

HOUSE BILL NO. 408

INTRODUCED BY SIMON, JERGESON, GAGE,  
JACOBSON, KEATING, COBB, BRADLEY

BY REQUEST OF THE LEGISLATIVE AUDIT COMMITTEE

IN THE HOUSE

JANUARY 25, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON STATE ADMINISTRATION.
JANUARY 26, 1989	FIRST READING.
FEBRUARY 1, 1989	COMMITTEE RECOMMEND BILL DO PASS. REPORT ADOPTED.
FEBRUARY 2, 1989	PRINTING REPORT.
FEBRUARY 3, 1989	SECOND READING, DO PASS.
FEBRUARY 4, 1989	ENGROSSING REPORT.
FEBRUARY 6, 1989	THIRD READING, PASSED. AYES, 96; NOES, 1.
	TRANSMITTED TO SENATE.

IN THE SENATE

FEBRUARY 7, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON STATE ADMINISTRATION.
	FIRST READING.
MARCH 9, 1989	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
MARCH 10, 1989	SECOND READING, CONCURRED IN.
MARCH 13, 1989	THIRD READING, CONCURRED IN. AYES, 48; NOES, 1.
	RETURNED TO HOUSE.

IN THE HOUSE

MARCH 14, 1989

RECEIVED FROM SENATE.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 *House* BILL NO. *408*  
 2 INTRODUCED BY *Simon Jorgensen* *Rep. Jacobsen*  
 3 BY REQUEST OF THE LEGISLATIVE AUDIT COMMITTEE *Cobb*  
 4 *Bradley*

5 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING REVENUE FROM  
 6 CERTAIN ALCOHOLIC BEVERAGE TAXES, LICENSES, AND PERMITS TO  
 7 BE DEPOSITED IN THE ENTERPRISE FUND IN THE STATE TREASURY  
 8 BEFORE TRANSFER TO THE GENERAL FUND; AMENDING SECTIONS  
 9 16-2-108 AND 16-4-501, MCA; AND PROVIDING AN EFFECTIVE  
 10 DATE."

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

13 **Section 1.** Section 16-2-108, MCA, is amended to read:

14 "16-2-108. Disposition of money received. All moneys  
 15 money received from the sale of liquor and table wine at the  
 16 state liquor stores ~~shall~~ must be deposited in the  
 17 enterprise fund in the state treasury to the credit of the  
 18 department. The department ~~is--hereby--authorized--to~~ may  
 19 purchase liquor and table wine from moneys money deposited  
 20 to its account in the enterprise fund. The department shall  
 21 pay from its account in the enterprise fund its  
 22 administrative expenses, subject to the limits imposed by  
 23 legislative appropriation. No obligation created or incurred  
 24 by the department may ~~ever~~ be ~~or--become~~ a debt or claim  
 25 against the state of Montana but ~~shall~~ must be payable by

1 the department solely from funds derived from the operation  
 2 of state liquor stores. The department shall pay into the  
 3 state treasury to the credit of the ~~general enterprise~~ fund  
 4 the receipts from all taxes and ~~licenses~~ license and permit  
 5 fees collected by it. Taxes, license and permit fees, and  
 6 ~~also~~ the net proceeds from the operation of state liquor  
 7 stores must be transferred to the general fund."

8 **Section 2.** Section 16-4-501, MCA, is amended to read:

9 "16-4-501. License and permit fees. (1) Each beer  
 10 licensee licensed to sell either beer or table wine only, or  
 11 both beer and table wine, under the provisions of this code,  
 12 shall pay an annual license fee as follows:

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

16 (b) each beer wholesaler, \$400; each table wine  
 17 distributor, \$400; each subwarehouse, \$400;

18 (c) each beer retailer, \$200;

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

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

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

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

(4) Passenger carrier licenses shall be issued upon payment by the applicant of an annual license fee in the sum 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 pursuant to 16-4-105, is \$200.

(6) The annual fee for resort retail all-beverages 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:

(a) except as hereinafter provided in this section, 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;

(b) except as hereinafter provided in this section,

for each license in incorporated cities with a population of more than 2,000 and less than 5,000 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 boundary of such the city, \$350 for a unit of a nationally chartered veterans' organization and \$500 for all other licensees;

(c) except as hereinafter provided in this section, 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 thereof, measured in a straight line from the nearest entrance of the premises to be licensed to the nearest boundary of such the city, \$500 for a unit of a nationally chartered veterans' organization and \$650 for all other 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 boundary of such the 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 of any incorporated cities and incorporated towns is measured in a straight line from the nearest entrance of the

1 premises to be licensed to the nearest boundary of ~~such the~~  
 2 city or town; and where the premises of the applicant to be  
 3 licensed are situated within 5 miles of the corporate  
 4 boundaries of two or more incorporated cities or  
 5 incorporated towns of different populations, the license fee  
 6 chargeable by the larger incorporated city or incorporated  
 7 town applies and ~~shall~~ must be paid by the applicant. When  
 8 the premises of the applicant to be licensed are situated  
 9 within an incorporated town or incorporated city and any  
 10 portion of the incorporated town or incorporated city is  
 11 without a 5-mile limit, the license fee chargeable by the  
 12 smaller incorporated town or incorporated city applies and  
 13 ~~shall~~ must be paid by the applicant.

14 (f) an applicant for the issuance of an original  
 15 license to be located in areas described in subsection (d)  
 16 of this subsection shall provide an irrevocable letter of  
 17 credit from a financial institution that guarantees that  
 18 applicant's ability to pay a \$20,000 license fee. A  
 19 successful applicant shall pay a one-time original license  
 20 fee of \$20,000 for ~~any-such a~~ license issued. The one-time  
 21 license fee of \$20,000 ~~shall~~ may not apply to any transfer  
 22 or renewal of a license ~~duy~~ issued prior to July 1, 1974.  
 23 All licenses, however, are subject to the annual renewal  
 24 fee.

25 (8) The fee for one all-beverage license to a public

1 airport ~~shall--be~~ is \$800. This license is nontransferable.

2 (9) The annual fee for a special beer and table wine  
 3 license for a nonprofit arts organization under 16-4-303 is  
 4 \$250.

5 (10) The license fees ~~herein provided for in this~~  
 6 section are exclusive of and in addition to other license  
 7 fees chargeable in Montana for the sale of alcoholic  
 8 beverages.

9 (11) In addition to other license fees, the department  
 10 of revenue may require a licensee to pay a late fee of  
 11 33 1/3% of any license fee delinquent on July 1 of the  
 12 renewal year, 66 2/3% of any license fee delinquent on  
 13 August 1 of the renewal year, and 100% of any license fee  
 14 delinquent on September 1 of the renewal year.

15 (12) All license and permit fees collected under this  
 16 section must be deposited as provided in 16-2-108."

17 NEW SECTION. Section 3. Extension of authority. Any  
 18 existing authority to make rules on the subject of the  
 19 provisions of [this act] is extended to the provisions of  
 20 [this act].

21 NEW SECTION. Section 4. Effective date. [This act] is  
 22 effective July 1, 1989.

-End-

APPROVED BY COMMITTEE  
ON STATE ADMINISTRATION

1 *House* BILL NO. *408*  
 2 INTRODUCED BY *Simon Jorgensen* *Bradley*  
 3 BY REQUEST OF THE LEGISLATIVE AUDIT COMMITTEE  
 4

5 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING REVENUE FROM  
 6 CERTAIN ALCOHOLIC BEVERAGE TAXES, LICENSES, AND PERMITS TO  
 7 BE DEPOSITED IN THE ENTERPRISE FUND IN THE STATE TREASURY  
 8 BEFORE TRANSFER TO THE GENERAL FUND; AMENDING SECTIONS  
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 4 the receipts from all taxes and ~~licenses~~ license and permit  
 5 fees collected by it. Taxes, license and permit fees, and  
 6 ~~also~~ the net proceeds from the operation of state liquor  
 7 stores must be transferred to the general fund."

8 **Section 2.** Section 16-4-501, MCA, is amended to read:

9 "16-4-501. License and permit fees. (1) Each beer  
 10 licensee licensed to sell either beer or table wine only, or  
 11 both beer and table wine, under the provisions of this code,  
 12 shall pay an annual license fee as follows:

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

16 (b) each beer wholesaler, \$400; each table wine  
 17 distributor, \$400; each subwarehouse, \$400;

18 (c) each beer retailer, \$200;

19 (d) for a license to sell beer at retail for  
 20 off-premises consumption only, the same as a retail beer  
 21 license; for a license to sell table wine at retail for  
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 25 organization, \$50.

SECOND READING

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

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

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

11 (5) The annual license fee for a license to sell wine  
12 on the premises, when issued as an amendment to a beer-only  
13 license pursuant to 16-4-105, is \$200.

14 (6) The annual fee for resort retail all-beverages  
15 licenses within a given resort area shall be \$2,000 for each  
16 license.

17 (7) Each licensee licensed under the quotas of  
18 16-4-201 shall pay an annual license fee as follows:

19 (a) except as hereinafter provided in this section,  
20 for each license outside of incorporated cities and  
21 incorporated towns or in incorporated cities and  
22 incorporated towns with a population of less than 2,000,  
23 \$250 for a unit of a nationally chartered veterans'  
24 organization and \$400 for all other licensees;

25 (b) except as hereinafter provided in this section,

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 11 33 1/3% of any license fee delinquent on July 1 of the  
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-End-



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2 INTRODUCED BY *Simon Jorgensen*  
3 BY REQUEST OF THE LEGISLATIVE AUDIT COMMITTEE *Keating*  
4 *CoB*  
*Bradley*

5 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING REVENUE FROM  
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(7) Each licensee licensed under the quotas of 16-4-201 shall pay an annual license fee as follows:

(a) except as hereinafter provided in this section, 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;

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-End-

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INTRODUCED BY SIMON, JERGESON, GAGE,

JACOBSON, KEATING, COBB, BRADLEY

BY REQUEST OF THE LEGISLATIVE AUDIT COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING REVENUE FROM CERTAIN ALCOHOLIC BEVERAGE TAXES, LICENSES, AND PERMITS TO BE DEPOSITED IN THE ENTERPRISE FUND IN THE STATE TREASURY BEFORE TRANSFER TO THE GENERAL FUND; AMENDING SECTIONS 16-2-108 AND 16-4-501, MCA; AND PROVIDING AN EFFECTIVE DATE."

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8 other licensees;

9 (c) except as hereinafter provided in this section,  
10 for each license in incorporated cities with a population of  
11 more than 5,000 and less than 10,000 or within a distance of  
12 5 miles thereof, measured in a straight line from the  
13 nearest entrance of the premises to be licensed to the  
14 nearest boundary of such the city, \$500 for a unit of a  
15 nationally chartered veterans' organization and \$650 for all  
16 other licensees;

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

24 (e) the distance of 5 miles from the corporate limits  
25 of any incorporated cities and incorporated towns is

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

15 (f) an applicant for the issuance of an original  
 16 license to be located in areas described in subsection (d)  
 17 of this subsection shall provide an irrevocable letter of  
 18 credit from a financial institution that guarantees that  
 19 applicant's ability to pay a \$20,000 license fee. A  
 20 successful applicant shall pay a one-time original license  
 21 fee of \$20,000 for ~~any-such a~~ license issued. The one-time  
 22 license fee of \$20,000 ~~shall~~ may not apply to any transfer  
 23 or renewal of a license ~~duy~~ issued prior to July 1, 1974.  
 24 All licenses, however, are subject to the annual renewal  
 25 fee.

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

3 (9) The annual fee for a special beer and table wine  
 4 license for a nonprofit arts organization under 16-4-303 is  
 5 \$250.

6 (10) The license fees ~~herein provided for in this~~  
 7 section are exclusive of and in addition to other license  
 8 fees chargeable in Montana for the sale of alcoholic  
 9 beverages.

10 (11) In addition to other license fees, the department  
 11 of revenue may require a licensee to pay a late fee of  
 12 33 1/3% of any license fee delinquent on July 1 of the  
 13 renewal year, 66 2/3% of any license fee delinquent on  
 14 August 1 of the renewal year, and 100% of any license fee  
 15 delinquent on September 1 of the renewal year.

16 (12) All license and permit fees collected under this  
 17 section must be deposited as provided in 16-2-108."

18 NEW SECTION. Section 3. Extension of authority. Any  
 19 existing authority to make rules on the subject of the  
 20 provisions of [this act] is extended to the provisions of  
 21 [this act].

22 NEW SECTION. Section 4. Effective date. [This act] is  
 23 effective July 1, 1989.

-End-