

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 license fee. The department shall issue wholesale licenses to qualified applicants in accordance with the

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

2           **"16-4-415. Changes in business entity ownership -- department approval required.** (1) In the  
3 case of corporate licensees, a person or entity that does not own stock or owns less than 15% of the stock in  
4 the corporation may not receive stock that results in the person or entity's share of stock in the corporation  
5 being 15% or greater, unless the department reviews and determines that the person or entity qualifies for  
6 ownership of a license as provided in 16-4-401.

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

11           (3) An ownership interest in an alcoholic beverage license may be transferred to an existing owner  
12 with 15% or more ownership in the license without department approval, subject to reporting requirements at  
13 the time of renewal.

14           ~~(3)(4)~~ In the case of a proposed change in business entity, the proposed new business entity shall  
15 apply for a transfer of ownership of the license with the department prior to changing the business entity. The  
16 proposed new business entity must qualify for ownership of a ~~liquor~~ an alcoholic beverage license as provided  
17 in 16-4-401. If the existing owners and ownership percentages do not change under the proposed change in  
18 business entity, the new entity shall notify the department of the new business entity type, but prior department  
19 approval is not required."

20           - END -