

SENATE BILL NO. 247

INTRODUCED BY E. BOLDMAN, B. BENNETT, M. BLASDEL, J. ELLSWORTH, S. FITZPATRICK, T. GAUTHIER, J. GROSS, T. JACOBSON, M. LANG, R. LYNCH, S. MORIGEAU, D. SALOMON, J. SMALL, J. WELBORN, A. BUCKLEY, E. BUTTREY, W. GALT, F. GARNER, D. HARVEY, M. HOPKINS, J. KEANE, C. KNUDSEN, J. PATELIS, D. TENENBAUM, K. ZOLNIKOV

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING ALCOHOL LAWS RELATING TO UNIVERSITIES AND POSTSECONDARY INSTITUTIONS; ALLOWING A UNIT OF THE MONTANA UNIVERSITY SYSTEM OR A POSTSECONDARY INSTITUTION IN MONTANA TO CONTRACT WITH AN ALCOHOL LICENSEE TO SERVE ALCOHOL AT A SPORTING EVENT HELD ON UNIVERSITY PROPERTY; ~~AND AMENDING SECTIONS 16-3-103, 16-4-111, AND 16-4-204, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.~~"

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

NEW SECTION. Section 1. Catering endorsement -- university or college sporting events -- revenue sharing. (1) A Montana university may contract with a licensed entity with a catering endorsement under 16-4-111 to serve beer and wine or under 16-4-204 to serve liquor, beer, and wine at a sporting event held by the Montana university.

(2) The licensee may contract with the Montana university relating to the revenue sharing as permitted in 16-4-111 and 16-4-204.

(3) For the purposes of this section, the term "Montana university" means:

- (a) a unit of the Montana university system as defined in 20-25-201; or
- (b) any other postsecondary institution in the state.

Section 2. Section 16-3-103, MCA, is amended to read:

"16-3-103. Unlawful sales solicitation or advertising -- exceptions. (1) A person within the state may not:

- (a) canvass for, receive, take, or solicit orders for the purchase or sale of any liquor or act as agent or

intermediary for the sale or purchase of any liquor or be represented as an agent or intermediary unless permitted to do so under rules that are promulgated by the department to govern the activities;

(b) canvass for or solicit orders for the purchase or sale of any beer or malt liquor except in the case of beer proposed to be sold to beer licensees duly authorized to sell beer under the provisions of this code;

(c) exhibit, publish, or display or permit to be exhibited, published, or displayed any form of advertisement or any other announcement, publication, or price list of or concerning liquor or where or from whom the same may be had, obtained, or purchased unless permitted to do so by the rules of the department and then only in accordance with the rules.

(2) This section does not apply to:

(a) the department, any act of the department, any agency liquor store;

(b) the receipt or transmission of a telegram or letter by any telegraph agent or operator or post-office employee in the ordinary course of employment as the agent, operator, or employee; or

(c) the sale and serving of beer in the grandstand and bleacher area of a county fairground or public sports arena under a special permit issued pursuant to 16-4-301 or a catering endorsement issued pursuant to 16-4-111 or 16-4-204; or

(d) the sale of alcohol at a sporting event conducted at a Montana university as provided in [section 11.]

Section 3. Section 16-4-111, MCA, is amended to read:

"16-4-111. Catering endorsement for beer and wine licensees. (1) (a) A person who is engaged primarily in the business of providing meals with table service and who is licensed to sell beer at retail or beer and wine at retail for on-premises consumption may, upon the approval of the department, be granted a catering endorsement to the license to allow the catering and sale of beer or beer and wine to persons attending a special event upon premises not otherwise licensed for the sale of beer or beer and wine for on-premises consumption. The beer or wine must be consumed on the premises where the event is held.

(b) A person who is licensed pursuant to 16-4-420 to sell beer at retail or beer and wine at retail for on-premises consumption may, upon the approval of the department, be granted a catering endorsement to the license to allow the catering and sale of beer and wine to persons attending a special event upon premises not

1 otherwise licensed for the sale of beer or beer and wine, along with food equal in cost to 65% of the total gross
2 revenue from the catering contract, for on-premises consumption. The beer or wine must be consumed on the
3 premises where the event is held.

4 (2) A written application for a catering endorsement and an annual fee of \$200 must be submitted to
5 the department for its approval.

6 (3) A licensee who holds a catering endorsement may not cater an event in which the licensee is the
7 sponsor. The catered event must be within 100 miles of the licensee's regular place of business.

8 (4) The licensee shall notify the local law enforcement agency that has jurisdiction over the premises
9 that the catered event is to be held. A fee of \$35 must accompany the notice.

10 (5) The sale of beer or beer and wine pursuant to a catering endorsement is subject to the provisions
11 of 16-6-103.

12 (6) The sale of beer or beer and wine pursuant to a catering endorsement is subject to the provisions
13 of 16-3-306, unless entities named in 16-3-306 give their written approval for the on-premises sale of beer or
14 beer and wine on premises where the event is to be held.

15 (7) (a) A catering endorsement issued for the purpose of selling and serving beer or beer and wine at
16 a special event conducted on the premises of a county fairground or public sports arena authorizes the licensee
17 to sell and serve beer or beer and wine in the grandstand and bleacher area of the premises, as well as from a
18 booth, stand, or other fixed place on the premises.

19 (b) A catering endorsement issued for the purpose of selling and serving beer or beer and wine at a
20 sporting event conducted on the premises of a Montana university as provided in [section 1] authorizes the
21 licensee to sell and serve beer or beer and wine in the grandstand and bleacher area of the premises, as well
22 as from a booth, stand, or other fixed place on the premises.

23 (8) A licensee may not share revenue from the sale of alcoholic beverages with the sponsor of the
24 catered event unless the sponsor is the state of Montana, a political subdivision of the state, a Montana
25 university as provided in [section 1], or a qualified entity under section 501(c) of the Internal Revenue Code, 26
26 U.S.C. 501(c), as amended."

27
28 **Section 4.** Section 16-4-204, MCA, is amended to read:

"16-4-204. Transfer -- catering endorsement -- competitive bidding -- rulemaking. (1) (a) Except

as provided in subsection (3), a license may be transferred to a new owner and to a location outside the quota area where the license is currently located only when the following criteria are met:

(i) the total number of all-beverages licenses in the current quota area exceeded the quota for that area by at least 25% in the most recent census prescribed in 16-4-502;

(ii) the total number of all-beverages licenses in the quota area to which the license would be transferred, exclusive of those issued under 16-4-209(1)(a) and (1)(b), did not exceed that area's quota in the most recent census prescribed in 16-4-502:

(A) by more than 33%; or

(B) in an incorporated city of more than 10,000 inhabitants and within 5 miles of its corporate limits, by more than 43%; or

(iii) the department finds, after a public hearing, that the public convenience and necessity would be served by a transfer.

(b) A license transferred pursuant to subsection (1)(a) that was issued pursuant to a competitive bidding process is not eligible to offer gambling under Title 23, chapter 5, part 3, 5, or 6.

(2) When the department determines that a license may be transferred from one quota area to another under subsection (1), the department shall use a competitive bidding process as provided in 16-4-430 to determine the party afforded the opportunity to purchase and transfer a license.

(3) A license within an incorporated quota area may be transferred to a new owner and to a new unincorporated location within the same county on application to and with consent of the department when the total number of all-beverages licenses in the current quota area, exclusive of those issued under 16-4-209(1)(a) and (1)(b), exceeds the quota for that area by at least 25% in the most recent census and will not fall below that level because of the transfer.

(4) A license issued under 16-4-209(1)(a) may not be transferred to a location outside the quota area and the exterior boundaries of the Montana Indian reservation for which it was originally issued.

(5) (a) Any all-beverages licensee is, upon the approval and in the discretion of the department, entitled to a catering endorsement to the licensee's all-beverages license to allow the catering and sale of alcoholic beverages to persons attending a special event on premises not otherwise licensed for the sale of

1 alcoholic beverages for on-premises consumption. The alcoholic beverages must be consumed on the
2 premises where the event is held.

3 (b) A written application for a catering endorsement and an annual fee of \$250 must be submitted to
4 the department for its approval.

5 (c) An all-beverages licensee who holds an endorsement granted under this subsection (5) may not
6 cater an event in which the licensee is the sponsor. The catered event must be within 100 miles of the
7 licensee's regular place of business.

8 (d) The licensee shall notify the local law enforcement agency that has jurisdiction over the premises
9 where the catered event is to be held. A fee of \$35 must accompany the notice.

10 (e) The sale of alcoholic beverages pursuant to a catering endorsement is subject to the provisions of
11 16-6-103.

12 (f) The sale of alcoholic beverages pursuant to a catering endorsement is subject to the provisions of
13 16-3-306, unless entities named in 16-3-306 give their written approval.

14 (g) A catering endorsement issued for the purpose of selling and serving beer at a special event
15 conducted on the premises of a county fairground or public sports arena authorizes the licensee to sell and
16 serve beer in the grandstand and bleacher area of the premises, as well as from a booth, stand, or other fixed
17 place on the premises.

18 (h) A catering endorsement issued for the purpose of selling and serving liquor or beer and wine at a
19 sporting event conducted on the premises of a Montana university as provided in [section 1] authorizes the
20 licensee to sell and serve liquor or beer and wine in the grandstand and bleacher area of the premises, as well
21 as from a booth, stand, or other fixed place on the premises.

22 ~~(h)~~(i) A licensee may not share revenue from the sale of alcoholic beverages with the sponsor of the
23 catered event unless the sponsor is the state of Montana, a political subdivision of the state, a Montana
24 university as provided in [section 1], or a qualified entity under section 501(c) of the Internal Revenue Code, 26
25 U.S.C. 501(c), as amended.

26 (6) The department may adopt rules to implement this section."
27

28 **NEW SECTION. Section 5. Codification instruction.** [Section 1] is intended to be codified as an

1 integral part of Title 16, chapter 4, and the provisions of Title 16, chapter 4, apply to [section 1].

2

3 NEW SECTION. SECTION 6. EFFECTIVE DATE. [THIS ACT] IS EFFECTIVE ON PASSAGE AND APPROVAL.

4 - END -