

HOUSE BILL NO. 495
INTRODUCED BY ELLIOTT

IN THE HOUSE

FEBRUARY 5, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.
	FIRST READING.
FEBRUARY 23, 1993	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
MARCH 2, 1993	PRINTING REPORT.
	SECOND READING, DO NOT PASS.
MARCH 3, 1993	ON MOTION, PREVIOUS ACTION RECONSIDERED.
MARCH 4, 1993	SECOND READING, DO PASS AS AMENDED.
MARCH 5, 1993	ENGROSSING REPORT.
MARCH 8, 1993	THIRD READING, PASSED. AYES, 77; NOES, 21.
MARCH 9, 1993	TRANSMITTED TO SENATE.

IN THE SENATE

MARCH 10, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.
	FIRST READING.
APRIL 3, 1993	COMMITTEE RECOMMEND BILL BE CONCURRED IN AS AMENDED. REPORT ADOPTED.
APRIL 8, 1993	SECOND READING, CONCURRED IN.
APRIL 12, 1993	THIRD READING, CONCURRED IN. AYES, 48; NOES, 0.
	RETURNED TO HOUSE WITH AMENDMENTS.

IN THE HOUSE

APRIL 14, 1993

SECOND READING, AMENDMENTS NOT
CONCURRED IN.

APRIL 15, 1993

ON MOTION, CONFERENCE COMMITTEE
REQUESTED AND APPOINTED.

IN THE SENATE

APRIL 19, 1993

ON MOTION, CONFERENCE COMMITTEE
REQUESTED AND APPOINTED.

APRIL 20, 1993

ON MOTION, CONFERENCE COMMITTEE
DISSOLVED.

ON MOTION, FREE CONFERENCE COMMITTEE
REQUESTED AND APPOINTED.

IN THE HOUSE

APRIL 20, 1993

ON MOTION, CONFERENCE COMMITTEE
DISSOLVED.

ON MOTION, FREE CONFERENCE COMMITTEE
REQUESTED AND APPOINTED.

APRIL 21, 1993

FREE CONFERENCE COMMITTEE REPORTED.

IN THE SENATE

APRIL 21, 1993

FREE CONFERENCE COMMITTEE REPORTED.

IN THE HOUSE

APRIL 22, 1993

SECOND READING, FREE CONFERENCE
COMMITTEE REPORT ADOPTED.

THIRD READING, FREE CONFERENCE
COMMITTEE REPORT ADOPTED.

IN THE SENATE

APRIL 22, 1993

SECOND READING, FREE CONFERENCE
COMMITTEE REPORT ADOPTED.

THIRD READING, FREE CONFERENCE
COMMITTEE REPORT ADOPTED.

IN THE HOUSE

APRIL 23, 1993

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 House BILL NO. 495
2 INTRODUCED BY Chitt
3

4 A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING CATERING
5 ENDORSEMENTS TO BEER RETAIL LICENSES FOR ON-PREMISES
6 CONSUMPTION AND TO BEER AND WINE RETAIL LICENSES FOR
7 ON-PREMISES CONSUMPTION."
8

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

10 NEW SECTION. Section 1. Catering endorsement for beer
11 and wine licensees. (1) A person licensed to sell beer at
12 retail or beer and wine at retail for on-premises
13 consumption may, upon the approval of the liquor division,
14 be granted a catering endorsement to the license to allow
15 the catering and sale of beer or beer and wine to persons
16 attending a special event upon premises not otherwise
17 licensed for the sale of beer or beer and wine for
18 on-premises consumption. The beer and wine must be consumed
19 on the premises where the event is held.

20 (2) A written application for a catering endorsement
21 and an annual fee of \$25 must be submitted to the department
22 for its approval.

23 (3) A licensee who holds a catering endorsement may not
24 cater an event in which the licensee is the sponsor. The
25 catered event must be within 100 miles of the licensee's

1 regular place of business.

2 (4) The licensee shall notify the local law enforcement
3 agency that has jurisdiction over the premises that the
4 catered event is to be held.

5 (5) The sale of beer or beer and wine pursuant to a
6 catering endorsement is subject to the provisions of
7 16-6-103.

8 (6) The sale of beer or beer and wine pursuant to a
9 catering endorsement is subject to the provisions of
10 16-3-306, unless entities named in 16-3-306 give their
11 written approval for the on-premises sale of beer or beer
12 and wine on premises where the event is to be held.

13 (7) A catering endorsement issued for the purpose of
14 selling and serving beer or beer and wine at a special event
15 conducted on the premises of a county fairground or public
16 sports arena authorizes the licensee to sell and serve beer
17 or beer and wine in the grandstand and bleacher area of the
18 premises, as well as from a booth, stand, or other fixed
19 place on the premises.

20 NEW SECTION. Section 2. Codification instruction.
21 [Section 1] is intended to be codified as an integral part
22 of Title 16, chapter 4, part 1, and the provisions of Title
23 16, chapter 4, part 1, apply to [section 1].

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0495, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act authorizing catering endorsements to beer retail licenses for on-premises consumption and to beer and wine retail licenses for on-premises consumption.

ASSUMPTIONS:

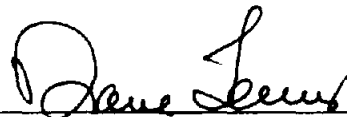
1. There are 1,402 all-beverage licenses in the state. Of these, 111 also have catering endorsements (MDOR).
2. There are 77 beer retail licenses, and 355 beer and wine retail licenses in the state (MDOR).
3. The annual license fee under the proposal for beer or beer and wine retail licenses is \$25.
4. The percentage of catering endorsements among beer retail licensees is assumed to match that of all-beverage licensees. Approximately 34 beer and beer/wine licenses would also acquire catering endorsements.
5. No impact to Department of Revenue expenditures.

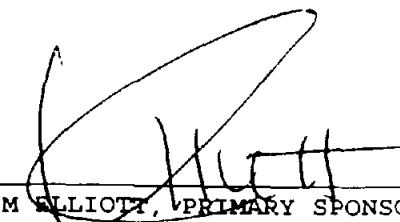
FISCAL IMPACT:

The proposed legislation would result in a negligible increase in license revenue, estimated at approximately \$850 per year. This revenue would be deposited to the liquor proprietary fund which is then transferred to the state general fund.

EFFECT ON COUNTY OR LOCAL EXPENDITURES OR REVENUES:

Under 16-4-503, MCA, counties and cities may issue licenses to persons licensed under Title 16, Chapter 4. However, without specific authority, local government probably would be unable to charge a fee for the catering endorsement, so there is no local impact.

 2-11-93
DAVID LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

 2-13-93
JIM ELLIOTT, PRIMARY SPONSOR DATE

Fiscal Note for HB0495, as introduced.

HB 495

APPROVED BY COMMITTEE
ON TAXATION

HOUSE BILL NO. 495

INTRODUCED BY ELLIOTT

A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING CATERING ENDORSEMENTS TO BEER RETAIL LICENSES FOR ON-PREMISES CONSUMPTION AND TO BEER AND WINE RETAIL LICENSES FOR ON-PREMISES CONSUMPTION."

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

NEW SECTION. Section 1. Catering endorsement for beer and wine licensees. (1) A person licensed to sell beer at retail or beer and wine at retail for on-premises consumption may, upon the approval of the liquor division, be granted a catering endorsement to the license to allow the catering and sale of beer or beer and wine to persons attending a special event upon premises not otherwise licensed for the sale of beer or beer and wine for on-premises consumption. The beer and wine must be consumed on the premises where the event is held.

(2) A written application for a catering endorsement and an annual fee of \$25 \$175 must be submitted to the department for its approval.

(3) A licensee who holds a catering endorsement may not cater an event in which the licensee is the sponsor. The catered event must be within 100 miles of the licensee's

regular place of business.

(4) The licensee shall notify the local law enforcement agency that has jurisdiction over the premises that the catered event is to be held. A FEE OF \$35 MUST ACCOMPANY THE NOTICE.

(5) The sale of beer or beer and wine pursuant to a catering endorsement is subject to the provisions of 16-6-103.

(6) The sale of beer or beer and wine 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 for the on-premises sale of beer or beer and wine on premises where the event is to be held.

(7) A catering endorsement issued for the purpose of selling and serving beer or beer and wine at a special event conducted on the premises of a county fairground or public sports arena authorizes the licensee to sell and serve beer or beer and wine in the grandstand and bleacher area of the premises, as well as from a booth, stand, or other fixed place on the premises.

NEW SECTION. Section 2. Codification instruction. [Section 1] is intended to be codified as an integral part of Title 16, chapter 4, part 1, and the provisions of Title 16, chapter 4, part 1, apply to [section 1].

-End-

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11 and wine licensees. (1) A person WHO IS ENGAGED PRIMARILY IN
12 THE BUSINESS OF PROVIDING MEALS WITH TABLE SERVICE AND WHO
13 IS licensed to sell beer at retail or beer and wine at
14 retail for on-premises consumption may, upon the approval of
15 the liquor division, be granted a catering endorsement to
16 the license to allow the catering and sale of beer or beer
17 and wine to persons attending a special event upon premises
18 not otherwise licensed for the sale of beer or beer and wine
19 for on-premises consumption. The beer and wine must be
20 consumed on the premises where the event is held.

21 (2) A written application for a catering endorsement
22 and an annual fee of \$25 ~~\$175~~ \$200 must be submitted to the
23 department for its approval.

24 (3) A licensee who holds a catering endorsement may not
25 cater an event in which the licensee is the sponsor. The

1 catered event must be within 100 miles of the licensee's
2 regular place of business.

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4 agency that has jurisdiction over the premises that the
5 catered event is to be held. A FEE OF \$35 MUST ACCOMPANY THE
6 NOTICE.

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8 catering endorsement is subject to the provisions of
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20 premises, as well as from a booth, stand, or other fixed
21 place on the premises.

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24 of Title 16, chapter 4, part 1, and the provisions of Title
25 16, chapter 4, part 1, apply to [section 1].

-End-

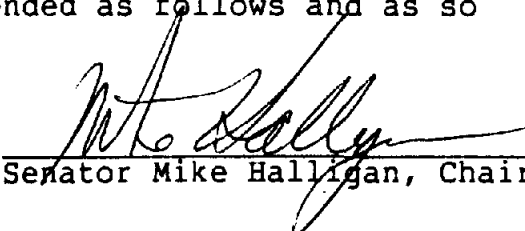
-2-

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
April 2, 1993

MR. PRESIDENT:

We, your committee on Taxation having had under consideration House Bill No. 495 (third reading copy -- blue), respectfully report that House Bill No. 495 be amended as follows and as so amended be concurred in.

Signed: 

Senator Mike Halligan, Chair

That such amendments read:

1. Page 2, lines 5 and 6.

Following: "held." on line 5

Strike: the remainder of line 5 through "NOTICE." on line 6

-END-

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12 THE BUSINESS OF PROVIDING MEALS WITH TABLE SERVICE AND WHO
13 IS licensed to sell beer at retail or beer and wine at
14 retail for on-premises consumption may, upon the approval of
15 the liquor division, be granted a catering endorsement to
16 the license to allow the catering and sale of beer or beer
17 and wine to persons attending a special event upon premises
18 not otherwise licensed for the sale of beer or beer and wine
19 for on-premises consumption. The beer and wine must be
20 consumed on the premises where the event is held.

21 (2) A written application for a catering endorsement
22 and an annual fee of \$25 ~~\$175~~ \$200 must be submitted to the
23 department for its approval.

24 (3) A licensee who holds a catering endorsement may not
25 cater an event in which the licensee is the sponsor. The

1 catered event must be within 100 miles of the licensee's
2 regular place of business.

3 (4) The licensee shall notify the local law enforcement
4 agency that has jurisdiction over the premises that the
5 catered event is to be held. ~~A-FEE-OF-\$35-MUST-ACCOMPANY-THE~~
6 ~~NOTICE.~~

7 (5) The sale of beer or beer and wine pursuant to a
8 catering endorsement is subject to the provisions of
9 16-6-103.

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11 catering endorsement is subject to the provisions of
12 16-3-306, unless entities named in 16-3-306 give their
13 written approval for the on-premises sale of beer or beer
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20 premises, as well as from a booth, stand, or other fixed
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23 [Section 1] is intended to be codified as an integral part
24 of Title 16, chapter 4, part 1, and the provisions of Title
25 16, chapter 4, part 1, apply to [section 1].

-End-

-2-

Mr. Speaker and Mr. President:

We, your Free Conference Committee met and considered House Bill 495 and recommend as follows:

1. Title, line 7.

Following: "CONSUMPTION"

Insert: "; REQUIRING THAT ALL LICENSEES CATERING AN EVENT PAY A FEE TO THE LOCAL LAW ENFORCEMENT AGENCY; AMENDING SECTIONS 16-3-103, 16-4-204, AND 16-4-402, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE"

2. Page 2, line 6.

Following: "NOTICE."

Insert: "A fee of \$35 must accompany the notice."

3. Page 2, line 22.

Following: line 21

Insert: "Section 2. Section 16-4-204, MCA, is amended to read:
"16-4-204. Transfer -- catering endorsement. (1) (a) Except as provided in subsection (1) (b), a license may be transferred to a new ownership and to a location outside the quota area for which it was originally issued only when the following criteria are met:

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

(ii) the total number of all-beverages licenses in the quota area to which the license would be transferred, exclusive of those issued under 16-4-209(1)(a) and (1)(b), did not exceed that area's quota in the most recent census prescribed in 16-4-502:

(A) by more than 33%; or

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

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

(b) A license within an incorporated quota area may be transferred to a new ownership and to a new unincorporated location within the same county on application to and with consent of the department when the quota of the all-beverages licenses in the original quota area, exclusive of those issued under 16-4-209(1)(a) and (1)(b), exceeds the quota for that area by at least 25% in the most recent census and will not fall below that level because of the transfer.

ADOPT

REJECT

881254CC.Hpf

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

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

(e) A license issued under 16-4-209(1)(a) may not be transferred to a location outside the quota area and the exterior boundaries of the Montana Indian reservation for which it was originally issued.

(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~~ the licensee's all-beverages license to allow the catering and sale of alcoholic beverages to persons attending a special event upon premises not otherwise licensed for the sale of alcoholic beverages for on-premise consumption. ~~such~~ The alcoholic beverages ~~to~~ must be consumed on the premises where the event is held.

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

~~(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 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. An all-beverages licensee who holds an endorsement granted under this subsection (2) may not receive approval to cater an event in which he the licensee 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.~~

~~(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 notify the local law enforcement agency that has jurisdiction over the premises where the catered event is to be held. A fee of \$35 must accompany the notice.~~

(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.

(g) A catering endorsement issued for the purpose of selling and serving beer at a special event conducted on the premises of a county fairground or public sports arena authorizes the licensee to sell and serve beer in the grandstand and bleacher area of the premises, as well as from a booth, stand, or other fixed place on the premises."

Section 3. Section 16-3-103, MCA, is amended to read:
"16-3-103. Unlawful sales solicitation or advertising -- exceptions. (1) No person within the state shall:

(a) canvass for, receive, take, or solicit orders for the purchase or sale of any liquor or act as agent or intermediary for the sale or purchase of any liquor or ~~hold himself out be represented as such an agent or intermediary unless permitted to do so under rules that shall be promulgated by the department to govern such activities;~~

(b) canvass for or solicit orders for the purchase or sale of any beer or malt liquor except in the case of beer proposed to be sold to beer licensees duly authorized to sell beer under the provisions of this code;

(c) exhibit, publish, or display or permit to be exhibited, published, or displayed any form of advertisement or any other announcement, publication, or price list of or concerning liquor or where or from whom the same may be had, obtained, or purchased unless permitted to do so by the rules of the department and then only in accordance with such rules.

(2) This section ~~shall~~ does not apply to:

(a) the department, any act of the department, any state liquor store;

(b) the receipt or transmission of a telegram or letter by any telegraph agent or operator or post-office employee in the ordinary course of his employment as such agent, operator, or employee; or

(c) the sale and serving of beer in the grandstand and bleacher area of a county fairground or public sports arena under a special permit issued pursuant to 16-4-301 or a catering endorsement issued pursuant to 16-4-204 or [section 1]."

Section 4. Section 16-4-402, MCA, is amended to read:

"16-4-402. Application -- investigation. (1) Prior to the issuance of a license under this chapter, the applicant shall file with the department an application in writing, signed by the applicant and containing information and statements relative to the applicant and the premises where the alcoholic beverage is to be sold as required by the department. The application must be verified by the affidavit of the person making it before a person authorized to administer oaths.

(2) (a) Upon receipt of a completed application for a license under this code, accompanied by the necessary license fee

or letter of credit as provided in 16-4-501(7)(f), the department shall within 30 days make a thorough investigation of all matters relating to the application. The department shall determine whether:

(i) the applicant is qualified to receive a license;
(ii) ~~his~~ the applicant's premises are suitable for the carrying on of the business; and

(iii) the requirements of this code and the rules promulgated by the department are met and complied with.

(b) This subsection (2) does not apply to a catering endorsement provided in 16-4-204(2) or [section 1] or a special permit provided in 16-4-301.

(3) Upon proof that an applicant made a false statement in any part of the original application, in any part of an annual renewal application, or in any hearing conducted pursuant to an application, the application for the license may be denied, and if issued, the license may be revoked."


Renumber: subsequent section

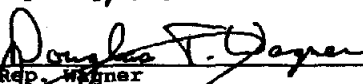
4. Page 2.
Following: line 25


Insert: "NEW SECTION. Section 6. Effective date. [This act] is effective on passage and approval."

Further, that this Free Conference Committee report be adopted.


For the House:



Rep. Vogel, Chair

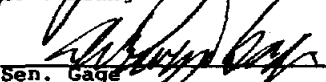

Rep. Wagner


Rep. Elliott

For the Senate:


Sen. Eck, Chair


Sen. Blang


Sen. Gage

1 HOUSE BILL NO. 495

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5 ENDORSEMENTS TO BEER RETAIL LICENSES FOR ON-PREMISES
6 CONSUMPTION AND TO BEER AND WINE RETAIL LICENSES FOR
7 ON-PREMISES CONSUMPTION; REQUIRING THAT ALL LICENSEES
8 CATERING AN EVENT PAY A FEE TO THE LOCAL LAW ENFORCEMENT
9 AGENCY; AMENDING SECTIONS 16-3-103, 16-4-204, AND 16-4-402,
10 MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."
11

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

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14 and wine licensees. (1) A person WHO IS ENGAGED PRIMARILY IN
15 THE BUSINESS OF PROVIDING MEALS WITH TABLE SERVICE AND WHO
16 IS licensed to sell beer at retail or beer and wine at
17 retail for on-premises consumption may, upon the approval of
18 the liquor division, be granted a catering endorsement to
19 the license to allow the catering and sale of beer or beer
20 and wine to persons attending a special event upon premises
21 not otherwise licensed for the sale of beer or beer and wine
22 for on-premises consumption. The beer and wine must be
23 consumed on the premises where the event is held.

24 (2) A written application for a catering endorsement
25 and an annual fee of \$25 ~~\$175~~ \$200 must be submitted to the

1 department for its approval.

2 (3) A licensee who holds a catering endorsement may not
3 cater an event in which the licensee is the sponsor. The
4 catered event must be within 100 miles of the licensee's
5 regular place of business.

6 (4) The licensee shall notify the local law enforcement
7 agency that has jurisdiction over the premises that the
8 catered event is to be held. ~~A-FEB-OF-\$35-MUST-ACCOMPANY-THE~~
9 ~~NOTICE-~~ A FEE OF \$35 MUST ACCOMPANY THE NOTICE.

10 (5) The sale of beer or beer and wine pursuant to a
11 catering endorsement is subject to the provisions of
12 16-6-103.

13 (6) The sale of beer or beer and wine pursuant to a
14 catering endorsement is subject to the provisions of
15 16-3-306, unless entities named in 16-3-306 give their
16 written approval for the on-premises sale of beer or beer
17 and wine on premises where the event is to be held.

18 (7) A catering endorsement issued for the purpose of
19 selling and serving beer or beer and wine at a special event
20 conducted on the premises of a county fairground or public
21 sports arena authorizes the licensee to sell and serve beer
22 or beer and wine in the grandstand and bleacher area of the
23 premises, as well as from a booth, stand, or other fixed
24 place on the premises.

25 SECTION 2. SECTION 16-4-204, MCA, IS AMENDED TO READ:

1 "16-4-204. Transfer -- catering endorsement. (1) (a)
2 Except as provided in subsection (1)(b), a license may be
3 transferred to a new ownership and to a location outside the
4 quota area for which it was originally issued only when the
5 following criteria are met:

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

9 (ii) the total number of all-beverages licenses in the
10 quota area to which the license would be transferred,
11 exclusive of those issued under 16-4-209(1)(a) and (1)(b),
12 did not exceed that area's quota in the most recent census
13 prescribed in 16-4-502:

14 (A) by more than 33%; or

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

18 (iii) the department finds, after a public hearing, that
19 the public convenience and necessity would be served by such
20 a transfer.

21 (b) A license within an incorporated quota area may be
22 transferred to a new ownership and to a new unincorporated
23 location within the same county on application to and with
24 consent of the department when the quota of the
25 all-beverages licenses in the original quota area, exclusive

1 of those issued under 16-4-209(1)(a) and (1)(b), exceeds the
2 quota for that area by at least 25% in the most recent
3 census and will not fall below that level because of the
4 transfer.

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

10 (d) Once a license is transferred to a new quota area
11 under subsection (1)(a), it may not be transferred to
12 another quota area or back to the original quota area.

13 (e) A license issued under 16-4-209(1)(a) may not be
14 transferred to a location outside the quota area and the
15 exterior boundaries of the Montana Indian reservation for
16 which it was originally issued.

17 (2) (a) Any all-beverages licensee is, upon the
18 approval and in the discretion of the liquor division,
19 entitled to a catering endorsement to his the licensee's
20 all-beverages license to allow the catering and sale of
21 alcoholic beverages to persons attending a special event
22 upon premises not otherwise licensed for the sale of
23 alcoholic beverages for on-premise consumption. ~~such~~ The
24 alcoholic beverages to must be consumed on the premises
25 where the event is held.

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

~~(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 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.~~ An all-beverages licensee who holds an endorsement granted under this subsection (2) may not ~~receive approval to cater an event of~~ in which he the licensee 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.~~

(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~~ notify the local law enforcement agency that has jurisdiction over the premises where the catered event is to be held. A fee of \$35 must accompany the notice.

(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.

(g) A catering endorsement issued for the purpose of selling and serving beer at a special event conducted on the premises of a county fairground or public sports arena authorizes the licensee to sell and serve beer in the grandstand and bleacher area of the premises, as well as from a booth, stand, or other fixed place on the premises."

SECTION 3. SECTION 16-3-103, MCA, IS AMENDED TO READ:

"16-3-103. Unlawful sales solicitation or advertising -- exceptions. (1) No person within the state shall:

(a) canvass for, receive, take, or solicit orders for the purchase or sale of any liquor or act as agent or intermediary for the sale or purchase of any liquor or ~~hold himself out~~ be represented as such an agent or intermediary unless permitted to do so under rules that shall be promulgated by the department to govern such activities;

(b) canvass for or solicit orders for the purchase or sale of any beer or malt liquor except in the case of beer proposed to be sold to beer licensees duly authorized to sell beer under the provisions of this code;

(c) exhibit, publish, or display or permit to be exhibited, published, or displayed any form of advertisement or any other announcement, publication, or price list of or concerning liquor or where or from whom the same may be had, obtained, or purchased unless permitted to do so by the rules of the department and then only in accordance with such rules.

(2) This section ~~shall~~ does not apply to:

(a) the department, any act of the department, any state liquor store;

(b) the receipt or transmission of a telegram or letter by any telegraph agent or operator or post-office employee in the ordinary course of his employment as such agent, operator, or employee; or

(c) the sale and serving of beer in the grandstand and bleacher area of a county fairground or public sports arena under a special permit issued pursuant to 16-4-301 or a catering endorsement issued pursuant to 16-4-204 or [section 1]."

SECTION 4. SECTION 16-4-402, MCA, IS AMENDED TO READ:

"16-4-402. Application -- investigation. (1) Prior to the issuance of a license under this chapter, the applicant shall file with the department an application in writing, signed by the applicant and containing information and statements relative to the applicant and the premises where

the alcoholic beverage is to be sold as required by the department. The application must be verified by the affidavit of the person making it before a person authorized to administer oaths.

(2) (a) Upon receipt of a completed application for a license under this code, accompanied by the necessary license fee or letter of credit as provided in 16-4-501(7)(f), the department shall within 30 days make a thorough investigation of all matters relating to the application. The department shall determine whether:

(i) the applicant is qualified to receive a license;

(ii) ~~his~~ the applicant's premises are suitable for the carrying on of the business; and

(iii) the requirements of this code and the rules promulgated by the department are met and complied with.

(b) This subsection (2) does not apply to a catering endorsement provided in 16-4-204(2) or [section 1] or a special permit provided in 16-4-301.

(3) Upon proof that an applicant made a false statement in any part of the original application, in any part of an annual renewal application, or in any hearing conducted pursuant to an application, the application for the license may be denied, and if issued, the license may be revoked."

NEW SECTION. Section 5. Codification instruction.
[Section 1] is intended to be codified as an integral part

1 of Title 16, chapter 4, part 1, and the provisions of Title
2 16, chapter 4, part 1, apply to [section 1].

3 NEW SECTION. SECTION 6. EFFECTIVE DATE. [THIS ACT] IS
4 EFFECTIVE ON PASSAGE AND APPROVAL.

-End-