SEMATE BILI NO. 151
IWPRODUCED BY GALT, TURNAGE
BY RTOURGT OF THE REVENOE OVERSIGRTS COMMTMTEE

January 14, 1983

January 17, 1983
Tanuary 18. 1983
January 21, 1983

January 22, 1983

January 24, 1983
January 25, 1983
January 26, 1983

## IN THE HOUSE

In THE GENATE
Introduced and referred to Committee on Business and Industry.

Fiscal note requested.
Fiscal note returned.
Comaittee racommend bill do pass. Report adopted.

BL11 printed and placed on members ${ }^{\text {mesk3. }}$

Second reading, do pass,
Correctly engrossed.
Third reading, passed. Ayes, 48: Noes, 0. Transmitted to Housa.

Fobruary 14. 1983

February 15, 1983

March 1, 1983
March 2, 1983

January 27, 1983

Introduced and referred to Conalittee on Business and Industry.

Comittee recommend bill be concurred in. Report adopted.

Motion pass consideration until the 46 th legislative day.

Second reading, concurred in.
Third reading, concurred in.

IN ZHE GENATE

March 3. 1983

Returned to Senste. Sent to enrolling.

Reported corractiy enrolled.

shall determine whether such applicant is qualified to receive a license and his premises are suitable for the carrying on of the business and whether the requirements of this code and the rules promulgated by the department are met and complied with.
(3) Upon proof that any applicant made a false statement in any part of the applications the application for the license may be denied, and if issuedy the license may be revoked."

Section 2. Section 16-4-501, MCA, is amended to read:
m16-4-501. License and permit fees. (1) Each beer Iicensee licensed to sell either beer or table wine onlyp or both beer and table wine, under the provisions of this code, shall pay an annual license fee as follows:
(a) each brewer, wherever located, whose product is sold or offered for sale within the state, $\$ 500$; for each storage depot, $\$ 400$ :
(b) each beer wholesalery 5400 ; each table wine distrisutor, \$400;
(c) each beer retailer \$200; with a wine license amendment, an additional $\$ 200$;
(d) for a license to sell beer at retail for off-premises consumption only, the same as a retail beer license; for a license to sell table wine at retail for off-premises consumption only either alone or in
conjunction with beer, $\$ 200$;
(e) any unit of a nationally chartered veterans*
organizations $\$ 50$.
(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 iicense 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 license, is s200.
(6) The annual fee for resort retail inquor licenses within a given resort area shall be $\$ 2,000$ for each license.
(7) Each licensee licensed under the quotas of 16-4-201 shall pay an annual ilicense fee as follows:
(a) except as hereinafter provided, for each license outside of incorporated cities and incorporated towns or in incorporated cities and incorporated towns with a population of less than 2,000, $\$ 250$ for a unit of a nationally chartered veterans" organization and $\$ 400$ for all other

## licensees:

(b) except as hereinafter provided, for each license in incorporated cities with a population of more than 2,000 and less than 5,000 or within a distance of 5 miles thereof, measured over the shortest public road or highway from the nearest entrance of the premises to be licensed to the nearest boundary of such city, $\$ 350$ for a unit of a nationally chartered veterans* organization and $\$ 500$ for all other licensees:
(c) except as hereinafter provided, for each iicense in incorporated cities with a population of more than 5,000 and less than 10,000 or within a distance of $S$ 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, $\$ 500$ for a unit of a nationally chartered veterans* organization and $\$ 650$ for all other 1 icensees;
(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

```
of any incorporated cities and incorporated towns is
measured over the shortest public road or highway from the
nearest entrance of the premises to be licensed to the
nearest boundary of such clty or town; and where the
premises of the applicant to be licensad are situated within
5 miles of the corporate boundaries of two or more
incorporated cities or incorporated towns of different
populations, the license fee chargeable by the larger
incorporated city or incorporated town applies and shall be
paid by the applicant. When the premises of the applicant to
be licensed are situated within an incorporated town or
incorporated city and any portion of the incorporated town
or incorporated city is without a 5-mile limit, the license
fee chargeable by the smaller incorporated town or
incorporated city applies and shall be paid by the
applicant.
    (f) an applicant for the issuance of an original
license to be located in areas described in subsection (d)
of this subsection shall gravide_an ircevacable letter of
credit from a financial institution that guacantees_the
applicant*s_ability_to pay_a. $20.000_license_feer___A
successful_apolicant shall pay a one-time original license
fee of $20,000 for any such license issued. The one-time
license fee of $20,000 shall not apply to any transfer or
renewal of a license duly issued prior to July 1, 1974. All
```

```
licenses, 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.
(9) The license fees herein provided for are exclusive of and in addition to other license fees chargeable in Montana for the sale of alcotrolic bevarageson
```

-End-
$\qquad$

In compliance with a written request received January 17,_, $19 \underline{83}$, there is hereby submitted a Fiscal Note for $\qquad$ pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA).
Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

## DESCRIPTION OF PROPOSED LEGISLATION:

Senate Bill 151 provides an irrevocable letter of credit in lieu of the $\$ 20,000$ application fee for certain all-beverages license applications.

ASSUMPTIONS:

1) Only six all-beverage licenses were issued after the 1980 census, and all of these have been sold. No new all-beverage licenses will be available until after the next census.

FISCAL IMPACT:
No Fiscal Impact.

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:
After the 1990 census, more quota licenses could become available in cities of 10,000 or more. The proposed legislation would affect the time at which origination fees are paid for these licenses.

FISCAL NOTE 4:CC/1


## Approved by Committee

 on Business and Industry

A IILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE AN IRREVOCAELE LETTER OF CREDIT IN LIEU OF THE $\$ 20,000$ APPLICATION FEE FOR CERTAIN ALL-BEVERAGES LICENSE APPLICATIDNS; AMENDING SECTIONS 16-4-402 AND 16-4-501. MCA." be it enacted by the legislature of the state of montana: Section l. Section 16-4-402, MCA, is amended to read= "16-4-402. Application -- investigatione (1) Prior to the issuance of any license under this chaptere the applicant shall file with the department an application in writing, signed by the applicant and containing suct information and statements relative to the applicant and the premises where the alcoholic beverage is to be sold as may be required by the department. The application shall be verified by the affidavit of the person making the same before a person authorized to administer oaths.
(2) Upon receipt of a completed application for a license under this code, accompanied by the necessary 1icense fee or letter of crecit as provided in 16-4-5011711f), the department shall within 30 days make a thorough investigation of all matters pertaining thereto and
shall determine whether such applicant is qualified to receive a license and his premises are suitable for the carrying on of the business and whether the requirements of this code and the rules promulgated by the department are met and complied with.
(3) Upon proof that any applicant made a false statement in any part of the application, the application for the license may be denied, and if issueds the license may be revoked."

Section 2. Section 16-4-501, MCA, is amended to read:
m16-4-501. 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, shall pay an annual license fee as follows:
(a) each brewer, wherever located, whose product is sold or offered for sale within the state, $\$ 500$; for each storage depot, $\$ 400$;
(b) each beer wholesaler. \$400; each table wine distributor, \$400;
(c) each beer retailer, s200; with a wine license amendment, an additional $\mathbf{\$ 2 0 0 ;}$
(d) for a license to sell beer at retail for off-premises consumption only, the same as a retail beer license; for a license to sell table wine at retail for off-premises consumption only, either alone or ir - SECOND READING
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 int the rate of $\$ 15$ a day for each day beer and table wine are scld at those events lasting 2 or more days wut in no case be less than 83 ?.
(3) The permit fee under $16-4-301(2)$ is $\$ 10$ for the saje 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 iocense 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 1 icense, is $\$ 200$.
(6) The annual fee for resort retail liquor licenses within a given resort area shall be $\$ 2,000$ for each license.
(7) Each iicensee licensed under the quotas of 16-4-201 shall pay an annual license fee as follows:
(a) except as hereinafter provided, for each license outside of incorporated cities and incorporzted towns or in incorporated cities and incorporated towns with a population of less than 2,000, $\$ 250$ for a unit of a nationally chartered veterans* organization and $\$ 400$ for all other

1icensees;
(b) except as hereinafter provided, for each license in incorporated cities with a population of more than 2,000 and less than 5,000 or within a distance of 5 miles thereof, measured over the shortest public road or highway from the nearest entrance of the premises to be licensed to the nearest boundary of such city, $\$ 350$ for a unit of d nationally chartered veterans" organization and $\$ 500$ for all other 1icensees;
(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 $s$ 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, $\$ 500$ for a unit of a nationally chartered veterans* organization and $\$ 650$ for all other licensees:
(d) for each license in incorporated cities with a population of $\mathbf{1 0 , 0 0 0}$ 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 $\mathbf{\$ 8 0 0}$ for all other licensees;
(e) the distance of 5 miles from the corporate limits


5

```
of any incorporated cities and incorporated towns is
measured over the shortest public road or highway from the
nearest entrance of the prenises to be licensed to the
nearest boundary of such city or town; and where the
premises of the applicant to be licensed are situateo within
5 miles of the corporate boundaries of two or more
incorporated cities or incorporated towns of different
populations, the license fee chargeable by the larger
incorporated city or incorporated town applies and shall be
paid by the applicant. When the premises of the applicant to
be licensed are situated within an incorporated town or
incorporated city and any portion of the incorporated town
or incorporated city is without a s-mile limit, the license
fee cnargeable by the smaller incorporated town or
incorporatad city applies and shall be paid by the
ap,少cant.
    (f) an applicant for the issuance of an original
license to be located in areas described in subsection (d)
of this subsection shall provide_an_irrevocable_letter of
scedit from_a financial__institution that guarantees the
apolicant"s_c_cility_to__oax_a_520_000_license_fere__A
successful apolicant shall pay a one-time original license
fee of $20,000 for any such license issued. The one-time
license fee of $20,000 shall not apply to any transfer or
renewal of a license duly issued prior to July 1, 1974. All
```

[^0]
by Request of the revenue oversight committee

A BILL FOR AN ACT ENTITLED: EAN ACT TO PROVIDE AN IRREVOCABLE LETIER OF CREDIT IN LIEU OF THE \$20,000 APPLICATION FEE FOR CERTAIN ALL-BEVERAGES LICENSE APPLICATIDNS: AMENDING SECTIONS 16-4-402 AND 16-4-501, MCA." be it enacted by the legislature of the state of montana:

Section 1. Section 16-4-402, MCA, is amended to reaa:
n16-4-402. Application -- investigation. (1) Prior to the issuance of any license under this chapter, the applicant shall file with the department an application in writing, signed by the applicant and containing such information and statements relative to the applicant and the premises where the alconolic beverage is to be sold as may be required by the department. The application shall be verified by the affidavit of the person making the same before a person authorized to administer oaths.
(2) Upon receipt of a completed application for a license under this code, accompanied by the necessary license fee or letter of credit as_orovided in 16-4-50117)(f), the department shall within 30 days make a thorough investigation of all matters pertaining thereto and
shall determine whether such applicant is qualified to receive a license and his premises are suitable for the carrying on of the business and whether the requirements of this code and the rules promulgated by the departnent are met and complied withe
(3) Upon proof that any applicant made a false statement in any part of the applicationg the application for the license may be denied, and if issued, the license may be revoked."

Section 2. Section 16-4-501, MCAp 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, shall pay an annual license fee as follows:
(a) each brewer, wherever located, whose product is sold or offered for sale within the state, 5500 ; for each storage depot, $\$ 400 ;$
(b) each beer wholesaler, $\$ 400$; each table wine distrisutor, \$400;
(c) each beer retailer, $\$ 200$; with a wine license amendment, an additional 5200 ;
(d) for a license to sell beer at retail for off-premises consumption only, the same as a retail beer license; for a license to sell table wine at retail for off-premises consumption only, either alone or ir

```
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 of more days wut in no case be less than \(\$ 37\).
(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 prewises, when issued as an amendment to a beer-only license, is s200.
(6) The annual fee for resort retail liquor licenses within a given resort area shall be \(\$ 2,000\) for each license.
(7) Each licensee licensed under the quotas of 16-4-201 shall pay an annual icense fee as follows:
(a) except as hereinafter provided, for each license outside of incorporated cities and incorporated towns or in incorporated cities and incorporated towns with a population of less than 2,000 , \(\$ 250\) for a unit of a nationally chartered veterans organization and \(\$ 400\) for all other
```


## icensees;

(b) except as hereinafter provided, for each license in incorporated cities with a population of more than 2,000 and less than 5,000 or within a distance of 5 miles thereof, measured over the shortest public road or highway from the nearest entrance of the premises to be licensed to the nearest boundary of such city, $\$ 350$ for a unit of a nationally chartered veterans* organization and $\$ 500$ for all other 1 icensees;
(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 thereofy 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, $\$ 500$ for a unit of a nationally chartered veterans ${ }^{\circ}$ organization and $\$ 650$ for all other 1icensees:
(d) for each license in incorporated cities with a population of $\mathbf{1 0 , 0 0 0}$ 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, 5650 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


```
licenses, 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.
            (9) The license fees herein provided for are exclusive
of and in addition to other license fees chargeable in
Montana for the sale of alcoholic beverages."
```

```
SENATE BILL NO. 151
INTRODUCED BY GALT, TURNAGE
by request of the revenue oversight committee
A RILL FOR AN ACT ENTITLED: "AN ACT TO PROVIDE AN irrevocable letter of credit in lieu of the \(\$ 20,000\) APPLICATION FEE FDR CERTAIN ALL-BEVERAGES LICENSE APPLICATIONS; AMENOING SECTIONS 16-4-402 AND 16-4-501, MCA." be it enacteo by the legislature of the state of montana:
Section 1. Section 16-4-402, MCA, is amended to read:
n16-4-402. Application -- investigation. (1) Prior to the issuance of any license under this chapter, the applicant shall file with the department an application in writing, signed by the applicant and containing such infornation and statements relative to the applicant and the premises where the alcoholic beverage is to be sold as may be required by the department. The application shall be verified by the affidavit of the person making the same before a person authorized to adininister oaths.
(2) Upon receipt of a completed application for a license under this code, accompanied by the necessary license fee or___letter__of__credit___as_oroxided__in 16=4=501 (I) (f), the department shall within 30 days make a thorough investigation of all matters pertaining thereto and
```

shall determine whether such apolicant is qualified to receive a license and nis premises are suitable for the carrying on of the business and whether the requirements of this code and the rules promulgated by the department are met and complied with.
(3) Upon proof that any applicant made a false statement in any part of the application, the application for the iicense may be denied, and if issued, the license may be revoked."

Section 2. 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 codep shall pay an annual license fee as follows:
(a) each brewer, wherever located, whose product is sold or offered for sale within the state, $\$ 500$; for each storaje depot, $\$ 400$
(b) each beer wholesaler, 400 ; each table wine distributor, $\$ 400$;
(c) each beer retailer, \$200; with a wine license amendment, an additional s200;
(d) for a license to sell beer at retail for off-premises consumption only, the same as a retail beer license; for a license to sell table wine at retail for off-premises consumption only, either alone or in
conjunction with beer, $\$ 200$;
(e) any unit of a nationally chartered veterans" or ganization. $\$ 50$.
(2) The permit fee under 16-4-301(1) is computed at the rate of $\$ 15$ day for each day beer and table wine are sold at those events lasting 2 or more days but in no case be fess then $\$ 30$.
(3) The permit fee under $16-4 \sim 301(2)$ is $\$ 10$ for the sale of beer and table wine only or $\$ 29$ for the sale of all alconolic beverages.
(4) Passenger carrier licenses shall be issued upon payment by the applicant of an annual license fee in the 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 license, is $\$ 200$.
(6) The annual fee for resort retail liquor licenses within a given resort area shall be $\$ 2,000$ for each license.
(7) Each licensee licensed under the quotas of 16-4-201 shall pay an annual license fee as follows:
(a) except as hereinafter provided, for each license outside of incorporated cities and incorporated towns or in incorporated cities and incorporated towns with a population of less than 2,000 , $\$ 250$ for a unit of a nationally chartered veterans* organization and $\$ 400$ for all other

## 1icensees;

(b) except as hereinafter provided, for each license in incorporated cities with a population of more than 2,000 and less than 5,000 or within a distance of 5 miles theroof, 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 $\$ 350$ for a unit of a nationally chartered veterans" organization and $\$ 500$ for all 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 from the nearest entrance of the premises to be licensed to the nearest boundary of such city, 5500 for a unit of a nationally chartered veterans" organization and $\$ 650$ for all other Iicensees;
(d) for each license in incorporated cities with a population of $\mathbf{1 0 , 0 0 0}$ 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 licenser to the nearest boundary of such city, $\$ 650$ for a unit of a nationally chartered veterans* organization and \$800 for all ather Iicensees;
(e) the distance of 5 miles from the corporate limits

```
of 3ny incorporated cities and incorporated towns is
messured over the shortest public road or highway from the
nearest entrance of the prenises to de licensed to the
nearest boundary of such city or town; and where the premises of the applicant to be licensed are situated within 5 miles of the corporate boundaries of two or more incorporated cities or incorporated towns of different populations, the license fee chargeable by the larger incorosryted city or incorporated town applies and shall be paid by the applicant. When the premises of the applicant to be licensed are situsted within an incorporated town or incorporated city and any portion of the incorporated town or incorporated city is without a 5-mile limit, the license fee chargeable by the smaller incorporated town or incorporated city applies and shall be paid by the applicant.
(f) an zpalicant for the issuance of an originst license to be lacated in areas described in subsection (d) of, this subsection shall prexide_an__irceyocable_-letter_of sfedit_-fcon_a__financial__institution__that_ouarantees_the
```



``` successfui_maplicant_shall pay a one-time original license fee of \(\$ 20,000\) for any such license issued. The one-time license fee of \(\$ 20,000\) shall not apply to any transfer or renewal of a license duly issued prior to July 1, 1974. All
```


#### Abstract

licenses, however, are subject to the annual renewal fee. (6) The fee for one all-beverage license to a public alrport shall be $\$ 800$. This license is nontransferable. (9) The license fees herein provided for are exclusive of and in addition to other license fees chargeable in montana for the sale of alcoholic beverages."


-End-

HOUSE HIGHWAYS AND TRANSPORTATION COMMITTEE, MARCH 22, 1983 AMENDMENCS, $\operatorname{sBl} 55$

1) Page 3, line 25. Following: line 24
Insert: NEW SECTION. "Section 2. Codification Instruction. Section 1 is intended to be codified as an integral part of Title 60, chapter 4, part 2, and the provisions of Title 60, chapter 4, part 2, apply to Section 1."

AND AS AMENDED
BE CONCURRED IN


[^0]:    licenses, 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.
    (9) The license fees herein provided for are exciusive of and in addition to other license fees chargeable in Montana for the sale of alcoholic beverages.*
    -End-

