

1 \_\_\_\_\_ BILL NO. \_\_\_\_\_

2 INTRODUCED BY \_\_\_\_\_  
3 (Primary Sponsor)

4 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING ALCOHOL REGULATORY LAWS  
5 RELATING TO WINERIES; REQUIRING WINERIES LOCATED IN MONTANA TO CRUSH AND FERMENT A  
6 CERTAIN AMOUNT OF FERMENTABLE AGRICULTURAL PRODUCTS AT THE WINERY; ALLOWING  
7 CERTAIN WINERIES LOCATED IN THE STATE THAT MEET CERTAIN REQUIREMENTS TO OPERATE A  
8 TASTING ROOM; AMENDING SECTIONS 16-3-411 AND 16-3-418, MCA; AND PROVIDING AN IMMEDIATE  
9 EFFECTIVE DATE AND AN APPLICABILITY DATE."

10  
11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

12  
13 **Section 1.** Section 16-3-411, MCA, is amended to read:

14 **"16-3-411. Winery.** (1) A winery located in Montana and licensed pursuant to 16-4-107 may:

- 15 (a) import in bulk, bottle, produce, blend, store, transport, or export wine it produces;
- 16 (b) sell wine it produces at wholesale to wine distributors;
- 17 (c) sell wine it produces at retail at ~~the winery directly to the consumer~~ a tasting room as provided in

18 subsection (2) for consumption on or off the premises;

19 ~~(d) provide, without charge, wine it produces for consumption at the winery;~~

20 ~~(e)(d)~~ purchase from the department or its licensees brandy or other distilled spirits for fortifying wine  
21 it produces;

22 ~~(f)(e)~~ obtain a special event permit under 16-4-301;

23 ~~(g)(f)~~ perform those operations and cellar treatments that are permitted for bonded winery premises  
24 under applicable regulations of the United States department of the treasury;

25 ~~(h)(g)~~ sell wine at the winery to a licensed retailer who presents the retailer's license or a photocopy of  
26 the license; or

27 ~~(i)(h)~~ obtain a direct shipment endorsement to ship table wine as provided in Title 16, chapter 4, part  
28 11, directly to an individual in Montana who is at least 21 years of age.

1           (2) (a) A winery located in Montana and licensed pursuant to 16-4-107 after [the effective date of this  
2 act] shall crush and ferment at least 50% of the fermentable agricultural products that are used in wine  
3 production at the winery location.

4           (b) A winery meeting the fermentation requirements of subsection (2)(a) may operate a tasting room:  
5           (i) in which an individual person may consume no more than 16 ounces of wine or 48 ounces of cider  
6 that is provided with or without charge between the hours of 10 a.m. and 8 p.m. in the same day;  
7           (ii) in which wine may be sold for off-premises consumption and must be in its original packaging; and  
8           (iii) that must be at the winery location.

9           ~~(2)~~(3) (a) A winery licensed pursuant to 16-4-107 may sell and deliver wine produced by the winery  
10 directly to licensed retailers if the winery:

11           (i) uses the winery's own equipment, trucks, and employees to deliver the wine and the wine delivered  
12 pursuant to this subsection ~~(2)(a)(i)~~ (3)(a)(i) does not exceed ~~4,500~~ 6,000 cases a year;

13           (ii) contracts with a licensed table wine distributor to ship and deliver the winery's wine to the retailer;  
14 or

15           (iii) contracts with a common carrier to ship and deliver the winery's wine to the retailer and:

16           (A) the wine shipped and delivered by common carrier is shipped directly from the producer's winery  
17 or bonded warehouse;

18           (B) individual shipments delivered by common carrier are limited to three cases a day for each  
19 licensed retailer; and

20           (C) the shipments delivered by common carrier do not exceed 4,500 cases a year.

21           (b) If a winery uses a common carrier for delivery of the wine to licensed table wine distributors and  
22 retailers, the shipment must be:

23           (i) in boxes that are marked with the words: "Wine Shipment From Montana-Licensed Winery to  
24 Montana Licensee";

25           (ii) delivered to the premises of a licensed table wine distributor or licensed retailer who is in good  
26 standing; and

27           (iii) signed for by the wine distributor or retailer or its employee or agent.

28           (c) In addition to any records required to be maintained under 16-4-107, a winery that distributes wine

1 within the state under this subsection ~~(2)~~ (3) shall maintain records of all sales and shipments. The winery shall,  
 2 pursuant to 16-1-411, electronically file a report in the manner and form prescribed by the department, reporting  
 3 the amount of wine or hard cider, or both, that it shipped in the state during the preceding period, including the  
 4 names and addresses of consignees or retailers, and other information that the department may determine to  
 5 be necessary to ensure that distribution of wine or hard cider, or both, within this state conforms to the  
 6 requirements of this code."

7

8 **Section 2.** Section 16-3-418, MCA, is amended to read:

9 **"16-3-418. Dual appointments -- equal support -- alternate supplier -- dock sales.** (1) (a) A  
 10 supplier may appoint one or more table wine distributors to distribute its table wines in a specified territory. If  
 11 the supplier appoints two or more table wine distributors to sell its table wines in the same or overlapping  
 12 territories, the supplier shall offer the same prices, delivery, terms, and promotional support to each table wine  
 13 distributor.

14 (b) A supplier may not appoint more than one table wine distributor to distribute its hard cider in a  
 15 specified territory.

16 (c) For the purposes of this subsection (1), "table wine" has the meaning assigned in 16-1-106, but  
 17 does not include hard cider.

18 (2) (a) The holder of an all-beverages license under chapter 4, part 2, may, upon presentation of the  
 19 license or a photocopy of the license, personally obtain from any distributor's warehouse a quantity of table  
 20 wine that the licensee may agree to buy and that the distributor may agree to sell.

21 (b) The holder of a license that permits on-premises consumption of alcoholic beverages under 16-4-  
 22 401(2) may, upon presentation of the license or a photocopy of the license, personally or through an employee,  
 23 obtain from a winery, as provided in 16-3-411~~(1)(h)~~(1)(g), a quantity of table wine that the licensee may agree  
 24 to buy and that the winery may agree to sell."

25

26 NEW SECTION. **Section 3. Effective date.** [This act] is effective on passage and approval.

27

28 NEW SECTION. **Section 4. Applicability.** (1) [This act] applies to wineries whose license

1 applications are submitted on or after [the effective date of this act].

2 (2) This act does not apply to wineries who were licensed or had license applications submitted before

3 [the effective date of this act].

4 - END -