

OFFICE OF THE GOVERNOR  
STATE OF MONTANA

GREG GIANFORTE  
GOVERNOR



KRISTEN JURAS  
LT. GOVERNOR

April 19, 2021

The Honorable Wylie Galt  
Speaker of the House  
State Capitol  
Helena, MT 59601

The Honorable Mark Blasdel  
President of the Senate  
State Capitol  
Helena, MT 59601

Dear President Blasdel and Speaker Galt:

In accordance with the power vested in me as the Governor by the Constitution and the laws of the State of Montana, I hereby veto House Bill 440 "AN ACT GENERALLY REVISING ALCOHOL REGULATORY LAWS RELATING TO WINERIES; REQUIRING WINERIES LOCATED IN MONTANA TO FERMENT A CERTAIN AMOUNT OF FERMENTABLE AGRICULTURAL PRODUCTS AT THE WINERY; AMENDING SECTION 16-3-411, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE."

HB 440 requires any new license applicants to "ferment at least 50% of the fermentable agricultural products that are used in wine production at the winery location." This change in the law amounts to the state government dictating winners and losers in what is otherwise a highly competitive market with robust consumer choice. If enacted, HB 440 would allow certain entrants into the market while restricting others. This is an unjustified restraint of trade that disincentivizes business development and job creation.

Currently, wineries that ferment a majority of their product can already obtain a license and enter the market. HB 440 gives this type of winery a government-sponsored advantage over other wineries that maintain a different business model, in particular, wineries that import in bulk and retail to consumers. See MCA § 16-3-411(1)(a). And HB 440 grandfatheres the licenses of wineries that import their product, with the anti-competitive effect of insulating those types of wineries from further competition. While this may be unintentional, it is still counter to a free market where consumers are sovereign and determine winners and losers.

I also believe it would be difficult for the Montana Department of Revenue to determine whether a newly licensed winery is actually fermenting at least 50% of its production. I am hesitant to sign legislation that the executive branch cannot reasonably enforce.

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I cannot in good conscience sign a bill that amounts to unnecessary government intervention in a market that already offers consumers ample choice. These consumers should determine which businesses succeed and which fail.

For these reasons, I am vetoing HB 440.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Greg Gianforte', is written over the printed name.

Greg Gianforte

cc: Legislative Services Division  
Secretary of State Christi Jacobson