

1 HOUSE BILL NO. 123

2 INTRODUCED BY J. BERGSTROM

3 BY REQUEST OF THE DEPARTMENT OF REVENUE

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5 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING ALCOHOL LAWS TO PROHIBIT THE PROSPECTING
6 OF CERTAIN RETAIL ALCOHOLIC BEVERAGE LICENSES; REQUIRING 1 YEAR OF USE PRIOR TO
7 TRANSFERRING A LICENSE; PROVIDING EXCEPTIONS IN THE EVENT OF DEATH OR
8 CIRCUMSTANCES REASONABLY BEYOND THE CONTROL OF THE LICENSEE; AMENDING SECTION 16-
9 4-417, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

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13 NEW SECTION. **Section 1. License operation requirements.** (1) A licensee under 16-4-104, 16-4-
14 201, 16-4-204, or 16-4-420 shall:

15 (a) commence operating the license on issuance of the license from the department, unless the
16 licensee was approved for a license without a premises under 16-4-417; and

17 (b) operate the license for 1 year prior to transferring the license to another person or business
18 entity unless that transfer is due to a death of an owner.

19 (2) Failure to comply with the provisions of subsection (1) subjects the licensee to license
20 revocation.

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22 **Section 2.** Section 16-4-417, MCA, is amended to read:

23 **"16-4-417. Approval of a licensee without premises -- NONUSE APPROVAL.** (1) If an applicant has a
24 license available to obtain under 16-4-104, 16-4-201, 16-4-204, or 16-4-420 but does not have a premises, the
25 department may approve the applicant without approving the premises. The department shall issue the license
26 if all other requirements of this code related to an applicant are met.

27 (2) (A) A license issued under subsection (1) must be immediately put on nonuse status until a
28 premises is approved by the department and may not be transferred to another person or business entity prior

1 to approval of the premises unless that transfer is due to a death of an owner or was reasonably beyond the
2 control of the licensee. ~~Upon~~ On issuance of the license under this section, the licensee shall apply for a
3 premises within 6 months and must have the premises approved within 1 year from issuance of the license.
4 THE DEPARTMENT MAY EXTEND THE NONUSE PERIOD IF THE LICENSEE PROVIDES EVIDENCE THAT THE DELAY IN USE IS
5 FOR REASONS OUTSIDE THE LICENSEE'S CONTROL AND THAT THE LICENSEE IS MAKING PROGRESS TOWARD LICENSURE.
6 (B) After approval of the premises, a licensee shall operate the license for 1 year prior to
7 transferring the license to another person or business entity unless that transfer is due to a death of an owner.
8 (C) A licensee shall pay all licensing fees annually even if the premises has not been approved.
9 The department may establish nonuse license fees for a license issued under this section."
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11 NEW SECTION. Section 3. Codification instruction. [Section 1] is intended to be codified as an
12 integral part of Title 16, chapter 4, part 4, and the provisions of Title 16, chapter 4, part 4, apply to [section 1].
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14 NEW SECTION. Section 4. Effective date. [This act] is effective on passage and approval.
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