



GOVERNOR GREG GIANFORTE
DIRECTOR BRENDAN BEATTY

Memo to the Economic Affairs Interim Committee

From Becky Schlauch, ABCD Administrator

April 25, 2024

RE: SJ30 Draft Legislation

This memo is in regards to the proposed legislation as a result of SJ30.

Federal code, 27 CFR 4, defines wines as being between 7% ABV and 24% ABV. The federal definition of wine includes hard cider and mead. The federal code also outlines the labeling requirements, which includes the ability to label something as "Montana wine" for example.

In 42.13.221 ARM, the Department has adopted certain CFR, including the ones that cover labeling of wine (27 CFR 4). Therefore, Montana licensees are already required to follow federal labeling requirements for wine. Given that the proposed legislation essentially follows the federal code, this would be a duplication and unnecessary.

The Montana definition for wine includes hard cider and mead as well and allows for table wine up to be up to 16% ABV.

By adding this definition to Montana code, it would make wines that are less than 7% ABV subject to this requirement as well. Mainly those wines would include wine cooler type products and hard ciders which are not currently subject to that requirement.

Additionally, it could be read that "Montana-grown" only applies to grapes and not the other fruits or other agricultural products containing natural sugar, including honey. If the intent is that all of those products be "Montana-grown", it might be good to go with something like "Montana wine" means wine produced from grapes, other fruits, or other agricultural products containing natural sugar, including honey, 75% of which must be grown in Montana.

I would be happy to answer any questions you may have about this.