



FREE CONFERENCE COMMITTEE

on House Bill 517

Report No. 1, April 13, 2005

Page 1 of 2

Mr. President and Mr. Speaker:

We, your Free Conference Committee met and considered **House Bill 517** (reference copy -- salmon) and recommend this Free Conference Committee report be adopted.

For the Senate:

Frank Smith
Sen. Frank Smith Chair

Jon Tester
Sen. Jon Tester

Riek Laible
Sen. Riek Laible

Amendment Coordinator

Secretary of the Senate

For the House:

Brady Wiseman
Rep. Brady Wiseman

Dennis Himmelberger
Rep. Dennis Himmelberger

Joe McKenney
Rep. Joe McKenney

Kathleen Galvin-Halcro
Rep. Kathleen Galvin-Halcro

And, recommend that **House Bill 517** (reference copy -- salmon) be amended as follows:

1. Page 1, line 15.

Strike: "**DEFINITION**"

Insert: "Definitions"

Following: "3."

Insert: "the following definitions apply:

(1) "Microdistillery" means a distillery located in Montana that produces 25,000 gallons or less of liquor annually.

ADOPT

Amendment # HB 517-1

REJECT

KA

(2) "

Strike: "PRODUCES"

Insert: "Produce"

2. Page 2, line 10 through line 15.

Strike: subsections (c) and (d) in their entirety

Renumber: subsequent subsection

3. Page 2, line 29.

Insert: "(3) A microdistillery may:

(a) provide, with or without charge, not more than 2 ounces of liquor that it produces at the microdistillery to consumers for consumption on the premises between 10 a.m. and 8 p.m. A microdistillery may not sell or give more than 2 ounces of liquor to an individual for on-premises consumption during a business day.

(b) sell liquor that it produces at retail at the distillery directly to the consumer for off-premise consumption if:

(i) not more than 1 liter a day is sold to an individual;
and

(ii) the minimum retail price as determined by the department is charged."

- END -

TO: SENATOR Smith
FROM: KATHY FABIANO
ASSISTANT SECRETARY TO THE SENATE
RE: CONFERENCE COMMITTEE

Your secretary for the ^{free} conference committee on HB 517 will be
Annis Glover (x 4762) Your staffer for the conference committee
is Pat Murdo.

Once you have decided when the committee will meet, please contact the secretary and she will find a room for you. Please try to talk to the secretary before you announce the meeting under order of business #12. I will provide the secretary with a packet containing everything you will need for the committee meeting, including copies of the reference bill and amendments and a copy of the third reading votes in both houses. Meetings must be posted with the Secretary of the Senate's office as usual. Your secretary will notice all committee members and the staffer.

Each house votes separately and a majority of each house is needed to report the bill out of conference committee. If the committee can't reach agreement you may meet again and reconsider your action, dissolve and appoint new members, or dissolve and become a free conference committee.

Please call me at 4840 or stop by my office in room 302 if you have any questions.

Cc: Conference Committee Secretary

"Bills to the Senate" Report

Date Range: 04/07/2005 12:00:00 AM -- 04/07/2005 03:27:52 PM

05b- Free Conference Committee appointed for House Bill:

Date: April 07, 2005

To: Bill Lombardi, Secretary of the Senate

From: Marilyn Miller, Chief Clerk of the House

I am directed by the House of Representatives to inform the Senate that the House of Representatives, on April 07, 2005, failed to concur in the Senate amendments to House bill 517, and by motion, the Speaker was authorized to appoint a FREE conference committee and requests the Senate to appoint a like committee to confer on Senate amendments to House bill 517. The Speaker appointed the following members:

Reps. Himmelberger, McKenney, Wiseman & Galvin-Halcro appointed.

HB 517 Wiseman, Brady 07-APR-05 (H) Free Conference Committee Appointed

Provide for issuance of a Montana distillery license

(H) 2nd Reading Senate Amendments Concur Motion Failed; Vote: 35 - 65

"Bills to the House" Report

April 11, 2005

Date Range: 04/11/2005 12:00:00 AM - 04/11/2005 09:28:26 AM

09:28 AM

11- HB - Accede to House request to appoint a FREE conference committee:

Date: April 11, 2005

To: Marilyn Miller, Chief Clerk of the House

From: Bill Lombardi, Secretary of the Senate

I am directed by the Senate to inform the House of Representatives that the Senate this day, acceded to the request of the House and has authorized the President to appoint a FREE conference committee to meet with a like committee from the House on House bill 517. The President appointed the following members:

The President Appoints Senators Smith,

HB 517 Wiseman, Brady

Tester, and Laible

11-APR-05

(S) Free Conference Committee Appointed

Provide for issuance of a Montana distillery license

House members: Reps. Himmelberger, McKenney, Wiseman & Gavin-Halcro appointed.

Amendments to House Bill No. 517
3rd Reading Copy

Requested by Representative Brady Wiseman

For the Senate Business, Labor, and Economic Affairs Committee

Prepared by Greg Petesch
May 13, 2005 (5:40am)

1. Title, line 10.
Following: line 9
Insert: "PROVIDING FOR REPORTING, TAX PAYMENTS, AND PENALTIES;"

2. Page 1, line 30.
Following: "bulk"
Strike: "and"
Insert: "; (b) "
Renumber: subsequent subsections

3. Page 2, line 8.
Strike: "; OR"
Insert: ". A distillery may not sell or give more than 2 ounces of liquor to an individual during a business day."

4. Page 2, line 9.
Following: line 8
Insert: "(d) sell liquor that it produces at retail at the distillery directly to the consumer for off-premise consumption provided that the minimum retail price as determined by the department is charged;"
Renumber: subsequent subsection

5. Page 2, line 12.
Following: "code"
Insert: ", but may not sell liquor it produces at wholesale to all-beverages license holders"

6. Page 9, line 7.
Insert: "NEW SECTION. **Section 6. Reporting -- tax payment -- penalties.** (1) A distillery licensed to do business in this state under [section 1] shall, on or before the 15th day of each month, in the manner and form prescribed by the department, make an exact return to the department reporting the amount of liquor

manufactured in this state that was sold and delivered by the distillery in the previous month. The department may at any time make an examination of the distillery's books and of the premises and may otherwise check the accuracy of the return.

(2) The tax imposed pursuant to 16-1-404 upon a distillery licensed under [section 1] is due on or before the 15th day of each month from the distiller for liquor sold during the previous month.

(3) If a distiller subject to the payment of the tax provided for in 16-1-404 fails to make any return required by this code or fails to make payment of the tax within the time provided in this part, the department shall, after the time has expired, determine and fix the amount of tax due the state from the delinquent distiller.

(4) The department shall then proceed to collect the tax with penalties and interest. Upon request of the department, the attorney general shall prosecute in any court of competent jurisdiction an action to collect the tax.

(5) If all or part of the tax imposed upon a distillery by this part is not paid when due, the department may issue a warrant for distraint as provided in Title 15, chapter 1, part 7. The resulting lien has precedence over any other claim, lien, or demand filed or recorded after the warrant is issued.

(6) An action may not be maintained to enjoin the collection of the tax or any part of the tax.

(7) Any tax owed by a distiller under this code that is not paid within the time provided is delinquent, and penalty and interest must be added to the delinquent tax as provided in 15-1-216.

(8) A distiller who fails, neglects, or refuses to make the return to the department provided for in this section, refuses to allow the examinations as provided for in this section, or fails to make an accurate return in the manner prescribed is guilty of a misdemeanor and upon conviction shall be fined an amount not exceeding \$1,000."

Renumber: subsequent sections

7. Page 9, line 11.

Following: line 10

Insert: "(2) [Section 6] is intended to be codified as an integral part of Title 16, chapter 1, part 4, and the provisions of Title 16, chapter 1, part 4, apply to [section 6]."

- END -

Amendments to House Bill No. 517
3rd Reading Copy

Requested by Representative Brady Wiseman

For the Senate Business, Labor, and Economic Affairs Committee

Prepared by Greg Petesch
May 13, 2005 (5:39am)

1. Title, line 10.

Following: line 9

Insert: "PROVIDING FOR REPORTING, TAX PAYMENTS, AND PENALTIES;"

2. Page 2, line 7.

Strike: "TWO"

Insert: "three"

3. Page 2, line 8.

Strike: "OR"

4. Page 2, line 9.

Following: line 8

Insert: "(c) sell liquor that it produces at retail at the distillery directly to the consumer for off-premise consumption provided that the minimum retail price as determined by the department is charged;"

Renumber: subsequent subsection

5. Page 2, line 12.

Following: "code"

Insert: ", but may not sell liquor it produces at wholesale to all-beverages license holders"

6. Page 9, line 7.

Insert: "NEW SECTION. **Section 6. Reporting -- tax payment -- penalties.** (1) A distillery licensed to do business in this state under [section 1] shall, on or before the 15th day of each month, in the manner and form prescribed by the department, make an exact return to the department reporting the amount of liquor manufactured in this state that was sold and delivered by the distillery in the previous month. The department may at any time make an examination of the distillery's books and of the premises and may otherwise check the accuracy of the return.

(2) The tax imposed pursuant to 16-1-404 upon a distillery licensed under [section 1] is due at the end of each month from the distiller upon liquor sold during that month.

(3) If a distiller subject to the payment of the tax provided for in 16-1-404 fails to make any return required by this code or fails to make payment of the tax within the time provided in this part, the department shall, after the time has expired, determine and fix the amount of tax due the state from the delinquent distiller.

(4) The department shall then proceed to collect the tax with penalties and interest. Upon request of the department, the attorney general shall prosecute in any court of competent jurisdiction an action to collect the tax.

(5) If all or part of the tax imposed upon a distillery by this part is not paid when due, the department may issue a warrant for distraint as provided in Title 15, chapter 1, part 7. The resulting lien has precedence over any other claim, lien, or demand filed or recorded after the warrant is issued.

(6) An action may not be maintained to enjoin the collection of the tax or any part of the tax.

(7) Any tax owed by a distiller under this code that is not paid within the time provided is delinquent, and penalty and interest must be added to the delinquent tax as provided in 15-1-216.

(8) A distiller who fails, neglects, or refuses to make the return to the department provided for in this section, refuses to allow the examinations as provided for in this section, or fails to make an accurate return in the manner prescribed is guilty of a misdemeanor and upon conviction shall be fined an amount not exceeding \$1,000."

Renumber: subsequent sections

7. Page 9, line 11.

Following: line 10

Insert: "(2) [Section 6] is intended to be codified as an integral part of Title 16, chapter 1, part 4, and the provisions of Title 16, chapter 1, part 4, apply to [section 6]."

- END -

everyone here

HB 517

Amendments exhibit 1 HB 051707.agp
exhibit 2 HB 051708.agp

Tester - question on amend
moved ~~HB~~ HB 051707.agp

Wise man - question on motions
- code commissioner took ~~text~~ ^{text} in current
bill & made readable
- def. of microdistillery

Mckenney - prefers other amendment w/ 1 liter

Laible - limit ability to get operation going
question to Himmelberger

Wiseman - arg. that folks on production side
making

Wiseman sub motion - move HB 051808.agp

Laible - limit breweries

Himmel - true

Wiseman - should not discount creativity of
entrepreneurs

roll call vote 4-0 in house 1-2 in senate

Laible - arcane liquor laws in the state (Smith yes)

Mckenney - laws are arcane
3 tier system: manfctr
~~retailer~~^{wholesaler}
retailer

Laible - tavern owners on board w/ this proposal?
opps in future to increase?

Tester - will promote alcohol as supplement to meals

Laible - Mckenney - reconsider 1.5?
Mckenney - tavern industry came to table w/ 1

Tester moved to reconsider 51708
UNANIMOUS

Mckenney moved amendment of
UNANIMOUS

Tester moved ^{#B517 w/ amendment} conf committee report
UNANIMOUS