



OVERVIEW: ALCOHOLIC BEVERAGE CONTROL DIVISION

Department of Revenue Director: Gene Walborn (Appointed by the Governor)
Division Administrator Becky Schlauch

The Alcoholic Beverage Control Division in the Department of Revenue came under the monitoring duties of the Economic Affairs Interim Committee through passage of House Bill 16 in the 2017 session. Prior to assignment to the Economic Affairs Interim Committee for interim monitoring, what was then named the Liquor Control Division came within the purview of what was then the Revenue and Transportation Interim Committee, which monitored both the Department of Revenue and the Department of Transportation. A reason for the oversight reassignment was because the Economic Affairs Interim Committee generally has among its members legislators who have heard alcohol-related bills during their time on the Senate Business, Labor, and Economic Affairs or the House Business and Labor standing committees.

Goals

The Division’s website

<https://mtrevenue.gov/about/liquor-control/> lists its goals as providing “effective and efficient administration of the Montana alcoholic beverage code with an emphasis on customer service and public safety by applying uniform and fair regulations while ensuring an orderly system for the convenient distribution and responsible consumption of alcoholic beverages.”

Alcoholic Beverage Control Division		
Bureau	FTE actual	2021 Biennial Proprietary Budget
Licensing & Compliance Bureau	11	\$933,487.09
Liquor Distribution Bureau	17	\$1,524,796.38
Operations Bureau	5	\$724,450.52

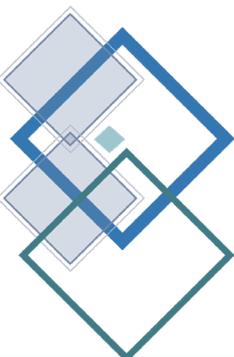
Duties: Administered Through Licensing or Regulation

Through three bureaus and an education and training program, the Division:

- Licenses manufacturers, importers, retailers, and distributors of alcoholic beverages;
- Collaborates with the Department of Justice and local law enforcement for preclicensing investigations and for investigation of public complaints and other enforcement;
- Oversees operations of agency liquor stores and distribution through the state liquor warehouse through which almost all liquor and fortified wine products must be handled (exceptions are allowed for some locally produced goods); and
- Oversees the training and education under the Responsible Alcohol Sales and Service Act.

Funding

The Alcoholic Beverage Control Division operates as a business, using proprietary funding from fees and taxes assessed under Title 16, MCA. Revenues that exceed the requirements for running the division go either to the general fund or to specific health programs. See below for the Alcoholic Beverage Control Division’s biennial FY 2021 budget amounts and estimated revenues by source.



**Legislative
Audits**

A performance audit,
"Coordination of
Liquor Licensing
Compliance Programs,"

Estimated Revenue by Source FY2021					
Beer Tax	Wine/Hard Cider Tax	Liquor Excise Tax	Liquor License Tax	Liquor License Transfer Revenue	Liquor Profits
\$3,960,121	\$3,729,508	\$19,949,277	\$13,731,000	\$264,000	\$14,100,000

[16P-02](#), reviewed how the Department of Revenue and the Department of Justice coordinate the licensing and enforcement set forth in liquor laws. Among recommendations were to improve coordination with local law enforcement agencies to determine accuracy of self-reported citations (or lack of citations) by licensees renewing their licenses.

Hot Topics and Areas of Interest to Economic Affairs Interim Committee

The Economic Affairs Interim Committee has adopted as a member issue for the 2019-2020 interim a review of alcohol control laws to determine where change may be needed.

Related Legislation Passed in 2019

- HB 35** Revises alcohol laws regarding auctions and quota areas.
- HB 84** Revises taxation and reporting laws for wine and hard cider. Clarifies that tax on sacramental wine and table wine as well as hard cider is imposed for direct shipments, whether to consumers or licensed retailers (for wine) or licensed retailers (for hard cider). Differentiates payment schedule by production of 1,000 liters or less and more than 1,000 liters. Requires electronic filing and payments monthly for larger producers and annually for smaller producers.
- HB 613** Provides a limited all-beverages license for continuing care retirement communities that is exempt from the quota system. The license limits serving hours, requires server and sales training, and limits purchase to residents of the continuing care retirement community or their guests. Sales are not allowed for off-premises consumption. The license application fee is \$500, as is the annual renewal fee.
- HB 727** Revises alcoholic beverage and gambling laws related to approval of certain alcoholic beverage licenses without a physical premises, with the license required to be put in nonuse status and the licensee required to apply for a premises within 6 months and gain approval in 1 year. Also recognizes the use of concession agreements in which an unlicensed entity may piggyback to serve alcoholic beverages on a licensee’s license. Removes need for a conditional approval letter. Also allows approval of a gambling operator license prior to getting premises approved.
- SB 119** Allows access control systems for alcohol and gambling licensees. Sets notification requirements for starting and ending use of an access control system. Requires immediate access for regulatory or law enforcement purposes.
- SB 182** Revises definition of microdistillery to allow production up to 200,000 proof gallons, up from 25,000 gallons.
- SB 358** Revises resort area alcoholic beverage licensure laws by creating a new approach to resort area determination and new license determinations.