

-End-

Approved by Committee
on Business and Industry

SENATE BILL NO. 62

INTRODUCED BY TURNAGE, TOWE

BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT RELATING TO THE
LICENSING CRITERIA LIMITING OWNERSHIP OF MONTANA RETAIL
ALCOHOLIC BEVERAGES LICENSES; AMENDING SECTION 16-4-401,
MCA."

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

Section 1. Section 16-4-401, MCA, is amended to read:

"16-4-401. License as privilege -- criteria for
decision on application. (1) A license under this code is a
privilege which the state may grant to an applicant and is
not a right to which any applicant is entitled.

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

(a) in the case of an individual applicant:

(i) ~~neither the applicant nor any member of his~~
~~immediate family has~~ will not possess an ownership
interest in ~~any other~~ more than one establishment licensed
under this chapter for all-beverages sales;

(ii) the applicant ~~or any member of his immediate~~
~~family~~ OR ANY MEMBER OF HIS IMMEDIATE FAMILY is without
financing from or any affiliation to a manufacturer,
bottler, or distributor of beer, wine, or liquor;

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

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

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

(b) in the case of a corporate applicant:

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

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

(iii) the corporation is authorized to do business in
Montana; and

(iv) in the case of a corporation not listed on a
national stock exchange, each owner of stock meets the
requirements of subsection (2)(a)(i).

(j) In the case of a license that permits only

1 off-premises consumption ~~or that is for the manufacture or~~
 2 ~~wholesaling of an alcoholic beverage~~; the department must
 3 find in every case where in which it makes an order for the
 4 issuance of a new license or for the approval of the
 5 transfer of a license that:

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

7 (i) ~~neither the applicant nor any member of his~~
 8 ~~immediate family has~~ does HILL not possess an ownership
 9 interest in any other MORE THAN ONE establishment licensed
 10 under this chapter for all-beverages sales;

11 (ii) the applicant ~~or any member of his immediate~~
 12 ~~family~~ OR ANY MEMBER OF HIS IMMEDIATE FAMILY is without
 13 financing from or any affiliation to a manufacturer,
 14 bottler, or distributor of beer, wine, or liquor;

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

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

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

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

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

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

6 (iii) the corporation is authorized to do business in
 7 Montana.

8 (4) In the case of a license that permits the
 9 manufacture or wholesaling of an alcoholic beverage, the
 10 department must find in every case in which it makes an
 11 order for the issuance of a new license or for the approval
 12 of the transfer of a license that:

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

14 (i) NEITHER the applicant NOR ANY MEMBER OF HIS
 15 IMMEDIATE FAMILY has no AN ownership interest in any
 16 establishment licensed under this chapter for retail
 17 alcoholic beverages sales;

18 (ii) NEITHER the applicant NOR ANY MEMBER OF HIS
 19 IMMEDIATE FAMILY has no financing from or affiliation to a
 20 manufacturer, bottler, or distributor of beer, wine, or
 21 liquor;

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

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

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

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

6 and

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

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

10 (ii) each owner of 10% or more of the outstanding stock
11 meets the requirements for an individual listed in
12 subsection (4)(a) of this section; and

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

15 {4}(5) In the case of a corporate applicant, the
16 requirements of subsections (2)(b), and (3)(b), and (4)(b)
17 apply separately to each class of stock.

18 {5}(6) The provisions of subsection (2) do not apply
19 to an applicant for or holder of a license pursuant to
20 16-4-302."

-End-

Rereferred TO Committee
on Business and Industry

SENATE BILL NO. 62

INTRODUCED BY TURNAGE, TOWE

BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT RELATING TO THE
LICENSING CRITERIA LIMITING OWNERSHIP OF MONTANA RETAIL
ALCOHOLIC BEVERAGES LICENSES; AMENDING SECTION 16-4-401,
MCA."

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

Section 1. Section 16-4-401, MCA, is amended to read:

"16-4-401. License as privilege -- criteria for
decision on application. (1) A license under this code is a
privilege which the state may grant to an applicant and is
not a right to which any applicant is entitled.

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

(a) in the case of an individual applicant:

(i) neither the applicant nor ~~any member of his~~
~~immediate family has~~ will not possess an ownership
interest in ~~any other~~ more than one establishment licensed
under this chapter for all-beverages sales;

(ii) the applicant ~~or any member of his immediate~~
~~family~~ OR ANY MEMBER OF HIS IMMEDIATE FAMILY is without
financing from or any affiliation to a manufacturer,
bottler, or distributor of beer, wine, or liquor;

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

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

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

(b) in the case of a corporate applicant:

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

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

(iii) the corporation is authorized to do business in
Montana; and

(iv) in the case of a corporation not listed on a
national stock exchange, each owner of stock meets the
requirements of subsection (2)(a)(i).

(3) In the case of a license that permits only

1 off-premises consumption ~~or that is for the manufacture or~~
 2 ~~wholesaling of an alcoholic beverage~~, the department must
 3 find in every case ~~where in which~~ it makes an order for the
 4 issuance of a new license or for the approval of the
 5 transfer of a license that:

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

7 (i) ~~neither the applicant nor any member of his~~
 8 ~~immediate family has~~ ~~does~~ ~~will not possess~~ an ownership
 9 interest in any other MORE THAN ONE establishment licensed
 10 under this chapter for all-beverages sales;

11 (ii) the applicant ~~or any member of his immediate~~
 12 ~~family~~ OR ANY MEMBER OF HIS IMMEDIATE FAMILY is without
 13 financing from or any affiliation to a manufacturer,
 14 bottler, or distributor of beer, wine, or liquor;

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

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

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

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

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

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

6 (iii) the corporation is authorized to do business in
 7 Montana.

8 ~~(i) in the case of a license that permits the~~
 9 ~~manufacture or wholesaling of an alcoholic beverage, the~~
 10 ~~department must find in every case in which it makes an~~
 11 ~~order for the issuance of a new license or for the approval~~
 12 ~~of the transfer of a license that:~~

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

14 ~~(i) the applicant has no ownership interest in any~~
 15 ~~establishment licensed under this chapter for retail~~
 16 ~~alcoholic beverages sales;~~

17 ~~that the applicant has no financing from or affiliation~~
 18 ~~to a manufacturer, bottler, or distributor of beer, wine, or~~
 19 ~~liquor;~~

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

23 ~~that (iv) the applicant's past record and present~~
 24 ~~status as a purveyor of alcoholic beverages and as a~~
 25 ~~businessman and citizen demonstrate that he is likely to~~

1 ~~operate his establishment in compliance with all applicable~~
2 ~~laws of the state and local governments; and~~
3 ~~(v)(IV) the applicant is not under the age of 19~~
4 ~~years; and~~
5 ~~(b) in the case of a corporate applicant:~~
6 ~~(i) the owners of at least 51% of the outstanding~~
7 ~~stock meet the requirements of subsection (4)(a)(iii)(II);~~
8 ~~(ii) each owner of 10% or more of the outstanding stock~~
9 ~~meets the requirements for an individual listed in~~
10 ~~subsection (4)(a) of this section; and~~
11 ~~(iii) the corporation is authorized to do business in~~
12 ~~Montana;~~
13 ~~(4)(5) In the case of a corporate applicant, the~~
14 ~~requirements of subsections (2)(b), and (3)(b), and (4)(b)~~
15 ~~apply separately to each class of stock.~~
16 ~~(5)(6) The provisions of subsection (2) do not apply~~
17 ~~to an applicant for or holder of a license pursuant to~~
18 ~~16-4-302."~~

-End-

1 SENATE BILL NO. 62
2 INTRODUCED BY TURNAGE, TOME
3 BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE
4
5 A BILL FOR AN ACT ENTITLED: "AN ACT RELATING TO THE
6 LICENSING CRITERIA LIMITING OWNERSHIP OF MONTANA RETAIL
7 ALCOHOLIC BEVERAGES LICENSES; AMENDING SECTION 16-4-401,
8 MCA."
9
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
11 Section 1. Section 16-4-401, MCA, is amended to read:
12 "16-4-401. License as privilege -- criteria for
13 decision on application. (1) A license under this code is a
14 privilege which the state may grant to an applicant and is
15 not a right to which any applicant is entitled.
16 (2) Except as provided in subsection (5), in the case
17 of a license that permits on-premises consumption, the
18 department must find in every case where in which it makes
19 an order for the issuance of a new license or for the
20 approval of the transfer of a license that:
21 (a) in the case of an individual applicant:
22 (i) neither the applicant nor ~~any member of his~~
23 ~~immediate family has~~ does will not possess an ownership
24 interest in any other MORE THAN ONE establishment licensed
25 under this chapter for all-beverages sales;

1 (ii) the applicant ~~or any member of his immediate~~
2 ~~family~~ OR ANY MEMBER OF HIS IMMEDIATE FAMILY is without
3 financing from or any affiliation to a manufacturer,
4 bottler, or distributor of beer, wine, or liquor;
5 (iii) the applicant is a resident of the state and is
6 qualified to vote in a state election;
7 (iv) the applicant's past record and present status as
8 a purveyor of alcoholic beverages and as a businessman and
9 citizen demonstrate that he is likely to operate his
10 establishment in compliance with all applicable laws of the
11 state and local governments; and
12 (v) the applicant is not under the age of 19 years;
13 and
14 (b) in the case of a corporate applicant:
15 (i) the owners of at least 51% of the outstanding
16 stock meet the requirements of subsection (2)(a)(iii);
17 (ii) each owner of 10% or more of the outstanding stock
18 meets the requirements for an individual applicant listed in
19 subsection (2)(a) of this section;
20 (iii) the corporation is authorized to do business in
21 Montana; and
22 (iv) in the case of a corporation not listed on a
23 national stock exchange, each owner of stock meets the
24 requirements of subsection (2)(a)(i).
25 (3) In the case of a license that permits only

1 off-premises consumption ~~or that is for the manufacture or~~
 2 ~~wholesaling of an alcoholic beverage~~, the department must
 3 find in every case where ~~in which~~ it makes an order for the
 4 issuance of a new license or for the approval of the
 5 transfer of a license that:

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

7 (i) neither the applicant nor ~~any member of his~~
 8 ~~immediate family has~~ ~~does~~ will not possess an ownership
 9 interest in any other MORE THAN ONE establishment licensed
 10 under this chapter for all-beverages sales;

11 (ii) the applicant ~~or any member of his immediate~~
 12 ~~family~~ OR ANY MEMBER OF HIS IMMEDIATE FAMILY is without
 13 financing from or any affiliation to a manufacturer,
 14 bottler, or distributor of beer, wine, or liquor;

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

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

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

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

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

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

6 (iii) the corporation is authorized to do business in
 7 Montana.

8 (4) In the case of a license that permits the
 9 manufacture or wholesaling of an alcoholic beverage, the
 10 department must find in every case in which it makes an
 11 order for the issuance of a new license or for the approval
 12 of the transfer of a license that:

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

14 (i) the applicant has no ownership interest in any
 15 establishment licensed under this chapter for retail
 16 alcoholic beverages sales;

17 iii) the applicant has no financing from or affiliation
 18 to a manufacturer, bottler, or distributor of beer, wine, or
 19 liquor;

20 iiii) (ii) the applicant has not been convicted of a
 21 felony or, if the applicant has been convicted of a felony,
 22 his rights have been restored;

23 fiiv) (iii) the applicant's past record and present
 24 status as a purveyor of alcoholic beverages and as a
 25 businessman and citizen demonstrate that he is likely to

operate his establishment in compliance with all applicable laws of the state and local governments; and

~~that~~(IV) the applicant is not under the age of 19 years; and

(b) in the case of a corporate applicant:

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

(ii) each owner of 10% or more of the outstanding stock meets the requirements for an individual listed in subsection (4)(a) of this section; and

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

~~(4)(5)~~ In the case of a corporate applicant, the requirements of subsections (2)(b), and (3)(b), and (4)(b) apply separately to each class of stock.

~~(5)(6)~~ The provisions of subsection (2) do not apply to an applicant for or holder of a license pursuant to 16-4-302."

-End-

1. Title, line 6

Following: "MONTANA"

Strike: "RETAIL"

2. Title, line 7

Following: "LICENSES"

Insert: "AND STORAGE DEPOTS, PERMITTING SHIPMENTS TO STORAGE DEPOTS"

Following: "AMENDING"

Strike: "SECTION"

Insert: "SECTIONS 16-3-230, 16-4-102, AND"

3. Title, line 8

Following: "MCA"

Insert: "; AND PROVIDING AN EFFECTIVE DATE"

4. Page 5, line 2

Following: ";

Strike: "and"

5. Page 5, line 4

Following: "years;"

Insert: "and (v) an applicant for a wholesale license is neither a manufacturer of an alcoholic beverage nor is owned or controlled by a manufacturer of an alcoholic beverage;"

Page 5, line 10

Following: "this section;"

Insert: "(iii) an applicant for a wholesale license is neither a manufacturer of an alcoholic beverage nor is owned or controlled by a manufacturer of an alcoholic beverage;"

Renumber: subsequent subsection

7. Page 5, following line 18

Insert: "Section 2. Section 16-3-230, MCA, is amended to read:
"16-3-230. Out-of-state beer required to be shipped to wholesaler. All beer manufactured outside of the state of Montana and shipped into Montana shall be consigned to and shipped, either directly or via a licensed storage depot, to a licensed wholesaler and by him unloaded into his warehouse in Montana or subwarehouse in Montana. A brewer may sell only to wholesalers from a storage depot in Montana and shall maintain records of all beer, including the name or kind received, on hand, and sold, which records may at all times be inspected by any representative of the department. Said wholesaler shall distribute said beer from such warehouse or subwarehouse and shall keep records at his principal place of business of all beer, including the name or kind received, on hand, sold, and distributed. Said records may at all times be inspected by any member or representative of the department."

Section 3. Section 16-4-102, MCA, is amended to read:

"16-4-102. Right of brewers to maintain and operate storage depots

-- annual licenses. It shall be lawful for any brewer duly licensed to manufacture beer ~~in the state of Montana~~, upon the payment to the department of an annual license fee in addition to all other fees and taxes required to be paid by such brewer for each storage depot, to own, lease, maintain, and operate, in any city or town in the state of Montana, a building for use as a storage depot, equipped with refrigeration and cooling apparatus, for receiving, handling, and storing beer therein and distributing and selling beer therefrom as brewers are permitted to sell and distribute beer under the provisions of this code."

Section 4. Severability. If a part of this act is invalid, all parts that are severable from the invalid part remain in effect. If a part of this act is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications.

Section 5. Effective date. This act is effective July 1, 1983."

AND AS AMENDED
BE CONCURRED IN

SENATE BILL NO. 62

INTRODUCED BY TURNAGE, TOWE

BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT RELATING TO THE
LICENSING CRITERIA LIMITING OWNERSHIP OF MONTANA RETAIL
ALCOHOLIC BEVERAGES LICENSES AND STORAGE DEPOSITS; PERMITTING
SHIPMENTS TO STORAGE DEPOSITS; AMENDING SEVERAL SECTIONS
16-3-230, 16-4-102, AND 16-4-401, MCA; AND PROVIDING AN
EFFECTIVE DATE."

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

Section 1. Section 16-4-401, MCA, is amended to read:

"16-4-401. License as privilege -- criteria for
decision on application. (1) A license under this code is a
privilege which the state may grant to an applicant and is
not a right to which any applicant is entitled.

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

(a) in the case of an individual applicant:

(i) neither the applicant ~~nor any member of his~~
~~immediate family has done~~ WILL NOT POSSESS an ownership

interest in any other ~~MORE THAN ONE~~ establishment licensed
under this chapter for all-beverages sales;

(ii) the applicant ~~or any member of his immediate~~
~~family~~ OR ANY MEMBER OF HIS IMMEDIATE FAMILY is without
financing from or any affiliation to a manufacturer,
bottler, or distributor of beer, wine, or liquor;

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

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

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

(b) in the case of a corporate applicant:

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

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

(iii) the corporation is authorized to do business in
Montana; and

(iv) in the case of a corporation not listed on a
national stock exchange, each owner of stock meets the

1 requirements of subsection (2)(a)(i).

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

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

9 (i) neither the applicant ~~nor any member of his~~
10 ~~immediate family has~~ ~~does~~ WILL not possess an ownership
11 interest in any other MORE THAN ONE establishment licensed
12 under this chapter for all-beverages sales;

13 (ii) the applicant ~~or any member of his immediate~~
14 ~~family~~ OR ANY MEMBER OF HIS IMMEDIATE FAMILY is without
15 financing from or any affiliation to a manufacturer,
16 bottler, or distributor of beer, wine, or liquor;

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

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

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

1 and

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

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

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

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

10 ~~(4) In the case of a license that permits the~~
11 ~~manufacture or wholesaling of an alcoholic beverage, the~~
12 ~~department must find in every case in which it makes an~~
13 ~~order for the issuance of a new license or for the approval~~
14 ~~of the transfer of a license that:~~

15 ~~(a) in the case of an individual applicant:~~

16 ~~(i) the applicant has no ownership interest in any~~
17 ~~establishment licensed under this chapter for retail~~
18 ~~alcoholic beverages sales;~~

19 ~~(ii) the applicant has no financing from or affiliation~~
20 ~~to a manufacturer, bottler, or distributor of beer, wine, or~~
21 ~~liquor;~~

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

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

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

~~trt(IV) the applicant is not under the age of 19 years;~~

AND

~~(V) AN APPLICANT FOR A WHOLESALE LICENSE IS NEITHER A~~
~~MANUFACTURER OF AN ALCOHOLIC BEVERAGE NOR IS OWNED OR~~
~~CONTROLLED BY A MANUFACTURER OF AN ALCOHOLIC BEVERAGE; and~~

~~(b) in the case of a corporate applicant;~~

~~(i) the owners of at least 51% of the outstanding~~
~~stock meet the requirements of subsection (4)(a)trt(III);~~

~~(ii) each owner of 10% or more of the outstanding stock~~
~~meets the requirements for an individual listed in~~
~~subsection (4)(a) of this section;~~

~~(III) AN APPLICANT FOR A WHOLESALE LICENSE IS NEITHER A~~
~~MANUFACTURER OF AN ALCOHOLIC BEVERAGE NOR IS OWNED OR~~
~~CONTROLLED BY A MANUFACTURER OF AN ALCOHOLIC BEVERAGE; and~~

~~trt(IV) the corporation is authorized to do business~~
~~in Montana;~~

~~(4)(5) In the case of a corporate applicant, the~~
~~requirements of subsections (2)(b), end (3)(b), and (4)(b)~~
~~apply separately to each class of stock.~~

~~(5)(6) The provisions of subsection (2) do not apply~~
~~to an applicant for or holder of a license pursuant to~~

16-4-302."

SECTION 2. SECTION 16-3-230, MCA, IS AMENDED TO READ:

"16-3-230. Out-of-state beer required to be shipped to
 wholesaler. All beer manufactured outside of the state of
 Montana and shipped into Montana shall be consigned to and
 shipped, either directly or via a licensed storage depot, to
 a licensed wholesaler and by him unloaded into his warehouse
 in Montana or subwarehouse in Montana. A brewer may sell
 only to wholesalers from a storage depot in Montana and
 shall maintain records of all beer, including the name or
 kind received, on hand, and sold, which records may at all
 times be inspected by any representative of the department.
 Said wholesaler shall distribute said beer from such
 warehouse or subwarehouse and shall keep records at his
 principal place of business of all beer, including the name
 or kind received, on hand, sold, and distributed. Said
 records may at all times be inspected by any member or
 representative of the department."

SECTION 3. SECTION 16-4-102, MCA, IS AMENDED TO READ:

"16-4-102. Right of brewers to maintain and operate
 storage depots -- annual licenses. It shall be lawful for
 any brewer duly licensed to manufacture beer in the state of
 Montana, upon the payment to the department of an annual
 license fee in addition to all other fees and taxes required
 to be paid by such brewer for each storage depot, to own,

1 lease, maintain, and operate, in any city or town in the
2 state of Montana, a building for use as a storage depot,
3 equipped with refrigeration and cooling apparatus, for
4 receiving, handling, and storing beer therein and
5 distributing and selling beer therefrom, as brewers are
6 permitted to sell and distribute beer under the provisions
7 of this code."

8 SECTION 4. SEVERABILITY. IF A PART OF THIS ACT IS
9 INVALID, ALL VALID PARTS THAT ARE SEVERABLE FROM THE INVALID
10 PART REMAIN IN EFFECT. IF A PART OF THIS ACT IS INVALID IN
11 ONE OR MORE OF ITS APPLICATIONS, THE PART REMAINS IN EFFECT
12 IN ALL VALID APPLICATIONS THAT ARE SEVERABLE FROM THE
13 INVALID APPLICATIONS.

14 SECTION 5. EFFECTIVE DATE. THIS ACT IS EFFECTIVE JULY
15 1, 1983.

-End-

SENATE BILL NO. 62

INTRODUCED BY TURNAGE, TOME

BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT RELATING TO THE
 LICENSING CRITERIA LIMITING OWNERSHIP OF MONTANA RETAIL
 ALCOHOLIC BEVERAGES LICENSES AND STORAGE DEPOTS; PERMITTING
SHIPMENTS TO STORAGE DEPOTS; AMENDING SECTION SECTIONS
16-3-230, 16-4-102, AND 16-4-401, MCA; AND PROVIDING AN
EFFECTIVE DATE."

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

Section 1. Section 16-4-401, MCA, is amended to read:

"16-4-401. License as privilege -- criteria for
 decision on application. (1) A license under this code is a
 privilege which the state may grant to an applicant and is
 not a right to which any applicant is entitled.

(2) Except as provided in subsection (5) ~~(6)~~, in the
 case of a license that permits on-premises consumption, the
 department must find in every case where in which it makes
 an order for the issuance of a new license or for the
 approval of the transfer of a license that:

(a) in the case of an individual applicant:

(i) ~~neither the applicant nor any member of his~~
~~immediate family has~~ does WILL not possess an ownership

interest in any other MORE THAN ONE establishment licensed
 under this chapter for all-beverages sales;

(ii) the applicant ~~or any member of his immediate~~
~~family~~ OR ANY MEMBER OF HIS IMMEDIATE FAMILY is without
 financing from or any affiliation to a manufacturer,
 bottler, or distributor of beer, wine, or liquor;

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

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

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

(b) in the case of a corporate applicant:

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

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

(iii) the corporation is authorized to do business in
 Montana; and

(iv) in the case of a corporation not listed on a
 national stock exchange, each owner of stock meets the

1 requirements of subsection (2)(a)(i).

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

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

9 (i) neither the applicant nor ~~any member of his~~
10 ~~immediate family~~ ~~has~~ ~~does~~ WILL not possess an ownership
11 interest in any other MORE THAN ONE establishment licensed
12 under this chapter for all-beverages sales;

13 (ii) the applicant or ~~any member of his immediate~~
14 ~~family~~ OR ANY MEMBER OF HIS IMMEDIATE FAMILY is without
15 financing from or any affiliation to a manufacturer,
16 bottler, or distributor of beer, wine, or liquor;

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

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

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

1 and

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

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

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

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

10 ~~(4) In the case of a license that permits the~~
11 ~~manufacture or wholesaling of an alcoholic beverage, the~~
12 ~~department must find in every case in which it makes an~~
13 ~~order for the issuance of a new license or for the approval~~
14 ~~of the transfer of a license that:~~

15 ~~(a) in the case of an individual applicant:~~

16 ~~(i) the applicant has no ownership interest in any~~
17 ~~establishment licensed under this chapter for retail~~
18 ~~alcoholic beverages sales;~~

19 ~~(ii) the applicant has no financing from or affiliation~~
20 ~~to a manufacturer, bottler, or distributor of beer, wine, or~~
21 ~~liquor;~~

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

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

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

5 (iv) the applicant is not under the age of 19 years;
 6 AND

7 (V) AN APPLICANT FOR A WHOLESALE LICENSE IS NEITHER A
 8 MANUFACTURER OF AN ALCOHOLIC BEVERAGE NOR IS OWNED OR
 9 CONTROLLED BY A MANUFACTURER OF AN ALCOHOLIC BEVERAGE; and

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

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

13 (ii) each owner of 10% or more of the outstanding stock
 14 meets the requirements for an individual listed in
 15 subsection (4)(a) of this section;

16 (III) AN APPLICANT FOR A WHOLESALE LICENSE IS NEITHER A
 17 MANUFACTURER OF AN ALCOHOLIC BEVERAGE NOR IS OWNED OR
 18 CONTROLLED BY A MANUFACTURER OF AN ALCOHOLIC BEVERAGE; and

19 iiii) the corporation is authorized to do business
 20 in Montana;

21 (4)(5) In the case of a corporate applicant, the
 22 requirements of subsections (2)(b), and (3)(b), and (4)(b)
 23 apply separately to each class of stock.

24 (5)(6) The provisions of subsection (2) do not apply
 25 to an applicant for or holder of a license pursuant to

1 16-4-302."

2 SECTION 2. SECTION 16-3-230, MCA, IS AMENDED TO READ:

3 "16-3-230. Out-of-state beer required to be shipped to
 4 wholesaler. All beer manufactured outside of the state of
 5 Montana and shipped into Montana shall be consigned to and
 6 shipped, either directly or via a licensed storage depot, to
 7 a licensed wholesaler and by him unloaded into his warehouse
 8 in Montana or subwarehouse in Montana. A brewer may sell
 9 only to wholesalers from a storage depot in Montana and
 10 shall maintain records of all beer, including the name or
 11 kind received, on hand, and sold, which records may at all
 12 times be inspected by any representative of the department.
 13 Said wholesaler shall distribute said beer from such
 14 warehouse or subwarehouse and shall keep records at his
 15 principal place of business of all beer, including the name
 16 or kind received, on hand, sold, and distributed. Said
 17 records may at all times be inspected by any member or
 18 representative of the department."

19 SECTION 3. SECTION 16-4-102, MCA, IS AMENDED TO READ:

20 "16-4-102. Right of brewers to maintain and operate
 21 storage depots -- annual licenses. It shall be lawful for
 22 any brewer duly licensed to manufacture beer in the state of
 23 Montana, upon the payment to the department of an annual
 24 license fee in addition to all other fees and taxes required
 25 to be paid by such brewer for each storage depot, to own,

1 lease, maintain, and operate, in any city or town in the
2 state of Montana, a building for use as a storage depot,
3 equipped with refrigeration and cooling apparatus, for
4 receiving, handling, and storing beer therein and
5 distributing and selling beer therefrom, as brewers are
6 permitted to sell and distribute beer under the provisions
7 of this code."

8 SECTION 4. SEVERABILITY. IF A PART OF THIS ACT IS
9 INVALID, ALL VALID PARTS THAT ARE SEVERABLE FROM THE INVALID
10 PART REMAIN IN EFFECT. IF A PART OF THIS ACT IS INVALID IN
11 ONE OR MORE OF ITS APPLICATIONS, THE PART REMAINS IN EFFECT
12 IN ALL VALID APPLICATIONS THAT ARE SEVERABLE FROM THE
13 INVALID APPLICATIONS.

14 SECTION 5. EFFECTIVE DATE. THIS ACT IS EFFECTIVE JULY
15 1, 1983.

-End-