SENATE BILL NO. 34

INTRODUCED BY NORMAN

BY REQUEST OF THE DEPARTMENT OF REVENUE AND THE REVENUE OVERSIGHT COMMITTEE

IN THE SENATE

January	14,	1985	Introduced and referred to Committee on Taxation.
January	26,	1985	Committee recommend bill do pass as amended. Report adopted.
January	28,	1985	Bill printed and placed on members' desks.
January	29,	1985	Second reading, do pass.
January	30,	1985	Considered correctly engrossed.
January	31,	1985	Third reading, passed. Ayes, 47; Noes, 0.
			Transmitted to House.

IN THE HOUSE

February 27, 1985	Introduced and referred to Committee on Business and Labor.
March 11, 1985	Committee recommend bill be concurred in. Report adopted.
March 13, 1985	Second reading, concurred in.
March 15, 1985	Third reading, concurred in.
	Returned to Senate.

IN THE SENATE

March 15, 1985

Received from House.

March 16, 1985

Sent to enrolling.

Reported correctly enrolled.

1	SENATE BILL NO. 34
2	INTRODUCED BY NORMAN
3	BY REQUEST OF THE DEPARTMENT OF REVENUE
4	AND THE REVENUE OVERSIGHT COMMITTEE
5	
6	A BILL FOR AN ACT ENTITLED: "AN ACT TO ESTABLISH ALCOHOLIC
7	BEVERAGE LICENSING CRITERIA FOR A BUSINESS ENTITY OTHER THAN
8	A CORPORATION OR AN INDIVIDUAL; AMENDING SECTION 16-4-401,
9	MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."
10	
11	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
12	Section 1. Section 16-4-401, MCA, is amended to read:
13	"16-4-401. License as privilege criteria for
14	decision on application. (1) A license under this code is a
15	privilege which the state may grant to an applicant and is
16	not a right to which any applicant is entitled.
17	(2) Except as provided in subsection (6), in the case
18	of a license that permits on-premises consumption, the
19	department must find in every case in which it makes an
20	order for the issuance of a new license or for the approval
21	of the transfer of a license that:
22	(a) in the case of an individual applicant:
23	(i) the applicant will not possess an ownership
24	interest in more than one establishment licensed under this
25	chapter for 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

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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;
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6	qualified to vote in a state election;
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8	a purveyor of alcoholic beverages and as a businessman and
9	citizen demonstrate that he is likely to operate his
0	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;
3	and
4	(b) in the case of a corporate applicant:
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6	stock meet the requirements of subsection (2)(a)(iii);
7	(ii) each womer of 10% or more of the outstanding stock
8	meets the requirements for an individual applicant listed in

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

24 requirements of subsection $(2)(a)(i)\tau$; and

(c) in the case of any other business entity as

1	app	1i	ca	n	t	;

- 2 (i) if the applicant consists of more than one
- 3 individual, all must meet the requirements of subsection
- 4 (2)(a); and
- 5 (ii) if the applicant consists of more than one
- 6 corporation, all must meet the requirements of subsection
- 7 (2)(b).
- 8 (3) In the case of a license that permits only
- 9 off-premises consumption, the department must find in every
- 10 case in which it makes an order for the issuance of a new
- ll license or for the approval of the transfer of a license
- 12 that:
- 13 (a) in the case of an individual applicant:
- 14 (i) the applicant will not possess an ownership
- 15 interest in more than one establishment licensed under this
- 16 chapter for all-beverages sales;
- 17 (ii) the applicant or any member of his immediate
- 18 family is without financing from or any affiliation to a
- 19 manufacturer, bottler, or distributor of beer, wine, or
- 20 liquor;
- 21 (iii) the applicant has not been convicted of a felony
- 22 or, if the applicant has been convicted of a felony, his
- 23 rights have been restored;
- (iv) the applicant's past record and present status as
- 25 a purveyor of alcoholic beverages and as a businessman and

- citizen demonstrate that he is likely to operate his
- 2 establishment in compliance with all applicable laws of the
- 3 state and local governments; and
- 4 (v) the applicant is not under the age of 19 years;
- 5 and

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- (b) in the case of a corporate applicant:
- 7 (i) the owners of at least 51% of the outstanding
- 8 stock meet the requirements of subsection (3)(a)(iii);
- 9 (ii) each owner of 10% or more of the outstanding stock
- 10 meets the requirements for an individual listed in
- 11 subsection (3)(a) of this section; and
- 12 (iii) the corporation is authorized to do business in
- 13 Montana:; and
- 14 (c) in the case of any other business entity as
- 15 applicant:
- 16 (i) if the applicant consists of more than one
- 17 individual, all must meet the requirements of subsection
- 18 (2)(a); and
- 19 (ii) if the applicant consists of more than one
- 20 corporation, all must meet the requirements of subsection
- 21 (2)(b).
- 22 (4) In the case of a license that permits the
- 23 manufacture or wholesaling of an alcoholic beverage, the
- 24 department must find in every case in which it makes an
- 25 order for the issuance of a new license or for the approval

LC 0159/01

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- of the transfer of a license that:
- 2 (a) in the case of an individual applicant:
- 3 (i) the applicant has no ownership interest in any 4 establishment licensed under this chapter for retail 5 alcoholic beverages sales;
- 6 (ii) the applicant has not been convicted of a felony or, if the applicant has been convicted of a felony, his rights have been restored;
- 9 (iii) the applicant's past record and present status as
 10 a purveyor of alcoholic beverages and as a businessman and
 11 citizen demonstrate that he is likely to operate his
 12 establishment in compliance with all applicable laws of the
 13 state and local governments;
- 14 (iv) the applicant is not under the age of 19 years;
 15 and
- 16 (v) 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 (b) in the case of a corporate applicant:
- 20 (i) the owners of at least 51% of the outstanding 21 stock meet the requirements of subsection (4)(a)(ii);
- 22 (ii) each owner of 10% or more of the outstanding stock
 23 meets the requirements for an individual listed in
 24 subsection (4)(a) of this section;
- 25 (iii) an applicant for a wholesale license is neither a

- 1 manufacturer of an alcoholic beverage nor is owned or
- 2 controlled by a manufacturer of an alcoholic beverage; and
- 3 (iv) the corporation is authorized to do business in
- 4 Montana+; and
- 5 (c) in the case of any other business entity as
- 6 applicant:
- 7 (i) if the applicant consists of more than one
- 8 individual, all must meet the requirements of subsection
- 9 (2)(a); and
- 10 (ii) if the applicant consists of more than one
- 11 corporation, all must meet the requirements of subsection
- 12 (2)(b).
- 13 (5) In the case of a corporate applicant, the
- requirements of subsections (2)(b), (3)(b), and (4)(b) apply
- 15 separately to each class of stock.
- 16 (6) The provisions of subsection (2) do not apply to
- 17 an applicant for or holder of a license pursuant to
- 18 16-4-302."
- 19 NEW SECTION. Section 2. Extension of authority. Any
- 20 existing authority of the department of revenue to make
- 21 rules on the subject of the provisions of this act is
- 22 extended to the provisions of this act.
- 23 NEW SECTION. Section 3. Effective date. This act is
- 24 effective on passage and approval.

-End-

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APPROVED BY COMMITTEE ON TAXATION

2	INTRODUCED BY NORMAN
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4	AND THE REVENUE OVERSIGHT COMMITTEE
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SENATE BILL NO. 34

(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 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
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- 7 (2)(b).
- 8 (3) In the case of a license that permits only
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- 10 case in which it makes an order for the issuance of a new
- 11 license or for the approval of the transfer of a license
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- 20 liquor;

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- 21 (iii) the applicant has not been convicted of a felony
- or, if the applicant has been convicted of a felony, his
- 23 rights have been restored;
- 24 (iv) the applicant's past record and present status as
- a purveyor of alcoholic beverages and as a businessman and

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- 1 citizen demonstrate that he is likely to operate his
- 2 establishment in compliance with all applicable laws of the
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- (b) in the case of a corporate applicant:
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- 13 Montana:; and
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- 15 applicant:
- 16 (i) if the applicant consists of more than one
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- 18 (2)(3)(a); and
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- 20 corporation, all must meet the requirements of subsection
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- 22 (4) In the case of a license that permits th
- 23 manufacture or wholesaling of an alcoholic beverage, the
- 24 department must find in every case in which it makes an
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of the transfer of a license that:

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 - (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:
- 20 (i) the owners of at least 51% of the outstanding 21 stock meet the requirements of subsection (4)(a)(ii);
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- requirements of subsections (2)(b), (3)(b), and (4)(b) apply
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- 17 an applicant for or holder of a license pursuant to
- 18 16-4-302."
- 19 NEW SECTION. Section 2. Extension of authority. Any
- 20 existing authority of the department of revenue to make
- 21 rules on the subject of the provisions of this act is
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- 24 effective on passage and approval.

-End-

SB 0034/02

49th Legislature

SB 0034/02

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23	(i) the applicant will not possess an ownership
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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
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- 11 corporation, all must meet the requirements of subsection
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- 14 requirements of subsections (2)(b), (3)(b), and (4)(b) apply
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- 17 an applicant for or holder of a license pursuant to
- 18 16-4-302."
- 19 NEW SECTION. Section 2. Extension of authority. Any
- 20 existing authority of the department of revenue to make
- 21 rules on the subject of the provisions of this act is
- 22 extended to the provisions of this act.
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SB 34

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9	(ii) each owner of 10% or more of the outstanding stoo
10	meets the requirements for an individual listed i
11	subsection (3)(a) of this section; and
12	(iii) the corporation is authorized to do business i
13	Montana: and
14	(c) in the case of any other business entity a
15	applicant:
16	(i) if the applicant consists of more than or
17	individual, all must meet the requirements of subsection
18	(2) (3)(a); and
19	(ii) if the applicant consists of more than or
20	corporation, all must meet the requirements of subsection
21	(2) (3)(b).
22	(4) In the case of a license that permits th
23	manufacture or wholesaling of an alcoholic beverage, th
24	department must find in every case in which it makes a
25	order for the issuance of a new license or for the approva

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of the transfer of a license that:

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- (a) in the case of an individual applicant:
- 3 (i) the applicant has no ownership interest in any 4 establishment licensed under this chapter for retail 5 alcoholic beverages sales;
- (ii) the applicant has not been convicted of a felony
 or, if the applicant has been convicted of a felony, his
 rights have been restored;
 - (iii) 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;
- 14 (iv) the applicant is not under the age of 19 years;
 15 and
- 16 (v) 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
 - (b) in the case of a corporate applicant:
- 20 (i) the owners of at least 51% of the outstanding 21 stock meet the requirements of subsection (4)(a)(ii);
- 22 (ii) each owner of 10% or more of the outstanding stock
 23 meets the requirements for an individual listed in
 24 subsection (4)(a) of this section;
- 25 (iii) an applicant for a wholesale license is neither a

- . manufacturer of an alcoholic beverage nor is owned or
- 2 controlled by a manufacturer of an alcoholic beverage; and
- 3 (iv) the corporation is authorized to do business in
- 4 Montana+; and
- 5 (c) in the case of any other business entity as
- 6 applicant:
- 7 (i) if the applicant consists of more than one
- 8 individual, all must meet the requirements of subsection
- 9 (2)(4)(a); and
- 10 (ii) if the applicant consists of more than one
- 11 corporation, all must meet the requirements of subsection
- 12 (2)(4)(b).
- 13 (5) In the case of a corporate applicant, the
- requirements of subsections (2)(b), (3)(b), and (4)(b) apply
- 15 separately to each class of stock.
- 16 (6) The provisions of subsection (2) do not apply to
- 17 an applicant for or holder of a license pursuant to
- 18 16-4-302."
- 19 NEW SECTION. Section 2. Extension of authority. Any
- 20 existing authority of the department of revenue to make
- 21 rules on the subject of the provisions of this act is
- 22 extended to the provisions of this act.
- 23 NEW SECTION. Section 3. Effective date. This act is
- 24 effective on passage and approval.

-End-