

SENATE BILL NO. 35

INTRODUCED BY NORMAN

BY REQUEST OF THE DEPARTMENT OF REVENUE

AND THE REVENUE OVERSIGHT COMMITTEE

IN THE SENATE

January 8, 1985	Fiscal Note requested.
January 14, 1985	Introduced and referred to Committee on Taxation.
January 15, 1985	Fiscal Note returned.
January 26, 1985	Committee recommend bill do pass. 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, 49; 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 concurrent 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. 35
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 DEFINING SUBWAREHOUSE;
7 REVISING THE DEFINITION OF WAREHOUSE; ESTABLISHING AN ANNUAL
8 LICENSE FEE FOR A BEER WHOLESALER AND TABLE WINE DISTRIBUTOR
9 SUBWAREHOUSE; AMENDING SECTIONS 16-1-106 AND 16-4-501, MCA;
10 AND PROVIDING EFFECTIVE DATES."

11
12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

13 Section 1. Section 16-1-106, MCA, is amended to read:
14 "16-1-106. Definitions. As used in this code, the
15 following definitions apply:

16 (1) "Agency agreement" means an agreement between the
17 department and a person appointed to sell liquor as a
18 commission merchant rather than as an employee.

19 (2) "Alcohol" means ethyl alcohol, also called
20 ethanol, or the hydrated oxide of ethyl.

21 (3) "Alcoholic beverage" means a compound produced and
22 sold for human consumption as a drink that contains more
23 than .5% of alcohol by volume.

24 (4) "Beer" means a malt beverage containing not more
25 than 7% of alcohol by weight.

1 (5) "Brewer" means a person who produces malt
2 beverages.

3 (6) "Department" means the department of revenue.

4 (7) "Immediate family" means a spouse, dependent
5 children, or dependent parents.

6 (8) "Industrial use" means a use described as
7 industrial use by the federal Alcohol Administration Act and
8 the federal rules and regulations of 27 CFR.

9 (9) "Liquor" means an alcoholic beverage except beer
10 and table wine.

11 (10) "Malt beverage" means an alcoholic beverage made
12 by the fermentation of an infusion or decoction, or a
13 combination of both, in potable brewing water, of malted
14 barley with or without hops or their parts or their products
15 and with or without other malted cereals and with or without
16 the addition of unmalted or prepared cereals, other
17 carbohydrates, or products prepared therefrom and with or
18 without other wholesome products suitable for human food
19 consumption.

20 (11) "Package" means a container or receptacle used for
21 holding an alcoholic beverage.

22 (12) "Posted price" means the retail price of liquor as
23 fixed and determined by the department and in addition
24 thereto an excise and license tax as provided in this code.

25 (13) "Proof gallon" means a U.S. gallon of liquor at 60



1 degrees on the Fahrenheit scale that contains 50% of alcohol
2 by volume.

3 (14) "Public place" means a place, building, or
4 conveyance to which the public has or may be permitted to
5 have access and any place of public resort.

6 (15) "Rules" means rules published by the department
7 pursuant to this code.

8 (16) "State liquor facility" means a facility owned or
9 under control of the department for the purpose of
10 receiving, storing, transporting, or selling alcoholic
11 beverages.

12 (17) "State liquor store" means a retail store operated
13 by the department in accordance with this code for the
14 purpose of selling liquor.

15 (18) "Storage depot" means a building or structure
16 owned or operated by a brewer at any point in the state of
17 Montana off and away from the premises of a brewery, and
18 which structure is equipped with refrigeration or cooling
19 apparatus for the storage of beer and from which a brewer
20 may sell or distribute beer as permitted by this code.

21 (19) "Subwarehouse" means a building or structure owned
22 or operated by a licensed beer wholesaler or table wine
23 distributor, located at a site in Montana other than the
24 site of such beer wholesaler's or table wine distributor's
25 warehouse or principal place of business, and used for the

1 receiving, storage, and distribution of beer or table wine
2 as permitted by this code.

3 ~~(19)~~(20) "Table wine" means wine as defined below which
4 contains not more than 14% alcohol by volume.

5 ~~(20)~~(21) "Warehouse" means a building or structure
6 located in Montana owned or operated by a licensed beer
7 wholesaler or table wine distributor for the receiving,
8 storage, and distribution of beer or table wine as permitted
9 by this code.

10 ~~(21)~~(22) "Wine" means an alcoholic beverage made from
11 the normal alcoholic fermentation of the juice of sound,
12 ripe fruit or other agricultural products without addition
13 or abstraction, except as may occur in the usual cellar
14 treatment of clarifying and aging, and that contains not
15 less than 7% or more than 24% of alcohol by volume. Wine
16 may be ameliorated to correct natural deficiencies,
17 sweetened, and fortified in accordance with applicable
18 federal regulations and the customs and practices of the
19 industry. Other alcoholic beverages not defined as above
20 but made in the manner of wine and labeled and sold as wine
21 in accordance with federal regulations are also wine."

22 Section 2. Section 16-4-501, MCA, is amended to read:
23 "16-4-501. License and permit fees. (1) Each beer
24 licensee licensed to sell either beer or table wine only, or
25 both beer and table wine, under the provisions of this code,

1 shall pay an annual license fee as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

21 (c) except as hereinafter provided, for each license
22 in incorporated cities with a population of more than 5,000
23 and less than 10,000 or within a distance of 5 miles
24 thereof, measured in a straight line from the nearest
25 entrance of the premises to be licensed to the nearest

1 boundary of such city, \$500 for a unit of a nationally
 2 chartered veterans' organization and \$650 for all other
 3 licensees;

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

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

1 paid by the applicant.

2 (f) an applicant for the issuance of an original
 3 license to be located in areas described in subsection (d)
 4 of this subsection shall provide an irrevocable letter of
 5 credit from a financial institution that guarantees that
 6 applicant's ability to pay a \$20,000 license fee. A
 7 successful applicant shall pay a one-time original license
 8 fee of \$20,000 for any such license issued. The one-time
 9 license fee of \$20,000 shall not apply to any transfer or
 10 renewal of a license duly issued prior to July 1, 1974. All
 11 licenses, however, are subject to the annual renewal fee.

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

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

17 (10) In addition to other license fees, the department
 18 of revenue may require a licensee to pay a late fee of
 19 33 1/3% of any license fee delinquent on July 1 of the
 20 renewal year, 66 2/3% of any license fee delinquent on
 21 August 1 of the renewal year, and 100% of any license fee
 22 delinquent on September 1 of the renewal year."

23 NEW SECTION. Section 3. Extension of authority. Any
 24 existing authority of the department of revenue to make
 25 rules on the subject of the provisions of this act is

1 extended to the provisions of this act.

2 NEW SECTION. Section 4. Authority to proceed with
3 rulemaking. The department of revenue may initiate
4 rulemaking proceedings under section 3 on or after passage
5 and approval of this act, but no rules under section 3 may
6 be made effective prior to the effective date of sections 1
7 and 2.

8 NEW SECTION. Section 5. Effective dates. (1) Sections
9 1 and 2 and this subsection (1) are effective July 1, 1985.

10 (2) Sections 3 and 4 and this subsection (2) are
11 effective on passage and approval.

-End-

STATE OF MONTANA
FISCAL NOTE

REQUEST NO. FNN023-85

Form BD-15

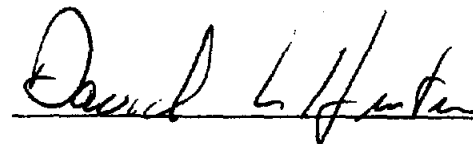
In compliance with a written request received January 8, 1985, there is hereby submitted a Fiscal Note for SB 35 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA). Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION

An act defining subwarehouse; revising the definition of warehouse; establishing an annual license fee for a beer wholesaler and table wine distributor subwarehouse; amending sections 16-1-106 and 16-1-4-501, MCA; and providing effective dates.

FISCAL IMPACT

The Department of Revenue is already charging subwarehouses an annual license fee of \$400 even though this is not specifically written in the statutes. (The revenue collected from subwarehouse fees in FY84 was \$5,600.) Therefore, no additional revenue will be collected as a result of this bill.



BUDGET DIRECTOR
Office of Budget and Program Planning

Date: Jan 14, 1985

APPROVED BY COMMITTEE
ON TAXATION

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7 industrial use by the federal Alcohol Administration Act and
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 21 premises of the applicant to be licensed are situated within
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8 amendment, an additional \$200;

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

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

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

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

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

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

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

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

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

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

21 (c) except as hereinafter provided, for each license
22 in incorporated cities with a population of more than 5,000
23 and less than 10,000 or within a distance of 5 miles
24 thereof, measured in a straight line from the nearest
25 entrance of the premises to be licensed to the nearest

1 boundary of such city, \$500 for a unit of a nationally
 2 chartered veterans' organization and \$650 for all other
 3 licensees;

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

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

1 paid by the applicant.

2 (f) an applicant for the issuance of an original
 3 license to be located in areas described in subsection (d)
 4 of this subsection shall provide an irrevocable letter of
 5 credit from a financial institution that guarantees that
 6 applicant's ability to pay a \$20,000 license fee. A
 7 successful applicant shall pay a one-time original license
 8 fee of \$20,000 for any such license issued. The one-time
 9 license fee of \$20,000 shall not apply to any transfer or
 10 renewal of a license duly issued prior to July 1, 1974. All
 11 licenses, however, are subject to the annual renewal fee.

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

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

17 (10) In addition to other license fees, the department
 18 of revenue may require a licensee to pay a late fee of
 19 33 1/3% of any license fee delinquent on July 1 of the
 20 renewal year, 66 2/3% of any license fee delinquent on
 21 August 1 of the renewal year, and 100% of any license fee
 22 delinquent on September 1 of the renewal year."

23 NEW SECTION. Section 3. Extension of authority. Any
 24 existing authority of the department of revenue to make
 25 rules on the subject of the provisions of this act is

1 extended to the provisions of this act.

2 NEW SECTION. Section 4. Authority to proceed with
3 rulemaking. The department of revenue may initiate
4 rulemaking proceedings under section 3 on or after passage
5 and approval of this act, but no rules under section 3 may
6 be made effective prior to the effective date of sections 1
7 and 2.

8 NEW SECTION. Section 5. Effective dates. (1) Sections
9 1 and 2 and this subsection (1) are effective July 1, 1985.
10 (2) Sections 3 and 4 and this subsection (2) are
11 effective on passage and approval.

-End-

1 SENATE BILL NO. 35
 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 DEFINING SUBWAREHOUSE;
 7 REVISING THE DEFINITION OF WAREHOUSE; ESTABLISHING AN ANNUAL
 8 LICENSE FEE FOR A BEER WHOLESALER AND TABLE WINE DISTRIBUTOR
 9 SUBWAREHOUSE; AMENDING SECTIONS 16-1-106 AND 16-4-501, MCA;
 10 AND PROVIDING EFFECTIVE DATES."

11
12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

13 Section 1. Section 16-1-106, MCA, is amended to read:
14 "16-1-106. Definitions. As used in this code, the
15 following definitions apply:

16 (1) "Agency agreement" means an agreement between the
17 department and a person appointed to sell liquor as a
18 commission merchant rather than as an employee.

19 (2) "Alcohol" means ethyl alcohol, also called
20 ethanol, or the hydrated oxide of ethyl.

21 (3) "Alcoholic beverage" means a compound produced and
22 sold for human consumption as a drink that contains more
23 than .5% of alcohol by volume.

24 (4) "Beer" means a malt beverage containing not more
25 than 7% of alcohol by weight.

1 (5) "Brewer" means a person who produces malt
2 beverages.

3 (6) "Department" means the department of revenue.

4 (7) "Immediate family" means a spouse, dependent
5 children, or dependent parents.

6 (8) "Industrial use" means a use described as
7 industrial use by the federal Alcohol Administration Act and
8 the federal rules and regulations of 27 CFR.

9 (9) "Liquor" means an alcoholic beverage except beer
10 and table wine.

11 (10) "Malt beverage" means an alcoholic beverage made
12 by the fermentation of an infusion or decoction, or a
13 combination of both, in potable brewing water, of malted
14 barley with or without hops or their parts or their products
15 and with or without other malted cereals and with or without
16 the addition of unmalted or prepared cereals, other
17 carbohydrates, or products prepared therefrom and with or
18 without other wholesome products suitable for human food
19 consumption.

20 (11) "Package" means a container or receptacle used for
21 holding an alcoholic beverage.

22 (12) "Posted price" means the retail price of liquor as
23 fixed and determined by the department and in addition
24 thereto an excise and license tax as provided in this code.

25 (13) "Proof gallon" means a U.S. gallon of liquor at 60



1 degrees on the Fahrenheit scale that contains 50% of alcohol
2 by volume.

3 (14) "Public place" means a place, building, or
4 conveyance to which the public has or may be permitted to
5 have access and any place of public resort.

6 (15) "Rules" means rules published by the department
7 pursuant to this code.

8 (16) "State liquor facility" means a facility owned or
9 under control of the department for the purpose of
10 receiving, storing, transporting, or selling alcoholic
11 beverages.

12 (17) "State liquor store" means a retail store operated
13 by the department in accordance with this code for the
14 purpose of selling liquor.

15 (18) "Storage depot" means a building or structure
16 owned or operated by a brewer at any point in the state of
17 Montana off and away from the premises of a brewery, and
18 which structure is equipped with refrigeration or cooling
19 apparatus for the storage of beer and from which a brewer
20 may sell or distribute beer as permitted by this code.

21 (19) "Subwarehouse" means a building or structure owned
22 or operated by a licensed beer wholesaler or table wine
23 distributor, located at a site in Montana other than the
24 site of such beer wholesaler's or table wine distributor's
25 warehouse or principal place of business, and used for the

1 receiving, storage, and distribution of beer or table wine
2 as permitted by this code.

3 ~~(19)~~(20) "Table wine" means wine as defined below which
4 contains not more than 14% alcohol by volume.

5 ~~(20)~~(21) "Warehouse" means a building or structure
6 located in Montana owned or operated by a licensed beer
7 wholesaler or table wine distributor for the receiving,
8 storage, and distribution of beer or table wine as permitted
9 by this code.

10 ~~(21)~~(22) "Wine" means an alcoholic beverage made from
11 the normal alcoholic fermentation of the juice of sound,
12 ripe fruit or other agricultural products without addition
13 or abstraction, except as may occur in the usual cellar
14 treatment of clarifying and aging, and that contains not
15 less than 7% or more than 24% of alcohol by volume. Wine
16 may be ameliorated to correct natural deficiencies,
17 sweetened, and fortified in accordance with applicable
18 federal regulations and the customs and practices of the
19 industry. Other alcoholic beverages not defined as above
20 but made in the manner of wine and labeled and sold as wine
21 in accordance with federal regulations are also wine."

22 Section 2. Section 16-4-501, MCA, is amended to read:
23 "16-4-501. License and permit fees. (1) Each beer
24 licensee licensed to sell either beer or table wine only, or
25 both beer and table wine, under the provisions of this code,

1 shall pay an annual license fee as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

21 (c) except as hereinafter provided, for each license
22 in incorporated cities with a population of more than 5,000
23 and less than 10,000 or within a distance of 5 miles
24 thereof, measured in a straight line from the nearest
25 entrance of the premises to be licensed to the nearest

1 boundary of such city, \$500 for a unit of a nationally
2 chartered veterans' organization and \$650 for all other
3 licensees;

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

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

1 paid by the applicant.

2 (f) an applicant for the issuance of an original
3 license to be located in areas described in subsection (d)
4 of this subsection shall provide an irrevocable letter of
5 credit from a financial institution that guarantees that
6 applicant's ability to pay a \$20,000 license fee. A
7 successful applicant shall pay a one-time original license
8 fee of \$20,000 for any such license issued. The one-time
9 license fee of \$20,000 shall not apply to any transfer or
10 renewal of a license duly issued prior to July 1, 1974. All
11 licenses, however, are subject to the annual renewal fee.

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

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

17 (10) In addition to other license fees, the department
18 of revenue may require a licensee to pay a late fee of
19 33 1/3% of any license fee delinquent on July 1 of the
20 renewal year, 66 2/3% of any license fee delinquent on
21 August 1 of the renewal year, and 100% of any license fee
22 delinquent on September 1 of the renewal year."

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24 existing authority of the department of revenue to make
25 rules on the subject of the provisions of this act is

1 extended to the provisions of this act.

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3 rulemaking. The department of revenue may initiate
4 rulemaking proceedings under section 3 on or after passage
5 and approval of this act, but no rules under section 3 may
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9 1 and 2 and this subsection (1) are effective July 1, 1985.

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