

1 HOUSE BILL NO. 849
2 INTRODUCED BY C. SPRUNGER, D. FERN, M. BINKLEY, R. MARSHALL, E. BUTTREY, T. BROCKMAN, S.
3 FITZPATRICK, J. KASSMIER
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING COUNTY ALL-BEVERAGES ALCOHOL LICENSES;
6 PROVIDING FOR TEMPORARY RECLASSIFICATION OF COUNTY ALL-BEVERAGES LICENSES;
7 PROVIDING FOR COMPETITIVE BIDDING FOR THE LICENSES AND SETTING REQUIREMENTS;
8 PROVIDING FOR TRANSFER OF LICENSES; PROVIDING FOR QUOTA AREA DETERMINATION
9 CONSIDERATIONS; AND AMENDING SECTIONS 16-4-204 AND 16-4-430, MCA."
10

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
12

13 NEW SECTION. **Section 1. Temporary reclassification of county all-beverages licenses.** (1) A
14 new county all-beverages license may be reclassified and located within the quota area of an incorporated city
15 or incorporated town of that county as defined in 16-4-201 under the following conditions:

16 (a) the population of all incorporated cities or incorporated towns within the county have grown by
17 more than 5% between 2016 and 2021;

18 (b) the license may only be placed in an incorporated city or incorporated town that had an
19 overlapping quota area boundary with another incorporated city or incorporated town; and

20 (c) no more than six county all-beverages licenses may be reclassified and relocated in the
21 incorporated cities or incorporated towns and will be done on a basis determined by the department that is
22 proportionate with the population of the incorporated cities or incorporated towns in the county.

23 (2) The department shall use a competitive bidding process as provided in 16-4-430 to determine
24 the party afforded the opportunity to apply for a license pursuant to subsection (1). The department shall set the
25 minimum bid at 25% of the market value of all-beverages licenses in the incorporated city or incorporated town
26 in which the license will be located.

27 (3) An individual may not own an ownership interest in more than one of these licenses.

28 (4) A license that is reclassified pursuant to subsection (1) and retail alcoholic beverage sales

1 under it are subject to all statutes and rules governing all-beverages licenses except that the reclassified
2 license is not eligible to:

- 3 (a) enter into concession agreements under 16-4-418;
- 4 (b) obtain a catering endorsement under 16-4-204; ~~and~~
- 5 (c) offer gambling under Title 23, chapter 5, parts 3, 5, or 6; and
- 6 (d) offer liquor for off-premises consumption, including curbside, prepared servings, or in original
7 packaging.

8 (5) A license reclassified pursuant to subsection (1) is nontransferrable and the license must be
9 reclassified back to a county all-beverages license when the individual no longer operates the license.

10 (6) The license lapses if the licensee exceeds more than 1 year of nonuse. A lapsed license must
11 be reclassified back to a county all-beverages license and would then be eligible to offer gambling under Title
12 23, chapter 5, parts 3, 5, or 6.

13

14 **Section 2.** Section 16-4-204, MCA, is amended to read:

15 **"16-4-204. Transfer -- catering endorsement -- competitive bidding -- rulemaking.** (1) (a) Except
16 as provided in [section 1] or subsection (3) of this section, a license may be transferred to a new owner and to a
17 location outside the quota area where the license is currently located only when the following criteria are met:

18 (i) the total number of all-beverages licenses in the current quota area exceeded the quota for that
19 area by at least 25% in the most recent census prescribed in 16-4-502, excluding licenses provided for in
20 [section 1];

21 (ii) the total number of all-beverages licenses in the quota area to which the license would be
22 transferred, exclusive of those issued under 16-4-209(1)(a) and (1)(b), did not exceed that area's quota in the
23 most recent census prescribed in 16-4-502:

- 24 (A) by more than 33%; or
- 25 (B) in an incorporated city of more than 10,000 inhabitants and within 5 miles of its corporate limits,
26 by more than 43%; or
- 27 (iii) the department finds, after a public hearing, that the public convenience and necessity would
28 be served by a transfer.