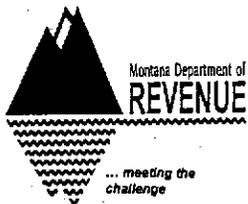


**HB502**  
**Informational Testimony**  
**House Business and Labor Committee**

Neil Peterson  
Montana Department of Revenue  
February 11, 2005

- **Off-premises License Ownership Requirements**
  - ✓ Applicant has not been convicted of a felony
  - ✓ Applicant is likely to operate the licensed establishment in compliance with all applicable laws of the state and local governments
  
- **Fingerprinting Background**
  - ✓ SB40, 2003 Legislative Session, Introduced by Senator Mahlum at the request of the Department of Revenue and Department of Justice
  - ✓ Previous law on fingerprint requirements
  - ✓ Reason for the change in fingerprint requirements
  
- **Amendments to HB502**
  - ✓ Makes a distinction between requirements for Off-premises Licenses and other license types
  - ✓ Limit for Off-premises Licenses who is required to submit fingerprints



# Off-premises License Ownership Requirements

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## □ Individual Applicants

- Does not possess an ownership interest in more than one all-beverages license
- Does not possess an ownership interest in an agency liquor store
- Applicant or applicant's immediate family is without financing from or affiliation to a manufacturer, importer, bottler or distributor of alcoholic beverages
- Applicant has not been convicted of a felony or, if the applicant has been convicted of a felony, the applicant's rights have been restored
- Applicant is likely to operate the establishment in compliance with all applicable laws of the state and local governments
- Applicant is not under 19 years of age

## □ Corporate Applicants

- Owners of at least 51% of the stock meet the felony requirement of an individual applicant
- Each owner of 10% or more of the stock meets the requirements of an individual applicant
- Corporation is authorized to do business in Montana

## □ Any Other Business Entity

- All individuals must meet the requirements for an individual applicant and all corporations must meet the requirements for a corporate applicant

# Montana Code Annotated 2001

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**16-4-403. Fingerprints required of licensees and mortgagees.** All applicants for a Montana retail all-beverages or beer license, including corporate officers and managers, may be required by the department or the department of justice to have their fingerprints taken for use in determining the eligibility of the applicant for the license. This provision applies to all who file a security interest against the license except banks, savings and loan institutions, and licensed lending agencies.

**History:** Ap. p. Sec. 1, Ch. 487, L. 1973; Sec. 4-408.1, R.C.M. 1947; amd. and redes. 4-4-304 by Sec. 86, Ch. 387, L. 1975; Sec. 4-4-304, R.C.M. 1947; Ap. p. Sec. 2, Ch. 487, L. 1973; Sec. 4-408.2, R.C.M. 1947; redes. 4-4-305 by Sec. 120, Ch. 387, L. 1975; Sec. 4-4-305, R.C.M. 1947; R.C.M. 1947, 4-4-304, 4-4-305; amd. Sec. 7, Ch. 414, L. 1993.

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Provided by Montana Legislative Services

OFFICIAL DRAFTED  
AMENDMENTS TO HB502- INTRODUCED BILL

Drafter: Dave Ohler, DOR February 10, 2005 12:50 p.m.

1. Page 1, line 22.  
Following: "shall"  
Insert: "request that the department of justice make a background investigation of all matters relating to the application."  
(3) Based on the results of the investigation or in exercising its discretion as provided in subsection (1), the department shall"  
Renumber: subsequent subsections
2. Page 2, line 9  
Following: "**applicants.**"  
Strike: "Except for an application for a beer and wine license for off-premise consumption under 16-4-115, an"  
Insert: "Except as provided in subsection 2, an"
3. Page 2, line 16.  
Insert: "(2) In the case of a license for off-premises consumption under 16-4-115, the following persons are required to submit fingerprints as provided in subsection (1). The results of the investigation must be used by the department in determining the applicant's eligibility for an off-premises license.
  - (a) the applicant;
  - (b) a person designated by the applicant as responsible for operating the licensed establishment on behalf of the licensee;  
or
  - (c) if the applicant is a corporation,
    - (i) each person holding 10% or more of the outstanding stock; and
    - (ii) each officer or director responsible for operating the licensed establishment."
4. Page 2, line 17 - 19  
Strike: Section 3 in its entirety