



Licensed Beverage & Hospitality

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FOR IMMEDIATE RELEASE
December 8, 2017

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New Liquor License Auction System Creates an Economic Opportunity for the Belgrade/Bozeman Area

The passage of Senate Bill 5 in the Special Legislative Session will have a big impact not only in revenue generated by the State of Montana but for many of the state's smaller communities that "bump" into their neighboring cities. The Belgrade/Bozeman area is one of the best examples of the opportunity created in the Special Session for these communities because SB 5 changes the way licenses are awarded when a population increase in a quota area is enough to warrant additional active licenses.

"The population-based quota system works to balance what our communities look like for drinkers and non-drinkers alike," explained Montana Tavern Association President Dax Cetraro. "The changes made during the recent special session are one more example of how the alcohol license system adjusts over time to a growing and evolving Montana."

Belgrade will see a projected 65% increase in on-premise alcohol outlets over the next four years. Currently in the Belgrade there are:

- Nine all beverage licenses
- Five beer and wine licenses
- Two restaurant beer and wine licenses
- One brewery sample room license

The State of Montana Legislative Fiscal Division estimates that several new licenses will become available due to the passage of SB 5 during the 2017 special session and because of the population growth in the area. The division predicts that, over the next four years the following licenses will become available:

- three new all beverage licenses
- four new beer and wine licenses
- four new restaurant beer and wine licenses

"I carried a similar bill during the 2017 regular session to help out the community of Belgrade and its small businesses, that did not get across the finish line," explained Representative Bruce Grubbs (grubbsmthouse@gmail.com). "When the opportunity came up during the 2017 special session, I jumped at the opportunity to sponsor this bill in the House of Representatives."

This growth won't happen overnight. Senate Bill 5 allows up to three additional licenses per year; one each of all beverage, beer and wine and restaurant beer and wine. And while some people fear an increase in casinos, none of the new licenses will have gaming attached to them so they are more likely to go to new and existing restaurants. The hope is this will encourage more restaurants and bars to thrive in the local community.

Belgrade Mayor Russ Nelson (Russ.Nelson@oubank.com) shares, "'I would like to thank the Montana Tavern Association, Representative Bruce Grubbs and Senator Gordie Vance for their efforts with Senate Bill 5 during the recent special session. This legislation will redraw the line between communities that, today, are within five miles of each other. Belgrade will now have a quota system based on its own population.'"

It's a great example of people coming together to create a working solution. "SB 5 brought together a cross-section of Montanans, to resolve the issue created by communities being combined due to their proximity, as well as raise needed revenue for the state," said Senator Steve Fitzpatrick (sen.steve.fitzpatrick@mt.gov). "Liquor licenses are a private property right in Montana, so any changes made to the system must take that into consideration."

Other areas around the state that will feel this impact include Columbia Falls/Kalispell, Helena/East Helena, Red Lodge/Bear Creek, Hamilton/Pinesdale and Eureka/Rexford.

Senate Bill 5 was signed by Governor Bullock on November 24 and has an immediate effective date.

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