

1 HOUSE BILL NO. 127
2 INTRODUCED BY F. ANDERSON
3 BY REQUEST OF THE DEPARTMENT OF REVENUE
4
5 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING COMBINED BEER WHOLESALER AND TABLE WINE
6 DISTRIBUTOR LICENSES; CREATING A COMBINED BEER WHOLESALER AND TABLE WINE
7 DISTRIBUTOR LICENSE; ELIMINATING SEPARATE BEER WHOLESALER AND TABLE WINE
8 DISTRIBUTOR LICENSES; REVISING DEFINITIONS; PROVIDING FOR LICENSE FEES; AMENDING
9 SECTIONS 16-1-106, 16-3-218, AND 16-4-501, MCA; REPEALING SECTIONS 16-4-103 AND 16-4-108, MCA;
10 AND PROVIDING A DELAYED EFFECTIVE DATE."

11
12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

13
14 NEW SECTION. **Section 1. Combined beer wholesaler and table wine distributor license.** (1) A
15 person desiring to sell and distribute beer, table wine, or sacramental wine at wholesale to licensed retailers or
16 table wine to agency liquor stores under the provisions of this code shall apply to the department for a license
17 to do so and shall submit with the application the initial license fee provided in 16-4-501. The department may
18 issue licenses to qualified applicants in accordance with the provisions of this code.

19 (2) Combined beer wholesaler and table wine distributor licenses issued in any year expire on
20 June 30 of that year at midnight.

21 (3) A license fee may not be imposed on combined beer wholesaler and table wine distributor
22 licensees by a municipality or any other political subdivision of the state.

23 (4) The license must at all times be prominently displayed in the combined beer wholesaler and
24 table wine distributor's licensed premises.

25 (5) (a) An applicant must have:

26 (i) a fixed place of business;

27 (ii) sufficient capital; and

28 (iii) the facilities, storehouse, and receiving house or warehouse for the receiving, storage,

1 ~~(31)~~(32) "Subwarehouse" means a building or structure owned or operated by a licensed combined
2 beer wholesaler ~~or~~ and table wine distributor, located at a site in Montana other than the site of the combined
3 beer wholesaler's ~~or~~ and table wine distributor's warehouse ~~or principal place of business~~, and used for the
4 receiving, storage, and distribution of beer, ~~or~~ table wine, or sacramental wine as permitted by this code.

5 ~~(32)~~(33) "Table wine" means wine that contains not more than 16% of alcohol by volume and includes
6 hard cider.

7 ~~(33)~~(34) "Table wine distributor" means a person importing into or purchasing in Montana table wine or
8 sacramental wine for sale or resale to retailers licensed in Montana and a person importing into or purchasing
9 in Montana table wine for sale or resale to agency liquor stores.

10 ~~(34)~~(35) "Warehouse" means a building or structure located in Montana that is owned or operated by a
11 licensed combined beer wholesaler ~~or~~ and table wine distributor for the receiving, storage, and distribution of
12 beer or table wine as permitted by this code.

13 ~~(35)~~(36) "Wine" means an alcoholic beverage made from or containing the normal alcoholic
14 fermentation of the juice of sound, ripe fruit or other agricultural products without addition or abstraction, except
15 as may occur in the usual cellar treatment of clarifying and aging, and that contains more than 0.5% but not
16 more than 24% of alcohol by volume. Wine may be ameliorated to correct natural deficiencies, sweetened, and
17 fortified in accordance with applicable federal regulations and the customs and practices of the industry. Other
18 alcoholic beverages not defined in this subsection but made in the manner of wine and labeled and sold as
19 wine in accordance with federal regulations are also wine."
20

21 **Section 3.** Section 16-3-218, MCA, is amended to read:

22 **"16-3-218. "Distribute" defined.** As used in 16-3-219, and 16-3-220, ~~16-4-103, and 16-4-108,~~
23 "distribute" means to deliver table wine to an agency liquor store or to deliver beer or table wine to a retailer's
24 premises licensed to sell beer, table wine, or sacramental wine as well as an alternate alcoholic beverage
25 storage facility as allowed in 16-4-213(8)."
26

27 **Section 4.** Section 16-4-501, MCA, is amended to read:

28 **"16-4-501. License and permit fees.** (1) Each beer licensee licensed to sell either beer or table wine

1 only or both beer and table wine under the provisions of this code shall pay a license fee. Unless otherwise
2 specified in this section, the fee is an annual fee and is imposed as follows:

3 (a) (i) each brewer and each beer importer, wherever located, whose product is sold or offered for
4 sale within the state, \$500;

5 (ii) for each storage depot, \$400;

6 (b) (i) ~~each beer wholesaler, \$400~~ each license for selling and distributing beer, table wine, or
7 sacramental wine at wholesale to licensed retailers or table wine to agency liquor stores under [section 1], \$800
8 \$400; each winery, \$200; ~~each table wine distributor, \$400~~;

9 (ii) for each subwarehouse, ~~\$400~~ \$800 \$400;

10 (c) each beer retailer, \$200;

11 (d) (i) for a license to sell beer at retail for off-premises consumption only, the same as a retail beer
12 license;

13 (ii) for a license to sell table wine at retail for off-premises consumption only, either alone or in
14 conjunction with beer, \$200;

15 (e) any unit of a nationally chartered veterans' organization, \$50.

16 (2) The permit fee under 16-4-301(1) is computed at the following rate:

17 (a) \$10 a day for each day that beer and table wine are sold at events, activities, or sporting
18 contests, other than those applied for pursuant to 16-4-301(1)(c); and

19 (b) \$1,000 a season for professional sporting contests or junior hockey contests held under the
20 provisions of 16-4-301(1)(c).

21 (3) The permit fee under 16-4-301(2) is \$10 for the sale of beer and table wine only or \$20 for the
22 sale of all alcoholic beverages.

23 (4) Passenger carrier licenses must be issued upon payment by the applicant of an annual license
24 fee in the sum of \$300.

25 (5) The annual license fee for a license to sell wine on the premises, when issued as an
26 amendment to a beer-only license pursuant to 16-4-105, is \$200.

27 (6) The annual renewal fee for:

28 (a) a brewer producing 10,000 or fewer barrels of beer, as defined in 16-1-406, is \$200;

- 1 (b) resort retail all-beverages licenses within a given resort area is \$2,000 for each license; and
- 2 (c) a continuing care retirement community limited all-beverages license is \$500 for each license.
- 3 (7) Except as provided in this section, each licensee licensed under the quotas of 16-4-201 shall
- 4 pay an annual license fee as follows:
- 5 (a) for each license outside of incorporated cities and incorporated towns or in incorporated cities
- 6 and incorporated towns with a population of less than 2,000, \$250 for a unit of a nationally chartered veterans'
- 7 organization and \$400 for all other licensees;
- 8 (b) for each license in incorporated cities with a population of more than 2,000 and less than 5,000
- 9 or within a distance of 5 miles, measured in a straight line from the nearest entrance of the premises to be
- 10 licensed to the nearest boundary of the city, \$350 for a unit of a nationally chartered veterans' organization and
- 11 \$500 for all other licensees;
- 12 (c) for each license in incorporated cities with a population of more than 5,000 and less than
- 13 10,000 or within a distance of 5 miles, measured in a straight line from the nearest entrance of the premises to
- 14 be licensed to the nearest boundary of the city, \$500 for a unit of a nationally chartered veterans' organization
- 15 and \$650 for all other licensees;
- 16 (d) for each license in incorporated cities with a population of 10,000 or more or within a distance
- 17 of 5 miles, measured in a straight line from the nearest entrance of the premises to be licensed to the nearest
- 18 boundary of the city, \$650 for a unit of a nationally chartered veterans' organization and \$800 for all other
- 19 licensees;
- 20 (e) the distance of 5 miles from the corporate limits of any incorporated cities and incorporated
- 21 towns is measured in a straight line from the nearest entrance of the premises to be licensed to the nearest
- 22 boundary of the city or town; and where the premises of the applicant to be licensed are situated within 5 miles
- 23 of the corporate boundaries of two or more incorporated cities or incorporated towns of different populations,
- 24 the license fee chargeable by the larger incorporated city or incorporated town applies and must be paid by the
- 25 applicant. When the premises of the applicant to be licensed are situated within an incorporated town or
- 26 incorporated city and any portion of the incorporated town or incorporated city is without a 5-mile limit, the
- 27 license fee chargeable by the smaller incorporated town or incorporated city applies and must be paid by the
- 28 applicant.

1 (f) an applicant for the issuance of a resort retail all-beverages license shall pay a \$100,000
2 license fee on issuance of the license. The resort retail all-beverages license may be transferred to another
3 location within the boundaries of the resort area or to another owner to be used at a location within the
4 boundaries of the resort area.

5 (8) The fee for one all-beverages license to a public airport is \$800. This license is
6 nontransferable.

7 (9) The annual fee for a retail beer and wine license to the Yellowstone airport is \$400.

8 (10) The annual fee for a special beer and table wine license for a nonprofit arts organization under
9 16-4-303 is \$250.

10 (11) The annual fee for a distillery is \$600.

11 (12) The license fees provided in this section are exclusive of and in addition to other license fees
12 chargeable in Montana for the sale of alcoholic beverages.

13 (13) In addition to other license fees, the department of revenue may require a licensee to pay a
14 late fee of 33 1/3% of any license fee delinquent on July 1 of the renewal year or 1 year after the licensee's
15 anniversary date, 66 2/3% of any license fee delinquent on August 1 of the renewal year or 1 year and 1 month
16 after the licensee's anniversary date, and 100% of any license fee delinquent on September 1 of the renewal
17 year or 1 year and 2 months after the licensee's anniversary date.

18 (14) All license and permit fees collected under this section must be deposited as provided in 16-2-
19 108."

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21 **NEW SECTION. Section 5. Repealer.** The following sections of the Montana Code Annotated are
22 repealed:

23 16-4-103. Wholesalers' licenses -- application and issuance -- subwarehouses -- imported beer handled
24 through warehouse or subwarehouse -- wine storage.

25 16-4-108. Table wine distributor's license.
26

27 **NEW SECTION. Section 6. Transition.** The department shall reclassify existing licenses to
28 combined licenses pursuant to [section 1] after June 30, 2024, and during the existing license's renewal.