

SENATE BILL NO. 320

INTRODUCED BY E. BOLDMAN, M. BLASDEL, E. BUTTREY

A BILL FOR AN ACT ENTITLED: "~~AN ACT CREATING THE~~ PROVIDING FOR AN ALCOHOL DELIVERY SERVICE LICENSE ENDORSEMENT; PROVIDING DELIVERY REQUIREMENTS FOR BEER AND WINE; ~~PROVIDING LICENSING CRITERIA; PROVIDING DELIVERY SERVICE DRIVER REQUIREMENTS;~~ ~~PROVIDING ENFORCEMENT PROVISIONS; PROVIDING RULEMAKING AUTHORITY;~~ APPLYING THE DELIVERY REQUIREMENTS TO ON-PREMISES BEER AND WINE, ALL-BEVERAGES, AND RESTAURANT BEER AND WINE LICENSEES; REQUIRING THE DELIVERY TO BE PART OF THE DELIVERY OF FOOD THAT IS PREPARED BY THE LICENSEE; REQUIRING THE DELIVERY TO BE MADE BY THE LICENSEE; AND AMENDING SECTIONS ~~16-3-101, 16-3-103, 16-4-203, 16-4-1003, AND 16-4-1005~~ 16-4-105, 16-4-201, AND 16-4-420, MCA."

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

(Refer to Introduced Bill)

Strike everything after the enacting clause and insert:

Section 1. Section 16-4-105, MCA, is amended to read:

"16-4-105. Limit on retail beer licenses -- wine license amendments -- limitation on use of license -- exceptions -- competitive bidding -- rulemaking. (1) Except as provided in 16-4-109, 16-4-110, 16-4-115, 16-4-420, and chapter 4, part 3, of this title, a license to sell beer at retail or beer and wine at retail, in accordance with the provisions of this code and the rules of the department, may be issued to any person or business entity that is approved by the department, subject to the following exceptions:

(a) The number of retail beer licenses that the department may issue for premises situated within incorporated cities and incorporated towns and within 5 miles of the corporate limits of the cities and towns must be determined on the basis of population prescribed in 16-4-502 as follows:

(i) in incorporated towns of 500 inhabitants or fewer and within 5 miles of the corporate limits of the

1 towns, not more than one retail beer license;

2 (ii) in incorporated cities or incorporated towns of more than 500 inhabitants and not more than 2,000
3 inhabitants and within 5 miles of the corporate limits of the cities or towns, one retail beer license for every 500
4 inhabitants;

5 (iii) in incorporated cities of more than 2,000 inhabitants and within 5 miles of the corporate limits of the
6 cities, four retail beer licenses for the first 2,000 inhabitants, two additional retail beer licenses for the next
7 2,000 inhabitants or major fraction of 2,000 inhabitants, and one additional retail beer license for each
8 additional 2,000 inhabitants.

9 (b) The number of inhabitants in each incorporated city or incorporated town, exclusive of the number
10 of inhabitants residing within 5 miles of the corporate limits of the city or town, governs the number of retail beer
11 licenses that may be issued for use within the city or town and within 5 miles of the corporate limits of the city or
12 town. The distance of 5 miles from the corporate limits of an incorporated city or incorporated town must be
13 measured in a straight line from the nearest entrance of the premises proposed for licensing to the nearest
14 corporate boundary of the city or town. A license that is restricted by quota limitations in this section may not be
15 located farther than:

16 (i) the county boundary within which the incorporated city or incorporated town is located; or

17 (ii) the line that separates the incorporated city's or incorporated town's boundary from another
18 incorporated city or incorporated town as specified in this section.

19 (c) (i) When the 5-mile boundary of one incorporated city or incorporated town overlaps the 5-mile
20 boundary of another incorporated city or incorporated town, the quota area for each city or town terminates in a
21 straight line equidistant between each city or town.

22 (ii) If there are more than two overlapping quota areas, the quota area for each city or town terminates
23 from the center of the overlap in a straight line to the intersecting exterior point of overlap. Licenses existing as
24 of November 24, 2017, will be designated as belonging to whichever quota area they are in as a result of the
25 straight line equidistant between each city or town, except for the following:

26 (A) In the Helena and East Helena previously combined quota area, the straight line will be drawn
27 connecting the two outermost edges of the Helena corporate boundaries and extend outward to the quota area
28 boundaries. Any license existing as of November 24, 2017, with a physical address of Helena will become a

Helena license or with a physical address of East Helena will become an East Helena license, regardless of where it falls in the new quota areas.

(B) In the Pinesdale and Hamilton previously combined quota area, the straight line will be drawn along Mill Creek road to the quota area boundaries.

(C) In the Polson and Ronan quota areas, the straight line will be drawn from U.S. highway 93 west on Pablo West road to the quota area boundary and east on Clairmont road extending out to the quota area boundary. Any license existing as of November 24, 2017, within the Polson quota area will become a Polson license, regardless of where it falls in the new quota areas. Any license existing as of November 24, 2017, within the Ronan quota area will become a Ronan license, regardless of where it falls in the new quota areas.

(d) Retail beer licenses of issue on March 7, 1947, and retail beer licenses issued under 16-4-110 that are in excess of the limitations in this section are renewable, but new licenses may not be issued in violation of the limitations.

(e) The limitations do not prevent the issuance of a nontransferable and nonassignable retail beer license to an enlisted persons', noncommissioned officers', or officers' club located on a state or federal military reservation on May 13, 1985, or to a post of a nationally chartered veterans' organization or a lodge of a recognized national fraternal organization if the veterans' or fraternal organization has been in existence for a period of 5 years or more prior to January 1, 1949.

(f) The number of retail beer licenses that the department may issue for use at premises situated outside of any incorporated city or incorporated town and outside of the area within 5 miles of the corporate limits or for use at premises situated within any unincorporated area must be determined by the department in its discretion, except that a retail beer license may not be issued for any premises so situated unless the department determines that the issuance of the license is required by public convenience and necessity pursuant to 16-4-203. Subsection (7) does not apply to licenses issued under this subsection (1)(f). The owner of the license whose premises are situated outside of an incorporated city or incorporated town may offer gambling, regardless of when the license was issued, if the owner and premises qualify under Title 23, chapter 5, part 3, 5, or 6.

(2) (a) For a period of 12 years after November 24, 2017, existing licenses or licenses that resulted from applications in process as of November 24, 2017, in either of two quota areas that were established as

provided in subsection (1)(c) may be transferred between the two quota areas if they were part of the combined quota area prior to November 24, 2017.

(b) If any new retail beer licenses are allowed by separating a combined quota area that existed as of November 24, 2017, as provided in subsection (1)(c), the department shall publish the availability of no more than one new beer license a year until the quota has been reached.

(c) If any new retail beer licenses are allowed by license transfers as provided in subsection (2)(a), the department may publish the availability of more than one new license a year until the quota has been reached.

(3) A license issued under subsection (1)(f) that becomes located within 5 miles of an incorporated city or town because of annexation after April 15, 2005, may not be transferred to another location within the city quota area any sooner than 5 years from the date of the annexation.

(4) When the department determines that a quota area is eligible for a new retail beer license under subsection (1) or (2)(b), the department shall use a competitive bidding process as provided in 16-4-430 to determine the party afforded the opportunity to apply for the new license.

(5) Except as provided in subsection (2)(b), when more than one new beer license becomes available at the same time in the same quota area, the department shall conduct a separate competitive bidding process at separate times for each available license.

(6) (a) A person holding a license to sell beer for consumption on the premises at retail may apply to the department for an amendment to the license permitting the holder to sell wine as well as beer. The department may issue an amendment if it finds, on a satisfactory showing by the applicant, that the sale of wine for consumption on the premises would be supplementary to a restaurant or prepared-food business. Except for beer and wine licenses issued pursuant to 16-4-420, a person holding a beer and wine license may sell wine for consumption on or off the premises. Nonretention of the beer license, for whatever reason, means automatic loss of the wine amendment license.

(b) A person licensed under this subsection (6) may apply to the department and pay a fee for an endorsement to, with the licensee's own equipment, trucks, VEHICLES and employees 21 years of age or older, deliver beer and wine in original packaging if the delivery includes food that is prepared by the licensee at the licensee's premises. The value-PURCHASE PRICE of the delivered beer and wine may not exceed the value

1 PURCHASE PRICE of the delivered food.

2 (7) Except as provided in subsection (1)(f), a license issued pursuant to this section after October 1,
3 1997, must have a conspicuous notice that the license may not be used for premises where gambling is
4 conducted.

5 (8) An applicant for a license issued through a competitive bidding process in 16-4-430 shall pay a
6 \$25,000 new license fee and in subsequent years pay the annual fee for the license as provided in 16-4-501.

7 (9) The department may adopt rules to implement this section."
8

9 **Section 2.** Section 16-4-201, MCA, is amended to read:

10 **"16-4-201. All-beverages license quota.** (1) Except as otherwise provided by law, a license to sell
11 liquor, beer, and table wine at retail, an all-beverages license, in accordance with the provisions of this code
12 and the rules of the department, may be issued to any person who is approved by the department as a fit and
13 proper person to sell alcoholic beverages, except that the number of all-beverages licenses that the department
14 may issue for premises situated within incorporated cities and incorporated towns and within 5 miles of the
15 corporate limits of those cities and towns must be determined on the basis of population prescribed in 16-4-502
16 as follows:

17 (a) in incorporated towns of 500 inhabitants or fewer and within 5 miles of the corporate limits of the
18 towns, not more than two retail licenses;

19 (b) in incorporated cities or incorporated towns of more than 500 inhabitants and not more than 3,000
20 inhabitants and within 5 miles of the corporate limits of the cities and towns, three retail licenses for the first
21 1,000 inhabitants and one retail license for each additional 1,000 inhabitants;

22 (c) in incorporated cities of more than 3,000 inhabitants and within 5 miles of the corporate limits of
23 the cities, five retail licenses for the first 3,000 inhabitants and one retail license for each additional 1,500
24 inhabitants.

25 (2) The number of inhabitants in each incorporated city or incorporated town, exclusive of the number
26 of inhabitants residing within 5 miles of the corporate limits of the city or town, governs the number of retail
27 licenses that may be issued for use within the city or town and within 5 miles of the corporate limits of the city or
28 town. The distance of 5 miles from the corporate limits of any incorporated city or incorporated town must be

1 measured in a straight line from the nearest entrance of the premises proposed for licensing to the nearest
2 corporate boundary of the city or town. A license that is restricted by quota limitations in this section may not be
3 located farther than:

4 (a) the county boundary within which the incorporated city or incorporated town is located; or

5 (b) the line that separates the incorporated city's or incorporated town's boundary from another
6 incorporated city or incorporated town as specified in this section.

7 (3) (a) When the 5-mile boundary of one incorporated city or incorporated town overlaps the 5-mile
8 boundary of another incorporated city or incorporated town, the quota area for each city or town terminates in a
9 straight line equidistant between each city or town.

10 (b) If there are more than two overlapping quota areas, the quota area for each city or town terminates
11 from the center of the overlap in a straight line to the intersecting exterior point of overlap. Licenses existing as
12 of November 24, 2017, will be designated as belonging to whichever quota area they are in as a result of the
13 straight line equidistant between each city or town, except for the following:

14 (i) In the Helena and East Helena previously combined quota area, the straight line will be drawn
15 connecting the two outermost edges of the Helena corporate boundaries and extend outward to the quota area
16 boundaries. Any license existing as of November 24, 2017, with a physical address of Helena will become a
17 Helena license or with a physical address of East Helena will become an East Helena license, regardless of
18 where it falls in the new quota areas.

19 (ii) In the Pinesdale and Hamilton previously combined quota area, the straight line will be drawn along
20 Mill Creek road to the quota area boundaries.

21 (iii) In the Polson and Ronan quota areas, the straight line will be drawn from U.S. highway 93 west on
22 Pablo West road to the quota area boundary and east on Clairmont road extending out to the quota area
23 boundary. Any license existing as of November 24, 2017, within the Polson quota area will become a Polson
24 license, regardless of where it falls in the new quota areas. Any license existing as of November 24, 2017,
25 within the Ronan quota area will become a Ronan license, regardless of where it falls in the new quota areas.

26 (4) For a period of 12 years after November 24, 2017, existing licenses or licenses that resulted from
27 applications in process as of November 24, 2017, in either of two quota areas that were established as
28 provided in subsection (3) may be transferred between the two quota areas if they were part of the combined

1 quota area prior to November 24, 2017.

2 (5) (a) If any new retail all-beverages licenses are allowed by separating a combined quota area that
3 existed as of November 24, 2017, as provided in subsection (3), the department shall publish the availability of
4 no more than one new retail all-beverages license a year until the quota has been reached. The department
5 shall use a competitive bidding process as provided in 16-4-430 to determine the party afforded the opportunity
6 to apply for the new license.

7 (b) If any new all-beverages licenses are allowed by license transfers as provided in subsection (4),
8 the department may publish the availability of more than one new license a year until the quota has been
9 reached.

10 (6) Except as provided in subsection (5)(a), when more than one new all-beverages license becomes
11 available at the same time in the same quota area, the department shall conduct a separate competitive bidding
12 process at separate times for each available license.

13 (7) Retail all-beverages licenses of issue on March 7, 1947, and all-beverages licenses issued under
14 16-4-209 that are in excess of the limitations in subsections (1) and (2) are renewable, but new licenses may
15 not be issued in violation of the limitations.

16 (8) The limitations in subsections (1) and (2) do not prevent the issuance of a nontransferable and
17 nonassignable, as to ownership only, retail license to:

18 (a) an enlisted personnel, noncommissioned officers', or officers' club located on a state or federal
19 military reservation on May 13, 1985;

20 (b) any post of a nationally chartered veterans' organization or any lodge of a recognized national
21 fraternal organization if the veterans' or fraternal organization has been in existence for a period of 5 years or
22 more prior to January 1, 1949; or

23 (c) a continuing care retirement community as provided in 16-4-315.

24 (9) The number of retail all-beverages licenses that the department may issue for use at premises
25 situated more than 5 miles outside of any incorporated city or incorporated town may not be more than one
26 license for each 750 in population of the county after excluding the population of incorporated cities and
27 incorporated towns in the county.

28 (10) An all-beverages license issued under subsection (9) that becomes located within 5 miles of an

1 incorporated city or town because of annexation after April 15, 2005, may not be transferred to another location
2 within the city quota area any sooner than 5 years from the date of annexation.

3 (11) A person licensed under this section may apply to the department and pay a fee for an
4 endorsement to, with the licensee's own equipment, trucks, VEHICLES and employees 21 years of age or older,
5 deliver beer and wine in original packaging if the delivery includes food that is prepared by the licensee at the
6 licensee's premises. The value PURCHASE PRICE of the delivered beer and wine may not exceed the value
7 PURCHASE PRICE of the delivered food.

8 ~~(11)(12)~~ The department may adopt rules to implement this section."
9

10 **Section 3.** Section 16-4-420, MCA, is amended to read:

11 **"16-4-420. Restaurant beer and wine license -- competitive bidding -- rulemaking.** (1) The
12 department shall issue a restaurant beer and wine license to an applicant whenever the department determines
13 that the applicant, in addition to satisfying the requirements of this section, meets the following qualifications
14 and conditions:

15 (a) the applicant complies with the licensing criteria provided in 16-4-401 for an on-premises
16 consumption license;

17 (b) the applicant operates a restaurant at the location where the restaurant beer and wine license will
18 be used or satisfies the department that:

19 (i) the applicant intends to open a restaurant that will meet the requirements of subsection (6) and
20 intends to operate the restaurant so that at least 65% of the restaurant's gross income during its first year of
21 operation is expected to be the result of the sale of food;

22 (ii) the restaurant beer and wine license will be used in conjunction with that restaurant, that the
23 restaurant will serve beer and wine only to a patron who orders food, and that beer and wine purchases will be
24 stated on the food bill; and

25 (iii) the restaurant will serve beer and wine from a service bar, as service bar is defined by the
26 department by rule;

27 (c) the applicant understands and acknowledges in writing on the application that this license prohibits
28 the applicant from being licensed to conduct any gaming or gambling activity or operate any gambling

1 machines and that if any gaming or gambling activity or machine exists at the location where the restaurant
2 beer and wine license will be used, the activity must be discontinued or the machines must be removed before
3 the restaurant beer and wine license takes effect; and

4 (d) the applicant states the planned seating capacity of the restaurant, if it is to be built, or the current
5 seating capacity if the restaurant is operating.

6 (2) (a) A restaurant that has an existing retail license for the sale of beer, wine, or any other alcoholic
7 beverage may not be considered for a restaurant beer and wine license at the same location.

8 (b) (i) An on-premises retail licensee who sells the licensee's existing retail license may not apply for
9 a license under this section for a period of 1 year from the date that license is transferred to a new purchaser.

10 (ii) A person, including an individual, with an ownership interest in an existing on-premises retail
11 license that is being transferred to a new purchaser may not attain an ownership interest in a license applied for
12 under this section for a period of 1 year from the date that the existing on-premises retail license is transferred
13 to a new purchaser.

14 (3) A completed application for a license under this section and the appropriate application fee, as
15 provided in subsection (11), must be submitted to the department. The department shall investigate the items
16 relating to the application as described in subsections (3)(a) and (3)(b). Based on the results of the investigation
17 and the exercise of its sound discretion, the department shall determine whether:

18 (a) the applicant is qualified to receive a license; and

19 (b) (i) the applicant's premises are suitable for the carrying on of the business;

20 (ii) the applicant is qualified to receive a license prior to a determination that the applicant's premises
21 are suitable for carrying on with the business in accordance with 16-4-417; or

22 (iii) if the applicant has already been issued a license, the proposed premises are suitable for the
23 carrying on of the business and the seating capacity stated on the application is correct.

24 (4) An application for a beer and wine license submitted under this section is subject to the provisions
25 of 16-4-203, 16-4-207, and 16-4-405.

26 (5) If a premises proposed for licensing under this section is a new or remodeled structure, then the
27 department may issue a license prior to completion of the premises based on reasonable evidence, including a
28 statement from the applicant's architect or contractor confirming that the seating capacity stated on the

1 application is correct, that the premises will be suitable for the carrying on of business as a bona fide
2 restaurant, as defined in subsection (6). If a license is issued without a premises, the license will immediately
3 be placed on nonuse status until the premises are approved subject to 16-4-417.

4 (6) (a) For purposes of this section, "restaurant" means a public eating place:

5 (i) where individually priced meals are prepared and served for on-premises consumption;

6 (ii) where at least 65% of the restaurant's annual gross income from the operation must be from the
7 sale of food and not from the sale of alcoholic beverages. Each year after a license is issued, the applicant shall
8 file with the department a statement, in a form approved by the department, attesting that at least 65% of the
9 gross income of the restaurant during the prior year resulted from the sale of food.

10 (iii) that has a dining room, a kitchen, and the number and kinds of employees necessary for the
11 preparation, cooking, and serving of meals in order to satisfy the department that the space is intended for use
12 as a full-service restaurant; and

13 (iv) that serves an evening dinner meal at least 4 days a week for at least 2 hours a day between the
14 hours of 5 p.m. and 11 p.m. The provisions of subsection (6)(b) and this subsection (6)(a)(iv) do not apply to a
15 restaurant for which a restaurant beer and wine license is in effect as of April 9, 2009, or to subsequent
16 renewals of that license.

17 (b) The term does not mean a fast-food restaurant that, excluding any carry-out business, serves a
18 majority of its food and drink in throw-away containers not reused in the same restaurant.

19 (7) (a) A restaurant beer and wine license not issued through a competitive bidding process as
20 provided in 16-4-430 may be transferred, on approval by the department, from the original applicant to a new
21 owner of the restaurant only after 1 year of use by the original owner, unless that transfer is due to the death of
22 an owner.

23 (b) A license issued under this section may be jointly owned, and the license may pass to the
24 surviving joint tenant upon the death of the other tenant. However, the license may not be transferred to any
25 other person or entity by operation of the laws of inheritance or succession or any other laws allowing the
26 transfer of property upon the death of the owner in this state or in another state.

27 (c) An estate may, upon the sale of a restaurant that is property of the estate and with the approval of
28 the department, transfer a restaurant beer and wine license to a new owner.

(8) (a) The department shall issue a restaurant beer and wine license to a qualified applicant:

(i) except as provided in subsection (8)(c), for a restaurant located in a quota area with a population of 5,000 persons or fewer, as the quota area population is determined in 16-4-105, if the number of restaurant beer and wine licenses issued in that quota area is equal to or less than 80% of the number of beer licenses that may be issued in that quota area pursuant to 16-4-105;

(ii) for a restaurant located in a quota area with a population of 5,001 to 20,000 persons, as the quota area population is determined in 16-4-105, if the number of restaurant beer and wine licenses issued in that quota area is equal to or less than 160% of the number of beer licenses that may be issued in that quota area pursuant to 16-4-105;

(iii) for a restaurant located in a quota area with a population of 20,001 to 60,000 persons, as the quota area population is determined in 16-4-105, if the number of restaurant beer and wine licenses issued in that quota area is equal to or less than 100% of the number of beer licenses that may be issued in that quota area pursuant to 16-4-105;

(iv) for a restaurant located in a quota area with a population of 60,001 persons or more, as the quota area population is determined in 16-4-105, if the number of restaurant beer and wine licenses issued in that quota area is equal to or less than 80% of the number of beer licenses that may be issued in that quota area pursuant to 16-4-105; and

(v) for a restaurant located in a quota area that is also a resort community, as defined in 7-6-1501, if the number of restaurant beer and wine licenses issued in the quota area that is also a resort community is equal to or less than 200% of the number of beer licenses that may be issued in that quota area pursuant to 16-4-105.

(b) In determining the number of restaurant beer and wine licenses that may be issued under this subsection (8) based on the percentage amounts described in subsections (8)(a)(i) through (8)(a)(v), the department shall round to the nearer whole number.

(c) If the department has issued the number of restaurant beer and wine licenses authorized for a quota area under subsection (8)(a)(i), there must be a one-time adjustment of four additional licenses for that quota area.

(d) (i) When the 5-mile boundary of one incorporated city or incorporated town overlaps the 5-mile

boundary of another incorporated city or incorporated town, the quota area for each city or town terminates in a straight line equidistant between each city or town. A license that is restricted by quota limitations in this section may not be located farther than:

(A) the county boundary within which the incorporated city or incorporated town is located; or

(B) the line that separates the incorporated city's or incorporated town's boundary from another incorporated city or incorporated town as specified in this section.

(ii) If there are more than two overlapping quota areas, the quota area for each city or town terminates from the center of the overlap in a straight line to the intersecting exterior point of overlap. Licenses existing as of November 24, 2017, will be designated as belonging to whichever quota area they are in as a result of the straight line equidistant between each city or town, except for the following:

(A) In the Helena and East Helena previously combined quota area, the straight line will be drawn connecting the two outermost edges of the Helena corporate boundaries and extend outward to the quota area boundaries. Any license existing as of November 24, 2017, with a physical address of Helena will become a Helena license or with a physical address of East Helena will become an East Helena license, regardless of where it falls in the new quota areas.

(B) In the Pinesdale and Hamilton previously combined quota area, the straight line will be drawn along Mill Creek road to the quota area boundaries.

(C) In the Polson and Ronan quota areas, the straight line will be drawn from U.S. highway 93 west on Pablo West road to the quota area boundary and east on Clairmont road extending out to the quota area boundary. Any license existing as of November 24, 2017, within the Polson quota area will become a Polson license, regardless of where it falls in the new quota areas. Any license existing as of November 24, 2017, within the Ronan quota area will become a Ronan license, regardless of where it falls in the new quota areas.

(9) (a) For a period of 12 years after November 24, 2017, existing licenses or licenses that resulted from applications in process as of November 24, 2017, in either of two quota areas that were established as provided in 16-4-105 and subsection (8)(d) of this section may be transferred between the two quota areas if they were part of the combined quota area prior to November 24, 2017.

(b) If any new restaurant beer and wine licenses are allowed by separating a combined quota area that existed as of November 24, 2017, as provided in 16-4-105 and subsection (9)(a) of this section, the

1 department shall publish the availability of no more than one new restaurant beer and wine license a year until
2 the quota has been reached.

3 (c) If any new restaurant beer and wine licenses are allowed by license transfers as provided in
4 subsection (9)(a), the department may publish the availability of more than one new license a year until the
5 quota has been reached.

6 (10) Except as provided in subsection (9)(b), when more than one new restaurant beer and wine
7 license becomes available at the same time in the same quota area, the department shall conduct a separate
8 competitive bidding process at separate times for each available license.

9 (11) When a restaurant beer and wine license becomes available by the initial issuance of licenses
10 under this section or as the result of an increase in the population in a quota area, the nonrenewal of a
11 restaurant beer and wine license, or the lapse or revocation of a license by the department, then the
12 department shall advertise the availability of the license in the quota area for which it is available.

13 (12) When the department determines that a quota area is eligible for a new restaurant beer and wine
14 license under subsection (9) or (11), the department shall use a competitive bidding process as provided in 16-
15 4-430 to determine the party afforded the opportunity to apply for a new license.

16 (13) (a) Under Except as provided in subsection (13)(b), a restaurant beer and wine license, beer
17 and wine may not be sold for off-premises consumption.

18 (b) A restaurant beer and wine licensee may apply to the department and pay a fee for an
19 endorsement to, with the licensee's own equipment, trucks, VEHICLES and employees 21 years of age or older,
20 deliver beer and wine in original packaging if the delivery includes food that is prepared by the licensee at the
21 licensee's premises. The value PURCHASE PRICE of the delivered beer and wine may not exceed the value
22 PURCHASE PRICE of the delivered food.

23 (14) An application for a restaurant beer and wine license must be accompanied by a fee equal to 20%
24 of the initial licensing fee. If the department does not decide either to grant or to deny the license within 4
25 months of receipt of a complete application, the department shall pay interest on the application fee at the rate
26 of 1% a month until a license is issued or the application is denied. Interest may not accrue during any period
27 that the processing of an application is delayed by reason of a protest filed pursuant to 16-4-203 or 16-4-207. If
28 the department denies an application, the application fee, plus any interest, less a processing fee established

by rule, must be refunded to the applicant. Upon the issuance of a license, the licensee shall pay the balance of the initial licensing fee. The amount of the initial licensing fee is determined according to the following schedule:

(a) \$5,000 for restaurants with a stated seating capacity of 60 persons or fewer;

(b) \$10,000 for restaurants with a stated seating capacity of 61 to 100 persons; or

(c) \$20,000 for restaurants with a stated seating capacity of 101 persons or more.

(15) The annual fee for a restaurant beer and wine license is \$400.

(16) If a restaurant licensed under this part increases the stated seating capacity of the licensed restaurant or if the department determines that a licensee has increased the stated seating capacity of the licensed restaurant, then the licensee shall pay to the department the difference between the fees paid at the time of filing the original application and issuance of a license and the applicable fees for the additional seating.

(17) The number of beer and wine licenses issued to restaurants with a stated seating capacity of 101 persons or more may not exceed 25% of the total licenses issued.

(18) Possession of a restaurant beer and wine license is not a qualification for licensure of any gaming or gambling activity. A gaming or gambling activity may not occur on the premises of a restaurant with a restaurant beer and wine license.

(19) The department may adopt rules to implement this section."

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