



GOVERNOR GREG GIANFORTE
DIRECTOR BRENDAN BEATTY

MEMORANDUM

TO: Economic Affairs Interim Committee

FROM: Brendan Beatty, Director

DATE: September 1, 2022

SUBJECT: 2023 Legislative Proposals for the Alcoholic Beverage Control Division
(non-Red Tape Initiative related)

This document contains a brief list of non-Red Tape Initiative-related legislative proposals for the Department of Revenue's (Department) Alcoholic Beverage Control Division that has been approved through the Executive Planning Process/Office of Budget and Program Planning (OBPP) for introduction to the 2023 Legislature. The Department requests the committee review and move its approval of these proposals for pre-introduction.

Please feel free to let me know if I can clarify anything or provide any additional information.

Division	DOR File No.	Short Title	Fiscal Impact	Statutes Impacted
ABCD	03-015	Revise statutory guidelines regarding death of a licensee	None	16-4-404

This bill would establish a timeline for the Department to be notified of the death or incapacity (such as a guardianship or bankruptcy) of an owner of a license , allow certain individuals to operate an alcoholic beverage business after the death or incapacity of an owner, and establish a timeline for the transfer of the license after the matter is resolved.

Issue:

Currently, 16-4-404, MCA, does not state a timeframe for which that transfer needs to occur nor any time limits for when the ultimate transfer to the beneficiary needs to occur. The lack of clarity creates confusion for the estate of a deceased licensee.

Proposal:

Establish a timeline for the Department to be notified of the death or incapacity of an owner of a license , allow certain individuals to operate an alcoholic beverage business after the death or incapacity of an owner, and set a timeline for the transfer of the license after the matter is resolved.

Division	DOR File No.	Short Title	Fiscal Impact	Statutes Impacted
ABCD	03-064	Remove RBW License Restrictions	None	16-4-420

Generally, this bill would amend 16-4-420, MCA, (pertaining to restaurant beer and wine (RBW) licenses) to remove certain outdated restrictions.

Issue:

When the RBW license was created through legislation in 1987, transfer restrictions were put in place for restaurants that already had an on-premises license in operation to protect the balance of the license quota system. Over the course of the last 30 years, these restrictions have become unnecessary because of general RBW license availability and stability of the quota system.

Proposal:

To remove outdated concepts and unnecessary license restrictions in 16-4-420, MCA. In no particular order, the items proposed to be removed are: (1) removing restrictions on where the license can be located and by whom; (2) removing content that is already addressed in other statutes; (3) revising the name of the license that is used incorrectly in one section; and (4) clarifying the number of RBW licenses that are allowed to have a seating capacity of 101 persons or more.

Division	DOR File No.	Short Title	Fiscal Impact	Statutes Impacted
ABCD	03-065	Revise Criteria for Seasonal License Status	None	16-3-310

This bill would amend 16-3-310, MCA, to expand the types of businesses that can go on seasonal status.

Issue:

Section 16-3-310, MCA, was last amended in 1987. It allows retail licensees that do not operate year-round to go on seasonal status if they are not operating for a period of more than 90 days. However, seasonal status is limited to the specified businesses in the statute such as dude ranches, resorts, park hotels, or tourist facilities. Although “like businesses” is included, it is unclear as to what constitutes a “like business” when considering the various licensees with seasonal businesses that exist today.

Proposal:

Remove the statutory list of business types for seasonal license applicability, which expands the types of businesses that can apply for seasonal status. This provides flexibility for both licensees and the Department.