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HOUSE BILL NO. 783

INTRODUCED BY F. NAVE, S. KERNS, D. FERN, K. SEEKINS-CROWE, R. MARSHALL, E. BUTTREY, B. KEENAN, J. READ, M. HOPKINS, M. YAKAWICH, N. HASTINGS

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING ALCOHOL SPECIAL PERMIT LAWS; ALLOWING A MONTANA WINERY TO SELL ALCOHOL ~~PRODUCED THAT IS FERMENTED AND BOTTLED~~ BY THE WINERY FOR OFF-PREMISES CONSUMPTION; PROVIDING FOR UP TO ~~12~~ 6 SPECIAL PERMITS A YEAR; AND AMENDING SECTION 16-4-301, MCA."

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

**Section 1.** Section 16-4-301, MCA, is amended to read:

**"16-4-301. Special permits to sell all alcoholic beverages, beer, and table wine -- application and issuance.** (1) (a) The following organizations or institutions that conduct a special event may receive up to 12 special permits a year to sell beer and table wine to the patrons of the special event:

- (i) An an organization or institution that has a tax-exempt designation under the provisions of section 501(c)(3) of the Internal Revenue Code, 26 U.S.C. 501(c)(3), as amended;
- (ii) an organization or institution that is organized and operated to raise funds for a needy person in need; or
- (iii) an organization or institution that is an accredited Montana postsecondary school and that conducts a special event may receive a special permit to sell beer and table wine to the patrons of that special event. An organization may receive up to three special permits a year.

(b) A civic league or organization that has a tax-exempt designation under section 501(c)(4) of the Internal Revenue Code, 26 U.S.C. 501(c)(4), as amended, or an organization authorized by an accredited Montana postsecondary school to engage in fundraising activities for intercollegiate athletics that has a tax-exempt designation under the provisions of section 501(c)(3) of the Internal Revenue Code, 26 U.S.C. 501(c)(3), as amended, may receive up to 12 special permits a year to sell beer and table wine. For purposes of fundraising activities for intercollegiate athletics, only one organization for each Montana postsecondary

1 school may be authorized to apply for and receive special permits under this section. All net earnings from the  
2 sale of beer and table wine must be contributed to the state of Montana or a political subdivision of the state or  
3 must be devoted to purposes required of entities under section 501(c)(3) of the Internal Revenue Code, 26  
4 U.S.C. 501(c)(3), as amended.

5 (c) An association or corporation engaged in professional sporting contests or junior hockey  
6 contests may receive one special permit to sell beer and table wine covering the entire season of play if:

7 (i) the association or corporation is sanctioned by a sports organization that regulates the specific  
8 sport;

9 (ii) the season of play of the sport is specified in advance;

10 (iii) an admission fee to the contests is charged; and

11 (iv) the contest events are held in facilities that provide seating for at least 1,000 patrons.

12 (d) A chamber of commerce or business league that has a tax-exempt designation under section  
13 501(c)(6) of the Internal Revenue Code, 26 U.S.C. 501(c)(6), as amended, may receive up to 12 special  
14 permits a year to sell beer and table wine. A chamber of commerce may not use one of its special permits for  
15 an event conducted by a business league, and a business league may not use one of its permits for an event  
16 conducted by a chamber of commerce. The chamber of commerce or business league receiving a special  
17 permit shall obtain liquor liability insurance for any event it conducts.

18 (e) A winery ~~located in this state and~~ licensed pursuant to 16-4-107 may receive up to ~~12~~ 6 special  
19 permits during a calendar year to provide wine that was ~~produced-fermented and bottled~~ at the winery's  
20 licensed premises. The special permit allows the winery to sell its products for ~~off-premises~~ consumption if sold  
21 in its original packaging.

22 (e)(f) The beer and wine sold under this subsection (1) must be consumed at the time when and  
23 within the enclosure where the special event, activity, or sporting contest is held.

24 (f)(g) An application for a special permit must be presented 3 days in advance, but the department  
25 may, for good cause, waive the 3-day requirement. The application must describe the location of the enclosure  
26 where the special event, activity, or sporting contest is to be held, the nature of the special event, activity, or  
27 sporting contest, and the period during which it is contemplated that the special event, activity, or sporting  
28 contest will be held. An application for a permit for professional sporting contests or junior hockey contests

1 under subsection (1)(c) must provide the inclusive dates of the season of play for the sporting contest. The  
2 application must be accompanied by the amount of the permit fee and a written statement of approval of the  
3 premises where the special event, activity, or sporting contest is to be held issued by the local law enforcement  
4 agency that has jurisdiction over the premises.

5 ~~(g)~~(h) A special permit issued under this subsection (1) for the purpose of selling and serving beer at  
6 a special event, activity, or sporting contest conducted on the premises of a county fairground or public sports  
7 arena authorizes the permitholder to sell and serve beer in the grandstand and bleacher area of the premises,  
8 as well as from a booth, stand, or other fixed place on the premises.

9 ~~(h)~~(i) For the purposes of this subsection (1), a post of a nationally chartered veterans' organization  
10 or a lodge of a recognized national fraternal organization otherwise licensed under this code is an organization  
11 that may receive special permits for three special events a year, as described in subsection (1)(a), to sell beer  
12 and table wine. All net proceeds must go to the post or lodge acquiring the special permit.

13 (2) (a) A post of a nationally chartered veterans' organization or a lodge of a recognized national  
14 fraternal organization not otherwise licensed under this code may receive, without notice or hearing as provided  
15 in 16-4-207, a special permit to sell beer and table wine or a special permit to sell all alcoholic beverages at the  
16 post or lodge to members and their guests only, to be consumed within the hall or building of the post or lodge.

17 (b) The application of a nationally chartered veterans' organization or lodge of a recognized  
18 national fraternal organization must describe the location of the hall or building where the special permit will be  
19 used and the date it will be used.

20 (c) The special permit may be issued for a 24-hour period only, ending at 2 a.m., and the  
21 department may not issue more than 12 special permits to any post or lodge during a calendar year."

22 - END -