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.
	Rareferred 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 concurred in as amended. Report adopted.

March 4, 1983

Second reading, concurred in.

Third reading, concurred in.

IN THE SENATE

March 8, 1983

Returned to Senate with amendments.

March 9, 1983

Second reading, amendments concurred in.

March 10, 1983

Third reading, amendments

concurred in. Ayes, 48; Noes, 0. Sent to enrolling.

Reported correctly enrolled.

1	Serate BILLIO 62
2	INTRODUCED BY Turnage Sar
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	NCA-"
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

all-beverages sales:

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1	(ii) the applicant oreny-memberofhisimmediate
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 requirement's of subsection (2)(a)(iii);
17	(ii) each owner of 10% or more of the outstanding stock

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

subsection (2)(a) of this section;

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meets the requirements for an individual applicant listed in

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

, INTRODUCED BILL

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wholesalingefunalcoholic-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
terrefor of a license that:

(a) in the case of an individual applicant:

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- 7 (i) neither the applicant nor-ony-member of-his immediate family-has does not possess an ownership interest 9 in any other establishment licensed under this chapter for 10 all-beverages sales;
 - (ii) the applicant or any weaber-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
- 23 (v) the applicant is not under the age of 19 years; 24 and
 - (b) in the case of a corporate applicant:

1	(1) the owners of at least like 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.
В	(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	(ii) the applicant has no financing from or affiliation
18	to a manufacturer. bottler, or distributor of beer, wine, or
19	liquor:
20	(iii) the applicant has not been convicted of a felony
21	or. if the applicant has been convicted of a felony. his
22	rights have been restored:
23	(iv) the applicant's past record and present status as
24	a purveyor of alcoholic beverages and as a businessman and

citizen demonstrate that he is likely to operate his

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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:
5,	(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
3	meets the requirements for an individual listed in
0	subsection (4)(a) of this section: and
ı	(ili) the corporation is authorized to do business in
2	Mont ana.
3	(4)[5] In the case of a corporate applicant, the
4	requirements of subsections (2)(b) and (3)(b) and (4)(b)
5	apply separately to each class of stock.
6	(5) (6) The provisions of subsection (2) do not apply
7	to an applicant for or holder of a license pursuant to

18

16-4-302.

Approved by Committee on Business and Industry

1	SENATE BILL NO. 62
2	INTRODUCED BY TURNAGE, TOWE
3	BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE
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7	ALCOHOLIC BEVERAGES LICENSES; AMENDING SECTION 16-4-401.
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1	Section 1. Section 16-4-401, MCA, is amended to read:
2	"16-4-401. License as privilege criteria for
.3	decision on application. (1) A license under this code is a
.4	privilege which the state may grant to an applicant and is
.5	not a right to which any applicant is entitled.
6	(2) Except as provided in subsection (5), in the case
7	of a license that permits on-premises consumption, the
8	department must find in every case where <u>in which</u> it makes
.9	an order for the issuance of a new license or for the
0	approval of the transfer of a license that:
1	(a) in the case of an individual applicant:
2	(i) neither the applicant neronymemberofhis
23	immediate-family-has <u>does WILL not possess</u> an ownership
24	interest in any-other MORE IHAN ONE establishment licensed
25	under this chapter for all-beverages sales;

	•
1	(ii) the applicant oranymemberofhisimmediate
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
O	establishment in compliance with all applicable laws of the
1	state and local governments; and
2	(v) the applicant is not under the age of 19 years;
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.4	(b) in the case of a corporate applicant:
.5	(i) the owners of at least 51% of the outstanding
6	stock meet the requirements of subsection (2)(a)(iii);
7	(ii) each owner of 10% or more of the outstanding stock
8	meets the requirements for an individual applicant listed in
9	subsection (2)(a) of this section;
0	(iii) the corporation is authorized to do business in

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

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

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

SB 0062/02

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- 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;
 - (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
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-3-

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five the applicant's past record and present status as

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SB 62

SB 0062/02

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16	requirements of subsections (2)(b) \pm and (3)(b) \pm and (4)(b)
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19	to an applicant for or holder of a license pursuant to
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Rereferred TO Committee on Business and Industry

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- (i) neither the applicant nor-any-member-of-his immediate-family-has does <u>WILL not possess</u> an ownership interest in any-other <u>MORE THAN ONE</u> establishment licensed under this chapter for all-beverages sales;
- (ii) the applicant or--any--member--of--his-immediate family OR ANY HEMBER OF HIS IMMEDIATE FAMILY is without financing from or any affiliation to a manufacturer, bottler, or distributor of beer, wine, or liquor;
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i	•	(!)	the	owners	ot	at	least	212	01	the	outstand	ı ng
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 18 to:o:wonufacturer::bottler:cor:distributor:of:bear:=winex:or
- 19 liquoct
- 20 fifit(II) the applicant has not been convicted of a
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9	meets_the_requirements_for_an_individual_listed_io
10	subsection_14)(a)_of_this_sectioni_and
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13	<pre> (4)(5) In the case of a corporate applicant, the</pre>
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	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
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18	to-s-wegoufacturery-bottlery-or-distributor-of-boory-wincy-or
19	liquori
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2	laws_of_the_state_and_local_governments:_and
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1.4	years:_and
5	(b)_io_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)fiii+(11):
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10	subsection (4)(a) of this sections and
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	14 A 202 B

HOUSE BUSINESS & INDUSTRY COMMITTEE AMENDMENTS TO SENATE BILL 62 MARCH 2, 1983 Third Reading Copy - Color Blue Page 1 of 2

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

HOUSE BUSINESS & INDUSTRY COMMITTEE AMENDMENTS TO SENATE BILL 62 MARCH 2, 1983
Page 2 of 2

-- 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

SB 0062/03

1 2

1	SENATE BILL NO. 62
2	INTRODUCED BY TURNAGE. TOHE
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 REFAIL
7	ALCOHOLIC BEVERAGES LICENSES AND STORAGE DEPOIS: PERMITTING
8	SHIPMENIS TO STORAGE OFFDIS; AMENDING SECTIONS
9	16-3-230. 16-4-102. AND 16-4-401. MCA: AND PROVIDING AN
10	EFFECTIVE_DAIE."
11	
12	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
13	Section 1. Section 16-4-401, MCA, is amended to read:
14	*16-4-401. License as privilege criteria for
15	decision on application. (1) A license under this code is a
16	privilege which the state may grant to an applicant and is
17	not a right to which any applicant is entitled.
18	(2) Except as provided in subsection (5), in the case
19	of a license that permits on-premises consumption, the
20	department must find in every case where in_which it makes
21	an order for the issuance of a new license or for the
22	approval of the transfer of a license that:
23	(a) in the case of an individual applicant:
24	(i) neither the applicant noranymemberofhis

immediate-family-has does WILL not possess an ownership

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

Interest in ony-other MORE IHAN ONE establishment licensed

(ii) the applicant or-ony-member-of-his-immediate femily QR_ANY_MEMBER_QF_HIS_IMMEDIATE_FAMILY is without financing from or any affiliation to a manufacturer,

under this chapter for all-beverages sales;

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and

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

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- (3) In the case of a license that permits only off-premises consumption or-that-is-for-the-manufacture-or wholesaling--of--on--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:
- 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;
 - (ii) the applicant or-eny-member-of-his-immediate
 femily 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;

-3-

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 beverages 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) <u>in the case of an individual applicant:</u>
16	(i) the applicant has no ownership interest in any

alcobolic beverages sales:

(b) in the case of a corporate applicant:

21 liquori

22 fifit(II) the applicant has not been convicted of a felony.

23 felony or if the applicant has been convicted of a felony.

24 his rights have been restored:

fivi(III) the applicant's past record and present

<u>establishment licensed under this chapter for retail</u>

fitt=the_opplicant=has=no=financing=from=or=affiliation
to=a=monufacturerx=bottlers=or=distributor=of=bestx=winex=or

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SB 62

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1	status as a purveyor of alcoholic beverages and as a
2	businessman_and_citizen_demonstrate_that_he_is_likely_to
3	operate_bis_establishment_in_compliance_with_all_applicable
4	laws_of_the_state_and_local_governments: and
5	trickl the applicant is not under the age of 19 years:
6	AND
7	1Y1AN_APPLICANT_FOR_A_WHOLESALE_LICENSE_IS_NEITHERA
8	MANUEACTURER_OE_AN_ALCOHOLIC_BEVERAGE_NOR_IS_OWNED_OR
9	CONTROLLED_BY_A_MANUEACTURER_DE_AN_ALCOMOLIC_BEYERAGE: and
10	<pre>tbl_io_the_case_of_a_corporate_applicant;</pre>
11	(i) the owners of at least 51% of the outstanding
12	Stock meet the requirements of subsection (4)(a)tiii+(II):
13	<pre>fill each owner of 10% or more of the outstanding stock</pre>
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	MANUEACTURER DE AN ALCOHOLIC BEYERAGE NOR IS OHNED OR
18	CONTROLLED_BY_A_MANUFACTURER_DF_AN_ALCOHOLIC_BEVERAGE: and
19	fifit(IV) the corporation is authorized to do business
20	in_Hontanas
21	<pre>†++151 In the case of a corporate applicant, the</pre>
22	requirements of subsections (2)(b) and (3)(b) and (4)(b)
23	apply separately to each class of stock.
24	t51161 The provisions of subsection (2) do not apply
25	to an applicant for or holder of a license nursuant 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 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 7 a licensed wholesaler and by him unloaded into his warehouse in Montana or subwarehouse in Montana. A brawer may sell 9 only to wholesalers from a storage depot in Montana and 10 shall maintain records of all beers including the name or 11 kind_received._oo_band.and_solds_which_records_may_at_all times be inspected by any representative of the department. 12 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 or kind received, on hand, sold, and distributed. Said 16 17 records may at all times be inspected by any member or representative of the department." 18

SECTION 3. SECTION 16-4-102. MEA: IS AMENDED 10 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

Montane, 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.

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- 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 bear under the provisions
 of this code.**

 SECTION 4. SEVERABILITY. IF A PART DE THIS ACT IS
- 9 INVALID. ALL VALID PARTS THAT ARE SEVERABLE FROM THE INVALID

 10 PART REMAIN IN EFFECT. 1E A PART OF THIS ACT IS INVALID IN

 11 ONE OR MORE OF ITS APPLICATIONS. THE PART REMAINS IN FEFECT

 12 IN ALL VALID APPLICATIONS. THAT ARE SEVERABLE FROM THE
- 13 INVALID_APPLICATIONS.
- 14 SECTION S. EFFECTIVE DATE. THIS ACT IS EFFECTIVE JULY
 15 1. 1983.

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Montana; and

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1	SENATE BILL NO. 62
2	INTRODUCED BY TURNAGE, TOWE
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 AND STORAGE DEPOTS: PERMITTING
8	SHIPHENTS TO STORAGE DEPOTS: AMENDING SECTION SECTIONS
9	16-3-230: 16-4-102: AND 16-4-401: MCA: AND PROVIDING AN
0	EFFECTIVE_DAIE.
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12	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
13	Section 1. Section 16-4-401, MCA, is amended to read:
14	#16-4-401. License as privilege criteria for
15	decision on application. (1) A license under this code is a
16	privilege which the state may grant to an applicant and is
17	not a right to which any applicant is entitled.
LB	(2) Except as provided in subsection (5) (6), in the
19	case of a license that permits on-premises consumption: the
20	department must find in every case where in which it makes
21	an order for the issuance of a new license or for the
22	approval of the transfer of a license that:
23	(a) in the case of an individual applicant:
24	(i) neither the applicant noronymemberofhis

immediate-family-has does WILL not possess an ownership

	,
1	interest in eny-other MORE IHAN ONE establishment license
2	under this chapter for all-beverages sales;
3	(ii) the applicant orenymemberofhisimmediate
4	femily OR ANY MEMBER OF HIS INHEDIATE FAMILY is without
5	financing from or any affiliation to a manufacturer
6	bottler, or distributor of beer, wine, or liquor;
7	(iii) the applicant is a resident of the state and i
8	qualified to wote in a state election;
9	(iv) the applicant's past record and present status a
10	a purveyor of alcoholic beverages and as a businessman an
11	citizen demonstrate that he is likely to operate hi
12	establishment in compliance with all applicable laws of th
13	state and local governments; and
14	(v) the applicant is not under the age of 19 years
15	and
16	(b) in the case of a corporate applicant:
17	(i) the owners of at least 51% of the outstanding
18	stock meet the requirements of subsection (2)(a)(iii);
19	(ii) each owner of 10% or more of the outstanding stoc

meets the requirements for an individual applicant listed in

(iii) the corporation is authorized to do business in

(iv) in the case of a corporation not listed on a

national stock exchange, each owner of stock meets the

subsection (2)(a) of this section;

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

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- (3) In the case of a license that permits only off-premises consumption or-thet-is-for-the-manufacture-or wholesaling-of--on--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-eny-member-ef-his immediate-family-has does WILL not possess an ownership interest in any-other MORE_IHAN_ONE establishment licensed under this chapter for all-beverages sales;
- 13 (ii) the applicant or-ony-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;
 - (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;

•	(b)	łn	the	case	of	а	corporate	applicant:
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- 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 (Ifi) 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 <u>(ii) the applicant has no ownership interest in apy</u>
 17 <u>establishment licensed under this chapter for retail</u>
- 18 alcoholic beverages sales:
- filithe_applicant_nested_finencing_from_or_offiliation

 to_seannfacturery_bottlerx.gr_distributor_of_becrs_winex.or
- 21 liquort

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and

- 22 filit(II) 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 fixt(III) the applicant's past record and present

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16-4-302-*

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1	status as a purveyor of alcobolic beverages and as a
2	businessman and citizen demonstrate that he is likely to
3	operate bis establishment in compliance with all applicable
4	laws_of_the_state_and_local_governments: and
5	<pre>twt(IV) the applicant is not under the age of 19 years;</pre>
6	AND
7	(Y) AM APPLICANT FOR A WHOLESALE LICENSE IS NEITHER A
8	MANUFACTURER DE AN ALCOHOLIC BEYERAGE NOR IS DUNED OR
9	CONTROLLED BY A MANUFACTURER OF AN ALCOHOLIC BEYERAGE: and
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11	(i) the owners of at least 51% of the outstanding
12	stock west the requirements of subsection (4)(a)fffff[]];
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17	MANUFACTURER OF AN ALCOHOLIC BEYERAGE NOR IS OWNED OR
18	CONTROLLED BY A MANUFACTURER OF AN ALCOHOLIC BEVERAGE: and
19	titit(IV) the corporation is authorized to do business
20	in_Mont.aca.
21	(4)(5) In the case of a corporate applicant, the
22	requirements of subsections (2)(b) and (3)(b) and (41(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

-5-

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*16-4-102. Right of brewers to maintain and operate
storage depots -- annual licenses. It shall be lawful for
any brawer duly licensed to manufacture beer in-the-state-of
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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 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 8 9 INVALID. ALL VALID PARTS THAT ARE SEVERABLE FROM THE INVALID 10 PART REMAIN IN EFFECT. IE A PART OF THIS ACT IS INVALID IN ONE OR MORE OF ITS APPLICATIONS. THE PART REMAINS IN FEFECT 11 12 IN ALL VALID APPLICATIONS THAT ARE SEVERABLE FROM THE 13 INVALID_APPLICATIONS. 14 SECTION 5. EFFECTIVE DATE: THIS ACT IS FFECTIVE JULY

-End-

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