

SENATE BILL NO. 190

INTRODUCED BY MAZUREK, FULLER, ECK,
MILES, J. BROWN, DONALDSON, GRADY

IN THE SENATE

January 22, 1985	Introduced and referred to Committee on Business and Industry.
February 6, 1985	Committee recommend bill do pass as amended. Report adopted.
February 7, 1985	Bill printed and placed on members' desks.
February 9, 1985	Second reading, do pass.
February 11, 1985	Considered correctly engrossed.
February 12, 1985	Third reading, passed. Ayes, 50; 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. 190
 2 INTRODUCED BY Thasymeh, Finken Eck
 3 Miles J. Brown *Brewery*

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO PERMIT LICENSED
 5 MONTANA BREWERS TO SELL, AT RETAIL ON THEIR LICENSED
 6 PREMISES, BEER MANUFACTURED ON THE PREMISES, FOR CONSUMPTION
 7 ON THE PREMISES; AMENDING SECTIONS 16-3-213, 16-3-214, AND
 8 16-4-401, MCA."

9
 10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11 Section 1. Section 16-3-213, MCA, is amended to read:
 12 "16-3-213. Brewers not to retail beer -- original
 13 package exception. It shall be unlawful for any brewer or
 14 breweries to have or own any permit to sell or retail beer
 15 at any place or premises, it being the declared intention to
 16 prohibit brewers from engaging in the retail dispensation of
 17 beer except as provided in 16-3-214; provided, however, that
 18 this shall not be so construed as to prohibit breweries from
 19 making sale and delivery of beer manufactured by them, in
 20 original packages, at either wholesale or retail."

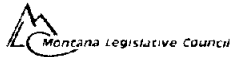
21 Section 2. Section 16-3-214, MCA, is amended to read:
 22 "16-3-214. Beer sales by brewers. (1) Subject to the
 23 limitations and restrictions contained in this code, any
 24 brewer duly licensed as such by the United States of America
 25 who manufactures beer in the state of Montana, upon payment

1 of the annual license fee imposed by 16-4-501 and upon
 2 presenting satisfactory evidence to the department as
 3 required by 16-4-101, shall be licensed by the department,
 4 in accordance with the provisions of this code and such
 5 rules as may be prescribed by the department, to:

- 6 ~~(1)~~(a) sell and deliver beer to:
- 7 ~~(a)~~(i) a vendor;
- 8 ~~(b)~~(ii) any licensees who are entitled to purchase beer
- 9 from a brewer under this code; or
- 10 ~~(c)~~(iii) the public; or
- 11 (b) sell its own products at retail on its licensed
- 12 premises for consumption on the premises; or
- 13 ~~(2)~~(c) do any one or more of such acts of sale and
- 14 delivery of beer.
- 15 (2) No additional license fee may be imposed on a
- 16 brewery selling its own products at retail on its licensed
- 17 premises for consumption on the premises."

18 Section 3. Section 16-4-401, MCA, is amended to read:
 19 "16-4-401. License as privilege -- criteria for
 20 decision on application. (1) A license under this code is a
 21 privilege which the state may grant to an applicant and is
 22 not a right to which any applicant is entitled.

23 (2) Except as provided in subsection (6), in the case
 24 of a license that permits on-premises consumption, the
 25 department must find in every case in which it makes an



1 order for the issuance of a new license or for the approval
2 of the transfer of a license that:

3 (a) in the case of an individual applicant:

4 (i) the applicant will not possess an ownership
5 interest in more than one establishment licensed under this
6 chapter for all-beverages sales;

7 (ii) the applicant or any member of his immediate
8 family is without financing from or any affiliation to a
9 manufacturer, bottler, or distributor of beer, wine, or
10 liquor;

11 (iii) the applicant is a resident of the state and is
12 qualified to vote in a state election;

13 (iv) the applicant's past record and present status as
14 a purveyor of alcoholic beverages and as a businessman and
15 citizen demonstrate that he is likely to operate his
16 establishment in compliance with all applicable laws of the
17 state and local governments; and

18 (v) the applicant is not under the age of 19 years;
19 and

20 (b) in the case of a corporate applicant:

21 (i) the owners of at least 51% of the outstanding
22 stock meet the requirements of subsection (2)(a)(iii);

23 (ii) each owner of 10% or more of the outstanding stock
24 meets the requirements for an individual applicant listed in
25 subsection (2)(a) of this section;

1 (iii) the corporation is authorized to do business in
2 Montana; and

3 (iv) in the case of a corporation not listed on a
4 national stock exchange, each owner of stock meets the
5 requirements of subsection (2)(a)(i).

6 (3) In the case of a license that permits only
7 off-premises consumption, the department must find in every
8 case in which it makes an order for the issuance of a new
9 license or for the approval of the transfer of a license
10 that:

11 (a) in the case of an individual applicant:

12 (i) the applicant will not possess an ownership
13 interest in more than one establishment licensed under this
14 chapter for all-beverages sales;

15 (ii) the applicant or any member of his immediate
16 family is without financing from or any affiliation to a
17 manufacturer, bottler, or distributor of beer, wine, or
18 liquor;

19 (iii) the applicant has not been convicted of a felony
20 or, if the applicant has been convicted of a felony, his
21 rights have been restored;

22 (iv) the applicant's past record and present status as
23 a purveyor of alcoholic beverages and as a businessman and
24 citizen demonstrate that he is likely to operate his
25 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;
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 4 (b) in the case of a corporate applicant:
 5 (i) the owners of at least 51% of the outstanding
 6 stock meet the requirements of subsection (3)(a)(iii);
 7 (ii) each owner of 10% or more of the outstanding stock
 8 meets the requirements for an individual listed in
 9 subsection (3)(a) of this section; and
 10 (iii) the corporation is authorized to do business in
 11 Montana.
 12 (4) In the case of a license that permits the
 13 manufacture or wholesaling of an alcoholic beverage, the
 14 department must find in every case in which it makes an
 15 order for the issuance of a new license or for the approval
 16 of the transfer of a license that:
 17 (a) in the case of an individual applicant:
 18 (i) the applicant has no ownership interest in any
 19 establishment licensed under this chapter for retail
 20 alcoholic beverages sales except as provided in 16-3-214;
 21 (ii) 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;
 24 (iii) the applicant's past record and present status as
 25 a purveyor of alcoholic beverages and as a businessman and

1 citizen demonstrate that he is likely to operate his
 2 establishment in compliance with all applicable laws of the
 3 state and local governments;
 4 (iv) the applicant is not under the age of 19 years;
 5 and
 6 (v) an applicant for a wholesale license is neither a
 7 manufacturer of an alcoholic beverage nor is owned or
 8 controlled by a manufacturer of an alcoholic beverage; and
 9 (b) in the case of a corporate applicant:
 10 (i) the owners of at least 51% of the outstanding
 11 stock meet the requirements of subsection (4)(a)(ii);
 12 (ii) each owner of 10% or more of the outstanding stock
 13 meets the requirements for an individual listed in
 14 subsection (4)(a) of this section;
 15 (iii) an applicant for a wholesale license is neither a
 16 manufacturer of an alcoholic beverage nor is owned or
 17 controlled by a manufacturer of an alcoholic beverage; and
 18 (iv) the corporation is authorized to do business in
 19 Montana.
 20 (5) In the case of a corporate applicant, the
 21 requirements of subsections (2)(b), (3)(b), and (4)(b) apply
 22 separately to each class of stock.
 23 (6) The provisions of subsection (2) do not apply to
 24 an applicant for or holder of a license pursuant to
 25 16-4-302."

LC 0930/01

1 NEW SECTION. Section 4. Extension of authority. Any
2 existing authority of the department of revenue to make
3 rules on the subject of the provisions of this act is
4 extended to the provisions of this act.

-End-

APPROVED BY COMM. ON BUSINESS & INDUSTRY

SENATE BILL NO. 190

INTRODUCED BY MAZUREK, FULLER, ECK, MILES, J. BROWN, DONALDSON, GRADY

A BILL FOR AN ACT ENTITLED: "AN ACT TO PERMIT LICENSED MONTANA BREWERS TO ~~SELL AT RETAIL~~ PROVIDE, WITHOUT CHARGE, ON THEIR LICENSED PREMISES, BEER MANUFACTURED ON THE PREMISES, FOR CONSUMPTION ON THE PREMISES; AMENDING SECTIONS 16-3-213, AND 16-3-214, AND ~~16-4-401~~, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 16-3-213, MCA, is amended to read:

"16-3-213. Brewers not to retail beer -- original package exception. It shall be unlawful for any brewer or breweries to have or own any permit to sell or retail beer at any place or premises, it being the declared intention to prohibit brewers from engaging in the retail dispensation of beer ~~except as provided in 16-3-214~~; provided, however, that this shall not be so construed as to prohibit breweries from making sale and delivery of beer manufactured by them, in original packages, at either wholesale or retail, OR FROM PROVIDING, WITHOUT CHARGE, THEIR PRODUCTS FOR CONSUMPTION ON THEIR LICENSED PREMISES."

Section 2. Section 16-3-214, MCA, is amended to read:

"16-3-214. Beer sales by brewers. (1) Subject to the limitations and restrictions contained in this code, any brewer duly licensed as such by the United States of America who manufactures beer in the state of Montana, upon payment of the annual license fee imposed by 16-4-501 and upon presenting satisfactory evidence to the department as required by 16-4-101, shall be licensed by the department, in accordance with the provisions of this code and such rules as may be prescribed by the department, to:

- (a) sell and deliver beer to: (i) a vendor; (ii) any licensees who are entitled to purchase beer from a brewer under this code; or (iii) the public; or (b) ~~sell~~ PROVIDE, WITHOUT CHARGE, its own products at retail FOR CONSUMPTION on its licensed premises for consumption-on-the-premises; or (c) do any one or more of such acts of sale and delivery of beer.

(2) No additional license fee may be imposed on a brewery ~~selling~~ PROVIDING, WITHOUT CHARGE, its own products at--retail on its licensed premises for consumption on the premises."

~~Section 3. Section 16-4-401, MCA, is amended to read: "16-4-401. License as privilege criteria for~~



1 decision on application; (i) A license under this code is a
2 privilege which the state may grant to an applicant and is
3 not a right to which any applicant is entitled;

4 (2) Except as provided in subsection (6), in the case
5 of a license that permits on-premises consumption, the
6 department must find in every case in which it makes an
7 order for the issuance of a new license or for the approval
8 of the transfer of a license that:

9 (a) in the case of an individual applicant:

10 (i) the applicant will not possess an ownership
11 interest in more than one establishment licensed under this
12 chapter for all beverages sales;

13 (ii) the applicant or any member of his immediate
14 family is without financing from or any affiliation to a
15 manufacturer, bottler, or distributor of beer, wine, or
16 liquor;

17 (iii) the applicant is a resident of the state and is
18 qualified to vote in a state election;

19 (iv) the applicant's past record and present status as
20 a purveyor of alcoholic beverages and as a businessman and
21 citizen demonstrate that he is likely to operate his
22 establishment in compliance with all applicable laws of the
23 state and local governments; and

24 (v) the applicant is not under the age of 19 years;
25 and

1 (b) in the case of a corporate applicant:

2 (i) the owners of at least 51% of the outstanding
3 stock meet the requirements of subsection (2)(a)(iii);

4 (ii) each owner of 10% or more of the outstanding stock
5 meets the requirements for an individual applicant listed in
6 subsection (2)(a) of this section;

7 (iii) the corporation is authorized to do business in
8 Montana; and

9 (iv) in the case of a corporation not listed on a
10 national stock exchange, each owner of stock meets the
11 requirements of subsection (2)(a)(i);

12 (3) In the case of a license that permits only
13 off-premises consumption, the department must find in every
14 case in which it makes an order for the issuance of a new
15 license or for the approval of the transfer of a license
16 that:

17 (a) in the case of an individual applicant:

18 (i) the applicant will not possess an ownership
19 interest in more than one establishment licensed under this
20 chapter for all beverages sales;

21 (ii) the applicant or any member of his immediate
22 family is without financing from or any affiliation to a
23 manufacturer, bottler, or distributor of beer, wine, or
24 liquor;

25 (iii) the applicant has not been convicted of a felony

1 or, if the applicant has been convicted of a felony, his
 2 rights have been restored;

3 (iv) the applicant's past record and present status as
 4 a purveyor of alcoholic beverages and as a businessman and
 5 citizen demonstrate that he is likely to operate his
 6 establishment in compliance with all applicable laws of the
 7 state and local governments; and

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11 (i) the owners of at least 51% of the outstanding
 12 stock meet the requirements of subsection (3)(a)(iii);

13 (ii) each owner of 10% or more of the outstanding stock
 14 meets the requirements for an individual listed in
 15 subsection (3)(a) of this section; and

16 (iii) the corporation is authorized to do business in
 17 Montana;

18 (4) in the case of a license that permits the
 19 manufacture or wholesaling of an alcoholic beverage, the
 20 department must find in every case in which it makes an
 21 order for the issuance of a new license or for the approval
 22 of the transfer of a license that:

23 (a) in the case of an individual applicant:

24 (i) the applicant has no ownership interest in any
 25 establishment licensed under this chapter for retail

1 alcoholic beverages sales except as provided in 16-3-214;

2 (ii) the applicant has not been convicted of a felony
 3 or, if the applicant has been convicted of a felony, his
 4 rights have been restored;

5 (iii) the applicant's past record and present status as
 6 a purveyor of alcoholic beverages and as a businessman and
 7 citizen demonstrate that he is likely to operate his
 8 establishment in compliance with all applicable laws of the
 9 state and local governments;

10 (iv) the applicant is not under the age of 19 years;
 11 and

12 (v) an applicant for a wholesale license is neither a
 13 manufacturer of an alcoholic beverage nor is owned or
 14 controlled by a manufacturer of an alcoholic beverage; and

15 (b) in the case of a corporate applicant:

16 (i) the owners of at least 51% of the outstanding
 17 stock meet the requirements of subsection (4)(a)(ii);

18 (ii) each owner of 10% or more of the outstanding stock
 19 meets the requirements for an individual listed in
 20 subsection (4)(a) of this section;

21 (iii) an applicant for a wholesale license is neither a
 22 manufacturer of an alcoholic beverage nor is owned or
 23 controlled by a manufacturer of an alcoholic beverage; and

24 (iv) the corporation is authorized to do business in
 25 Montana;

1 ~~{5}--In---the---case--of--a---corporate--applicant7--the~~
2 ~~requirements-of-subsections-(2)(b)7-(3)(b)7-and-(4)(b)-apply~~
3 ~~separately-to-each-class-of-stock7~~

4 ~~{6}--The-provisions-of-subsection-(2)-do-not--apply--to~~
5 ~~an--applicant--for--or--holder--of--a--license--pursuant--to~~
6 ~~16-4-30274~~

7 NEW SECTION. Section 3. Extension of authority. Any
8 existing authority of the department of revenue to make
9 rules on the subject of the provisions of this act is
10 extended to the provisions of this act.

11 NEW SECTION. SECTION 4. EFFECTIVE DATE. THIS ACT IS
12 EFFECTIVE ON PASSAGE AND APPROVAL.

-End-

1 SENATE BILL NO. 190

2 INTRODUCED BY MAZUREK, FULLER, ECK,

3 MILES, J. BROWN, DONALDSON, GRADY

4
5 A BILL FOR AN ACT ENTITLED: "AN ACT TO PERMIT LICENSED
6 MONTANA BREWERS TO ~~SELL~~^{SELL} ~~AT RETAIL~~ PROVIDE, WITHOUT CHARGE,
7 ON THEIR LICENSED PREMISES, BEER MANUFACTURED ON THE
8 PREMISES, FOR CONSUMPTION ON THE PREMISES; AMENDING SECTIONS
9 16-3-213, AND 16-3-214, AND 16-4-401, MCA; AND PROVIDING AN
10 IMMEDIATE EFFECTIVE DATE."

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

13 Section 1. Section 16-3-213, MCA, is amended to read:

14 "16-3-213. Brewers not to retail beer -- original
15 package exception. It shall be unlawful for any brewer or
16 breweries to have or own any permit to sell or retail beer
17 at any place or premises, it being the declared intention to
18 prohibit brewers from engaging in the retail dispensation of
19 beer ~~except as provided in 16-3-214~~; provided, however, that
20 this shall not be so construed as to prohibit breweries from
21 making sale and delivery of beer manufactured by them, in
22 original packages, at either wholesale or retail, OR FROM
23 PROVIDING, WITHOUT CHARGE, THEIR PRODUCTS FOR CONSUMPTION ON
24 THEIR LICENSED PREMISES."

25 Section 2. Section 16-3-214, MCA, is amended to read:

1 "16-3-214. Beer sales by brewers. (1) Subject to the
2 limitations and restrictions contained in this code, any
3 brewer duly licensed as such by the United States of America
4 who manufactures beer in the state of Montana, upon payment
5 of the annual license fee imposed by 16-4-501 and upon
6 presenting satisfactory evidence to the department as
7 required by 16-4-101, shall be licensed by the department,
8 in accordance with the provisions of this code and such
9 rules as may be prescribed by the department, to:

10 (1)(a) sell and deliver beer to:

11 (a)(i) a vendor;

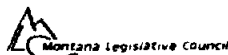
12 (b)(ii) any licensees who are entitled to purchase beer
13 from a brewer under this code; or

14 (c)(iii) the public; or

15 (b) sell PROVIDE, WITHOUT CHARGE, its own products at
16 retail FOR CONSUMPTION on its licensed premises for
17 consumption-on-the-premises; or18 (2)(c) do any one or more of such acts of sale and
19 delivery of beer.20 (2) No additional license fee may be imposed on a
21 brewery selling PROVIDING, WITHOUT CHARGE, its own products
22 at--retail on its licensed premises for consumption on the
23 premises."

24 Section 3--Section 16-4-401--MCA--is--amended--to--read--

25 "16-4-401--license--as--privilege-----criteria--for



1 decision on application; (i) A license under this code is a
2 privilege which the state may grant to an applicant and is
3 not a right to which any applicant is entitled;

4 (2) Except as provided in subsection (6), in the case
5 of a license that permits on premises consumption, the
6 department must find in every case in which it makes an
7 order for the issuance of a new license or for the approval
8 of the transfer of a license that:

9 (a) in the case of an individual applicant:

10 (i) the applicant will not possess an ownership
11 interest in more than one establishment licensed under this
12 chapter for all beverages sales;

13 (ii) the applicant or any member of his immediate
14 family is without financing from or any affiliation to a
15 manufacturer, bottler, or distributor of beer, wine, or
16 liquor;

17 (iii) the applicant is a resident of the state and is
18 qualified to vote in a state election;

19 (iv) the applicant's past record and present status as
20 a purveyor of alcoholic beverages and as a businessman and
21 citizen demonstrate that he is likely to operate his
22 establishment in compliance with all applicable laws of the
23 state and local governments; and

24 (v) the applicant is not under the age of 19 years;
25 and

1 (b) in the case of a corporate applicant:

2 (i) the owners of at least 51% of the outstanding
3 stock meet the requirements of subsection (2)(a)(iii);

4 (ii) each owner of 10% or more of the outstanding stock
5 meets the requirements for an individual applicant listed in
6 subsection (2)(a) of this section;

7 (iii) the corporation is authorized to do business in
8 Montana; and

9 (iv) in the case of a corporation not listed on a
10 national stock exchange, each owner of stock meets the
11 requirements of subsection (2)(a)(i);

12 (3) In the case of a license that permits only
13 off-premises consumption, the department must find in every
14 case in which it makes an order for the issuance of a new
15 license or for the approval of the transfer of a license
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17 (a) in the case of an individual applicant:

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22 family is without financing from or any affiliation to a
23 manufacturer, bottler, or distributor of beer, wine, or
24 liquor;

25 (iii) the applicant has not been convicted of a felony

1 or, if the applicant has been convicted of a felony, his
 2 rights have been restored;

3 (iv) the applicant's past record and present status as
 4 a purveyor of alcoholic beverages and as a businessman and
 5 citizen demonstrate that he is likely to operate his
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 22 of the transfer of a license that:

23 (a) in the case of an individual applicant:

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 25 establishment licensed under this chapter for retail

1 alcoholic beverages sales except as provided in 16-3-214,
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 3 or, if the applicant has been convicted of a felony, his
 4 rights have been restored;

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 6 a purveyor of alcoholic beverages and as a businessman and
 7 citizen demonstrate that he is likely to operate his
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 22 manufacturer of an alcoholic beverage nor is owned or
 23 controlled by a manufacturer of an alcoholic beverage; and

24 (iv) the corporation is authorized to do business in
 25 Montana;

1 ~~{5}--In---the---case---of---a---corporate---applicant,---the~~
2 ~~requirements-of-subsections-(2)(b),-(3)(b),-and-(4)(b)-apply~~
3 ~~separately-to-each-class-of-stock.~~

4 ~~{6}--The-provisions-of-subsection-(2)-do-not-apply--to~~
5 ~~an-applicant--for--or--holder--of--a--license--pursuant--to~~
6 ~~16-4-302.*~~

7 NEW SECTION. Section 3. Extension of authority. Any
8 existing authority of the department of revenue to make
9 rules on the subject of the provisions of this act is
10 extended to the provisions of this act.

11 NEW SECTION. SECTION 4. EFFECTIVE DATE. THIS ACT IS
12 EFFECTIVE ON PASSAGE AND APPROVAL.

-End-

SENATE BILL NO. 190

INTRODUCED BY MAZUREK, FULLER, ECK,
MILES, J. BROWN, DONALDSON, GRADY

A BILL FOR AN ACT ENTITLED: "AN ACT TO PERMIT LICENSED MONTANA BREWERS TO ~~SELL~~AT-RETAIL PROVIDE, WITHOUT CHARGE, ON THEIR LICENSED PREMISES, BEER MANUFACTURED ON THE PREMISES, FOR CONSUMPTION ON THE PREMISES; AMENDING SECTIONS 16-3-213~~7~~ AND 16-3-214, AND ~~16-4-401~~7, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 16-3-213, MCA, is amended to read:

"16-3-213. Brewers not to retail beer -- original package exception. It shall be unlawful for any brewer or breweries to have or own any permit to sell or retail beer at any place or premises, it being the declared intention to prohibit brewers from engaging in the retail dispensation of beer ~~except-as-provided-in-16-3-214~~; provided, however, that this shall not be so construed as to prohibit breweries from making sale and delivery of beer manufactured by them, in original packages, at either wholesale or retail, OR FROM PROVIDING, WITHOUT CHARGE, THEIR PRODUCTS FOR CONSUMPTION ON THEIR LICENSED PREMISES."

Section 2. Section 16-3-214, MCA, is amended to read:

"16-3-214. Beer sales by brewers. (1) Subject to the limitations and restrictions contained in this code, any brewer duly licensed as such by the United States of America who manufactures beer in the state of Montana, upon payment of the annual license fee imposed by 16-4-501 and upon presenting satisfactory evidence to the department as required by 16-4-101, shall be licensed by the department, in accordance with the provisions of this code and such rules as may be prescribed by the department, to:

~~(a)~~ (a) sell and deliver beer to:

~~(a)(i)~~ (a)(i) a vendor;

~~(b)(ii)~~ (b)(ii) any licensees who are entitled to purchase beer from a brewer under this code; or

~~(c)(iii)~~ (c)(iii) the public; or

(b) ~~sell~~ PROVIDE, WITHOUT CHARGE, its own products at retail FOR CONSUMPTION on its licensed premises for consumption-on-the-premises; or

~~(2)(c)~~ (2)(c) do any one or more of such acts of sale and delivery of beer.

(2) No additional license fee may be imposed on a brewery ~~selling~~ PROVIDING, WITHOUT CHARGE, its own products at--retail on its licensed premises for consumption on the premises."

~~Section-3--Section-16-4-401--MCA--is-amended-to--read:~~

~~"16-4-401--license---as---privilege-----criteria--for~~

REFERENCE BILL
SB 190

1 decision-on-application; (1) A license under this code is a
2 privilege which the state may grant to an applicant and is
3 not a right to which any applicant is entitled;

4 (2) Except as provided in subsection (6), in the case
5 of a license that permits on-premises consumption, the
6 department must find in every case in which it makes an
7 order for the issuance of a new license or for the approval
8 of the transfer of a license that:

9 (a) in the case of an individual applicant:

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15 manufacturer, bottler, or distributor of beer, wine, or
16 liquor;

17 (iii) the applicant is a resident of the state and is
18 qualified to vote in a state election;

19 (iv) the applicant's past record and present status as
20 a purveyor of alcoholic beverages and as a businessman and
21 citizen demonstrate that he is likely to operate his
22 establishment in compliance with all applicable laws of the
23 state and local governments; and

24 (v) the applicant is not under the age of 19 years;
25 and

1 (b) in the case of a corporate applicant:

2 (i) the owners of at least 51% of the outstanding
3 stock meet the requirements of subsection (2)(a)(iii);

4 (ii) each owner of 10% or more of the outstanding stock
5 meets the requirements for an individual applicant listed in
6 subsection (2)(a) of this section;

7 (iii) the corporation is authorized to do business in
8 Montana; and

9 (iv) in the case of a corporation not listed on a
10 national stock exchange, each owner of stock meets the
11 requirements of subsection (2)(a)(i);

12 (3) In the case of a license that permits only
13 off-premises consumption, the department must find in every
14 case in which it makes an order for the issuance of a new
15 license or for the approval of the transfer of a license
16 that:

17 (a) in the case of an individual applicant:

18 (i) the applicant will not possess an ownership
19 interest in more than one establishment licensed under this
20 chapter for all beverages sales;

21 (ii) the applicant or any member of his immediate
22 family is without financing from or any affiliation to a
23 manufacturer, bottler, or distributor of beer, wine, or
24 liquor;

25 (iii) the applicant has not been convicted of a felony

1 or, if the applicant has been convicted of a felony, his
 2 rights have been restored;

3 (iv) the applicant's past record and present status as
 4 a purveyor of alcoholic beverages and as a businessman and
 5 citizen demonstrate that he is likely to operate his
 6 establishment in compliance with all applicable laws of the
 7 state and local governments; and

8 (v) the applicant is not under the age of 19 years;
 9 and

10 (b) in the case of a corporate applicant:

11 (i) the owners of at least 51% of the outstanding
 12 stock meet the requirements of subsection (3)(a)(iii);

13 (ii) each owner of 10% or more of the outstanding stock
 14 meets the requirements for an individual listed in
 15 subsection (3)(a) of this section; and

16 (iii) the corporation is authorized to do business in
 17 Montana;

18 (4) in the case of a license that permits the
 19 manufacture or wholesaling of an alcoholic beverage, the
 20 department must find in every case in which it makes an
 21 order for the issuance of a new license or for the approval
 22 of the transfer of a license that:

23 (a) in the case of an individual applicant:

24 (i) the applicant has no ownership interest in any
 25 establishment licensed under this chapter for retail

1 alcoholic beverages sales except as provided in 16-3-214;

2 (ii) the applicant has not been convicted of a felony
 3 or, if the applicant has been convicted of a felony, his
 4 rights have been restored;

5 (iii) the applicant's past record and present status as
 6 a purveyor of alcoholic beverages and as a businessman and
 7 citizen demonstrate that he is likely to operate his
 8 establishment in compliance with all applicable laws of the
 9 state and local governments;

10 (iv) the applicant is not under the age of 19 years;
 11 and

12 (v) an applicant for a wholesale license is neither a
 13 manufacturer of an alcoholic beverage nor is owned or
 14 controlled by a manufacturer of an alcoholic beverage; and

15 (b) in the case of a corporate applicant:

16 (i) the owners of at least 51% of the outstanding
 17 stock meet the requirements of subsection (4)(a)(ii);

18 (ii) each owner of 10% or more of the outstanding stock
 19 meets the requirements for an individual listed in
 20 subsection (4)(a) of this section;

21 (iii) an applicant for a wholesale license is neither a
 22 manufacturer of an alcoholic beverage nor is owned or
 23 controlled by a manufacturer of an alcoholic beverage; and

24 (iv) the corporation is authorized to do business in
 25 Montana;

1 ~~{5}--In---the---case---of---a---corporate---applicant,---the~~
2 ~~requirements-of-subsections-(2)(b),-(3)(b),-and-(4)(b)-apply~~
3 ~~separately-to-each-class-of-stock;~~

4 ~~{6}--The-provisions-of-subsection-(2)-do-not-apply-to~~
5 ~~an-applicant-for-or-holder-of-a-license-pursuant-to~~
6 ~~16-4-302;#~~

7 NEW SECTION. Section 3. Extension of authority. Any
8 existing authority of the department of revenue to make
9 rules on the subject of the provisions of this act is
10 extended to the provisions of this act.

11 NEW SECTION. SECTION 4. EFFECTIVE DATE. THIS ACT IS
12 EFFECTIVE ON PASSAGE AND APPROVAL.

-End-