

## AGENCY

The **Montana Liquor Control Division (LCD)** is part of the state's Department of Revenue. It maintains control of alcoholic beverage licensing, enforcement of alcoholic beverage laws and wholesale distribution of distilled spirits. The LCD's mission is to protect the health and safety of citizens by properly licensing alcoholic beverage businesses, efficiently distributing distilled spirits and promoting responsible sales, service and consumption of alcohol through a state controlled system.



## WET and DRY COUNTIES

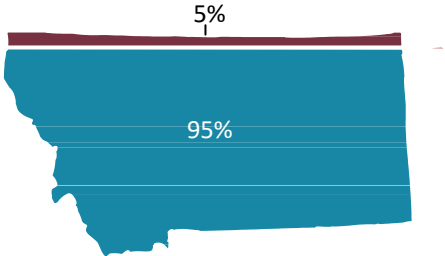
The state does not limit dry localities. There is a local option to prohibit sale and consumption of alcoholic beverages. There are a few reservations that are dry.

**Population 21 and over (Estimate) (2015)** **752,000**

## REVENUE

MT distributes its distilled spirits business revenue into two avenues\*:

- General Fund (95%)  
(Includes: schools, roadways, etc.)
- Department of Health and Human Services (5%)  
(Includes: prevention and treatment programs)



Figures are from FY2017

\*distilled spirits revenue for the control state including profit and taxes, it does not include beer and wine tax

## AGENCY HISTORY

Montana ended its retail monopoly of table wine (14% or less alcohol by volume) in October 1979 and raised this level six years later in 1985 to 16% alcohol by volume.

Retail privatization occurred in 1995, while the state continues to maintain control of wholesale operations for distilled spirits and fortified wine.

## ENFORCEMENT

The LCD contracts with the MT Department of Justice to conduct investigations and audits. The LCD is responsible for regulatory efforts and administrative action.

The Liquor Licensing Bureau is responsible for administering alcoholic beverage licensing laws in an effort to protect the welfare and safety of the public. This bureau oversees and enforces compliance with the state's alcoholic beverage laws including issuing licenses and renewals for all individuals and entities producing, importing or selling alcoholic beverages in Montana; verifying the suitability of alcoholic beverage license applicants to ensure they meet qualifications; monitor licensed premises activities to ensure compliance; provide expert testimony in case of revocation and other regulatory proceedings.

**\$39,937,139**  
 FY 2017 Net Revenue

From 2003 through 2016, the Montana Liquor Control Division has contributed more than \$376 million in profit to the state.

## DISTRIBUTION

Distilled spirits are only sold in state agency franchised stores that are contracted with the LCD, with the exception that in-state distillers are allowed to provide up to 2oz samples per day per person for on-premises consumption at their distillery. In addition, they can sell up to 1.75 liters per person per day for off-premises sales. These products do not come through the state warehouse first.

The LCD ships to all agency stores via a third party contract carrier. Licensed bars, restaurants and the general public purchase distilled spirits from agency stores. Agency stores may deliver to the licensees. Although beer and table wine are not distributed through the state warehouse, the LCD is responsible for licensing and regulating the private distributors.

The LCD operates a 100,000 square foot central warehouse in Helena from where all distilled spirits products are distributed. The warehouse typically contains 170,000 cases.

Does jurisdiction allow direct shipping of wine?



Estimated tax per standard drink:

**SPIRITS: \$0.054**  
**WINE: \$0.016**  
**BEER: \$0.006**

## OFF- and ON-PREMISE OUTLETS

Montana has control of distilled spirits at wholesale and has 95 agency stores.

- Montana has policies that regulate the density of off-premises outlets in a neighborhood/precinct/condensed area for agency liquor stores only and that number is determined by population for spirits, but not for beer and wine.
- Jurisdiction does not allow the sale of spirituous liquor in convenience stores.
- Servers of open containers are required to be over 18 years old. Otherwise, there are no regulations regarding age and servers/sellers.
- The sale of beer and table wine are permitted in grocery stores.
- Sunday sales are allowed.
- Keg registration is required.
- For every 100,000 residents ages 21 and older, there are 12.9 spirits outlets.
- Beverage service training is mandatory in the state.

## MONTANA LIQUOR CONTROL DIVISION IN ACTION:



Montana passed the Responsible Alcohol Sales and Service Act. It requires every licensee to ensure that all employees who serve or sell alcohol, and their immediate supervisor to successfully complete training within 60 days of hire and every three years thereafter. The state's server training program, Let's Control It, trains more servers and sellers every year than the other 13 training programs approved by the state.

The Montana Department of Revenue, Liquor Control Division was directly responsible for the projects resulting from the Act. Conducting an open trainer recruitment process gave the Division the ability to encourage community involvement, as well as develop partnerships with different entities across the state.

## DEFINITIONS

Control systems -- jurisdictions that directly control the distribution and sale of beverage alcohol in their borders.

Three-tier system -- the method of alcohol distribution developed after Prohibition in the United States. Producers/manufacturers (first tier) can sell products only to wholesalers/distributors (second tier) who then sell to retailers (third tier).

Revenue Per Capita -- revenue per person.

Wet and dry counties -- Wet jurisdictions are those that permit the sale of spirits, wine, or beer for on-premise and off-premise consumption. Dry jurisdictions prohibit some or all alcohol sales, whether on- or off-premise.

Sources: 2016 NABCA Survey Database, State Alcohol Tax Rates (July 2016), NABCA Educational Awards Program Reports for 2014-2015, Montana Liquor Control Division, The Beverage Information Group's 2015 Fact Book, Alcohol Policy Information System (APIS)