

SENATE BILL NO. 45

1/07 Introduced  
1/07 Referred to Business & Industry  
1/10 Hearing  
1/10 Fiscal Note Requested  
1/12 Fiscal Note Received  
1/17 Adverse Committee Report  
1/17 Bill Killed

1 SENATE BILL NO. 45  
2 INTRODUCED BY TOWE  
3 BY REQUEST OF THE DEPARTMENT OF  
4 REVENUE AND THE REVENUE OVERSIGHT COMMITTEE  
5

6 A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING PROCEDURES  
7 FOR FILING SECURITY INTERESTS IN ALCOHOLIC BEVERAGES  
8 LICENSES; AND ESTABLISHING FILING FEES."  
9

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

11 Section 1. Filing of security interest or other valid  
12 lien against a license -- procedure -- fees. (1) No security  
13 interest in a license is valid as against creditors,  
14 subsequent purchasers, or encumbrancers unless the security  
15 agreement or other lien instrument that creates the security  
16 interest, or a true copy thereof certified by a notary  
17 public, has been filed with the department as provided in  
18 this section. The filing must be accompanied by a request  
19 made upon a form provided by the department and signed by  
20 the licensee and the secured party and, except as provided  
21 in subsection (2), by a filing fee of \$10. The department  
22 shall file the security agreement, lien instrument, or  
23 certified copy by entering upon its records the name and  
24 address of the secured party together with the amount of the  
25 security interest and, except as provided in subsection (2),

1 shall endorse the same information upon the face of a  
2 license surrendered to the department or upon the face of a  
3 new license issued for the next license year. The department  
4 shall mail a statement certifying the filing of a security  
5 agreement, lien instrument, or certified copy to the secured  
6 party and the licensee. The department shall issue and mail  
7 a new license upon the surrender of an existing license.

8 (2) Upon the filing, pursuant to subsection (1), of a  
9 writ of execution, levy, attachment, warrant of distraint,  
10 or other similar instrument involving an attachment against  
11 the recorded title of a Montana alcoholic beverage license,  
12 the department shall mail to the recorded owner, secured  
13 party, and lienholder a notice showing the name and address  
14 of the lien claimant, amount of the lien, date of execution  
15 of the lien, and in the case of a court order, the full  
16 title of the court, the action, and the parties to the  
17 action. The department is not required to endorse a judgment  
18 lien or attachment on the face of a license and no fee is  
19 required for filing such a lien.

20 (3) (a) The department shall remove the endorsement of  
21 a security interest from the face of a license upon receipt  
22 of the following:

23 (i) a written request to terminate the security  
24 interest, signed by the secured party, on forms provided by  
25 the department; and



1 (ii) a \$10 filing fee.

2 (b) If the signature of a terminating secured party is  
3 unattainable, the party requesting termination of the  
4 security interest must provide proof of satisfaction of the  
5 obligation upon which the security interest rests. No fee is  
6 required for terminating the security interest of a  
7 foreclosing secured party seeking transfer of ownership.

8 (4) The department may not approve the transfer of a  
9 license subject to a security interest, attachment, or other  
10 valid lien unless the secured party, lienholder, or judgment  
11 creditor consents to the transfer or releases the security  
12 interest, attachment, or lien. No fee is required for a  
13 continuation of a security interest on renewal of a license.  
14 This section does not affect rights and remedies established  
15 in Titles 25, 27, and 30, MCA.

16 Section 2. Extension of authority. Any existing  
17 authority of the department of revenue to make rules on the  
18 subject of the provisions of this act is extended to the  
19 provisions of this act.

20 Section 3. Codification instruction. Section 1 is  
21 intended to be codified as an integral part of Title 16,  
22 chapters 1 through 6, and the provisions of Title 16,  
23 chapters 1 through 6, apply to section 1.

-End-

STATE OF MONTANA  
FISCAL NOTE

REQUEST NO. FNN 043-85

Form BD-15

In compliance with a written request received January 10 19 85, there is hereby submitted a Fiscal Note for S.B. 45 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

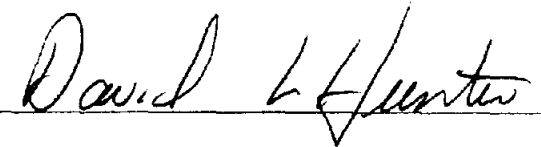
An act establishing procedures for filing security interests in alcoholic beverages licenses; and establishing filing fees.

ASSUMPTIONS:

Any additional revenues will be offset by additional expenditures.

FISCAL IMPACT:

Minimal.



BUDGET DIRECTOR  
Office of Budget and Program Planning

Date: JAN 12, 1985