

1 _____ BILL NO. _____
 2 INTRODUCED BY _____
 (Primary Sponsor)
 3 BY REQUEST OF THE DEPARTMENT OF REVENUE
 4

5 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING LAWS RELATED TO BREWERS AND BEER
 6 IMPORTERS; ALLOWING OUT-OF-STATE BREWERIES TO BE REGISTERED IN MONTANA; ALLOWING
 7 CERTAIN SALES AND SHIPPING OF BEER; REVISING LAWS RELATED TO BEER SHIPPED BY BEER
 8 WHOLESALERS; PROVIDING THAT AN OUT-OF-STATE BREWERY REGISTERS AND PAY FEES; AND
 9 AMENDING SECTIONS 16-3-211, 16-3-212, 16-3-214, 16-3-230, AND 16-4-101, MCA."
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11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
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13 **Section 1.** Section 16-3-211, MCA, is amended to read:

14 **"16-3-211. Monthly report of brewer, beer importer, or retailer -- inspection of books and**
 15 **premises.** (1) Every brewer and every beer importer licensed or registered to do business in this state shall, on
 16 or before the 15th day of each month, as prescribed by the department, make an exact return to the department
 17 of the amount of beer manufactured or imported by the brewer or importer, the amount sold by the brewer or
 18 importer in the previous month, and the inventory of the brewer or importer. The department may make an
 19 examination of any brewer's or beer importer's books and of the brewer's or importer's premises and otherwise
 20 check the accuracy of any return or check the alcoholic content of beer manufactured or imported by the brewer
 21 or importer.

22 (2) Every retailer licensed to do business in this state shall, on or before the 15th day of each
 23 month, as prescribed by the department, make an exact return to the department of the amount of beer
 24 purchased in the previous month directly from any brewery not located in the state of Montana."
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26 **Section 2.** Section 16-3-212, MCA, is amended to read:

27 **"16-3-212. Brewers' or beer importers' sales to wholesalers lawful.** A licensed or registered
 28 brewer may sell or deliver beer manufactured by the brewer to any licensed wholesaler. A licensed or

1 registered beer importer may sell or deliver beer imported by the importer to any licensed wholesaler."

2

3 **Section 3.** Section 16-3-214, MCA, is amended to read:

4 **"16-3-214. Beer sales by brewers -- sample room exception.** (1) Subject to the limitations and
5 restrictions contained in this code, a brewer who manufactures less than 60,000 barrels of beer a year, upon
6 payment of the annual license fee imposed by 16-4-501 and upon presenting satisfactory evidence to the
7 department as required by 16-4-101, must be licensed by the department, in accordance with the provisions of
8 this code and rules prescribed by the department, to:

9 (a) sell and deliver beer from its storage depot or brewery to:

10 (i) a wholesaler;

11 (ii) licensed retailers if the brewer uses the brewer's own equipment, trucks, and employees to
12 deliver the beer and if:

13 (A) individual deliveries, other than draught beer, are limited to the case equivalent of 8 barrels a
14 day to each licensed retailer; and

15 (B) the total amount of beer sold or delivered directly to all retailers does not exceed 10,000 barrels
16 a year; or

17 (iii) the public, including curbside pickup between 8 a.m. and 2 a.m. in original packaging or
18 growlers;

19 (b) provide its own products for consumption on its licensed premises without charge or, if it is a
20 small brewery, provide its own products at a sample room as provided in 16-3-213; or

21 (c) do any one or more of the acts of sale and delivery of beer as provided in this code.

22 (2) A brewery may not use a common carrier for delivery of the brewery's product to the public or
23 to licensed retailers.

24 (3) A brewery may import or purchase, upon terms and conditions the department may require,
25 necessary flavors and other nonbeverage ingredients containing alcohol for blending or manufacturing
26 purposes.

27 (4) An additional license fee may not be imposed on a brewery providing its own products on its
28 licensed premises for consumption on the premises.

1 (5) This section does not prohibit a licensed or registered brewer from shipping and selling beer
2 directly to a wholesaler in this state under the provisions of 16-3-230."

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4 **Section 4.** Section 16-3-230, MCA, is amended to read:

5 **"16-3-230. Beer required to be shipped to wholesaler.** Except as provided in 16-3-214 and 16-4-
6 901, all beer that is to be distributed in Montana, ~~whether manufactured outside of or within the state of~~
7 ~~Montana,~~ must be ~~consigned to and~~ sold and shipped, ~~either directly or via a licensed storage depot,~~ to a
8 licensed wholesaler and unloaded into the wholesaler's warehouse in Montana or subwarehouse in Montana. A
9 brewer or beer importer ~~may sell only to wholesalers from a storage depot in Montana and shall maintain~~
10 records of all beer, including the name or kind received, on hand, and sold. The records may at any time be
11 inspected by a representative of the department. The wholesaler shall distribute the beer from the warehouse
12 or subwarehouse and shall keep records at the wholesaler's ~~principal place of business~~ licensed premises of all
13 beer, including the name or kind received, on hand, sold, and distributed. The records may be inspected by a
14 representative of the department at any time."

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16 **Section 5.** Section 16-4-101, MCA, is amended to read:

17 **"16-4-101. Applications for sale, import, or manufacture of beer -- qualifications of applicant.**

18 (1) Except as provided in subsection (4), ~~Any any~~ person desiring to manufacture, import, or sell beer under the
19 provisions of this code shall first apply to the department for a license to do so and pay with ~~such the~~
20 application ~~the license~~ fee prescribed. The department shall require of ~~such the~~ applicant satisfactory evidence
21 that the applicant is of good moral character and a law-abiding person.

22 (2) ~~Upon On~~ being satisfied, from ~~such the~~ application or otherwise, that ~~such the~~ applicant is
23 qualified, the department shall issue ~~such a~~ license to ~~such the~~ person, ~~which and the license shall be must~~ at
24 all times be prominently displayed ~~in the place of business of such applicant~~ at the licensed premises.

25 (3) If the department ~~shall find finds~~ that ~~such the~~ applicant is not qualified, ~~no a~~ license ~~shall may~~
26 not be granted and ~~such the~~ license fee ~~shall must~~ be returned.

27 (4) A brewery that is not located in the state or a beer importer that holds the appropriate license
28 from the United States department of the treasury that desires to distribute its beer within this state through

1 licensed beer wholesalers shall apply to the department for registration on forms to be prepared and furnished
2 by the department."

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