

HOUSE BILL NO. 549

INTRODUCED BY D. SKEES

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A BILL FOR AN ACT ENTITLED: "AN ACT CREATING AN ALCOHOL PERMIT FOR BUSINESS IMPROVEMENT DISTRICTS AND URBAN RENEWAL AREAS; CREATING LICENSE REQUIREMENTS; REQUIRING CITY APPROVAL; PROVIDING RULEMAKING AUTHORITY; AND AMENDING SECTION 16-4-501, MCA."

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

**NEW SECTION. Section 1. Alcohol permit -- business improvement district -- urban renewal. (1)**

An entity may apply for a special district alcohol license as provided under this section. A special district alcohol license:

(a) allows a designated location to serve alcoholic beverages under a beer and wine license provided in Title 16, chapter 4, part 1, that is valid for the retail sale of beer and wine;

(b) is issued and administered by the department and subject to Title 16 except as otherwise provided in this section;

(c) must be issued to a premises that is within a municipality, as defined in 7-1-4121, that is in the municipality's:

(i) business improvement district as provided in Title 7, chapter 12, part 11; or

(ii) urban renewal area as provided in Title 7, chapter 15, parts 42 and 43;

(d) must be approved by the governing body of a municipality that may specify the available hours of operation for the license holder;

(e) is not subject to the quota provisions of 16-4-201 or any other applicable quota provision in Title 16; and

(f) is nontransferable.

(2) A special district permit applicant must apply to the department on forms prescribed by the department through rule. The department may require payment of an application fee not to exceed \$5,000. The application must include the applicable city's approval and conditions imposed on the permit as required under subsection (1).



1 (3) A special district permit issued under this section must be renewed annually upon payment of an  
2 annual fee not to exceed \$400 as prescribed through rule. The annual fee must be deposited into the general  
3 fund.

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

6 **"16-4-501. License and permit fees.** (1) Each beer licensee licensed to sell either beer or table wine  
7 only or both beer and table wine under the provisions of this code shall pay a license fee. Unless otherwise  
8 specified in this section, the fee is an annual fee and is imposed as follows:

9 (a) (i) each brewer and each beer importer, wherever located, whose product is sold or offered for sale  
10 within the state, \$500;

11 (ii) for each storage depot, \$400;

12 (b) (i) each beer wholesaler, \$400; each winery, \$200; each table wine distributor, \$400;

13 (ii) for each subwarehouse, \$400;

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

15 (d) (i) for a license to sell beer at retail for off-premises consumption only, the same as a retail beer  
16 license;

17 (ii) for a license to sell table wine at retail for off-premises consumption only, either alone or in conjunction  
18 with beer, \$200;

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

20 (2) The permit fee under 16-4-301(1) is computed at the following rate:

21 (a) \$10 a day for each day that beer and table wine are sold at events, activities, or sporting contests,  
22 other than those applied for pursuant to 16-4-301(1)(c); and

23 (b) \$1,000 a season for professional sporting contests or junior hockey contests held under the  
24 provisions of 16-4-301(1)(c).

25 (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  
26 of all alcoholic beverages.

27 (4) Passenger carrier licenses must be issued upon payment by the applicant of an annual license fee  
28 in the sum of \$300.

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

1 (6) The annual renewal fee for:

2 (a) a brewer producing 20,000 or fewer barrels of beer, as defined in 16-1-406, is \$200; and

3 (b) resort retail all-beverages licenses within a given resort area is \$2,000 for each license.

4 (7) Except as provided in this section, each licensee licensed under the quotas of 16-4-201 shall pay  
5 an annual license fee as follows:

6 (a) for each license outside of incorporated cities and incorporated towns or in incorporated cities and  
7 incorporated towns with a population of less than 2,000, \$250 for a unit of a nationally chartered veterans'  
8 organization and \$400 for all other licensees;

9 (b) for each license in incorporated cities with a population of more than 2,000 and less than 5,000 or  
10 within a distance of 5 miles, measured in a straight line from the nearest entrance of the premises to be licensed  
11 to the nearest boundary of the city, \$350 for a unit of a nationally chartered veterans' organization and \$500 for  
12 all other licensees;

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

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

21 (e) the distance of 5 miles from the corporate limits of any incorporated cities and incorporated towns  
22 is measured in a straight line from the nearest entrance of the premises to be licensed to the nearest boundary  
23 of the city or town; and where the premises of the applicant to be licensed are situated within 5 miles of the  
24 corporate boundaries of two or more incorporated cities or incorporated towns of different populations, the license  
25 fee chargeable by the larger incorporated city or incorporated town applies and must be paid by the applicant.  
26 When the premises of the applicant to be licensed are situated within an incorporated town or incorporated city  
27 and any portion of the incorporated town or incorporated city is without a 5-mile limit, the license fee chargeable  
28 by the smaller incorporated town or incorporated city applies and must be paid by the applicant.

29 (f) an applicant for the issuance of an original license to be located in areas described in subsections  
30 (6) and (7)(d) shall provide an irrevocable letter of credit from a financial institution that guarantees that applicant's

1 ability to pay a \$20,000 license fee. A successful applicant shall pay a one-time original license fee of \$20,000  
2 for a license issued. The one-time license fee of \$20,000 may not apply to any transfer or renewal of a license  
3 issued prior to July 1, 1974. However, all licenses are subject to the specified annual renewal fees.

4 (8) The fee for one all-beverages license to a public airport is \$800. This license is nontransferable.

5 (9) The annual fee for a retail beer and wine license to the Yellowstone airport is \$400.

6 (10) The annual fee for a special beer and table wine license for a nonprofit arts organization under  
7 16-4-303 is \$250.

8 (11) The annual fee for a distillery is \$600.

9 (12) The annual license fee for a special district permit is determined as provided in [section 1] and  
10 through rule.

11 ~~(12)~~(13) The license fees provided in this section are exclusive of and in addition to other license fees  
12 chargeable in Montana for the sale of alcoholic beverages.

13 ~~(13)~~(14) In addition to other license fees, the department of revenue may require a licensee to pay a late  
14 fee of 33 1/3% of any license fee delinquent on July 1 of the renewal year or 1 year after the licensee's  
15 anniversary date, 66 2/3% of any license fee delinquent on August 1 of the renewal year or 1 year and 1 month  
16 after the licensee's anniversary date, and 100% of any license fee delinquent on September 1 of the renewal year  
17 or 1 year and 2 months after the licensee's anniversary date.

18 ~~(14)~~(15) All Except for a special district permit provided in [section 1], all license and permit fees collected  
19 under this section must be deposited as provided in 16-2-108."

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21 **NEW SECTION. Section 3. Codification instruction.** [Section 1] is intended to be codified as an  
22 integral part of Title 16, chapter 4, part 2, and the provisions of Title 16, chapter 4, part 2, apply to [section 1].

23 - END -