



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2023 Biennium

Bill # HB0534

Title: Generally revise microbrewery laws

Primary Sponsor: Buttrey, Edward

Status: As Introduced

- Significant Local Gov Impact
 Needs to be included in HB 2
 Technical Concerns
 Included in the Executive Budget
 Significant Long-Term Impacts
 Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Federal Special Revenue	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Federal Special Revenue	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: HB 534 has no fiscal impact to the state.

FISCAL ANALYSIS

Assumptions:

Department of Revenue

1. HB 534 allows a licensed brewery to obtain up to two additional licenses that are either retail beer or all-beverage licenses.
2. Owners of retail beer or all-beverage licenses may obtain brewery licenses.
3. A sampling room is not allowed for breweries that also have a retail license at that location as all beer sales must be through that retail license.
4. Costs associated with changes to forms and the integrated tax system are minimal and will be absorbed by the department.

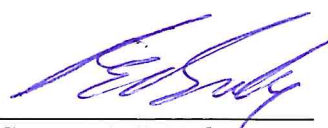
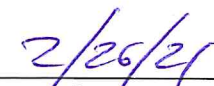

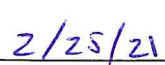
	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
TOTAL Expenditures	\$0	\$0	\$0	\$0
<u>Funding of Expenditures:</u>				
TOTAL Funding of Exp.	\$0	\$0	\$0	\$0
<u>Revenues:</u>				
TOTAL Revenues	\$0	\$0	\$0	\$0

Net Impact to Fund Balance (Revenue minus Funding of Expenditures):

General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0

Technical Notes:

1. The department considers it necessary to use an exclusionary clause for licensees with additional license interests under New Section 1 instead of striking 16-3-213 (1), MCA. It is likely that many breweries will not obtain retail licenses and striking this language removes clarity from the code about what actions are allowable for these breweries.
2. New Section 1 (2) should be contained as a part of 16-4-401, MCA, which deals with licensure criteria and contains other references to limitations on the number of licenses that can be obtained by one person.
3. The restriction of no more than three beer licenses is a new restriction and only applies to those retail licensees with a brewery license as well and could bring up an issue of treating certain beer licensees differently than others.
4. On page 2 line 15, it appears there was a drafting error and (b) should be inserted after “This subsection (1)” to avoid also excluding the definition of small brewery.
5. It is not clear if page 2 lines 15-16 apply to all brewery licenses owned by a brewer with a retail license or just the sample room where the retail license is located.
6. The department requires separate licenses to have separate premises. The language in New Section 1 references keeping both licenses on the same premises, which naturally conflicts with this requirement and 16-3-311, MCA.

 _____ Sponsor's Initials	 _____ Date	 _____ Budget Director's Initials	 _____ Date
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