

HOUSE BILL 740

Introduced by Grady, et al.

2/09	Introduced
2/09	Referred to Business & Economic Development
2/11	First Reading
2/11	Fiscal Note Requested
2/14	Fiscal Note Received
2/14	Fiscal Note Printed
3/07	Hearing
3/11	Tabled in Committee

1 HOUSE BILL NO. 740
 2 INTRODUCED BY J. Brown Phillips Maguire
 3

4 A BILL FOR AN ACT ENTITLED: "AN ACT CREATING BREW PUB
 5 LICENSES; ALLOWING A LICENSED MONTANA BREWERY WITH A
 6 PRODUCTION OF NOT MORE THAN 60,000 BARRELS OF BEER A YEAR TO
 7 SELL BEER AT RETAIL WITHIN THE PREMISES OF THE BREWERY; AND
 8 AMENDING SECTION 16-3-213, MCA."

9
 10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11 NEW SECTION. Section 1. Beer license for brew pub. (1)
 12 Upon application and qualification, the department shall
 13 issue a license, known as a brew pub license, to sell beer
 14 at retail for consumption upon brewery premises.

15 (2) To qualify for a brew pub license, the applicant:
 16 (a) must be a brewery licensed under Title 16, chapter
 17 3, part 2;

18 (b) must be located and manufacture beer only in
 19 Montana; and

20 (c) shall produce not more than 60,000 barrels of beer
 21 a year.

22 (3) A license issued under this section is not subject
 23 to the provisions of 16-4-105.

24 (4) A brew pub license is valid only within the
 25 premises of the licensed brewery. The holder of a brew pub

1 license may sell beer at retail for on- and off-premises
 2 consumption. A brew pub licensee may sell any brand or type
 3 of beer regardless of where it is manufactured.

4 (5) The amount of the annual fee for a brew pub license
 5 is the same as required for a beer retailer under 16-4-501.

6 (6) A brew pub license does not restrict in any manner
 7 the lawful operations that the holder of the brewery license
 8 is authorized by law to conduct.

9 **Section 2.** Section 16-3-213, MCA, is amended to read:

10 "16-3-213. Brewers or beer importers not to retail beer
 11 ~~-- original-package-and-tap-room exceptions. (1) It shall be~~
 12 Except as provided in subsection (2), it is unlawful for any
 13 brewer or breweries or beer importer to have or own any
 14 permit to sell or retail beer at any place or premises, it
 15 being the declared intention to prohibit brewers and beer
 16 importers from engaging in the retail dispensation of beer;
 17 provided; however,

18 (2) that this shall not be so construed as to This
 19 section does not prohibit breweries;

20 (a) from making sale and delivery of beer manufactured
 21 by them, in original packages, at either wholesale or
 22 retail; or;

23 (b) from providing, without charge, their products for
 24 consumption on their licensed premises as provided in
 25 16-3-214; or



LC 1226/01

1 (c) from operating, on their premises, a brew pub
2 licensed pursuant to [section 1]."

3 **NEW SECTION. Section 3. Codification** instruction.
4 [Section 1] is intended to be codified as an integral part
5 of Title 16, chapter 4, and the provisions of Title 16,
6 chapters 1 through 4 and 6, apply to [section 1].

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0740, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act creating brew pub licenses, and allowing a licensed Montana brewery with a production of not more than 60,000 barrels of beer a year to sell beer at retail within the premises of the brewery.

ASSUMPTIONS:

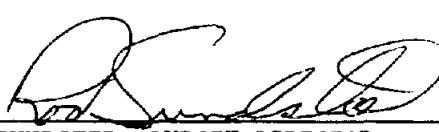
1. Currently there are 3 licensed breweries in Montana each of which produces no more than 60,000 barrels of beer a year and is part of a company that is located and manufactures beer only in Montana.
2. All 3 breweries apply for and are granted a brew pub license in FY92.
3. The fee for a Montana beer license is \$200 per year.
4. The total consumption of beer in Montana would not change as a result of these 3 additional beer licenses; therefore beer tax revenues would not change from current law estimates.
5. These 3 additional beer licenses would not be subject to current law beer license quotas, per the proposed legislation.
6. Annual license fees would be deposited in the state general fund.

FISCAL IMPACT:Expenditures:


This bill has no impact on Department of Revenue expenditures.

Revenues:

	FY '92			FY '93		
	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
Beer License Fees (01)	0	600	600	0	600	600


 ROD SUNDSTED, BUDGET DIRECTOR
 Office of Budget and Program Planning

2-13-91
 DATE


 EDWARD J. (ED) GRADY, PRIMARY SPONSOR

2-14-91
 DATE

Fiscal Note for HB0740, as introduced

HB 740