## HOUSE BILL NO. 654

# INTRODUCED BY ADDY

IN THE HOUSE

FEBRUARY 7, 1987 INTRODUCED AND REFERRED TO COMMITTEE ON BUSINESS & LABOR.

- FEBRUARY 18, 1987 COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
- FEBRUARY 19, 1987 PRINTING REPORT.

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- FEBRUARY 20, 1987 SECOND READING, DO PASS.
- FEBRUARY 21, 1987 ENGROSSING REPORT.

THIRD READING, PASSED. AYES, 72; NOES, 20.

TRANSMITTED TO SENATE.

IN THE SENATE

FEBRUARY 23, 1987 INTRODUCED AND REFERRED TO COMMITTEE ON BUSINESS & INDUSTRY.

- MARCH 11, 1987 COMMITTEE RECOMMEND BILL BE CONCURRED IN AS AMENDED. REPORT ADOPTED.
- MARCH 16, 1987 SECOND READING, CONCURRED IN.
- MARCH 18, 1987 THIRD READING, CONCURRED IN. AYES, 50; NOES, 0.

RETURNED TO HOUSE WITH AMENDMENTS.

IN THE HOUSE

MARCH 25, 1987 RECEIVED FROM SENATE.

SECOND READING, AMENDMENTS CONCURRED IN. MARCH 26, 1987

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THIRD READING, AMENDMENTS CONCURRED IN.

SENT TO ENROLLING.

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LC 1686/01

LC 1686/01

House BILL NO. 654 1 2 INTRODUCED BY 3 A BILL FOR AN ACT ENTITLED: "AN ACT CREATING A SPECIAL Δ

5 ALL-BEVERAGES LICENSE FOR CERTAIN NONPROFIT ARTS 6 ORGANIZATIONS; AND AMENDING SECTION 16-4-501, MCA."

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

NEW SECTION. Section 1. Special all-beverages license 9 10 for nonprofit arts organizations. (1) A nonprofit arts organization as defined in subsection (4) is entitled to a 11 12 special all-beverages license to sell beer, table wine, and liquor to patrons of exhibitions, productions, performances, 13 14 or programs sponsored or presented by the organization in a specific theatre or other appropriately designated place for 15 16 on-premises consumption.

17 (2) The proceeds derived from sales of beer, table
18 wine, and liquor, except for reasonable operating costs,
19 must be used to further the purposes of the organization.

20 (3) The department shall have access to the 21 organization's records to determine whether the organization 22 is entitled to a license under this section.

(4) For the purposes of this section, the term
"nonprofit arts organization" means an organization governed
under Title 35, chapter 2, that is organized and operated

1 for the purpose of providing artistic or cultural 2 exhibitions, presentations, or performances or cultural or 3 art education programs for viewing or attendance by the 4 general public. An artistic or cultural exhibition, 5 presentation, or performance or a cultural or art education 6 program includes:

7 (a) an exhibition or presentation of works of art or
8 objects of cultural or historical significance, such as
9 those commonly displayed in art or history museums;

10 (b) a musical or dramatic performance or series of
 11 performances; and

12 (c) an educational seminar or program, or series of
13 such programs, concerning an artistic, cultural, or
14 historical subject.

15 Section 2. Section 16-4-501, MCA, is amended to read:
16 "16-4-501. License and permit fees. (1) Each beer
17 licensee licensed to sell either beer or table wine only, or
18 both beer and table wine, under the provisions of this code,
19 shall pay an annual license fee as follows:

20 (a) each brewer and each beer importer, wherever
21 located, whose product is sold or offered for sale within

22 the state, \$500; for each storage depot, \$400;

(b) each beer wholesaler, \$400; each table winedistributor, \$400; each subwarehouse, \$400;

25 (c) each beer retailer, \$200; with a wine license

INTRODUCED BILL

HB-654

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## LC 1686/01

l amendment, an additional \$200;

2 (d) for a license to sell beer at retail for 3 off-premises consumption only, the same as a retail beer 4 license; for a license to sell table wine at retail for 5 off-premises consumption only, either alone or in 6 conjunction with beer, \$200;

7 (e) any unit of a nationally chartered veterans'8 organization, \$50.

9 (2) The permit fee under 16-4-301(1) is computed at 10 the rate of \$15 a day for each day beer and table wine are 11 sold at those events lasting 2 or more days but in no case 12 be less than \$30.

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

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

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

(6) The annual fee for resort retail liquor licenses
within a given resort area shall be \$2,000 for each license.
(7) Each licensee licensed under the quotas of
16-4-201 shall pay an annual license fee as follows:

1 (a) except as hereinafter provided, for each license 2 outside of incorporated cities and incorporated towns or in 3 incorporated cities and incorporated towns with a population 4 of less than 2,000, \$250 for a unit of a nationally 5 chartered veterans' organization and \$400 for all other 6 licensees;

7 (b) except as hereinafter provided, for each license 8 in incorporated cities with a population of more than 2,000 9 and less than 5,000 or within a distance of 5 miles thereof, 10 measured in a straight line from the nearest entrance of the 11 premises to be licensed to the nearest boundary of such 12 city, \$350 for a unit of a nationally chartered veterans' 13 organization and \$500 for all other licensees;

14 (c) except as hereinafter provided, for each license 15 in incorporated cities with a population of more than 5,000 and less than 10,000 or within a distance of 5 miles 16 17 thereof, measured in a straight line from the nearest 18 entrance of the premises to be licensed to the nearest boundary of such city, \$500 for a unit of a nationally 19 20 chartered veterans' organization and \$650 for all other 21 licensees:

(d) for each license in incorporated cities with a population of 10,000 or more or within a distance of 5 miles thereof, measured in a straight line from the nearest entrance of the premises to be licensed to the nearest

-3-

-4-

boundary of such city, \$650 for a unit of a nationally
 chartered veterans' organization and \$800 for all other
 licensees;

(e) the distance of 5 miles from the corporate limits 4 of any incorporated cities and incorporated towns is 5 measured in a straight line from the nearest entrance of the 6 oremises to be licensed to the nearest boundary of such city 7 8 or town; and where the premises of the applicant to be 9 licensed are situated within 5 miles of the corporate 10 boundaries of two or more incorporated cities or 11 incorporated towns of different populations, the license fee chargeable by the larger incorporated city or incorporated 12 town applies and shall be paid by the applicant. When the 13 premises of the applicant to be licensed are situated within 14 an incorporated town or incorporated city and any portion of 15 the incorporated town or incorporated city is without a 16 5-mile limit, the license fee chargeable by the smaller 17 incorporated town or incorporated city applies and shall be 18 paid by the applicant. 19

(f) an applicant for the issuance of an original
license to be located in areas described in subsection (d)
of this subsection shall provide an irrevocable letter of
credit from a financial institution that guarantees that
applicant's ability to pay a \$20,000 license fee. A
successful applicant shall pay a one-time original license

-5-

fee of \$20,000 for any such license issued. The one-time 1 license fee of \$20,000 shall not apply to any transfer or 2 renewal of a license duly issued prior to July 1, 1974. All 3 licenses, however, are subject to the annual renewal fee. 4 5 (8) The fee for one all-beverage license to a public airport shall be \$800. This license is nontransferable, 6 7 (9) The annual fee for a special all-beverages license for a nonprofit arts organization under [section 1] is \$250. 8 (10) The license fees herein provided for are 9 exclusive of and in addition to other license fees 10 chargeable in Montana for the sale of alcoholic beverages. 11 12 fi0;(11) In addition to other license fees, the 13 department of revenue may require a licensee to pay a late 14 fee of  $33 \frac{1}{3}$  of any license fee delinguent on July 1 of the renewal year, 66 2/3% of any license fee delinguent on 15 August 1 of the renewal year, and 100% of any license fee 16 delinguent on September 1 of the renewal year." 17

NEW SECTION. Section 3. Codification instruction.
Section 1 is intended to be codified as an integral part of
Title 16, chapter 4, and the provisions of Title 16, chapter
4, apply to section 1.

22 <u>NEW SECTION.</u> Section 4. Extension of authority. Any 23 existing authority of the department of revenue to make 24 rules on the subject of the provisions of this act is 25 extended to the provisions of this act.

-End--6-

# STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB654, as introduced.

# DESCRIPTION OF PROPOSED LEGISLATION:

An act creating a special all-beverages license for certain nonprofit arts organizations.

# FISCAL IMPACT:

It is not possible to accurately estimate the fiscal impact of this proposal. Information is not available on the number of nonprofit arts organizations in the state that would obtain all-beverages licenses under the proposed law.

The proposed law would probably have little impact on license revenues. It could result in a reduction in the number of special off-premise permits the Department of Revenue issues. Any losses would probably be offset by the all-beverage license fee revenue generated under the proposed law.

DAVID L. HUNTER, BUDGET DIRECTOR Office of Budget and Program Planning

DATE KELLY ADDY RY SPONSOR PRIM Fiscal Note for \HB654, as introduced

#### 50th Legislature

## HB 0654/02

#### APPROVED BY COMM. ON BUSINESS AND LABOR

HOUSE BILL NO. 654 1 2 INTRODUCED BY ADDY 3 4 A BILL FOR AN ACT ENTITLED: "AN ACT CREATING A SPECIAL ALL-BEVERAGES BEER AND TABLE WINE LICENSE FOR CERTAIN 5 6 NONPROFIT ARTS ORGANIZATIONS; AND AMENDING SECTION 16-4-501, 7 MCA." 8 9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA: 10 NEW SECTION. Section 1. Special all-beverages BEER 11 AND TABLE WINE license for nonprofit arts organizations. (1) A nonprofit arts organization as defined in subsection (4) 12 is entitled to a special all-beverages BEER AND TABLE WINE 13 license to sell beer, AND table wine, and liquor to patrons 14 15 of exhibitions, productions, performances, or programs 16 sponsored or presented by the organization in a specific theatre or other appropriately designated place for 17 18 on-premises consumption.

19 (2) The proceeds derived from sales of beer, AND table
20 wine, and--liquor, except for reasonable operating costs,
21 must be used to further the purposes of the organization.

(3) The department shall have access to the
organization's records to determine whether the organization
is entitled to a license under this section.

25 (4) For the purposes of this section, the term

Montana Legislative Council

HB	0654/02	
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1	"nonprofit arts organization" means an organization governed		
2	under Title 35, chapter 2, that is organized and operated		
3	for the PRINCIPAL purpose of providing artistic or cultural		
4	exhibitions, presentations, or performances orculturalor		
5	arteducationprograms for viewing or attendance by the		
6	general public. ASSETS OF THE CORPORATION MUST BE		
7	IRREVOCABLY DEDICATED TO THE ACTIVITIES FOR WHICH THE		
8	LICENSE IS GRANTED AND, ON THE LIQUIDATION, DISSOLUTION, OR		
9	ABANDONMENT BY THE CORPORATION, MAY NOT INURE DIRECTLY OR		
10	INDIRECTLY TO THE BENEFIT OF A MEMBER OR INDIVIDUAL EXCEPT A		
11	NONPROFIT ORGANIZATION, ASSOCIATION, OR CORPORATION. An		
12	artistic or cultural exhibition, presentation, or		
13	performance or-a-cultural-or-art-education-program includes:		
14	(a) an exhibition or presentation of works of art or		
15	objects of cultural or historical significance, such as		
16	those commonly displayed in art or history museums; AND		
17	(b) a musical or dramatic performance or series of		
18	performances;-and		
19	<pre>{c}aneducationalseminaror-program;-or-series-of</pre>		
20	suchprograms;concerninganartistic;cultural;or		
21	historical-subject.		
22	(5) A LICENSE ISSUED UNDER THIS SECTION IS NOT SUBJECT		
23	TO THE PROVISIONS OF 16-4-201.		
24	Section 2. Section 16-4-501, MCA, is amended to read:		
25	"16-4-501. License and permit fees. (1) Each beer		

-2-

SECOND READING

HB 654

licensee licensed to sell either beer or table wine only, or
 both beer and table wine, under the provisions of this code,
 shall pay an annual license fee as follows:

4 (a) each brewer and each beer importer, wherever
5 located, whose product is sold or offered for sale within
6 the state, \$500; for each storage depot, \$400;

7 (b) each beer wholesaler, \$400; each table wine
9 distributor, \$400; each subwarehouse, \$400;

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

11 (d) for a license to sell beer at retail for 12 off-premises consumption only, the same as a retail beer 13 license; for a license to sell table wine at retail for 14 off-premises consumption only, either alone or in 15 conjunction with beer, \$200;

16 (e) any unit of a nationally chartered veterans'17 organization, \$50.

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

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

25 (4) Passenger carrier licenses shall be issued upon

-3-

1 payment by the applicant of an annual license fee in the sum 2 of \$300.

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

6 (6) The annual fee for resort retail liquor licenses
7 within a given resort area shall be \$2,000 for each license.
8 (7) Each licensee licensed under the quotas of
9 16-4-201 shall pay an annual license fee as follows:

10 (a) except as hereinafter provided, for each license 11 outside of incorporated cities and incorporated towns or in 12 incorporated cities and incorporated towns with a population 13 of less than 2,000, \$250 for a unit of a nationally 14 chartered veterans' organization and \$400 for all other 15 licensees;

16 (b) except as hereinafter provided, for each license 17 in incorporated cities with a population of more than 2,000 18 and less than 5,000 or within a distance of 5 miles thereof, 19 measured in a straight line from the nearest entrance of the 20 premises to be licensed to the nearest boundary of such 21 city, \$350 for a unit of a nationally chartered veterans' 22 organization and \$500 for all other licensees;

(c) except as hereinafter provided, for each license
in incorporated cities with a population of more than 5,000
and less than 10,000 or within a distance of 5 miles

-4-

1 thereof, measured in a straight line from the nearest entrance of the premises to be licensed to the nearest 2 boundary of such city, \$500 for a unit of a mationally 3 chartered veterans' organization and \$650 for all other 4 licensees; 5

(d) for each license in incorporated cities with a 6 population of 10,000 or more or within a distance of 5 miles 7 8 thereof, measured in a straight line from the nearest entrance of the premises to be licensed to the nearest 9 boundary of such city, \$650 for a unit of a nationally 10 chartered veterans' organization and \$800 for all other 11 12 licensees;

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

1 5-mile limit, the license fee chargeable by the smaller 2 incorporated town or incorporated city applies and shall be 3 paid by the applicant.

4 (f) an applicant for the issuance of an original license to be located in areas described in subsection (d) 5 of this subsection shall provide an irrevocable letter of 6 7 credit from a financial institution that guarantees that applicant's ability to pay a \$20,000 license fee. A 8 successful applicant shall pay a one-time original license 9 fee of \$20,000 for any such license issued. The one-time 10 license fee of \$20,000 shall not apply to any transfer or 11 renewal of a license duly issued prior to July 1, 1974. All 12 licenses, however, are subject to the annual renewal fee. 13 (8) The fee for one all-beverage license to a public 14 airport shall be \$800. This license is nontransferable, 15

(9) The annual fee for a special att-beverages BEER AND TABLE WINE license for a nonprofit arts organization 17 18 under [section 1] is \$250.

(9)(10) The license fees herein provided for are 19 exclusive of and in addition to other license fees 20 chargeable in Montana for the sale of alcoholic beverages. 21 (11) In addition to other license fees, the 22 department of revenue may require a licensee to pay a late 23 fee of 33 1/3% of any license fee delinguent on July 1 of 24 25 the renewal year, 66 2/3% of any license fee delinguent on

-5-

HB 654

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-б-

HB 654

August 1 of the renewal year, and 100% of any license fee
 delinquent on September 1 of the renewal year."

3 <u>NEW SECTION.</u> Section 3. Codification instruction. 4 Section 1 is intended to be codified as an integral part of 5 Title 16, chapter 4, and the provisions of Title 16, chapter 6 4, apply to section 1.

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

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		1	"nonprofit arts organization" means an organization governed
1	HOUSE BILL NO. 654		
2	INTRODUCED BY ADDY	2	under Title 35, chapter 2, that is organized and operated
3		3	for the <u>PRINCIPAL</u> purpose of providing artistic or cultural
4	A BILL FOR AN ACT ENTITLED: "AN ACT CREATING A SPECIAL	4	exhibitions, presentations, or performances oreulturalor
5	ALL-BEVERAGES BEER AND TABLE WINE LICENSE FOR CERTAIN	5	arteducationprograms for viewing or attendance by the
б	NONPROPIT ARTS ORGANIZATIONS; AND AMENDING SECTION 16-4-501,	6	general public. ASSETS OF THE CORPORATION MUST BE
7	MCA."	7	IRREVOCABLY DEDICATED TO THE ACTIVITIES FOR WHICH THE
8		8	LICENSE IS GRANTED AND, ON THE LIQUIDATION, DISSOLUTION, OR
9	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:	9	ABANDONMENT BY THE CORPORATION, MAY NOT INURE DIRECTLY OR
10	NEW SECTION. Section 1. Special all-beverages BEER	10	INDIRECTLY TO THE BENEFIT OF A MEMBER OR INDIVIDUAL EXCEPT A
11	AND TABLE WINE license for nonprofit arts organizations. (1)	11	NONPROFIT ORGANIZATION, ASSOCIATION, OR CORPORATION. An
12	A nonprofit arts organization as defined in subsection (4)	1 <b>2</b>	artistic or cultural exhibition, presentation, or
13	is entitled to a special all-beverages BEER AND TABLE WINE	13	performance or-a-cultural-or-art-education-program includes:
14	license to sell beer, AND table wine, and liquor to patrons	14	(a) an exhibition or presentation of works of art or
15	of exhibitions, productions, performances, or programs	15	objects of cultural or historical significance, such as
16	sponsored or presented by the organization in a specific	16	those commonly displayed in art or history museums; AND
17	theatre or other appropriately designated place for	17	(b) a musical or dramatic performance or series of
18	on-premises consumption.	18	performances;-and
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21	must be used to further the purposes of the organization.	21	historical-subject.
22	(3) The department shall have access to the	22	(5) A LICENSE ISSUED UNDER THIS SECTION IS NOT SUBJECT
23	organization's records to determine whether the organization	23	TO THE PROVISIONS OF 16-4-201.
24	is entitled to a license under this section.	24	Section 2. Section 16-4-501, MCA, is amended to read:
25	(4) For the purposes of this section, the term	25	"16-4-501. License and permit fees. (1) Each beer

HB 0654/02

16-4-201. ion 16-4-501, MCA, is amended to read: nse and permit fees. (1) Each beer -2-HB 654 THIRD READING

tana Legislative Council

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 both beer and table wine, under the provisions of this code,
 shall pay an annual license fee as follows:

4 (a) each brewer and each beer importer, wherever
5 located, whose product is sold or offered for sale within
6 the state, \$500; for each storage depot, \$400;

7 (b) each beer wholesaler, \$400; each table wine
8 distributor, \$400; each subwarehouse, \$400;

9 (c) each beer retailer, \$200; with a wine license 10 amendment, an additional \$200;

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

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20 sold at those events lasting 2 or more days but in no case
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-3-

HB 654

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 of \$300.

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4 on the premises, when issued as an amendment to a beer-only
5 license, is \$200.

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

8 (7) Each licensee licensed under the quotas of
9 16-4-201 shall pay an annual license fee as follows:

10 (a) except as hereinafter provided, for each license 11 outside of incorporated cities and incorporated towns or in 12 incorporated cities and incorporated towns with a population 13 of less than 2,000, \$250 for a unit of a nationally 14 chartered veterans' organization and \$400 for all other 15 licensees;

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-4-

HB 0654/02

1 thereof, measured in a straight line from the nearest 2 entrance of the premises to be licensed to the nearest 3 boundary of such city, \$500 for a unit of a nationally 4 chartered veterans' organization and \$650 for all other 5 licensees;

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

5-mile limit, the license fee chargeable by the smaller
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 paid by the applicant.

4 (f) an applicant for the issuance of an original 5 license to be located in areas described in subsection (d) 6 of this subsection shall provide an irrevocable letter of 7 credit from a financial institution that guarantees that 8 applicant's ability to pay a \$20,000 license fee. A successful applicant shall pay a one-time original license 9 10 fee of \$20,000 for any such license issued. The one-time 11 license fee of \$20,000 shall not apply to any transfer or 12 renewal of a license duly issued prior to July 1, 1974. All 13 licenses, however, are subject to the annual renewal fee. 14 (8) The fee for one all-beverage license to a public 15 airport shall be \$800. This license is nontransferable. 16 (9) The annual fee for a special att-beverages BEER AND TABLE WINE license for a nonprofit arts organization 17 18 under [section 1] is \$250. 19 (10) The license fees herein provided for are exclusive of and in addition to other license fees 20 chargeable in Montana for the sale of alcoholic beverages. 21 22 (11) In addition to other license fees, the 23 department of revenue may require a licensee to pay a late 24

24 fee of 33 1/3% of any license fee delinquent on July 1 of 25 the renewal year, 66 2/3% of any license fee delinquent on

-6-

-5-

HB 654

**HB 654** 

August 1 of the renewal year, and 100% of any license fee
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NEW SECTION. Section 3. Codification instruction.
Section 1 is intended to be codified as an integral part of
Title 16, chapter 4, and the provisions of Title 16, chapter
4, apply to section 1.

7 <u>NEW SECTION.</u> Section 4. 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.

-End-

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HB 0654/03

1 HOUSE BILL NO. 654 2 INTRODUCED BY ADDY 3 4 A BILL FOR AN ACT ENTITLED: "AN ACT CREATING A SPECIAL A55-BEVERAGES BEER AND TABLE WINE LICENSE FOR CERTAIN 5 6 NONPROFIT ARTS ORGANIZATIONS; AND AMENDING SECTION 16-4-501, 7 MCA."

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

10 NEW SECTION. Section 1. Special all-beverages BEER AND TABLE WINE license for nonprofit arts organizations. (1) 11 12 A nonprofit arts organization as defined in subsection (4) 13 is entitled to a special all-beverages BEER AND TABLE WINE license to sell beery AND table winey-and-liquor to patrons 14 15 of exhibitions, productions, performances, or programs 16 sponsored or presented by the organization in a specific 17 theatre or other appropriately designated place for 18 on-premises consumption.

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25 (4) For the purposes of this section, the term



"nonprofit arts organization" means an organization governed 1 under Title 35, chapter 2, that is organized and operated 2 3 for the PRINCIPAL purpose of providing artistic or cultural exhibitions, presentations, or performances or--cultural--or 4 5 art--education--programs for viewing or attendance by the 6 general public. ASSETS OF THE CORPORATION MUST BE IRREVOCABLY DEDICATED TO THE ACTIVITIES FOR WHICH THE 7 8 LICENSE IS GRANTED AND, ON THE LIQUIDATION, DISSOLUTION, OR ABANDONMENT BY THE CORPORATION, MAY NOT INURE DIRECTLY OR 9 10 INDIRECTLY TO THE BENEFIT OF A MEMBER OR INDIVIDUAL EXCEPT A NONPROFIT ORGANIZATION, ASSOCIATION, OR CORPORATION. An 11 12 or cultural exhibition, presentation, artistic or performance or-a-cultural-or-art-education-program includes: 13 (a) an exhibition or presentation of works of art or 14 objects of cultural or historical significance, such as 15 those commonly displayed in art or history museums; AND 16 17 (b) a musical or dramatic performance or series of 18 performances;-and 19 tc}--an--educational--seminar--or-program;-or-series-of such--programsy--concerning-an---artisticy---culturaly---or 20 21 historical-subject. (5) A LICENSE ISSUED UNDER THIS SECTION IS NOT SUBJECT 22 TO THE PROVISIONS OF ±6-4-20± 16-4-105. 23 Section 2. Section 16-4-501, MCA, is amended to read: 24 25

"16-4-501. License and permit fees. (1) Each beer

-2-

HB 654

REFERENCE BILL

licensee licensed to sell either beer or table wine only, or
 both beer and table wine, under the provisions of this code,
 shall pay an annual license fee as follows:

4 (a) each brewer and each beer importer, wherever
5 located, whose product is sold or offered for sale within
6 the state, \$500; for each storage depot, \$400;

7 (b) each beer wholesaler, \$400; each table wine
8 distributor, \$400; each subwarehouse, \$400;

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

11 (d) for a license to sell beer at retail for 12 off-premises consumption only, the same as a retail beer 13 license; for a license to sell table wine at retail for 14 off-premises consumption only, either alone or in 15 conjunction with beer, \$200;

16 (e) any unit of a nationally chartered veterans'17 organization, \$50.

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

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

25 (4) Passenger carrier licenses shall be issued upon

-3-

HB 654

1 payment by the applicant of an annual license fee in the sum 2 of \$300.

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

6 (6) The annual fee for resort retail liquor licenses
7 within a given resort area shall be \$2,000 for each license.
8 (7) Each licensee licensed under the quotas of
9 16-4-201 shall pay an annual license fee as follows:

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

16 (b) except as hereinafter provided, for each license 17 in incorporated cities with a population of more than 2,000 18 and less than 5,000 or within a distance of 5 miles thereof, 19 measured in a straight line from the nearest entrance of the 20 premises to be licensed to the nearest boundary of such 21 city, \$350 for a unit of a nationally chartered veterans' 22 organization and \$500 for all other licensees;

(c) except as hereinafter provided, for each license
in incorporated cities with a population of more than 5,000
and less than 10,000 or within a distance of 5 miles

-4-

1 thereof, measured in a straight line from the nearest 2 entrance of the premises to be licensed to the nearest 3 boundary of such city, \$500 for a unit of a nationally 4 chartered veterans' organization and \$650 for all other 5 licensees;

6 (d) for each license in incorporated cities with a 7 population of 10,000 or more or within a distance of 5 miles 8 thereof, measured in a straight line from the nearest 9 entrance of the premises to be licensed to the nearest 10 boundary of such city, \$650 for a unit of a nationally 11 chartered veterans' organization and \$800 for all other 12 licensees;

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

5-mile limit, the license fee chargeable by the smaller
 incorporated town or incorporated city applies and shall be
 paid by the applicant.

4 (f) an applicant for the issuance of an original license to be located in areas described in subsection (d) 5 of this subsection shall provide an irrevocable letter of 6 credit from a financial institution that guarantees that 7 applicant's ability to pay a \$20,000 license fee. A 8 9 successful applicant shall pay a one-time original license 10 fee of \$20,000 for any such license issued. The one-time 11 license fee of \$20,000 shall not apply to any transfer or renewal of a license duly issued prior to July 1, 1974. All 12 13 licenses, however, are subject to the annual renewal fee, (8) The fee for one all-beverage license to a public 14 airport shall be \$800. This license is nontransferable. 15 (9) The annual fee for a special all-beverages BEER 16 AND TABLE WINE license for a nonprofit arts organization 17 18 under [section 1] is \$250. f9t(10) The license fees herein provided for 19 are

exclusive of and in addition to other license fees chargeable in Montana for the sale of alcoholic beverages. (++0+(11)) In addition to other license fees, the department of revenue may require a licensee to pay a late fee of 33 1/3% of any license fee delinquent on July 1 of the renewal year, 66 2/3% of any license fee delinquent on

-6-

-5-

HB 654

HB 654

HB 0654/03

August 1 of the renewal year, and 100% of any license fee
 delinguent on September 1 of the renewal year."

3 <u>NEW SECTION.</u> Section 3. Codification instruction.
4 Section 1 is intended to be codified as an integral part of
5 Title 16, chapter 4, and the provisions of Title 16, chapter
6 4, apply to section 1.

7 <u>NEW SECTION.</u> Section 4. 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.

-End-

# **STANDING COMMITTEE REPORT**

SENATE	MARCH 10, 19	987
MR. PRESIDENT		
We, your committee on	ſŖŶ	
having had under consideration	[LL No6	554
THIRD reading copy ( BLUE ) color		
CREATE ALL-BEVERAGE LICENSE FOR NONPROFI	IT ARTS ORGANIZATIONS	
ADDY (HAGER)		

be amended as follows:

1. Page 2, line 23.
Strike: "16-4-201" "16-4-105" Insert:

.

And as amended, BE CONCURRED IN

XXXXXXXXXX

XXXXXXXXXXXX

SENATOR ALLEN C. KOLSTAD, Chairman.