

HOUSE BILL NO. 52

1/07 Introduced
1/07 Referred to Business & Industry
1/08 Rereferred to Taxation
1/09 Fiscal Note Requested
1/14 Fiscal Note Received
1/24 Hearing
1/26 Tabled in Committee

1 SENATE BILL NO. 52
2 INTRODUCED BY CRIPPEN

3 BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE

4
5 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING INCREASED
6 FLEXIBILITY IN TRANSFERRING ALL-BEVERAGES LICENSES BY
7 REVISING TRANSFER QUOTA LIMITATIONS; ELIMINATING THE
8 PROHIBITION OF TRANSFERRING A PREVIOUSLY TRANSFERRED
9 LICENSE; REDUCING THE ANNUAL FEE FOR A CATERING LICENSE;
10 REVISING THE PROCEDURE FOR A CATERING ENDORSEMENT; AND
11 REDUCING THE FEE FOR CATERING AN EVENT; AMENDING SECTION
12 16-4-204, MCA."

13
14 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

15 Section 1. Section 16-4-204, MCA, is amended to read:

16 "16-4-204. Transfer -- catering endorsement. (1) (a)

17 Except as provided in subsection (1)(b), a license may be
18 transferred to a new ownership and to a location outside the
19 quota area for which it was originally issued only when the
20 following criteria are met:

21 (i) the total number of all-beverages licenses in the
22 original quota area exceeded the quota for that area by at
23 least 25% in the most recent census prescribed in 16-4-502;

24 (ii) the total number of all-beverages licenses in the
25 quota area to which the license would be transferred did not

1 exceed that area's quota in the most recent census
2 prescribed in 16-4-502:

3 (A) by more than 33% 40%; or

4 (B) in an incorporated city of more than 10,000
5 inhabitants and within a distance of 5 miles from its
6 corporate limits by more than 43% 50%; and

7 (iii) the department finds, after a public hearing,
8 that the public convenience and necessity would be served by
9 such a transfer.

10 (b) A license within an incorporated quota area may be
11 transferred to a new ownership and to a new unincorporated
12 location within the same county on application to and with
13 consent of the department when the quota of the
14 all-beverages licenses in the original quota area exceeds
15 the quota for that area by at least 25% in the most recent
16 census and will not fall below that level because of the
17 transfer.

18 (c) For 5 years after the transfer of a license
19 between quota areas under subsection (1)(a), the license may
20 not be mortgaged or pledged as security and may not be
21 transferred to another person except for a transfer by
22 inheritance upon the death of the licensee.

23 ~~(d) -- Once a license is transferred to a new quota area~~
24 ~~under subsection (1)(a), it may not be transferred to~~
25 ~~another quota area or back to the original quota area.~~



(2) (a) Any all-beverages licensee is, upon the approval and in the discretion of the liquor division, entitled to a catering endorsement to his all-beverages license to allow the catering and sale of alcoholic beverages to persons attending a one or more special event events upon premises not otherwise licensed for the sale of alcoholic beverages, such beverages to be consumed on the premises where the such an event is held.

(b) ~~A written application~~ The annual fee for a catering endorsement ~~and an annual fee of \$250 must be submitted to the department for its approval~~ is \$125.

(c) ~~A written application for each event for which the licensee intends to provide catering services, the written approval of the catering application by the sponsor of the special event, and a fee of \$35 must be filed with the department at least 3 days prior to the event and shall describe~~ There must be filed with the department:

(i) a statement for each event for which the licensee intends to provide catering services, describing the location of the premises where the event is to be held, the nature of the event, and the period during which the event is to be held; and

(ii) a written statement of approval of the premises by the local law enforcement agency that has jurisdiction over the premises where the event is to be held. An all-beverages

~~licensee who holds an endorsement granted under this subsection (2) may not receive approval to cater an event of which he is the sponsor. The catered event must be within 100 miles of the licensee's regular place of business. If obtained, the licensee shall display in a prominent place on those premises, the written approval from the department for each event which is catered pursuant to this subsection. The fee for each event is \$5 a day.~~

(d) ~~The licensee shall file with each application for an event to be catered a written statement of approval of the premises where the event is to be held issued by the department of health and environmental sciences and the local law enforcement agency that has jurisdiction over the premises where the event is to be held. An all-beverages licensee who holds a catering endorsement granted under this subsection (2) may not cater one event or events in one location for more than 30 days within each calendar year.~~

(e) The sale of alcoholic beverages pursuant to a catering endorsement is subject to the provisions of 16-6-103.

(f) The sale of alcoholic beverages pursuant to a catering endorsement is subject to the provisions of 16-3-306, unless entities named in 16-3-306 give their written approval."

NEW SECTION. Section 2. Extension of authority. Any

LC 0112/01

1 existing authority of the department of revenue to make
2 rules on the subject of the provisions of this act is
3 extended to the provisions of this act.

-End-

STATE OF MONTANA
FISCAL NOTE

REQUEST NO. FNNO40-85

Form **BD-15**

In compliance with a written request received January 9, 1985, there is hereby submitted a Fiscal Note for S.B. 52 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 providing increased flexibility in transferring all-beverages licenses by revising transfer quota limitations; eliminating the prohibition of transferring a previously transferred license; reducing the annual fee for a catering license; revising the procedure for a catering endorsement; and reducing the fee for catering an event; amending section 16-4-204, MCA.

ASSUMPTIONS

1. The number of catering endorsements will remain constant from FY84 to FY86 and FY87. The number of catering endorsements issued in FY84 was 51.
2. The number of special event permits issued in FY84 will be the same for FY86 and FY87. In FY84 262 special event permits were issued.
3. All special event permits will be issued for one-day special events, or \$5 per each special event permit.

EXPENDITURES

	<u>Under</u> <u>Current Law</u>	<u>FY86</u> <u>Under</u> <u>Proposed Law</u>	<u>Estimated</u> <u>(Decrease)</u>	<u>Under</u> <u>Current Law</u>	<u>FY87</u> <u>Under</u> <u>Proposed Law</u>	<u>Estimated</u> <u>(Decrease)</u>
All-Beverage						
Licenses Revenue:						
Catering Endorsement Fee	\$12,750	\$ 6,375	(\$ 6,375)	\$ 12,750	\$ 6,375	(\$ 6,375)
Special Event Fee	\$ 9,170	\$ 1,310	(\$ 7,860)	\$ 9,170	\$ 1,310	(\$ 7,860)
TOTAL REVENUE	<u>\$21,920</u>	<u>\$ 7,685</u>	<u>(\$14,235)</u>	<u>\$ 21,920</u>	<u>\$ 7,685</u>	<u>(\$14,235)</u>
Fund Information:						
General Fund	\$21,920	\$ 7,685	(\$14,235)	\$ 21,920	\$ 7,685	(\$14,235)

David L. Hunter

BUDGET DIRECTOR
Office of Budget and Program Planning

Date: Jan 14, 1985