

HOUSE BILL NO. 594  
INTRODUCED BY LARSON

IN THE HOUSE

FEBRUARY 11, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON BUSINESS & ECONOMIC DEVELOPMENT.
	FIRST READING.
FEBRUARY 17, 1993	COMMITTEE RECOMMEND BILL DO PASS. REPORT ADOPTED.
FEBRUARY 18, 1993	PRINTING REPORT.
FEBRUARY 19, 1993	SECOND READING, DO PASS.
FEBRUARY 20, 1993	ENGROSSING REPORT.
FEBRUARY 22, 1993	THIRD READING, PASSED. AYES, 99; NOES, 0.
FEBRUARY 23, 1993	TRANSMITTED TO SENATE.

IN THE SENATE

MARCH 1, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON BUSINESS & INDUSTRY.
	FIRST READING.
MARCH 20, 1993	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
MARCH 24, 1993	SECOND READING, CONCURRED IN.
MARCH 25, 1993	THIRD READING, CONCURRED IN. AYES, 49; NOES, 0.
	RETURNED TO HOUSE.

IN THE HOUSE

MARCH 25, 1993	RECEIVED FROM SENATE.
	SENT TO ENROLLING.
	REPORTED CORRECTLY ENROLLED.

1 House BILL NO. 599  
2 INTRODUCED BY Dayen  
3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING THAT BEER OR  
5 WINE SOLD ON CREDIT WHEN THE RETAIL LICENSE IS BEING  
6 TRANSFERRED BECOMES THE OBLIGATION OF THE SUBSEQUENT  
7 LICENSEE; AND AMENDING SECTION 16-4-404, MCA."

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

10       **Section 1.** Section 16-4-404, MCA, is amended to read:

11 "16-4-404. Protest period -- contents of license --  
12 posting -- privilege -- transfer. (1) No A license may not  
13 be issued until on or after the date set in the notice for  
14 hearing protests.

15           (2) Every license issued under this code shall must  
16   state the name of the person to whom it is issued, the  
17   location, by street and number or other appropriate specific  
18   description of location if no street address exists, of the  
19   premises where the business is to be carried on under the  
20   license, and other information the department considers  
21   necessary. If the licensee is a partnership or if more than  
22   one person has an interest in the business operated under  
23   the license, the names of all persons in the partnership or  
24   interested in the business must appear on the license. Every  
25   license must be posted in a conspicuous place on the

1 premises in which the business authorized under the license  
2 is conducted, and the license must be exhibited upon request  
3 to any authorized representative of the department or to any  
4 peace officer of the state of Montana.

5       (3) A license issued under the provisions of this code  
6       is a privilege personal to the licensee named in the license  
7       and is valid until the expiration of the license unless  
8       sooner revoked or suspended.

9           (4) A license may be transferred to the executor or  
10 administrator of the estate of a deceased licensee when the  
11 estate consists in whole or in part of the business of  
12 selling alcoholic beverages under a license. The license may  
13 descend or be disposed of with the licensed business under  
14 appropriate probate proceedings.

15 (5) (a) A licensee may apply to the department for a  
16 transfer of the license to different premises if:

17 (i) there has been major loss or damage to the licensed  
18 premises by unforeseen natural causes;

19 (ii) the lease of the licensed premises has expired;

20 (iii) in case of rented licensed premises, there has  
21 been an eviction or increase of rent by the landlord; or

22 (iv) the licensee has proposed removal of the license to  
23 premises that are as substantially suited for the retail  
24 alcoholic beverages business as the premises proposed to be  
25 vacated.

1 (b) The department may, after notice and opportunity  
2 for protest, permit a transfer in the cases specified in  
3 subsection (5)(a) if it appears to the department that a  
4 transfer is required to do justice to the licensee applying  
5 for the transfer and is justified by public convenience and  
6 necessity. The department may not allow a transfer to  
7 different premises where the sanitary, health, and service  
8 facilities are less satisfactory than facilities that exist  
9 or had existed at the premises from which the transfer is  
10 proposed to be made.

11 (6) Upon a bona fide sale of the business operated  
12 under a license, the license may be transferred to a  
13 qualified purchaser. No A transfer of a license to a person  
14 or location is not effective unless approved by the  
15 department. A licensee or transferee or proposed transferee  
16 who operates or attempts to operate under a supposedly  
17 transferred license prior to the approval of the transfer by  
18 the department, endorsed upon the license in writing, is  
19 considered to be operating without a license and the license  
20 affected may be revoked or suspended by the department. The  
21 department may, within its discretion, permit a qualified  
22 purchaser to operate the business to be transferred pending  
23 final approval if there has not been a change in location  
24 and the application for transfer has been filed with the  
25 department.

1 (7) Except as provided in subsections (2) through (6)  
2 and 16-4-204, no a license may not be transferred or sold or  
3 used for any place of business not described in the license.  
4 A license may be subject to mortgage and other valid liens,  
5 in which event the name of the mortgagee, upon application  
6 to and approval of the department, must be endorsed on the  
7 license. Beer or wine sold to a licensee on credit pursuant  
8 to 16-3-243 or 16-3-406 does not create a lien upon a  
9 license, but a subsequent licensee has the obligation to pay  
10 for the beer or wine."

-End-

APPROVED BY COMM. ON BUSINESS  
AND ECONOMIC DEVELOPMENT

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9           (4) A license may be transferred to the executor or  
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12 selling alcoholic beverages under a license. The license may  
13 descend or be disposed of with the licensed business under  
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21 been an eviction or increase of rent by the landlord; or

22 (iv) the licensee has proposed removal of the license to  
23 premises that are as substantially suited for the retail  
24 alcoholic beverages business as the premises proposed to be  
25 vacated.

(b) The department may, after notice and opportunity for protest, permit a transfer in the cases specified in subsection (5)(a) if it appears to the department that a transfer is required to do justice to the licensee applying for the transfer and is justified by public convenience and necessity. The department may not allow a transfer to different premises where the sanitary, health, and service facilities are less satisfactory than facilities that exist or had existed at the premises from which the transfer is proposed to be made.

(6) Upon a bona fide sale of the business operated under a license, the license may be transferred to a qualified purchaser. No A transfer of a license to a person or location is not effective unless approved by the department. A licensee or transferee or proposed transferee who operates or attempts to operate under a supposedly transferred license prior to the approval of the transfer by the department, endorsed upon the license in writing, is considered to be operating without a license and the license affected may be revoked or suspended by the department. The department may, within its discretion, permit a qualified purchaser to operate the business to be transferred pending final approval if there has not been a change in location and the application for transfer has been filed with the department.

(7) Except as provided in subsections (2) through (6) and 16-4-204, no a license may not be transferred or sold or used for any place of business not described in the license. A license may be subject to mortgage and other valid liens, in which event the name of the mortgagee, upon application to and approval of the department, must be endorsed on the license. Beer or wine sold to a licensee on credit pursuant to 16-3-243 or 16-3-406 does not create a lien upon a license, but a subsequent licensee has the obligation to pay for the beer or wine."

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