

# On-Premises Beer License



**What is an on-premises beer license?**

**How do I get one?**

**What can I do with it?**

## What is an on-premises beer license?

An on-premises beer license allows the licensee to sell beer at retail for on- or off-premises consumption between the hours of 8 a.m. and 2 a.m. Licensees may add a wine amendment for \$200, allowing them to also sell wine.

An on-premises beer licensee can also request a catering endorsement that allows the licensee to provide and serve beer and table wine (if a wine amendment has been issued) at catered events within 100 miles of the licensed premises. See [ARM 42.12.128](#) for specific requirements.

## Where do I start?

The Department of Revenue (DOR) Alcoholic Beverage Control Division (ABCD) issues a limited number of city on-premises beer licenses (quota), determined by the population of the city or town in which the license operates (quota area). To see on-premises beer licenses that are available, contact the DOR ABCD at (406) 444-6900 or visit [MTRevenue.gov/liquor-tobacco/useful-information/](https://mtrevenue.gov/liquor-tobacco/useful-information/) to view the quota sheet.

Licenses are available in one of three ways:

- First-Come First-Serve
- Competitive Bid
- Purchasing from an existing licensee

If a new license is available on a first come first serve basis, you can begin the application process. You can file your application electronically at <https://tap.dor.mt.gov>.

If the license is subject to the competitive bid process, check the DOR ABCD website for availability at [MTRevenue.gov/liquor-tobacco/liquor-licenses/liquor-license-competitive-bidding-process/](https://MTRevenue.gov/liquor-tobacco/liquor-licenses/liquor-license-competitive-bidding-process/). You can also sign up to receive notifications of future competitive bids and keep an eye on the website.

If there are no licenses available, you may be able to purchase an existing license; contact a local real estate agent, the Montana Tavern Association, etc.

### What are the associated costs?

- One-time on-premises beer license processing fee: \$400.
- One-time original license fee for competitive bid on-premises beer licenses: \$25,000.
- Annual on-premises beer license: \$200.
- Add wine amendment to an existing on-premises beer license: \$200. The sale of wine for consumption on the premises would be supplementary to a restaurant or prepared-food business.
- Annual on premises beer and wine license: \$400.
- Annual catering endorsement: \$200.
- Fingerprint card fee for each individual with 10 percent or more ownership interest in the business. Price subject to change.

## What do I need to apply?

### When applying for an on-premises beer license, you must provide the following general information:

- A completed alcoholic beverage/gambling operator combined license application. You have the option to apply with a premises or without a premises (online applications only).
- Temporary Operating Authority form for gambling and/or alcohol requesting to operate before approval (online applications only and some restrictions apply). The form is available at [MTRevenue.gov](https://mtrrevenue.gov).
- A completed ABCD authorization to disclose tax information form for each individual with ownership over 10 percent and each entity for the purchaser of the license and the seller of the license, if applicable. The form is available at [MTRevenue.gov](https://mtrrevenue.gov).
- A certified survey affidavit of the premises from a local county or city surveyor identifying the exact location, including the address and quota area (city or county), if the department determines the proposed premises are in close proximity to a quota area boundary line.
- A floor plan that includes the business name, physical address, areas where you intend to serve and store alcoholic beverages, seating areas, drink preparation area, external dimensions, entry ways, and any patio or deck area. Do not send in the original blueprints, only an 8½-by-11-inch copy of the floor plan.

**When applying for an on-premises beer license, you must provide the following financial information showing the “intent to purchase” the alcoholic beverage license and/or building:**

*NOTE:* You cannot exchange funds for the alcohol beverage license beyond earnest money 5 percent of the license price without ABCD approval.

- Copies of any loan agreements, contracts, notes and all related security agreements, guarantees, and trust indentures.
- If you used funds other than from a loan you must provide the last six months of bank statements from the bank account you are using to pay for the alcoholic beverage license, building, and/or start-up operating funds for the business.
- Other sources of funding. You must file the non-institutional loan (NIL) form with the application if any lenders or other sources of financing are not state or federally regulated financial institutions, including gifting statements. The form is available at [MTRevenue.gov](https://mtrevenue.gov).
  - Authorization for examination and release of information for each NIL.
  - Personal criminal history statement form for each NIL. The form is available at [MTRevenue.gov](https://mtrevenue.gov).
  - Two fingerprint cards and fees for each NIL.
- Copies of lease, rent, purchase options, financing agreements, or other evidence showing possessory interest in the building.

- Financial statements, such as a balance sheet, income statement, or tax return for the business. If it is a new business, projected balance sheet and income statements area acceptable.
- Franchise agreement, if applicable.
- Copy of business's bank signature card.
- Purchase/transfer documents for the alcoholic beverage license, such as a buy/sell agreement, contract for deed, warranty deed, and bill of sale, if applicable.



**When applying for an on-premises beer license, you must provide the following ownership information (based on entity type applying), including:**

- Copy of partnership agreement documentation.
- Copy of Articles of Incorporation and amendments or addenda.
- Copy of Bylaws and amendments or addenda.
- Copy of Certificate of Fact (for LLCs and LLPs).
- LLC organizational information.
- Copy of stock certificates, corporate minutes and attachments.
- Stock ledger or register.
- Copy of Certificate of Existence (for in-state corporations).
- Copy of authority to conduct business in Montana (for out-of-state corporations).
- Copy of documentation from the Secretary of State verifying that the Assumed Business Name (ABN) has been approved.
- Copy of Federal Employer Identification Number (FEIN) verification from IRS.
- Completed personal history statement form for each individual with 10 percent or more ownership interest in the business. The form is available at [MTRevenue.gov](https://mtrevenue.gov).
- Two fingerprint cards and fees for each individual with 10 percent or more ownership interest in the business.



## When applying for an on-premises beer license, you must provide the following management information, including:

- Location Manager Form. The form is available at [MTRevenue.gov](https://mtrrevenue.gov).
- Personal criminal history statement form for each location manager. The form is available at [MTRevenue.gov](https://mtrrevenue.gov).
- Two fingerprint cards and fees for each location manager.

## Miscellaneous information, including:

- Food menu (for licenses with wine amendments). The sale of wine for consumption on the premises must be supplementary to a restaurant or prepared-food business.





## What are the steps in the application process?

- The application process takes on average 90 days and begins when the Department of Justice (DOJ), Gambling Control Division (GCD) receives a complete application package and all supporting documents.
- Application is reviewed by the DOR ABCD.
- GCD sends a letter to the applicant requesting any additional documents needed.
- ABCD notifies local agencies with jurisdiction over the area (law enforcement, building department, fire department, health department, etc.) of the application in process. They have 14 days to advise the department if the applicant and the premises meet all laws and ordinances.
- Prior to final approval of any new location, it is the responsibility of the applicant to contact local building, health, and fire code officials to schedule inspections. ABCD will not approve an application until:
  - Local officials have given notice that the licensed premises meet their requirements.
  - DOJ has conducted a background check of the applicant(s) and verified the location meets suitability requirements.
- After the completion of the audit and investigation, ABCD and GCD conduct a final review of the application. If necessary, any additional documents will be requested.

## What are the rules for an on-premises beer license?

- All licensees, their agents, and employees must conduct the licensed premises in compliance with all:
  - Alcohol related provisions of the laws of Montana and the United States.
  - County and city or town ordinances.
  - Indian alcohol beverage laws applicable within the areas of Indian country.
  - Rules of the department.



## An on-premises beer licensee may:

- Allow customers to consume alcoholic beverages in a “smoking hut” if the hut is part of the approved premises on file with the department. You need to be aware of any local laws regarding open containers.
- Close for up to 90 consecutive days without department approval. The Non-use form is available at [MTRevenue.gov](https://mtrevenue.gov).
- Serve alcoholic beverages on your patio, deck, or lawn if:
  - It was designated on the floor plan you submitted with your application.
  - It is immediately accessible from the interior premises.
  - If it has a perimeter barrier.

A perimeter barrier is a barricade enclosing the perimeter of the patio/deck. The barrier must be constructed in a manner that impedes foot traffic and clearly defines the boundary of the exterior portion of the premises. The barrier must be a solid structure that is at least three feet high and have a single six-foot entrance permitting public access from an unlicensed area to the patio/deck. The barrier may be constructed of materials such as lattice or wrought iron that do not form a solid structure, it may have a portion of it be water, and it may have additional entrances permitting public access to the patio/deck.

## An on-premises beer licensee may not:

- Lock its doors while there are still customers inside unless the licensee has an approved Access Control System (ACS). The licensee must notify ABCD and local law before implementing an ACS. The form is available at [MTRevenue.gov](https://mtrrevenue.gov).
- Allow anyone (licensee, employee, customer) to sell or consume any alcohol on the licensed premises between 2 a.m. and 8 a.m.
- Allow customers to bring their own alcoholic beverages onto the licensed premises.
- Allow customers on the licensed premises between the hours of 2 a.m. and 8 a.m. If the establishment operates in conjunction with a hotel, restaurant, bus depot, railway terminal, grocery store, pharmacy or other lawful business that doesn't sell alcoholic beverages, the other business can remain open.
- Allow any alcoholic products that you did not purchase from a beer wholesaler, table wine distributor, brewery, winery or agency liquor store on the licensed premises.
- Move product between locations if you own more than one license.
- Cook with distilled spirits, since you can only receive, accept or store those alcoholic beverages for which your establishment is specifically licensed for.
- Sell or serve alcoholic beverages through a drive-up window or vending machines.
- Own any interest in a manufacture license, agency liquor store, or wholesale distributor license.

## **An on-premises beer license issued through competitive bid may not:**

- Offer gambling under Title 23, chapter 5, part 3, 5, or 6.
- Stop using the license within the first five years.
- Transfer the license within the first year after receiving the license unless the transfer is due to a death of an owner.
- Propose a location for the license within the first year of operation that had the same license type within the previous 12 months.

## **An on-premises beer license issued through competitive bid must:**

- Use the license within one year of being notified as the successful bidder or the bid amount and license are subject to forfeiture.



## An on-premises beer licensee must:

- Give law enforcement access to their licensed premises at all times.
- Ensure that all employees serving open-container alcoholic beverages are 18 years or older.
- Notify the department regarding most changes to the existing license before the change occurs. Contact your ABCD Licensing Specialist for more information.
- Notify the department when there is a change in manager within 30 days of hire for the location.
- Ensure that all employees who serve or sell alcoholic beverages and their immediate supervisors:
  - Obtain state-approved training (Responsible Alcohol Sales and Service Training [RASS]) within 60 days of hire.
  - Complete renewal training every three years.

You can find a list of approved training providers at [www.AlcoholServerTraining.mt.gov](http://www.AlcoholServerTraining.mt.gov).

## Miscellaneous:

- Additional fees for this type of license may be charged by local city and county agencies.
- All license renewal fees are due whether the license is on non-use status or active.
- Allowing bar tabs is the choice of the licensee.
- Concession Agreements
  - You may decide to let someone operate a restaurant out of a portion of your building and sell alcoholic beverages in the restaurant. This type of arrangement is called a concession agreement, which is a mutually beneficial agreement between a retail licensee and a non-licensed entity. You must

submit the agreement to the department for review and approval with the one-time processing fee of \$100 prior to operating a concession agreement.

- Alterations

- If you decide to remodel your establishment, you must send ABCD an alteration request form along with a copy of the existing floor plan and a proposed floor plan showing the alterations before starting the alteration. The form is available at [MTRevenue.gov](https://mtrevenue.gov).
- Once the department reviews and approves the request, you may begin the alteration without affecting your license. You may request to have your license placed on a non-use status while under construction. You cannot use altered areas until the department has approved them and they have passed building, health, fire, and DOJ premises inspections.

- Seasonal Status

- If a licensed establishment—such as a dude ranch, resort, park hotel or tourist facility—would like to operate its license on a seasonal basis, it must send a written request to the department that includes the type of business, justification for operating seasonally, and the general dates of operation.
- If approved, the license closure is only effective from the date of the department's letter of authorization through the end of the specified period. A licensee must notify the department before changing general dates of operation.





# Department of Revenue

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**Alcoholic Beverage Control Division**

