

**MONTANA DEPARTMENT OF REVENUE  
ALCOHOLIC BEVERAGE CONTROL DIVISION**

**COMPETITIVE BIDDING PROCESS  
TERMS AND CONDITIONS**

**IN CONSIDERATION of the opportunity to bid on the opportunity to apply for an all-beverage, restaurant beer and wine, or on-premises consumption retail beer and wine license, you, as the bidder/legal entity, hereby agree to the terms and conditions as follows:**

As required by Montana Code Annotated § 16-4-430, the Montana Department of Revenue (Department) uses a competitive bidding process to determine the bidder/legal entity afforded the opportunity to apply for an all-beverage, restaurant beer and wine, or on-premises consumption retail beer and wine license.

**1. SUBMITTING A BID**

To enter the competitive bidding process, the bidder/legal entity shall complete and submit before the close of the competitive bidding process the competitive bid form provided by the Department.

**2. MINIMUM BID**

The Department shall determine the minimum bid based on 75% of the market value of the same type of licenses (all-beverage, restaurant beer and wine, or on-premises consumption retail beer and wine) with similar privileges in the quota area or similar quota areas.

**3. HIGHEST BIDDER**

The Department shall notify the bidder/legal entity with the highest bid via certified mail sent to the address of the bidder/legal entity provided on the competitive bid form.

The highest bidder shall: (i) complete and submit an application provided by the Department and applicable fees for the license within 60 days of the Department's notification of being the highest bidder (the highest bidder may request in writing an additional 60 days to complete and submit an application); (ii) pay the bid amount prior to the license being approved; (iii) meet all other requirements to own a license (all-beverage, restaurant beer and wine, or on-premises consumption retail beer and wine); (iv) commence business within one year of the Department's notification unless the Department grants an extension because commencement was delayed by circumstances beyond the applicant's control; and (v) operate the license for 1 year prior to transferring the license to another person or business entity unless that transfer is due to the death of an owner.

If the highest bidder does not submit an application, the Department shall offer the license to the next highest bidder. If the highest bidder is not approved to own the license, the Department shall offer the license to the next highest bidder. The next highest bidder must comply with the highest bidder requirements in this section.

#### **4. TIED BIDS**

In the case of a tie for the highest bid, the tied bidders may submit new bids. The Department shall notify the tied bidders via certified mail sent to the address of the bidder/legal entity provided on the competitive bid form. The tied bidder shall have 15 calendar days from the date of mailing of the notice of tied bid to submit a new bid. The minimum bid is set at the tied bid amount. To submit a new bid, a tied bidder shall complete and submit the competitive bid form provided by the Department.

#### **5. IRREVOCABLE BIDS**

Bids are not revocable. Once a bid is placed, it cannot be removed.

#### **6. MULTIPLE BIDS**

Regardless of the timing of bids, in the event a bidder/legal entity places multiple bids, the Department shall accept the highest bid placed by the bidder/legal entity. Bids made by a bidder/legal entity which are lower than the bidder/legal entity's highest bid shall not be considered.

#### **7. LICENSE SUBJECT TO FORFEITURE**

The successful applicant is subject to forfeiture of the license and the original license fee if the successful applicant: (i) transfers the awarded license to another person or business entity within 1 year after receiving the license unless that transfer is due to a death of an owner; (ii) does not use the license within one year of receiving the license, unless the Department grants an extension because commencement was delayed by circumstances beyond the applicant's control, or stops using the license within five years; or (iii) proposes a location for the license that had the same license type within the previous twelve (12) months. If a license is forfeited, the Department shall offer the license to the next eligible highest bidder in the competitive bidding process.

If a license is forfeited, the department shall determine whether there is a lien against the license. If there is a lien, the department shall notify the lienholder or secured party of the forfeiture and the lienholder or secured party may foreclose on the licenses and request transfer of the license pursuant to 16-4-801, MCA. If there is not a lien on the license or if the lienholder or secured party does not foreclose on the license pursuant to 16-4-801, MCA, the department shall conduct another competitive bidding process for the license.

Nothing in this section related to forfeiture prohibits a lienholder or secured party from foreclosing on a license. A lien may be placed on a license and may be foreclosed on. If a license is foreclosed on, the department shall keep the license fees and the original bid amount and the lienholder or secured party may resell the license, pending department approval of the applicant.

## 8. LICENSING AND PROCESSING FEES

In addition to paying the bid amount, the successful bidder is responsible for paying all licensing and processing fees associated with the license. The following is a representation of the fees that are due per license type:

- All-Beverage License
  - Original License Fee
    - \$400 for a county license
    - \$400 for an incorporated city/town with less than 2,000 population
    - \$500 for an incorporated city with population of 2,001 to 4,999
    - \$650 for an incorporated city with population of 5,001 to 9,999
    - \$800 for an incorporated city with population of 10,000 or more
  - Processing Fee = \$400
  - Catering Endorsement Fee = \$250 (if applicable)
  - Fingerprint Fees = \$30.00 per individual
  
  - Renewal Fees
    - Same as original license fee
    - Catering Endorsement Fee = \$250 (if applicable)
  
- All-Beverage Floater License
  - Original License Fee
    - \$400 for a county license
    - \$400 for an incorporated city/town with less than 2,000 population
    - \$500 for an incorporated city with population of 2,001 to 4,999
    - \$650 for an incorporated city with population of 5,001 to 9,999
    - \$800 for an incorporated city with population of 10,000 or more
  - Processing Fee = \$400
  - Catering Endorsement Fee = \$250 (if applicable)
  - Fingerprint Fees = \$30.00 per individual

***The successful bidder of an all-beverage floater license is also responsible for entering into a buy/sell agreement with an existing license holder. The successful bidder is responsible for paying the agreed purchase amount to the seller of the license.***

- Renewal Fees
  - Same as original license fee
  - Catering Endorsement Fee = \$250 (if applicable)
- On-Premises Consumption Retail Beer and Wine License
  - Original License Fee
    - \$400 for a beer and wine license
  - Processing Fee = \$400
  - Catering Endorsement Fee = \$200 (if applicable)
  - Fingerprint Fees = \$30.00 per individual
  - Renewal Fees
    - \$400 for a beer and wine license
    - \$200 catering endorsement fee (if applicable)
- Restaurant Beer and Wine License
  - Original License Fee = \$400
  - One Time Seating Fee
    - \$5,000 for restaurants with a seating capacity of 60 persons or less
    - \$10,000 for restaurants with a seating capacity of 61 to 100 persons
    - \$20,000 for restaurants with a seating capacity of 101 persons or more
  - Processing Fee = \$400
  - Catering Endorsement Fee = \$200 (if applicable)
  - Fingerprint Fees = \$30.00 per individual
  - Renewal Fees
    - \$400 for all restaurant sizes
    - \$200 catering endorsement fee (if applicable)

## **9. GAMBLING**

A license issued through a competitive bidding process is not eligible to offer gambling under Title 23, chapter 5, part 3, 5, or 6.

## **10. CONFIDENTIALITY**

As required by Montana Code Annotated § 16-4-430, the Department shall keep confidential the identify of bidders, number of bids, and bid amounts until the highest bidder has been approved for licensure.

## **11. COPYRIGHT**

The Department retains the copyright in the competitive bid form, its logos and design marks, and

all documents made available to you through your use of the competitive bid process and competitive bid form.

## **12. NO WARRANTIES**

The competitive bidding process is provided “as is” without warranty of any kind, whether express or implied. To the extent permitted by applicable law, all implied warranties, including merchantability and fitness for a particular purpose, are hereby expressly disclaimed. The Department does not warrant the accuracy or completeness of the competitive bidding process or competitive bid form, or that the competitive bidding process or competitive bid form will function without error, failure, or interruption.

## **13. LIMITATION OF LIABILITY**

The Department assumes no responsibility for and under no circumstances will the Department be liable to any person or business entity for any direct, indirect, special, incidental, consequential or other damages based on your participation in the competitive bidding process, including for: (i) technical failures of any kind, including failure of the Internet, the competitive bid form, any problems, failure or technical malfunction of any telephone network or lines, online or electronic systems, servers, access providers, computer hardware or software, incomplete, garbled or delayed internet/e-mail computer or mobile device transmissions on account of technical problems or traffic congestion on the Internet or at any website, or any combination thereof or other failures related to hardware, software, or virus; (ii) any injury, loss, or damage of any kind which may be caused, directly or indirectly, in whole or in part, from your participation in the competitive bid process, including any use, misuse, or inability to perfect or use any license or any component thereof, changes to law or government operations or policies that may affect the value of a license; (iii) any use of the competitive bid process or competitive bid form, or any other website to which the competitive bid process or competitive bid form is linked (including any injury or damage to your or any other person’s computer or mobile device relating to or resulting from participation or downloading any materials related to the competitive bid process; or (iv) your failure to abide by these Terms and Conditions. The limitations of liability set out in the section apply, without limitation, to any lost profits, business interruption or loss of programs or information and will apply even if the Department has been specifically advised of the possibility of such damages.

## **14. DISCONTINUANCE/AMENDMENT OF COMPETITIVE BID FORM**

The Department may discontinue or amend the competitive bid form at any time without giving you notice.

## **15. REMEDIES AVAILABLE TO DEPARTMENT**

If you breach any of these Terms and Conditions, the Department, in its sole discretion, may take

any steps that it determines necessary, including but not limited to a warning or removal of your bid.

#### **16. CANCELLATION OF COMPETITIVE BID PROCESS**

The Department, in its sole discretion, may cancel a scheduled competitive bid process prior to the close of the competitive bidding process for any reason, including but not limited to acts of God, mistake, or fraud.

#### **17. ADDITIONAL CONDITIONS**

Any additional conditions that apply to this competitive bid process will either be contained in the description of the available license or may be appended to these Terms and Conditions as Appendix A.

#### **18. ACCEPTANCE**

These Terms and Conditions may be accepted by the bidder/legal entity by completing the competitive bid process and submitting a bid.