

HOUSE BILL NO. 1013

INTRODUCED BY WHALEN, D. BROWN, NATHE, PAVLOVICH,
QUILICI, GILBERT, GRADY, LARSON, DAILY, G. BECK,
MENAHAN, MCCARTHY, J. RICE, FOSTER,
J. BROWN, HARPER, O'KEEFE, GOULD

IN THE HOUSE

APRIL 16, 1991 ON MOTION, RULES SUSPENDED TO ALLOW
LATE INTRODUCTION OF BILL.

APRIL 17, 1991 INTRODUCED AND REFERRED TO COMMITTEE
ON BUSINESS & ECONOMIC DEVELOPMENT.
FIRST READING.

APRIL 18, 1991 ON MOTION, ADDITIONAL SPONSORS ADDED.
COMMITTEE RECOMMEND BILL
DO PASS. REPORT ADOPTED.
PRINTING REPORT.

APRIL 19, 1991 SECOND READING, DO PASS.
ENGROSSING REPORT.
ON MOTION, RULES SUSPENDED AND BILL
PLACED ON THIRD READING THIS DAY.
THIRD READING, PASSED.
AYES, 97; NOES, 1.
TRANSMITTED TO SENATE.

IN THE SENATE

APRIL 19, 1991 ON MOTION, RULES SUSPENDED TO ALLOW
FOR LATE INTRODUCTION.

APRIL 20, 1991 INTRODUCED AND REFERRED TO COMMITTEE
ON BUSINESS & INDUSTRY.
FIRST READING.

APRIL 22, 1991 COMMITTEE RECOMMEND BILL BE
CONCURRED IN. REPORT ADOPTED.

APRIL 23, 1991 SECOND READING, CONCURRED IN.

APRIL 24, 1991

THIRD READING, CONCURRED IN.
AYES, 48; NOES, 0.

RETURNED TO HOUSE.

IN THE HOUSE

APRIL 24, 1991

RECEIVED FROM SENATE.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 *House* BILL NO. *1,013*
 2 INTRODUCED BY *Whalen, Deneen, VA, H. Carlisle*
 3 *Zuliani, Dillbeck, Grady, Larson, Paul, J. Beck*
 4 *McCarthy, J. B. ...*
 5 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROHIBIT THE LIQUOR

6 DIVISION OF THE DEPARTMENT OF REVENUE FROM REQUIRING
 7 LOW-VOLUME LIQUOR, AS USED IN SECTION 16-1-401, MCA, OR
 8 LOW-VOLUME TABLE WINE COMPANIES FROM MAINTAINING LIQUOR OR
 9 WINE IN THE STATE WAREHOUSE WHILE THE COMPANY MAINTAINS
 10 OWNERSHIP OF THE LIQUOR OR WINE; AMENDING SECTION 16-1-304,
 11 MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

13 **Section 1.** Section 16-1-304, MCA, is amended to read:

14 "16-1-304. Prohibited acts within division. (1) No
 15 officer or employee of the liquor division, including those
 16 engaged in the sale of liquor at the various state liquor or
 17 table wine stores, may be directly or indirectly interested
 18 or engaged in any other business or undertaking dealing in
 19 liquor or table wine, whether as owner, part owner, partner,
 20 member of syndicate, shareholder, agent, or employee and
 21 whether for his own benefit or in a fiduciary capacity for
 22 some other person.

23 (2) No member or employee of the division or any
 24 employee of the state may solicit or receive directly or
 25 indirectly any commission, remuneration, or gift whatsoever

1 from any person or corporation having sold, selling, or
 2 offering liquor or table wine for sale to the state or
 3 division pursuant to this code.

4 (3) No person selling or offering for sale to or
 5 purchasing liquor or table wine from the state liquor
 6 division may either directly or indirectly offer to pay any
 7 commission, profit, or remuneration or make any gift to any
 8 member or employee of the division, to any employee of the
 9 state, or to anyone on behalf of such member or employee.

10 (4) The prohibition contained in subsection (3) of this
 11 section does not prohibit the division from receiving
 12 samples of liquor or table wine for the purpose of chemical
 13 testing, subject to the following limitations:

14 (a) Each manufacturer, distiller, compounder,
 15 rectifier, importer, or wholesale distributor or any other
 16 person, firm, or corporation proposing to sell any liquor or
 17 table wine to the Montana liquor division shall submit,
 18 without cost to the division prior to the original purchase,
 19 an analysis of each brand and may submit a representative
 20 sample not exceeding 25 fluid ounces of such merchandise to
 21 the division.

22 (b) When a brand of liquor or table wine has been
 23 accepted for testing by the division, the division shall
 24 forward the sample, unopened and in its entirety, to a
 25 qualified chemical laboratory for analysis.



INTRODUCED BILL
 HB 1013

1 (c) The division shall maintain written records of all
 2 samples received. The records shall show the brand name,
 3 amount and from whom received, date received, the laboratory
 4 or chemist to whom forwarded, the division's action on the
 5 brand, and the person to whom delivered or other final
 6 disposition of the sample.

7 (5) No liquor, wine, or other alcoholic beverage may be
 8 withdrawn from the regular warehouse inventory or from the
 9 state liquor stores of the Montana liquor division for any
 10 purpose other than sale at the prevailing state retail
 11 prices or for destroying damaged or defective merchandise.
 12 The division shall maintain a written record including the
 13 type, brand, container size, number of bottles or other
 14 units, signatures of witnesses, and method of destruction or
 15 other disposition of damaged or defective warehouse or state
 16 store merchandise.

17 (6) The division may not require a company that
 18 manufactured, distilled, rectified, bottled, or processed
 19 and sold less than 200,000 proof gallons of liquor
 20 nationwide in the previous calendar year to maintain minimum
 21 amounts of liquor or wine in the state warehouse while the
 22 distiller or winery retains ownership of the product.

23 (7) The division may not require a company that bottled
 24 and sold less than 100,000 wine gallons of table wine
 25 nationwide in the previous calendar year to maintain minimum

1 amounts of table wine in the state warehouse while the
 2 company retains ownership of the product."

3 NEW SECTION. Section 2. Effective date. [This act] is
 4 effective on passage and approval.

-End-

APPROVED BY COMM. ON BUSINESS
AND ECONOMIC DEVELOPMENT

HOUSE BILL NO. 1013

INTRODUCED BY WHALEN, D. BROWN, NATHE, PAVLOVICH,
QUILICI, GILBERT, GRADY, LARSON, DAILY, G. BECK,
MENAHAN, MCCARTHY, J. RICE, FOSTER,
J. BROWN, HARPER, O'KEEFE, GOULD

A BILL FOR AN ACT ENTITLED: "AN ACT TO PROHIBIT THE LIQUOR
DIVISION OF THE DEPARTMENT OF REVENUE FROM REQUIRING
LOW-VOLUME LIQUOR, AS USED IN SECTION 16-1-401, MCA, OR
LOW-VOLUME TABLE WINE COMPANIES FROM MAINTAINING LIQUOR OR
WINE IN THE STATE WAREHOUSE WHILE THE COMPANY MAINTAINS
OWNERSHIP OF THE LIQUOR OR WINE; AMENDING SECTION 16-1-304,
MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 16-1-304, MCA, is amended to read:

"16-1-304. Prohibited acts within division. (1) No
officer or employee of the liquor division, including those
engaged in the sale of liquor at the various state liquor or
table wine stores, may be directly or indirectly interested
or engaged in any other business or undertaking dealing in
liquor or table wine, whether as owner, part owner, partner,
member of syndicate, shareholder, agent, or employee and
whether for his own benefit or in a fiduciary capacity for
some other person.

(2) No member or employee of the division or any
employee of the state may solicit or receive directly or
indirectly any commission, remuneration, or gift whatsoever
from any person or corporation having sold, selling, or
offering liquor or table wine for sale to the state or
division pursuant to this code.

(3) No person selling or offering for sale to or
purchasing liquor or table wine from the state liquor
division may either directly or indirectly offer to pay any
commission, profit, or remuneration or make any gift to any
member or employee of the division, to any employee of the
state, or to anyone on behalf of such member or employee.

(4) The prohibition contained in subsection (3) of this
section does not prohibit the division from receiving
samples of liquor or table wine for the purpose of chemical
testing, subject to the following limitations:

(a) Each manufacturer, distiller, compounder,
rectifier, importer, or wholesale distributor or any other
person, firm, or corporation proposing to sell any liquor or
table wine to the Montana liquor division shall submit,
without cost to the division prior to the original purchase,
an analysis of each brand and may submit a representative
sample not exceeding 25 fluid ounces of such merchandise to
the division.

(b) When a brand of liquor or table wine has been



1 accepted for testing by the division, the division shall
2 forward the sample, unopened and in its entirety, to a
3 qualified chemical laboratory for analysis.

4 (c) The division shall maintain written records of all
5 samples received. The records shall show the brand name,
6 amount and from whom received, date received, the laboratory
7 or chemist to whom forwarded, the division's action on the
8 brand, and the person to whom delivered or other final
9 disposition of the sample.

10 (5) No liquor, wine, or other alcoholic beverage may be
11 withdrawn from the regular warehouse inventory or from the
12 state liquor stores of the Montana liquor division for any
13 purpose other than sale at the prevailing state retail
14 prices or for destroying damaged or defective merchandise.
15 The division shall maintain a written record including the
16 type, brand, container size, number of bottles or other
17 units, signatures of witnesses, and method of destruction or
18 other disposition of damaged or defective warehouse or state
19 store merchandise.

20 (6) The division may not require a company that
21 manufactured, distilled, rectified, bottled, or processed
22 and sold less than 200,000 proof gallons of liquor
23 nationwide in the previous calendar year to maintain minimum
24 amounts of liquor or wine in the state warehouse while the
25 distiller or winery retains ownership of the product.

1 (7) The division may not require a company that bottled
2 and sold less than 100,000 wine gallons of table wine
3 nationwide in the previous calendar year to maintain minimum
4 amounts of table wine in the state warehouse while the
5 company retains ownership of the product."

6 NEW SECTION. Section 2. Effective date. [This act] is
7 effective on passage and approval.

-End-

1 HOUSE BILL NO. 1013

2 INTRODUCED BY WHALEN, D. BROWN, NATHE, PAVLOVICH,
 3 QUILICI, GILBERT, GRADY, LARSON, DAILY, G. BECK,
 4 MENAHAN, MCCARTHY, J. RICE, FOSTER,
 5 J. BROWN, HARPER, O'KEEFE, GOULD
 6

7 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROHIBIT THE LIQUOR
 8 DIVISION OF THE DEPARTMENT OF REVENUE FROM REQUIRING
 9 LOW-VOLUME LIQUOR, AS USED IN SECTION 16-1-401, MCA, OR
 10 LOW-VOLUME TABLE WINE COMPANIES FROM MAINTAINING LIQUOR OR
 11 WINE IN THE STATE WAREHOUSE WHILE THE COMPANY MAINTAINS
 12 OWNERSHIP OF THE LIQUOR OR WINE; AMENDING SECTION 16-1-304,
 13 MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."
 14

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

16 **Section 1.** Section 16-1-304, MCA, is amended to read:

17 "16-1-304. Prohibited acts within division. (1) No
 18 officer or employee of the liquor division, including those
 19 engaged in the sale of liquor at the various state liquor or
 20 table wine stores, may be directly or indirectly interested
 21 or engaged in any other business or undertaking dealing in
 22 liquor or table wine, whether as owner, part owner, partner,
 23 member of syndicate, shareholder, agent, or employee and
 24 whether for his own benefit or in a fiduciary capacity for
 25 some other person.

1 (2) No member or employee of the division or any
 2 employee of the state may solicit or receive directly or
 3 indirectly any commission, remuneration, or gift whatsoever
 4 from any person or corporation having sold, selling, or
 5 offering liquor or table wine for sale to the state or
 6 division pursuant to this code.

7 (3) No person selling or offering for sale to or
 8 purchasing liquor or table wine from the state liquor
 9 division may either directly or indirectly offer to pay any
 10 commission, profit, or remuneration or make any gift to any
 11 member or employee of the division, to any employee of the
 12 state, or to anyone on behalf of such member or employee.

13 (4) The prohibition contained in subsection (3) of this
 14 section does not prohibit the division from receiving
 15 samples of liquor or table wine for the purpose of chemical
 16 testing, subject to the following limitations:

17 (a) Each manufacturer, distiller, compounder,
 18 rectifier, importer, or wholesale distributor or any other
 19 person, firm, or corporation proposing to sell any liquor or
 20 table wine to the Montana liquor division shall submit,
 21 without cost to the division prior to the original purchase,
 22 an analysis of each brand and may submit a representative
 23 sample not exceeding 25 fluid ounces of such merchandise to
 24 the division.

25 (b) When a brand of liquor or table wine has been

1 accepted for testing by the division, the division shall
 2 forward the sample, unopened and in its entirety, to a
 3 qualified chemical laboratory for analysis.

4 (c) The division shall maintain written records of all
 5 samples received. The records shall show the brand name,
 6 amount and from whom received, date received, the laboratory
 7 or chemist to whom forwarded, the division's action on the
 8 brand, and the person to whom delivered or other final
 9 disposition of the sample.

10 (5) No liquor, wine, or other alcoholic beverage may be
 11 withdrawn from the regular warehouse inventory or from the
 12 state liquor stores of the Montana liquor division for any
 13 purpose other than sale at the prevailing state retail
 14 prices or for destroying damaged or defective merchandise.
 15 The division shall maintain a written record including the
 16 type, brand, container size, number of bottles or other
 17 units, signatures of witnesses, and method of destruction or
 18 other disposition of damaged or defective warehouse or state
 19 store merchandise.

20 (6) The division may not require a company that
 21 manufactured, distilled, rectified, bottled, or processed
 22 and sold less than 200,000 proof gallons of liquor
 23 nationwide in the previous calendar year to maintain minimum
 24 amounts of liquor or wine in the state warehouse while the
 25 distiller or winery retains ownership of the product.

1 (7) The division may not require a company that bottled
 2 and sold less than 100,000 wine gallons of table wine
 3 nationwide in the previous calendar year to maintain minimum
 4 amounts of table wine in the state warehouse while the
 5 company retains ownership of the product."

6 NEW SECTION. Section 2. Effective date. [This act] is
 7 effective on passage and approval.

-End-

1 HOUSE BILL NO. 1013

2 INTRODUCED BY WHALEN, D. BROWN, NATHE, PAVLOVICH,
 3 QUILICI, GILBERT, GRADY, LARSON, DAILY, G. BECK,
 4 MENAHAN, MCCARTHY, J. RICE, FOSTER,
 5 J. BROWN, HARPER, O'KEEFE, GOULD
 6

7 A BILL FOR AN ACT ENTITLED: "AN ACT TO PROHIBIT THE LIQUOR
 8 DIVISION OF THE DEPARTMENT OF REVENUE FROM REQUIRING
 9 LOW-VOLUME LIQUOR, AS USED IN SECTION 16-1-401, MCA, OR
 10 LOW-VOLUME TABLE WINE COMPANIES FROM MAINTAINING LIQUOR OR
 11 WINE IN THE STATE WAREHOUSE WHILE THE COMPANY MAINTAINS
 12 OWNERSHIP OF THE LIQUOR OR WINE; AMENDING SECTION 16-1-304,
 13 MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."
 14

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

16 **Section 1.** Section 16-1-304, MCA, is amended to read:

17 *16-1-304. Prohibited acts within division. (1) No
 18 officer or employee of the liquor division, including those
 19 engaged in the sale of liquor at the various state liquor or
 20 table wine stores, may be directly or indirectly interested
 21 or engaged in any other business or undertaking dealing in
 22 liquor or table wine, whether as owner, part owner, partner,
 23 member of syndicate, shareholder, agent, or employee and
 24 whether for his own benefit or in a fiduciary capacity for
 25 some other person.

1 (2) No member or employee of the division or any
 2 employee of the state may solicit or receive directly or
 3 indirectly any commission, remuneration, or gift whatsoever
 4 from any person or corporation having sold, selling, or
 5 offering liquor or table wine for sale to the state or
 6 division pursuant to this code.

7 (3) No person selling or offering for sale to or
 8 purchasing liquor or table wine from the state liquor
 9 division may either directly or indirectly offer to pay any
 10 commission, profit, or remuneration or make any gift to any
 11 member or employee of the division, to any employee of the
 12 state, or to anyone on behalf of such member or employee.

13 (4) The prohibition contained in subsection (3) of this
 14 section does not prohibit the division from receiving
 15 samples of liquor or table wine for the purpose of chemical
 16 testing, subject to the following limitations:

17 (a) Each manufacturer, distiller, compounder,
 18 rectifier, importer, or wholesale distributor or any other
 19 person, firm, or corporation proposing to sell any liquor or
 20 table wine to the Montana liquor division shall submit,
 21 without cost to the division prior to the original purchase,
 22 an analysis of each brand and may submit a representative
 23 sample not exceeding 25 fluid ounces of such merchandise to
 24 the division.

25 (b) When a brand of liquor or table wine has been

1 accepted for testing by the division, the division shall
 2 forward the sample, unopened and in its entirety, to a
 3 qualified chemical laboratory for analysis.

4 (c) The division shall maintain written records of all
 5 samples received. The records shall show the brand name,
 6 amount and from whom received, date received, the laboratory
 7 or chemist to whom forwarded, the division's action on the
 8 brand, and the person to whom delivered or other final
 9 disposition of the sample.

10 (5) No liquor, wine, or other alcoholic beverage may be
 11 withdrawn from the regular warehouse inventory or from the
 12 state liquor stores of the Montana liquor division for any
 13 purpose other than sale at the prevailing state retail
 14 prices or for destroying damaged or defective merchandise.
 15 The division shall maintain a written record including the
 16 type, brand, container size, number of bottles or other
 17 units, signatures of witnesses, and method of destruction or
 18 other disposition of damaged or defective warehouse or state
 19 store merchandise.

20 (6) The division may not require a company that
 21 manufactured, distilled, rectified, bottled, or processed
 22 and sold less than 200,000 proof gallons of liquor
 23 nationwide in the previous calendar year to maintain minimum
 24 amounts of liquor or wine in the state warehouse while the
 25 distiller or winery retains ownership of the product.

1 (7) The division may not require a company that bottled
 2 and sold less than 100,000 wine gallons of table wine
 3 nationwide in the previous calendar year to maintain minimum
 4 amounts of table wine in the state warehouse while the
 5 company retains ownership of the product."

6 NEW SECTION. Section 2. Effective date. [This act] is
 7 effective on passage and approval.

-End-