

HOUSE BILL NO. 474

INTRODUCED BY R. SHAW, J. KEANE, C. KNUDSEN, R. LYNCH

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR A CONSUMPTIVE HOUR AT A MICRODISTILLERY AFTER THE STATUTORY TIME LIMIT FOR A DISTILLERY TO PROVIDE LIQUOR; AMENDING SECTION 16-4-312, MCA; AND PROVIDING AN IMMEDIATE ~~A DELAYED~~ EFFECTIVE DATE AND AN APPLICABILITY DATE."

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

Section 1. Section 16-4-312, MCA, is amended to read:

"16-4-312. Domestic distillery. (1) A distillery located in Montana and licensed pursuant to 16-4-311 may:

(a) import necessary products in bulk;

(b) bottle, produce, blend, store, transport, or export liquor that it produces;

(c) perform those operations that are permitted for bonded distillery premises under applicable regulations of the United States department of the treasury.

(2) (a) A distillery that is located in Montana and licensed pursuant to 16-4-311 shall sell liquor to the department under this code, and the department shall include the distillery's liquor as a listed product.

(b) The distillery may use a common carrier for delivery of the liquor to the department.

(c) A distillery that produces liquor within the state under this subsection (2) shall maintain records of all sales and shipments. The distillery shall furnish monthly and other reports concerning quantities and prices of liquor that it ships to the department and other information that the department may determine to be necessary to ensure that distribution of liquor within this state conforms to the requirements of this code.

(3) A microdistillery may:

(a) provide, with or without charge, not more than 2 ounces of liquor that it produces at the microdistillery to consumers for consumption on the premises between 10 a.m. and 8 p.m. Liquor that is provided to a customer by no later than 8 p.m. may be consumed on the premises until 9 p.m. A microdistillery may not sell or give more than 2 ounces of liquor to an individual for on-premises consumption during a business day. LIQUOR PROVIDED UNDER THIS SUBSECTION (3)(A) MUST CONTAIN AT LEAST 90% LIQUOR THAT IS DISTILLED ON THE PREMISES. FOR

PURPOSES OF THIS SECTION, "DISTILLED ON THE PREMISES" MEANS THE LIQUOR WAS NOT PREVIOUSLY DISTILLED OFF PREMISES BY ANY ENTITY, IN ANY WAY, AND AT ANY TIME. THE TERM IS MEANT TO EXCLUDE DISTILLED LIQUOR PURCHASED BY THE DISTILLER AND REDISTILLED OR OTHERWISE ALTERED BY THE DISTILLER ON PREMISES.

(b) sell liquor that it produces at retail at the distillery directly to the consumer for off-premises consumption if:

(i) not more than 1.75 liters a day is sold to an individual; and

(ii) the minimum retail price as determined by the department is charged."

NEW SECTION. Section 2. Effective date. [This act] is effective ~~on passage and approval~~ JANUARY 1, 2019.

NEW SECTION. Section 3. Applicability. [This act] applies to liquor that is provided to a customer on or after [the effective date of this act].

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