

1 HOUSE BILL NO. 308

2 INTRODUCED BY C. YOUNKIN

3

4 A BILL FOR AN ACT ENTITLED: "AN ACT REDUCING FROM 5 YEARS TO ~~1-YEAR~~ 3 YEARS THE TIME
5 PERIOD IN WHICH AN ALL-BEVERAGES LIQUOR LICENSE MAY NOT BE TRANSFERRED, MORTGAGED,
6 OR PLEDGED AS SECURITY AFTER THE LICENSE WAS TRANSFERRED BETWEEN QUOTA AREAS;
7 AMENDING SECTION 16-4-204, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

10

11 **Section 1.** Section 16-4-204, MCA, is amended to read:

12 **"16-4-204. Transfer -- catering endorsement.** (1) (a) Except as provided in subsection (1)(b), a
13 license may be transferred to a new ownership and to a location outside the quota area for which it was
14 originally issued only when the following criteria are met:

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

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

20 (A) by more than 33%; or

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

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

25 (b) A license within an incorporated quota area may be transferred to a new ownership and to a
26 new unincorporated location within the same county on application to and with consent of the department
27 when the quota of the all-beverages licenses in the original quota area, exclusive of those issued under
28 16-4-209(1)(a) and (1)(b), exceeds the quota for that area by at least 25% in the most recent census and
29 will not fall below that level because of the transfer.

30 (c) For ~~5-years~~ 1-year 3 YEARS after the transfer of a license between quota areas under subsection

1 (1)(a), the license may not be mortgaged or pledged as security and may not be transferred to another
2 person except for a transfer by inheritance upon the death of the licensee.

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

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

7 (2) (a) Any all-beverages licensee is, upon the approval and in the discretion of the liquor division,
8 entitled to a catering endorsement to the licensee's all-beverages license to allow the catering and sale of
9 alcoholic beverages to persons attending a special event upon premises not otherwise licensed for the sale
10 of alcoholic beverages for ~~on-premise~~ on-premises consumption. The alcoholic beverages must be
11 consumed on the premises where the event is held.

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

14 (c) An all-beverages licensee who holds an endorsement granted under this subsection (2) may
15 not cater an event in which the licensee is the sponsor. The catered event must be within 100 miles of
16 the licensee's regular place of business.

17 (d) The licensee shall notify the local law enforcement agency that has jurisdiction over the
18 premises where the catered event is to be held. A fee of \$35 must accompany the notice.

19 (e) The sale of alcoholic beverages pursuant to a catering endorsement is subject to the provisions
20 of 16-6-103.

21 (f) The sale of alcoholic beverages pursuant to a catering endorsement is subject to the provisions
22 of 16-3-306, unless entities named in 16-3-306 give their written approval.

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

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28 NEW SECTION. **Section 2. Effective date.** [This act] is effective on passage and approval.

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