



AN ACT REMOVING THE DEPARTMENT OF REVENUE'S PROHIBITION ON APPROVING GELATIN CUP ALCOHOLIC BEVERAGE PRODUCTS; AMENDING SECTION 16-1-303, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

WHEREAS, ARM 42.11.402 and 42.13.201 specifically prohibit the approval of gelatin cup alcoholic products for use in Montana and the amendment to section 16-1-303, MCA, seeks to have the department remove that prohibition.

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

Section 1. Section 16-1-303, MCA, is amended to read:

"16-1-303. Department rules. (1) The department and the department of justice may make rules not inconsistent with this code necessary to efficiently administer this code.

(2) Rules made by the department may include but are not limited to the following:

(a) regulating the contractual operation of agency liquor stores and warehouses in which liquor is kept or sold and prescribing the books and records to be kept;

(b) prescribing the duties of department employees and regulating their conduct while in the discharge of their duties;

(c) governing the purchase of liquor and the furnishing of liquor to agency liquor stores;

(d) determining the classes, varieties, and brands of liquor to be available for distribution from the state liquor warehouse, however, the department may not prohibit liquor that is sold in gelatin cups that are shelf stable and liquid at room temperature and may not prohibit the distribution of beer and table wine by a beer wholesaler or table wine distributor that are sold in gelatin cups that are shelf stable and liquid at room temperature;

- (e) prescribing the minimum hours during which agency liquor stores must be open for the sale of alcoholic beverages;
 - (f) providing for the issuing and distributing of price lists showing the price to be paid by purchasers for each class, variety, or brand of liquor kept for sale;
 - (g) prescribing forms to be used for the purpose of this code or the rules and the terms and conditions for permits and licenses issued and granted under this code;
 - (h) prescribing the form of records of purchase of liquor and the reports to be made to the department and providing for inspection of the records;
 - (i) prescribing the manner of giving and serving notices required by this code or the rules;
 - (j) prescribing the fees payable for permits and licenses issued under this code for which fees are not prescribed in this code and prescribing the fees for anything done or permitted to be done under the rules;
 - (k) prescribing, subject to the provisions of this code, the conditions and qualifications necessary for the obtaining of alcoholic beverage licenses and the books and records to be kept and the returns to be made by the licensees;
 - (l) specifying and describing the place and the manner in which alcoholic beverages may be lawfully kept or stored;
 - (m) specifying and regulating the time when and the manner by which vendors and brewers may deliver alcoholic beverages under this code and the time when and the manner by which alcoholic beverages, under this code, may be lawfully conveyed or carried;
 - (n) governing the conduct, management, and equipment of any premises licensed to sell alcoholic beverages under this code;
 - (o) providing for the imposition and collection of taxes and making rules respecting returns, accounting, and payment of the taxes to the department.
- (3) The department of justice may adopt rules to administer and implement its responsibilities under this title, including but not limited to rules providing for the inspection of licensed premises or premises where the sale of liquor has been proposed.
- (4) Whenever this code provides that an act may be done if authorized by rules, the department, subject to the restrictions in subsection (1), may make rules respecting the act.

(5) The department shall use the negotiated rulemaking procedures contained in Title 2, chapter 5, for the purpose of adoption of rules related to the operation of agency liquor stores. However, the department may not be required to pay any expenses of the participants or of any persons engaged in the rulemaking process as provided for in 2-5-110."

Section 2. Effective date. [This act] is effective on passage and approval.

- END -

I hereby certify that the within bill,
HB 455, originated in the House.

Chief Clerk of the House

Speaker of the House

Signed this _____ day
of _____, 2023.

President of the Senate

Signed this _____ day
of _____, 2023.

HOUSE BILL NO. 455

INTRODUCED BY B. MITCHELL, C. KNUDSEN, K. ZOLNIKOV, R. MARSHALL, E. BUTTREY, C. HINKLE, M.
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