

HOUSE BILL NO. 185

INTRODUCED BY D. FERN

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A BILL FOR AN ACT ENTITLED: "AN ACT EXTENDING THE HOURS FOR SMALL BREWERIES TO SERVE BEER AT A SAMPLE ROOM TO BETWEEN 10:00 A.M. AND 10:00 P.M.; AMENDING SECTION 16-3-213, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 16-3-213, MCA, is amended to read:

"16-3-213. Brewers or beer importers not to retail beer -- small brewery exceptions. (1) Except as provided for small breweries in subsection (2), it is unlawful for any brewer or breweries or beer importer to have or own any permit to sell or retail beer at any place or premises. It is the intention of this section to prohibit brewers and beer importers from engaging in the retail sale of beer. This section does not prohibit breweries from selling and delivering beer manufactured by them, in original packages, at either wholesale or retail.

(2) (a) For the purposes of this section, a "small brewery" is a brewery that has an annual nationwide production of not less than 100 barrels or more than 60,000 barrels, including:

- (i) the production of all affiliated manufacturers; and
- (ii) beer purchased from any other beer producer to be sold by the brewery.

(b) A small brewery may, at one location for each brewery license and at no more than three locations including affiliated manufacturers, provide samples of beer that were brewed and fermented on the premises in a sample room located on the licensed premises. The samples may be provided with or without charge between the hours of 10 a.m. and ~~8~~ 10 p.m. No more than 48 ounces of malt beverage may be sold or given to each individual customer during a business day. No more than 2,000 barrels may be provided annually for on-premises consumption including all affiliated manufacturers.

(3) For the purposes of this section, "affiliated manufacturer" means a manufacturer of beer:

- (a) that one or more members of the manufacturing entity have more than a majority share interest in or that controls directly or indirectly another beer manufacturing entity;
- (b) for which the business operations conducted between or among entities are interrelated or interdependent to the extent that the net income of one entity cannot reasonably be determined without reference



1 to operations of the other entity; or

2 (c) of which the brand names, products, recipes, merchandise, trade name, trademarks, labels, or logos
3 are identical or nearly identical."

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5 NEW SECTION. **Section 2. Effective date.** [This act] is effective on passage and approval.

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