

Amendment - 1st Reading/2nd House-blue - Requested by: Jason Small - (S) Business, Labor, and Economic Affairs

- 2023

68th Legislature 2023

Drafter: Erin Sullivan, 406-444-3594

HB0155.002.001

HOUSE BILL NO. 155

INTRODUCED BY K. ZOLNIKOV

BY REQUEST OF THE DEPARTMENT OF REVENUE

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING ALCOHOLIC BEVERAGE LAWS; REVISING DEFINITIONS; REVISING LICENSURE LAWS; REVISING LAWS RELATING TO CERTAIN OWNERSHIP INTEREST LICENSE TRANSFERS; AND AMENDING SECTIONS 16-4-101, 16-4-103, 16-4-104, 16-4-115, 16-4-208, 16-4-305, 16-4-306, AND 16-4-415, MCA."

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

Section 1. Section 16-4-101, MCA, is amended to read:

"16-4-101. Applications for sale, import, or manufacture of beer -- qualifications of applicant.

(1) Any person desiring to manufacture, distribute, import, or sell beer under the provisions of this code shall first apply to the department for a license to do so and pay with ~~such the~~ application the license fee prescribed. The department shall require of ~~such the~~ applicant satisfactory evidence that the applicant is ~~of good moral character and a law-abiding person~~ suitable for carrying on the operations of a license.

(2) ~~Upon~~ On being satisfied, from ~~such the~~ application or otherwise, that ~~such the~~ applicant is qualified, the department shall issue ~~such a~~ license to ~~such the~~ person, ~~which and the license shall be must~~ at all times be prominently displayed in the place of business of ~~such applicant~~ at the licensed premises.

(3) If the department ~~shall find~~ finds that ~~such the~~ applicant is not qualified, ~~no a~~ license shall may not be granted and ~~such the~~ license fee shall must be returned."

Section 2. Section 16-4-103, MCA, is amended to read:

"16-4-103. Wholesalers' licenses -- application and issuance -- subwarehouses -- imported beer handled through warehouse or subwarehouse -- wine storage. (1) Any person desiring to sell and distribute beer as a wholesaler shall apply to the department for a license and tender with the application the required

Amendment - 1st Reading/2nd House-blue - Requested by: Jason Small - (S) Business, Labor, and Economic Affairs

- 2023

68th Legislature 2023

Drafter: Erin Sullivan, 406-444-3594

HB0155.002.001

- (e) ~~is not, with respect to the facilities, subject to the provisions of 16-4-204 (5);~~
- (f) ~~—must be taken into account in determining the license quota restrictions of 16-4-105; and~~
- (g)(f) is subject to all license fees, laws, and rules applicable to retail beer or beer and wine licenses.
- (3) The department may adopt rules to implement the provisions of this section."

Section 8. Section 16-4-415, MCA, is amended to read:

"16-4-415. Changes in business entity ownership -- department approval required. (1) In the case of corporate licensees, a person or entity that does not own stock or owns less than 15% of the stock in the corporation may not receive stock that results in the person or entity's share of stock in the corporation being 15% or greater, unless the department reviews and determines that the person or entity qualifies for ownership of a license as provided in 16-4-401.

(2) In the case of all other business entities, when a proposed transfer of ownership would result in a party who prior to the transfer owned no interest in the license owning 15% or more interest in the license, the proposed transfer must be submitted to the department for review. The proposed new party must qualify for ownership of a ~~liquor~~ an alcoholic beverage license as provided in 16-4-401.

(3) AN OWNERSHIP INTEREST IN AN ALCOHOLIC BEVERAGE LICENSE MAY BE TRANSFERRED TO AN EXISTING OWNER WITH 15% OR MORE OWNERSHIP IN THE LICENSE WITHOUT DEPARTMENT APPROVAL, SUBJECT TO REPORTING REQUIREMENTS AT THE TIME OF RENEWAL.

~~(3)~~(4) In the case of a proposed change in business entity, the proposed new business entity shall apply for a transfer of ownership of the license with the department prior to changing the business entity. The proposed new business entity must qualify for ownership of a ~~liquor~~ an alcoholic beverage license as provided in 16-4-401. If the existing owners and ownership percentages do not change under the proposed change in business entity, the new entity shall notify the department of the new business entity type, but prior department approval is not required."

COORDINATION SECTION. **Section 9. Coordination instruction.** If House Bill No. 127 is passed and approved and if it repeals 16-4-103, then [section 2 of this act], amending 16-4-103, is void.