

1 HOUSE BILL NO. 783
2 INTRODUCED BY F. NAVE, S. KERNS, D. FERN, K. SEEKINS-CROWE, R. MARSHALL, E. BUTTREY, B.
3 KEENAN, J. READ, M. HOPKINS, M. YAKAWICH, N. HASTINGS
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING ALCOHOL SPECIAL PERMIT LAWS; ALLOWING A
6 MONTANA WINERY TO SELL ALCOHOL ~~PRODUCED THAT IS FERMENTED AND BOTTLED~~ BY THE
7 WINERY FOR OFF-PREMISES CONSUMPTION; PROVIDING FOR UP TO ~~12~~ 6 12 SPECIAL PERMITS A
8 YEAR; AND AMENDING SECTION 16-4-301, MCA."
9

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

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

13 **"16-4-301. Special permits to sell all alcoholic beverages, beer, and table wine -- application**
14 **and issuance.** (1) (a) The following organizations or institutions that conduct a special event may receive up to
15 12 special permits a year to sell beer and table wine to the patrons of the special event:

16 (i) An ~~an~~ organization or institution that has a tax-exempt designation under the provisions of
17 section 501(c)(3) of the Internal Revenue Code, 26 U.S.C. 501(c)(3), as amended;

18 (ii) an organization or institution that is organized and operated to raise funds for a ~~needy~~ person
19 in need; or

20 (iii) an organization or institution that is an accredited Montana postsecondary school and that
21 conducts a special event may receive a special permit to sell beer and table wine to the patrons of that special
22 event. An organization may receive up to three special permits a year.

23 (b) A civic league or organization that has a tax-exempt designation under section 501(c)(4) of the
24 Internal Revenue Code, 26 U.S.C. 501(c)(4), as amended, or an organization authorized by an accredited
25 Montana postsecondary school to engage in fundraising activities for intercollegiate athletics that has a tax-
26 exempt designation under the provisions of section 501(c)(3) of the Internal Revenue Code, 26 U.S.C.
27 501(c)(3), as amended, may receive up to 12 special permits a year to sell beer and table wine. For purposes

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

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

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

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

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

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

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

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

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

25 ~~(f)~~(g) An application for a special permit must be presented 3 days in advance, but the department
26 may, for good cause, waive the 3-day requirement. The application must describe the location of the enclosure
27 where the special event, activity, or sporting contest is to be held, the nature of the special event, activity, or

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

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

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

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

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

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

24
25 COORDINATION SECTION. **Section 2. Coordination instruction.** If both Senate Bill No. 59 and
26 [this act] are passed and approved and if both contain a section that amends 16-4-301, then the sections
27 amending 16-4-301 are void and 16-4-301 must be amended as follows:

1 **"16-4-301. Special permits to sell all alcoholic beverages, beer, and table wine -- application**

2 **and issuance.** (1) (a) The following organizations or institutions that conduct a special event may receive up to
3 12 special permits during a calendar year to sell beer and table wine to the patrons of the special event:

4 (i) An-an organization or institution that has a tax-exempt designation under the provisions of
5 section 501(c)(3) of the Internal Revenue Code, 26 U.S.C. 501(c)(3), as amended~~;~~_;

6 (ii) an organization or institution that is organized and operated to raise funds for a ~~needy~~
7 in need; or

8 (iii) an organization or institution that is an accredited Montana postsecondary school ~~and that~~
9 ~~conducts a special event may receive a special permit to sell beer and table wine to the patrons of that special~~
10 ~~event. An organization may receive up to three special permits a year.~~

11 (b) A civic league or organization that has a tax-exempt designation under section 501(c)(4) of the
12 Internal Revenue Code, 26 U.S.C. 501(c)(4), as amended, or an organization authorized by an accredited
13 Montana postsecondary school to engage in fundraising activities for intercollegiate athletics that has a tax-
14 exempt designation under the provisions of section 501(c)(3) of the Internal Revenue Code, 26 U.S.C.
15 501(c)(3), as amended, may receive up to 12 special permits a year to sell beer and table wine. For purposes
16 of fundraising activities for intercollegiate athletics, only one organization for each Montana postsecondary
17 school may be authorized to apply for and receive special permits under this section. All net earnings from the
18 sale of beer and table wine must be contributed to the state of Montana or a political subdivision of the state or
19 must be devoted to purposes required of entities under section 501(c)(3) of the Internal Revenue Code, 26
20 U.S.C. 501(c)(3), as amended.

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

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

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

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

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

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1 (d) A chamber of commerce or business league that has a tax-exempt designation under section
2 501(c)(6) of the Internal Revenue Code, 26 U.S.C. 501(c)(6), as amended, may receive up to 12 special
3 permits a year to sell beer and table wine. A chamber of commerce may not use one of its special permits for
4 an event conducted by a business league, and a business league may not use one of its permits for an event
5 conducted by a chamber of commerce. The chamber of commerce or business league receiving a special
6 permit shall obtain liquor liability insurance for any event it conducts.

7 (e) A winery licensed pursuant to 16-4-107 may receive up to 12 special permits during a calendar
8 year to provide wine that was fermented and bottled at the winery's licensed premises. The special permit
9 allows the winery to sell its products for off-premises consumption if the products are sold in their original
10 packaging.

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

13 ~~(f)~~(g) An application for a special permit must be presented 3-5 business days in advance, but the
14 department may, for good cause, waive the 3-day 5-day requirement. The application must describe the
15 location of the enclosure where the special event, activity, or sporting contest is to be held, the nature of the
16 special event, activity, or sporting contest, and the period during which it is contemplated that the special event,
17 activity, or sporting contest will be held. An application for a permit for professional sporting contests or junior
18 hockey contests under subsection (1)(c) must provide the inclusive dates of the season of play for the sporting
19 contest. The application must be accompanied by the amount of the permit fee and a written statement of
20 approval of the premises where the special event, activity, or sporting contest is to be held issued by the local
21 law enforcement agency that has jurisdiction over the premises.

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

26 ~~(h)~~(i) For the purposes of this subsection (1), a post of a nationally chartered veterans' organization
27 or a lodge of a recognized national fraternal organization otherwise licensed under this code is an organization

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1 that may receive special permits for three special events a year, ~~as described in subsection (1)(a)~~, to sell beer
2 and table wine. All net proceeds must go to the post or lodge acquiring the special permit.

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

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

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

12 - END -