

1 HOUSE BILL NO. 539  
2 INTRODUCED BY K. ZOLNIKOV  
3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING ALCOHOLIC BEVERAGE LAWS;  
5 ALLOWING AN ALCOHOLIC BEVERAGES LICENSEE TO OPERATE A GUEST RANCH OR SIMILAR  
6 BUSINESS AND SERVE ALCOHOL AT THE PREMISES; REVISING DEFINITIONS; ALLOWING CERTAIN  
7 RETAILERS TO BUY AND SELL BEER OUTSIDE THE TERRITORY OF THE WHOLESALER IN WHICH THE  
8 RETAILER IS LOCATED; REVISING LAWS RELATED TO LICENSE LAPSE; AMENDING SECTIONS 16-1-  
9 106, 16-3-219, AND 16-3-302, AND 16-3-311, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

12  
13 **Section 1.** Section 16-1-106, MCA, is amended to read:

14 **"16-1-106. Definitions.** As used in this code, the following definitions apply:

- 15 (1) "Agency franchise agreement" means an agreement between the department and a person  
16 appointed to sell liquor and table wine as a commission merchant rather than as an employee.
- 17 (2) "Agency liquor store" means a store operated under an agency franchise agreement in  
18 accordance with this code for the purpose of selling liquor at either the posted or the retail price for off-premises  
19 consumption.
- 20 (3) "Alcohol" means ethyl alcohol, also called ethanol, or the hydrated oxide of ethyl.
- 21 (4) "Alcoholic beverage" means a compound produced and sold for human consumption as a drink  
22 that contains more than 0.5% of alcohol by volume.
- 23 (5) (a) "Beer" means:  
24 (i) a malt beverage containing not more than 8.75% of alcohol by volume; or  
25 (ii) an alcoholic beverage containing not more than 14% alcohol by volume:  
26 (A) that is made by the alcoholic fermentation of an infusion or decoction, or a combination of both,  
27 in potable brewing water, of malted cereal grain; and

**Amendment - 1st Reading/2nd House-blue - Requested by: Jason Small - Free Conference Committee on HB 539**

- 2023

68th Legislature 2023

Drafter: Jameson Walker, 406-444-3722

HB0539.003.003

1           ~~(35)~~(36) "Wine" means an alcoholic beverage made from or containing the normal alcoholic  
2 fermentation of the juice of sound, ripe fruit or other agricultural products without addition or abstraction, except  
3 as may occur in the usual cellar treatment of clarifying and aging, and that contains more than 0.5% but not  
4 more than 24% of alcohol by volume. Wine may be ameliorated to correct natural deficiencies, sweetened, and  
5 fortified in accordance with applicable federal regulations and the customs and practices of the industry. Other  
6 alcoholic beverages not defined in this subsection but made in the manner of wine and labeled and sold as  
7 wine in accordance with federal regulations are also wine."  
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9           **Section 2.** Section 16-3-219, MCA, is amended to read:

10           **"16-3-219. Dock sales restricted -- exceptions.** (1) Except as provided in subsections (2) through  
11 (4), beer may not be delivered to a licensed retailer at any location other than the retailer's licensed premises.

12           (2) An all-beverages licensee or an on-premises beer licensee may personally or through an  
13 employee obtain from any wholesaler's warehouse any quantity of beer as the all-beverages licensee or on-  
14 premises beer licensee and the wholesaler may agree to buy and sell.

15           (3) Retailers other than an all-beverages licensee or an on-premises beer licensee may personally  
16 or through an employee obtain from the wholesaler's warehouse any quantity of beer that the retailer and  
17 wholesaler may agree to buy and sell only within the territory of the wholesaler in which the retailer is located.

18           (4) When a beer wholesaler's trucks and equipment are incapable of delivering beer to a retail  
19 licensee's premises due to the unique physical location of the retail licensee's premises, examples of which are  
20 premises located on an island or atop a mountain, the beer wholesaler and retail licensee may seek prior  
21 department approval for an alternative delivery arrangement on a form provided by the department. If the  
22 department approves the alternative delivery arrangement request, the department shall provide the beer  
23 wholesaler and the retail licensee a written summary of the conditions of the approved delivery arrangement.  
24 Failure to comply with the approved alternative delivery arrangement may subject the beer wholesaler or retail  
25 licensee to administrative action."  
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27           **Section 3.** Section 16-3-302, MCA, is amended to read: