

SENATE BILL NO. 358

INTRODUCED BY T. GAUTHIER

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4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING RESORT AREA ALCOHOLIC BEVERAGE LICENSURE
5 LAWS; CREATING RESORT AREA DETERMINATION REQUIREMENTS; PROVIDING FOR APPLICATIONS;
6 PROVIDING FEES; PROVIDING RULEMAKING AUTHORITY; ALLOWING FOR RESORT AREA
7 ALL-BEVERAGES LICENSES ~~AND REPORT ALCOHOL STORAGE FACILITY LICENSES~~; AMENDING
8 SECTIONS 16-4-203, 16-4-210, 16-4-402, 16-4-501, 16-4-1005, AND 23-5-119, MCA; REPEALING SECTION
9 16-4-202, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE."

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

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13 NEW SECTION. **Section 1. Resort area -- purpose -- policy.** It is the intent and purpose of [sections
14 1 through 3] to encourage the growth of quality recreational resort facilities in undeveloped areas of the state and
15 to provide for the orderly growth of existing recreational sites by the establishment of resort areas within which
16 retail all-beverages licenses may be issued by the department under the terms of [section 3].

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18 NEW SECTION. **Section 2. Resort area determination.** (1) To obtain a license, the resort area
19 developer or landowner must submit an application with a plat setting forth the resort area boundaries and
20 designating the ownership of the lands within the resort area. The plat must show the location and general design
21 of the buildings and other improvements existing or to be built in the resort area. A master plan for the
22 development of the resort area may be filed by the resort area developer in satisfaction of this section.

23 (2) (a) In addition to the other requirements of this code, at the time of application, a resort area must:
24 (i) not be located within the boundaries of a quota area as described in 16-4-201;
25 (ii) have a current actual valuation of resort or recreational facilities, including land and improvements,
26 of not less than \$1,000,000, at least half of which valuation must be for a structure or structures within the resort
27 area;
28 (iii) be under the sole ownership or control of one person or entity;
29 (iv) contain a minimum of 50 acres of land; and
30 (v) provide details of the recreational facilities that are or will be on the grounds of the resort that warrant

1 the resort designation being granted. These recreational facilities must be completed prior to licenses being
2 issued in [section 3].

3 (b) For the purposes of this section, "control" means land or improvements that are owned or that are
4 held under contract, lease, option, or permit.

5 (3) Within 15 business days after the application is filed, the department shall schedule a public hearing
6 to be held in the proposed area to determine whether the facility proposed by the resort area developer or
7 landowner is a resort area. At least 30 days prior to the date of the hearing, the department shall publish notice
8 of the hearing in a newspaper published in the county or counties in which the resort area is located, once a week
9 for 4 consecutive weeks. The notice must include a description of the proposed resort area. The resort area
10 developer or landowner shall, at the time of filing an application, pay to the department an amount sufficient to
11 cover the costs of publication.

12 (4) A person may present, in person or in writing, a statement to the department at the hearing in
13 opposition to or in support of the application.

14 (5) Within 30 days after the hearing, the department shall approve or deny the application. If the
15 application is denied, the applicant may request a review of the decision of the department pursuant to the
16 Montana Administrative Procedure Act.

17 (6) Once a resort area has been approved by the department, the boundaries of a resort area may not
18 be changed without a new application.

19
20 **NEW SECTION. Section 3. Resort retail all-beverages licenses--resort alcohol storage facility**
21 **licenses.** (1) After a resort area has been approved, applications may be filed with the department for the
22 issuance of resort retail all-beverages licenses within the resort area.

23 (2) The department may issue one resort retail all-beverages license for the first 100 accommodation
24 units and an additional license for each additional 50 accommodation units within an approved resort area as long
25 as the recreational facilities under [section 2] have also been completed.

26 (a) For purposes of this code, "accommodation unit" means a unit that is available for short-term guest
27 rental and includes:

- 28 (i) a single-family home;
- 29 (ii) a single unit of an apartment, condominium, or multi-plex;
- 30 (iii) a single room of a hotel or motel; or

1 (iv) similar living space for occupants making up a single household. A space under this subsection
 2 (2)(a)(iv) must be distinctly separated from other living spaces within the building and have its own sleeping, bath,
 3 and toilet facilities.

4 (3) Regardless of how many resort area all-beverages licenses are issued in a resort area, no more than
 5 20 gambling machine permits may be issued for the resort area.

6 (4) A resort retail all-beverages license within the resort area is:

7 (a) is subject to all other requirements of an all-beverages license in this code;

8 (B) ALLOWS DELIVERY OF ALCOHOL TO THE ACCOMMODATION UNITS OF GUESTS, AS LONG AS THE GUESTS ARE
 9 PRESENT, AGE IS VERIFIED, AND THE GUESTS ARE NOT INTOXICATED;

10 ~~(b)~~(C) is not subject to the quota limitations set forth in 16-4-201; and

11 ~~(e)~~(D) is nontransferable.

12 ~~(5) If a resort area has two or more resort retail all-beverages licenses issued under this section AND IS~~
 13 ~~MORE THAN 30 MILES FROM AN AGENCY LIQUOR STORE,~~ the resort area may also apply for a resort alcohol storage
 14 facility license to be located within the resort area:

15 ~~———— (6) The resort alcohol storage facility license:~~

16 ~~———— (a) must have the same ownership as all of the resort retail all-beverages licenses;~~

17 ~~———— (b) must meet suitability and condition for operating rules as established by the department;~~

18 ~~———— (c) is subject to all provisions of this code unless specifically designated;~~

19 ~~———— (d) may not allow for on-premises consumption of alcohol; and~~

20 ~~———— (e) is nontransferable.~~

21 ~~———— (7) Because of the common ownership, the resort retail all-beverages licensees and the resort alcohol~~
 22 ~~storage facility licensee are treated as one entity and may:~~

23 ~~———— (a) order and purchase alcohol for the resort retail all-beverages licensees within the approved resort~~
 24 ~~area;~~

25 ~~———— (b) move and sell unopened alcohol between resort retail all-beverages licensed premises and resort~~
 26 ~~alcohol storage facility licensed premises within the approved resort area; and~~

27 ~~———— (c) deliver alcohol to the accommodation units of guests, as long as the guests are present, age is~~
 28 ~~verified, and the guests are not intoxicated.~~

29 ~~(8)~~(5) Employees of the resort licensee who sell, serve, or deliver alcohol must be trained as provided
 30 in 16-4-1005.

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Section 4. Section 16-4-203, MCA, is amended to read:

"16-4-203. Determination of public convenience and necessity. (1) An original license issued pursuant to 16-4-104, 16-4-201, ~~16-4-202~~ [sections 2 and 3], or 16-4-208 or the transfer of location of an on-premises retail license may be approved if the department does not receive the minimum number of protests required for a public convenience and necessity determination pursuant to 16-4-207, in which case the application must be regarded as a prima facie showing of public convenience and necessity and no further determination of public convenience and necessity is allowed.

(2) (a) If the department receives at least the minimum number of protests required for a public convenience and necessity determination, as provided in 16-4-207, an application must be approved when evidence indicates that the issuance of an original license or transfer of location will materially promote the public's ability to engage in the licensed activity.

(b) The issuance of an original license or a transfer of location will materially promote the public's ability to engage in the licensed activity if:

(i) the applicant's history and experience demonstrate the capacity to operate the proposed license in a lawful manner;

(ii) the approval of the application for the premises at the proposed location is consistent with the public's demand or probable demand for the licensed activity that presently exists or is reasonably expected to exist within the next 5 years in the quota area where the proposed premises is located and in quota areas adjacent to the quota area where the proposed premises is located;

(iii) the approval of the application for the premises at the proposed location contributes to the public's ability to participate in the licensed activity throughout the quota area where the proposed premises is located and quota areas adjacent to the quota area where the proposed premises is located;

(iv) the approval of the application for the premises at the proposed location is consistent with adopted or pending planning, annexation, and zoning ordinances of local governments that confer or will confer jurisdiction over business and developments such as the proposed license in the quota area where the proposed premises is located and in quota areas adjacent to the quota area where the proposed premises is located.

(3) When determining whether or not an application is justified by public convenience and necessity, the department may:

(a) receive evidence at the public hearing specified in 16-4-207 only from the applicant, any protestors

1 whose protests the department has accepted pursuant to 16-4-207, and any other person summoned or called
2 by either a protestor or applicant;

3 (b) find that the application is justified by public convenience and necessity if the applicant has provided
4 substantial credible evidence as provided for in this subsection (3) that shows that the department's approval of
5 the application will materially promote the public's ability to engage in the licensed activity. The substantial
6 credible evidence required must include a consideration of each of the components of materially promoting the
7 public's ability to engage in the licensed activity as provided in subsection (2)(b).

8 (4) For the purposes of this section, the following definitions apply:

9 (a) "Confer or will confer jurisdiction" means the power or authority that a local government or an
10 appointed subsidiary of a local government has or may obtain within 1 year from the date of the hearing to
11 consider and adopt planning, annexation, or zoning ordinances.

12 (b) "Licensed activity" means the purchase of alcoholic beverages for on-premises consumption in a
13 business licensed to sell alcoholic beverages at retail for on-premises consumption.

14 (c) "Pending planning, annexation, and zoning ordinances" means the ordinances of a local government
15 or an appointed subsidiary of a local government that were publicly considered within the year preceding the date
16 of the hearing or are presently being considered."

17

18 **Section 5.** Section 16-4-210, MCA, is amended to read:

19 **"16-4-210. Resort license -- tour boat endorsement.** (1) A holder of a resort all-beverages license
20 issued under ~~16-4-202~~ [section 3] may be issued a tour boat endorsement to allow the sale of alcoholic
21 beverages to passengers on boats at least 40 feet in length and equipped to carry at least 50 passengers.

22 (2) The endorsement must be issued upon written application to the department and submission of an
23 annual fee of \$200. The applicant must also submit proof:

24 (a) of compliance with the following requirements:

25 (i) county health department inspection and approval of food services offered on the boat;

26 (ii) inspection and approval by the department of fish, wildlife, and parks of boat safety equipment
27 requirements;

28 (iii) current boat registration; and

29 (iv) business liability insurance coverage; and

30 (b) that the registered owner of the tour boat is:

- 1 (i) a resort all-beverages licensee;
- 2 (ii) an individual named on a resort all-beverages license; or
- 3 (iii) a stockholder owning 10% or more of any class of stock in a corporate resort all-beverages license.
- 4 (3) Alcoholic beverages may be sold pursuant to the endorsement authorized in subsection (1) only while
- 5 the boat is underway within 30 miles of the resort boundary or is in preparation for scheduled departure. Except
- 6 as provided in this subsection, no alcoholic beverages may be sold or served when the boat is secured at its or
- 7 any other mooring.
- 8 (4) Sale of alcoholic beverages under the endorsement is subject to all other requirements imposed for
- 9 any all-beverages license issued under this part."

10

11 **Section 6.** Section 16-4-402, MCA, is amended to read:

12 **"16-4-402. (Temporary) Application -- investigation.** (1) Prior to the issuance of a license under this

13 chapter, the applicant shall file with the department an application containing information and statements relative

14 to the applicant and the premises where the alcoholic beverage is to be sold as required by the department.

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

16 necessary license fee ~~or letter of credit as provided in 16-4-501(7)(f)~~, the department of justice shall make a

17 thorough investigation of all matters relating to the application. Based on the results of the investigation or on

18 other information, the department shall determine whether:

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

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

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

22 with.

23 (b) This subsection (2) does not apply to a catering endorsement provided in 16-4-111 or 16-4-204(11),

24 a retail beer and wine license for off-premises consumption as provided in 16-4-115, or a special permit provided

25 in 16-4-301.

26 (c) For an original license application and an application for transfer of location of a license, the

27 department of justice's investigation and the department's determination under this subsection (2) must be

28 completed within 90 days of the receipt of a completed application. If information is requested from the applicant

29 by either department, the time period in this subsection (2)(c) is tolled until the requested information is received

30 by the requesting department. The time period is also tolled if the applicant requests and is granted a delay in

1 the license determination or if the license is for premises that are to be altered, as provided in 16-3-311, or newly
2 constructed. The basis for the tolling of the deadline must be documented.

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

6 (b) A statement on an application or at a hearing that is based upon a verifiable assertion made by a
7 governmental officer, employee, or agent that an applicant relied upon in good faith may not be used as the basis
8 of a false statement for a denial or revocation of a license.

9 (4) The department shall issue a conditional approval letter upon the last occurrence of either:

10 (a) completion of the investigation and determination provided for in subsection (2) if the department has
11 not received information that would cause the department to deny the application; or

12 (b) a final agency decision that either denies or dismisses a protest against the approval of an application
13 pursuant to 16-4-207.

14 (5) The conditional approval letter must state the reasons upon which the future denial of the application
15 may be based. The reasons for denial of the application after the issuance of the conditional approval letter are
16 as follows:

17 (a) there is false or erroneous information in the application;

18 (b) the premises are not approved by local building, health, or fire officials;

19 (c) there are physical changes to the premises that if known prior to the issuance of the conditional
20 approval letter would have constituted grounds for the denial of the application or denial of the issuance of the
21 conditional approval; or

22 (d) a final decision by a court exercising jurisdiction over the matter either reverses or remands the
23 department's final agency decision provided for in subsection (4). (Terminates December 31, 2023--sec. 17, Ch.
24 5, Sp. L. November 2017.)

25 **16-4-402. (Effective January 1, 2024) Application -- investigation.** (1) Prior to the issuance of a
26 license under this chapter, the applicant shall file with the department an application containing information and
27 statements relative to the applicant and the premises where the alcoholic beverage is to be sold as required by
28 the department.

29 (2) (a) Upon receipt of a completed application for a license under this code, accompanied by the
30 necessary license fee or letter of credit as provided in 16-4-501(7)(f), the department of justice shall make a

1 thorough investigation of all matters relating to the application. Based on the results of the investigation or on
2 other information, the department shall determine whether:

3 (i) the applicant is qualified to receive a license;
4 (ii) the applicant's premises are suitable for the carrying on of the business; and
5 (iii) the requirements of this code and the rules promulgated by the department are met and complied
6 with.

7 (b) This subsection (2) does not apply to a catering endorsement provided in 16-4-111 or 16-4-204(4),
8 a retail beer and wine license for off-premises consumption as provided in 16-4-115, or a special permit provided
9 in 16-4-301.

10 (c) For an original license application and an application for transfer of location of a license, the
11 department of justice's investigation and the department's determination under this subsection (2) must be
12 completed within 90 days of the receipt of a completed application. If information is requested from the applicant
13 by either department, the time period in this subsection (2)(c) is tolled until the requested information is received
14 by the requesting department. The time period is also tolled if the applicant requests and is granted a delay in
15 the license determination or if the license is for premises that are to be altered, as provided in 16-3-311, or newly
16 constructed. The basis for the tolling of the deadline must be documented.

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

20 (b) A statement on an application or at a hearing that is based upon a verifiable assertion made by a
21 governmental officer, employee, or agent that an applicant relied upon in good faith may not be used as the basis
22 of a false statement for a denial or revocation of a license.

23 (4) The department shall issue a conditional approval letter upon the last occurrence of either:

24 (a) completion of the investigation and determination provided for in subsection (2) if the department has
25 not received information that would cause the department to deny the application; or

26 (b) a final agency decision that either denies or dismisses a protest against the approval of an application
27 pursuant to 16-4-207.

28 (5) The conditional approval letter must state the reasons upon which the future denial of the application
29 may be based. The reasons for denial of the application after the issuance of the conditional approval letter are
30 as follows:

- 1 (a) there is false or erroneous information in the application;
- 2 (b) the premises are not approved by local building, health, or fire officials;
- 3 (c) there are physical changes to the premises that if known prior to the issuance of the conditional
- 4 approval letter would have constituted grounds for the denial of the application or denial of the issuance of the
- 5 conditional approval; or
- 6 (d) a final decision by a court exercising jurisdiction over the matter either reverses or remands the
- 7 department's final agency decision provided for in subsection (4)."

8

9 **Section 7.** Section 16-4-501, MCA, is amended to read:

10 **"16-4-501. License and permit fees.** (1) Each beer licensee licensed to sell either beer or table wine

11 only or both beer and table wine under the provisions of this code shall pay a license fee. Unless otherwise

12 specified in this section, the fee is an annual fee and is imposed as follows:

13 (a) (i) each brewer and each beer importer, wherever located, whose product is sold or offered for sale

14 within the state, \$500;

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

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

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

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

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

20 license;

21 (ii) for a license to sell table wine at retail for off-premises consumption only, either alone or in conjunction

22 with beer, \$200;

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

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

25 (a) \$10 a day for each day that beer and table wine are sold at events, activities, or sporting contests,

26 other than those applied for pursuant to 16-4-301(1)(c); and

27 (b) \$1,000 a season for professional sporting contests or junior hockey contests held under the

28 provisions of 16-4-301(1)(c).

29 (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

30 of all alcoholic beverages.

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

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

5 (6) The annual renewal fee for:

6 (a) a brewer producing 10,000 or fewer barrels of beer, as defined in 16-1-406, is \$200; ~~and~~ AND

7 (b) resort retail all-beverages licenses within a given resort area is \$2,000 for each license; ~~and~~

8 ~~—— (c) resort alcohol storage facility licenses within a given resort area is \$25,000 for each license.~~

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

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

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

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

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

26 (e) the distance of 5 miles from the corporate limits of any incorporated cities and incorporated towns
27 is measured in a straight line from the nearest entrance of the premises to be licensed to the nearest boundary
28 of the city or town; and where the premises of the applicant to be licensed are situated within 5 miles of the
29 corporate boundaries of two or more incorporated cities or incorporated towns of different populations, the license
30 fee chargeable by the larger incorporated city or incorporated town applies and must be paid by the applicant.

1 When the premises of the applicant to be licensed are situated within an incorporated town or incorporated city
 2 and any portion of the incorporated town or incorporated city is without a 5-mile limit, the license fee chargeable
 3 by the smaller incorporated town or incorporated city applies and must be paid by the applicant.

4 ~~(f) an applicant for the issuance of an original license to be located in areas described in subsections~~
 5 ~~(6) and (7)(d) shall provide an irrevocable letter of credit from a financial institution that guarantees that applicant's~~
 6 ~~ability to pay a \$20,000 license fee. A successful applicant shall pay a one-time original license fee of \$20,000~~
 7 ~~for a license issued. The one-time license fee of \$20,000 may not apply to any transfer or renewal of a license~~
 8 ~~issued prior to July 1, 1974. However, all licenses are subject to the specified annual renewal fees.~~

9 (f) an applicant for the issuance of a resort retail all-beverages license shall pay a \$100,000 license fee.
 10 The license is nontransferable.

11 ~~(g) an applicant for the issuance of a resort alcohol storage facility license shall pay a \$100,000 license~~
 12 ~~fee. The license is nontransferable.~~

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

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

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

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

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

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

25 (14) All license and permit fees collected under this section must be deposited as provided in 16-2-108."
 26

27 **Section 8.** Section 16-4-1005, MCA, is amended to read:

28 **"16-4-1005. Licensees required to ensure training.** A licensee shall:

29 (1) require each employee who is authorized to sell, ~~or serve,~~ or deliver alcoholic beverages in the
 30 normal course of employment and the employee's immediate supervisor to successfully complete training to

1 ensure compliance with state law regarding the sale and service of alcoholic beverages. The training must be
 2 completed within 60 days of the employee's date of hire and every 3 years after the employee's initial training.

3 (2) maintain employment records verifying employee completion of the training required in subsection
 4 (1)."

5

6 **Section 9.** Section 23-5-119, MCA, is amended to read:

7 **"23-5-119. Appropriate alcoholic beverage license for certain gambling activities.** (1) Except as
 8 provided in subsection (3), to be eligible to offer gambling under Title 23, chapter 5, part 3, 5, or 6, an applicant
 9 must own in the applicant's name:

10 (a) a retail all-beverages license issued under 16-4-201, but the owner of a license transferred after July
 11 1, 2007, pursuant to 16-4-204 is not eligible to offer gambling;

12 (b) except as provided in subsection (1)(c), a license issued prior to October 1, 1997, under 16-4-105,
 13 authorizing the sale of beer and wine for consumption on the licensed premises;

14 (c) a beer and wine license issued in an area outside of an incorporated city or town as provided in
 15 16-4-105(1)(f). The owner of the license whose premises are situated outside of an incorporated city or town may
 16 offer gambling, regardless of when the license was issued, if the owner and premises qualify under Title 23,
 17 chapter 5, part 3, 5, or 6.

18 (d) a retail beer and wine license issued under 16-4-109;

19 (e) a resort retail all-beverages license issued under ~~16-4-202~~ [section 3]; or

20 (f) a retail all-beverages license issued under 16-4-208.

21 (2) For purposes of subsection (1)(b), a license issued under 16-4-105 prior to October 1, 1997, may
 22 be transferred to a new owner or to a new location or transferred to a new owner and location by the department
 23 of revenue pursuant to the applicable provisions of Title 16. The owner of the license that has been transferred
 24 may offer gambling if the owner and the premises qualify under Title 23, chapter 5, part 3, 5, or 6.

25 (3) Lessees of retail all-beverages licenses issued under 16-4-208 or beer and wine licenses issued
 26 under 16-4-109 who have applied for and been granted a gambling operator's license under 23-5-177 are eligible
 27 to offer and may be granted permits for gambling authorized under Title 23, chapter 5, part 3, 5, or 6.

28 (4) A license transferee or a qualified purchaser operating pending final approval under 16-4-404(6) who
 29 has been granted a gambling operator's license under 23-5-177 may be granted permits for gambling under Title
 30 23, chapter 5, part 3, 5, or 6."

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NEW SECTION. Section 10. Repealer. The following section of the Montana Code Annotated is repealed:

16-4-202. Resort retail all-beverages licenses.

NEW SECTION. Section 11. Codification instruction. [Sections 1 through 3] are intended to be codified as an integral part of Title 16, and the provisions of Title 16 apply to [sections 1 through 3].

NEW SECTION. Section 12. Effective date. [This act] is effective on passage and approval.

NEW SECTION. Section 13. Applicability. Existing resort retail all-beverages licenses issued before [the effective date of this act] are not subject to the application requirements of [section 2] but are subject to [section 3]. On and after [the effective date of this act], resort retail all-beverages license applications will be reviewed and processed under the conditions set forth in [sections 2 and 3].

- END -