

HOUSE BILL NO. 261

INTRODUCED BY R. FITZGERALD

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A BILL FOR AN ACT ENTITLED: "AN ACT REVISING SPECIAL PERMIT ALCOHOL LAWS TO ALLOW CERTAIN ORGANIZATIONS TO SERVE BEER AND WINE AT AMATEUR SPORTING CONTESTS; REVISING SEATING REQUIREMENTS FOR FACILITIES THAT HOST SPORTING CONTESTS; REVISING SPECIAL PERMIT FEES FOR CERTAIN SPORTING CONTESTS; AMENDING SECTIONS 16-4-301 AND 16-4-501, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

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

"16-4-301. Special permits to sell all alcoholic beverages, beer, and table wine -- application and issuance. (1) (a) An organization or institution that has a tax-exempt designation under the provisions of section 501(c)(3) of the Internal Revenue Code, 26 U.S.C. 501(c)(3), as amended, that is organized and operated to raise funds for a needy person or that is an accredited Montana postsecondary school and that conducts a special event may receive a special permit to sell beer and table wine to the patrons of that special event. An organization may receive up to three special permits a year.

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

(c) An association or corporation engaged in professional sporting contests or junior hockey contests or a nationally chartered veterans' organization or a lodge of a recognized national fraternal organization engaged

1 in amateur sporting contests may receive one special permit to sell beer and table wine covering the entire
2 season of play if:

3 (i) the association, ~~or~~ corporation, or nationally chartered veterans' organization or a lodge of a
4 recognized national fraternal organization is sanctioned by a sports organization that regulates the specific sport;

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

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

7 (iv) the contest events are held in facilities that provide seating for at least ~~1,000~~ 50 patrons; ~~and~~

8 (v) the sale of beer and table wine begins no more than 1 hour before and ends no more than 1 hour
9 after a contest.

10 (d) A chamber of commerce or business league that has a tax-exempt designation under section
11 501(c)(6) of the Internal Revenue Code, 26 U.S.C. 501(c)(6), as amended, may receive up to 12 special permits
12 a year to sell beer and table wine. A chamber of commerce may not use one of its special permits for an event
13 conducted by a business league, and a business league may not use one of its permits for an event conducted
14 by a chamber of commerce. The chamber of commerce or business league receiving a special permit shall obtain
15 liquor liability insurance for any event it conducts.

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

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

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

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

5 (2) (a) A post of a nationally chartered veterans' organization or a lodge of a recognized national fraternal
6 organization not otherwise licensed under this code may receive, without notice or hearing as provided in
7 16-4-207, a special permit to sell beer and table wine or a special permit to sell all alcoholic beverages at the post
8 or lodge to members and their guests only, to be consumed within the hall or building of the post or lodge.

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

12 (c) The special permit may be issued for a 24-hour period only, ending at 2 a.m., and the department
13 may not issue more than 12 special permits to any post or lodge during a calendar year."
14

15 **Section 2.** Section 16-4-501, MCA, is amended to read:

16 **"16-4-501. License and permit fees.** (1) Each beer licensee licensed to sell either beer or table wine
17 only or both beer and table wine under the provisions of this code shall pay a license fee. Unless otherwise
18 specified in this section, the fee is an annual fee and is imposed as follows:

19 (a) (i) each brewer and each beer importer, wherever located, whose product is sold or offered for sale
20 within the state, \$500;

21 (ii) for each storage depot, \$400;

22 (b) (i) each beer wholesaler, \$400; each winery, \$200; each table wine distributor, \$400;

23 (ii) for each subwarehouse, \$400;

24 (c) each beer retailer, \$200;

25 (d) (i) for a license to sell beer at retail for off-premises consumption only, the same as a retail beer
26 license;

27 (ii) for a license to sell table wine at retail for off-premises consumption only, either alone or in conjunction
28 with beer, \$200;

29 (e) any unit of a nationally chartered veterans' organization, \$50.

30 (2) The permit fee under 16-4-301(1) is computed at the following rate:

1 (a) \$10 a day for each day that beer and table wine are sold at events, activities, or sporting contests,
2 other than those applied for pursuant to 16-4-301(1)(c); and

3 (b) ~~\$1,000~~ \$250 a season for ~~professional sporting contests or junior hockey~~ sporting contests held
4 under the provisions of 16-4-301(1)(c).

5 (3) The permit fee under 16-4-301(2) is \$10 for the sale of beer and table wine only or \$20 for the sale
6 of all alcoholic beverages.

7 (4) Passenger carrier licenses must be issued upon payment by the applicant of an annual license fee
8 in the sum of \$300.

9 (5) The annual license fee for a license to sell wine on the premises, when issued as an amendment to
10 a beer-only license pursuant to 16-4-105, is \$200.

11 (6) The annual renewal fee for:

12 (a) a brewer producing 10,000 or fewer barrels of beer, as defined in 16-1-406, is \$200; and

13 (b) resort retail all-beverages licenses within a given resort area is \$2,000 for each license.

14 (7) Except as provided in this section, each licensee licensed under the quotas of 16-4-201 shall pay
15 an annual license fee as follows:

16 (a) for each license outside of incorporated cities and incorporated towns or in incorporated cities and
17 incorporated towns with a population of less than 2,000, \$250 for a unit of a nationally chartered veterans'
18 organization and \$400 for all other licensees;

19 (b) for each license in incorporated cities with a population of more than 2,000 and less than 5,000 or
20 within a distance of 5 miles, measured in a straight line from the nearest entrance of the premises to be licensed
21 to the nearest boundary of the city, \$350 for a unit of a nationally chartered veterans' organization and \$500 for
22 all other licensees;

23 (c) for each license in incorporated cities with a population of more than 5,000 and less than 10,000 or
24 within a distance of 5 miles, measured in a straight line from the nearest entrance of the premises to be licensed
25 to the nearest boundary of the city, \$500 for a unit of a nationally chartered veterans' organization and \$650 for
26 all other licensees;

27 (d) for each license in incorporated cities with a population of 10,000 or more or within a distance of 5
28 miles, measured in a straight line from the nearest entrance of the premises to be licensed to the nearest
29 boundary of the city, \$650 for a unit of a nationally chartered veterans' organization and \$800 for all other
30 licensees;

1 (e) the distance of 5 miles from the corporate limits of any incorporated cities and incorporated towns
2 is measured in a straight line from the nearest entrance of the premises to be licensed to the nearest boundary
3 of the city or town; and where the premises of the applicant to be licensed are situated within 5 miles of the
4 corporate boundaries of two or more incorporated cities or incorporated towns of different populations, the license
5 fee chargeable by the larger incorporated city or incorporated town applies and must be paid by the applicant.
6 When the premises of the applicant to be licensed are situated within an incorporated town or incorporated city
7 and any portion of the incorporated town or incorporated city is without a 5-mile limit, the license fee chargeable
8 by the smaller incorporated town or incorporated city applies and must be paid by the applicant.

9 (f) an applicant for the issuance of an original license to be located in areas described in subsections
10 (6) and (7)(d) shall provide an irrevocable letter of credit from a financial institution that guarantees that applicant's
11 ability to pay a \$20,000 license fee. A successful applicant shall pay a one-time original license fee of \$20,000
12 for a license issued. The one-time license fee of \$20,000 may not apply to any transfer or renewal of a license
13 issued prior to July 1, 1974. However, all licenses are subject to the specified annual renewal fees.

14 (8) The fee for one all-beverages license to a public airport is \$800. This license is nontransferable.

15 (9) The annual fee for a retail beer and wine license to the Yellowstone airport is \$400.

16 (10) The annual fee for a special beer and table wine license for a nonprofit arts organization under
17 16-4-303 is \$250.

18 (11) The annual fee for a distillery is \$600.

19 (12) The license fees provided in this section are exclusive of and in addition to other license fees
20 chargeable in Montana for the sale of alcoholic beverages.

21 (13) In addition to other license fees, the department of revenue may require a licensee to pay a late fee
22 of 33 1/3% of any license fee delinquent on July 1 of the renewal year or 1 year after the licensee's anniversary
23 date, 66 2/3% of any license fee delinquent on August 1 of the renewal year or 1 year and 1 month after the
24 licensee's anniversary date, and 100% of any license fee delinquent on September 1 of the renewal year or 1
25 year and 2 months after the licensee's anniversary date.

26 (14) All license and permit fees collected under this section must be deposited as provided in 16-2-108."
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28 **NEW SECTION. Section 3. Effective date.** [This act] is effective on passage and approval.

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