



AN ACT GENERALLY REVISING ALCOHOL REGULATORY LAWS RELATING TO WINERIES; REQUIRING WINERIES LOCATED IN MONTANA TO FERMENT A CERTAIN AMOUNT OF FERMENTABLE AGRICULTURAL PRODUCTS AT THE WINERY; AMENDING SECTION 16-3-411, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE.

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

Section 1. Section 16-3-411, MCA, is amended to read:

"16-3-411. Winery. (1) A winery located in Montana and licensed pursuant to 16-4-107 may:

- (a) import in bulk, bottle, produce, blend, store, transport, or export wine it produces;
- (b) sell wine it produces at wholesale to wine distributors;
- (c) sell wine it produces at retail ~~at the winery directly to the consumer~~ the winery directly to the consumer for consumption on or off the premises;
- ~~(d) provide, without charge, wine it produces for consumption at the winery;~~
- (d) provide, without charge, wine it produces for consumption at the winery;
- ~~(e)~~(e) purchase from the department or its licensees brandy or other distilled spirits for fortifying wine it produces;
- ~~(f)~~(f) obtain a special event permit under 16-4-301;
- ~~(g)~~(g) perform those operations and cellar treatments that are permitted for bonded winery premises under applicable regulations of the United States department of the treasury;
- ~~(h)~~(h) sell wine at the winery to a licensed retailer who presents the retailer's license or a photocopy of the license; or
- ~~(i)~~(i) obtain a direct shipment endorsement to ship table wine as provided in Title 16, chapter 4, part 11, directly to an individual in Montana who is at least 21 years of age.

(2) A winery located in Montana and licensed pursuant to 16-4-107 after [the effective date of this act] shall ferment at least 50% of the fermentable agricultural products that are used in wine production at the winery location.

~~(2)(3)~~ (a) A winery licensed pursuant to 16-4-107 may sell and deliver wine produced by the winery directly to licensed retailers if the winery:

(i) uses the winery's own equipment, trucks, and employees to deliver the wine and the wine delivered pursuant to this subsection ~~(2)(a)(i)~~, (3)(a)(i) does not exceed ~~4,500~~ 4,500 cases a year;

(ii) contracts with a licensed table wine distributor to ship and deliver the winery's wine to the retailer;

or

(iii) contracts with a common carrier to ship and deliver the winery's wine to the retailer and:

(A) the wine shipped and delivered by common carrier is shipped directly from the producer's winery or bonded warehouse;

(B) individual shipments delivered by common carrier are limited to three cases a day for each licensed retailer; and

(C) the shipments delivered by common carrier do not exceed 4,500 cases a year.

(b) If a winery uses a common carrier for delivery of the wine to licensed table wine distributors and retailers, the shipment must be:

(i) in boxes that are marked with the words: "Wine Shipment From Montana-Licensed Winery to Montana Licensee";

(ii) delivered to the premises of a licensed table wine distributor or licensed retailer who is in good standing; and

(iii) signed for by the wine distributor or retailer or its employee or agent.

(c) In addition to any records required to be maintained under 16-4-107, a winery that distributes wine within the state under this subsection ~~(2)~~, (3) shall maintain records of all sales and shipments. The winery shall, pursuant to 16-1-411, electronically file a report in the manner and form prescribed by the department, reporting the amount of wine or hard cider, or both, that it shipped in the state during the preceding period, including the names and addresses of consignees or retailers, and other information that the department may determine to be necessary to ensure that distribution of wine or hard cider, or both, within this state conforms to the

requirements of this code."

Section 2. Effective date. [This act] is effective on passage and approval.

Section 3. Applicability. (1) [This act] applies to wineries whose license applications are submitted on or after [the effective date of this act].

(2) This act does not apply to wineries who were licensed or had license applications submitted before [the effective date of this act].

- END -

I hereby certify that the within bill,
HB 440, originated in the House.

Chief Clerk of the House

Speaker of the House

Signed this _____ day
of _____, 2021.

President of the Senate

Signed this _____ day
of _____, 2021.

HOUSE BILL NO. 440

INTRODUCED BY W. CURDY

AN ACT GENERALLY REVISING ALCOHOL REGULATORY LAWS RELATING TO WINERIES; REQUIRING WINERIES LOCATED IN MONTANA TO CRUSH AND FERMENT A CERTAIN AMOUNT OF FERMENTABLE AGRICULTURAL PRODUCTS AT THE WINERY; AMENDING SECTION 16-3-411, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE.