

HOUSE BILL NO. 58

INTRODUCED BY P. NOONAN

BY REQUEST OF THE DEPARTMENT OF REVENUE

A BILL FOR AN ACT ENTITLED: "AN ACT CREATING A BREW-ON-PREMISES LICENSE AND AUTHORIZING A PERSON PERMITTING THE USE OF FACILITIES FOR PRIVATE MANUFACTURE OF BEER AND MALT BEVERAGES TO HOLD A LICENSE AND PAY AN ANNUAL LICENSE FEE; PROHIBITING PHYSICAL ASSISTANCE OF BREWING BY THE LICENSEE; ESTABLISHING BREW-ON-PREMISES LICENSING REQUIREMENTS AND ENFORCEMENT PROVISIONS; PROVIDING RULEMAKING AUTHORITY; AND PROVIDING AN EFFECTIVE DATE."

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

NEW SECTION. Section 1. Brew on-premises license -- fees -- rulemaking. (1) Upon receipt of an application, the department may issue a brew-on-premises license to a person who provides brewing facilities to members of the public for the private manufacture of beer and malt beverages on the licensed premises.

(2) A person or entity may not permit the use of the person's or entity's property for any consideration or remuneration for the production of beer or malt beverages for personal consumption unless the person or entity has been issued a brew-on-premises license by the department.

(3) ~~The A brew-on-premises license does not authorize the sale of~~ LICENSEE IS PROHIBITED FROM SELLING beer and malt beverages in any manner ~~or~~ AND IS PROHIBITED FROM ALLOWING the consumption of alcoholic beverages on the premises.

(4) A brew-on-premises licensee's facility must comply with the state building code and fire safety standards set forth in Title 50, chapters 60 and 61.

(5) An application for a license under this section must be accompanied by an initial license fee of \$400. The annual license renewal fee is \$200.

(6) A person or entity issued a license under this section and a person using the licensee's facility for personal brewing of beer or malt beverages are subject to any applicable federal laws and regulations, including but not limited to 27 CFR 24.75, 27 CFR 25.205, and 27 CFR 25.206.

(7) A person or entity issued a license under this section, in addition to complying with any applicable

1 federal laws and regulations, shall comply with the following conditions:

2 (a) The licensee shall keep records relating to all persons using the licensee's facility for the manufacture
3 of any beer or malt beverage. Information in these records must include the quantity of beer or malt beverages
4 produced by each individual at the facility during each calendar year and the number of persons 21 years of age
5 or older residing in the individual's household.

6 (b) The records must be available for inspection by an authorized investigator of the department or the
7 department of justice during the facility's business hours.

8 (c) (i) The licensee may not provide physical assistance to individuals in the production of or bottling of
9 beer and malt beverages at the facility but may provide advice and instruction.

10 (ii) Physical assistance in the production of beer and malt beverages includes:

11 (A) filling of vessels with brewing ingredients;

12 (B) mixing of ingredients;

13 (C) movement of beer and malt beverages from one container to another; or

14 (D) filtering and bottling of the final product.

15 (iii) The following activities do not constitute providing physical assistance in the production of beer and
16 malt beverages:

17 (A) cleaning, maintenance, and repair of brewing and bottling equipment;

18 (B) maintenance of climate and temperature control;

19 (C) disposal of spent grains and wastes;

20 (D) quality control of beer and malt beverages, including laboratory examination; or

21 (E) preheating of vessels or containers.

22 (8) An individual using the licensee's facility for personal brewing use is responsible for brewing,
23 handling, or transporting the beer and malt beverages produced and must be 21 years of age or older.

24 (9) (a) An individual using the licensee's facility for personal brewing may produce beer and malt
25 beverages within the prescribed quantity of limitations prescribed in subsection (9)(c) and may not sell the beer
26 or malt beverages produced. Beer and malt beverages produced at a brew-on-premises facility may be removed
27 only for the personal use of the customer.

28 (b) Any beer or malt beverage produced at the facility may not exceed the limits for alcohol by volume
29 for beer as defined in 16-1-106.

30 (c) The production of beer and malt beverages per household for personal or family use may not exceed:

1 (i) 200 gallons in a calendar year if there are two or more adults 21 years of age or over residing in the
2 household; or

3 (ii) 100 gallons in a calendar year if there is only one adult 21 years of age or older residing in the
4 household.

5 (d) A partnership, a corporation, an association, or any entity other than an individual person may not
6 use the brew-on-premises facility and may not produce beer or malt beverages for personal use.

7 (10) A person or entity that violates this section is subject to the penalties provided in 16-4-406.

8 (11) The department may adopt rules to implement the provisions of this section.

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10 **NEW SECTION. Section 2. Codification instruction.** [Section 1] is intended to be codified as an
11 integral part of Title 16, chapter 3, part 2, and the provisions of Title 16, chapter 3, part 2, apply to [section 1].

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13 **NEW SECTION. Section 3. Effective date.** [This act] is effective July 1, 2013.

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