

## HOUSE BUSINESS AND INDUSTRY COMMITTEE

Chairman, Rep. Jerry Metcalf, called the Business & Industry Committee to order on February 7, 1983, at 9:00 a.m. in Room 420 of the Capitol Building, Helena, Montana. All members were present except Rep. Ellerd, Rep. Howe, and Rep. Fagg who were excused.

### HOUSE BILL 607

REP. JAN BROWN, District 32, sponsor, opened by saying HB 607 is a consumers' bill that would require financial institutions to pay interest on money placed in escrow accounts. It seems only logical that if a financial institution is able to use our money that we must keep in escrow accounts, they ought to be paying us interest for the use of that money. She said she knows of one person who does receive interest on the money in his escrow account, because he had his attorney write that provision into the contract on his home. Many people are not aware that this can be done. (Exhibit #1)

### PROPONENTS:

DON HARRIOTT, Helena resident, submitted a case history of how much it cost him to loan money to the bank on his escrow account without his concurrence. He has owned the home for a year and would have earned \$81.41 if his escrow money had been paying interest in a money market certificate. He said this would amount to a large sum over the years of paying a home off. He offered an amendment to show the rate of interest that the escrow account would earn to guard against the bank lowering the rate to 1%. (Exhibit #2)

REP. NISBET said he would like to go on record as supporting HB 607.

BEV HARRIOTT, Helena resident, is in favor of HB 607.

### OPPONENTS:

JOHN CADBY, Montana Banker's Association, said they have many problems with this bill. It appears to be a pro-consumer bill but it is actually an anti-consumer bill. He said banks make direct payments to the counties twice a year that covers thousands of home owners. He doesn't think any county would like to rely upon each home owner to pay these taxes. It will result in increased delinquencies and increased costs in every county in the state. A list of his questions concerning the bill and explanations on his points is attached as Exhibit #3.

AGNES HOFFMAN, Vice President, Security Bank, Billings, said the term "transaction" in the bill leaves them wondering what "transaction" means. Does it include every situation where escrow is needed? She said county treasurers are concerned about processing individual accounts. Some lenders in Montana

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Business & Industry Committee

might opt to sell their portfolios to out-of-state institutions where the reserve account would not be subject to interest. They are required to remit excess reserves to customers annually

PAT HOOKS, Montana Savings and Loan League, said they oppose this bill for the reasons previously stated. He said if this bill passes, the legislature should exempt accounts where HUD requires these funds. These accounts are a convenience to the homeowner who can forget about paying this bill direct.

BILL GOWEN, Helena Abstract & Title, said they oppose this bill which would be a bookkeeping nightmare to try to determine small interest rates to individuals.

DAVID BROWN, First Bank, Helena, said the majority of escrow accounts would not earn enough to pay the service charges at the banks. He said a small bank of 100 escrow accounts could pay interest by simply putting it into a savings account. A large bank with 4,000 loans just could not handle it that way.

LYLE OLSON, Helena, said this bill would be harmful to his operation as he does business with five lending institutions out of the state.

REP. BROWN allowed Don Harriott to close for her: He said he was surprised that such a simple and honest bill would bring about such objection from the banking community. He said he realized the bill had technical difficulties and some terms should be defined. He said if there are 6,000 borrowers like himself each losing \$50-\$100 a year, that amounts to alot of money. Reserve accounts create marketable loans. They use that money on other loans. He said he didn't mind paying the fee but he resents it being charged in an indirect way and hidden behind his money which he has no control over.

#### QUESTIONS:

REP. ELLISON: How are the fees for escrow accounts set?

John Cadby: By each individual institution.

REP. ELLISON: If this were to pass, would banks increase the escrow fee to cover the added cost of processing?

John Cadby: I think they would opt to send the money out-of-sta

REP. FABREGA: Would the fee be the same if you have to pay tax on \$100 or \$2,000 on FHA reserve account?

MS. HOFFMAN: I would assume that.

REP. HARPER: If you wanted to adopt fees that would cover the full cost they would be so high that they would scare people off

Mr. Cadby: You are getting this service free now and if you were slapped with a \$50 fee you would not be happy.

REP. HARPER: The person with a large home is subsidizing the little guy and you think we should just leave it alone?

Mr. Cadby: Yes.

REP. FABREGA: Aren't most large homes financed by conventional loans? (yes) Aren't those loans under escrow?

MS. HOFFMAN: No, not under Federal Home Loan requirements. The State Board of Investments require escrow. They want to be assured there is no delinquency because of taxes.

#### HOUSE BILL 578

REP. RON MILLER, District 42, sponsor, opened said this bill creates new law giving the insurance department the power to determine jurisdiction over providers of health care benefits.

JANE MITCHELL, Attorney for Montana Insurance Department, said this bill was written based on a model act adopted by the National Association of Insurance Commissioners in 1982. The bill is necessary because many other states have had solvency problems with Multiple Employers Trusts which do not qualify as ERISA programs. These entities have gone broke in other states and left people without health care coverage. (Exhibit #4) She proposed a list of amendments which legal council will work up for presentation to the committee.

TERRY MEAGHER, Chief Examiner, Montana Insurance Department, said many states have adopted laws like HB 578. He proposed an amendment to Section 4, page 2, line 12 to include the word "commissioner." It would give commissioners authority to contract examiners. He said even if this bill passes they would have no means of funding it. Therefore, he proposed an amendment which would say the person or entity being examined would pay the expenses directly to the commissioner.

NORMA SEIFFERT, Montana Insurance Department, said she has found many out-of-state trusts to be pretty risky and she would like some means of examining them. She believes it would make these people a little more cautious when dealing in Montana. She read a letter of support from the Kemper Insurance Group.

OPPONENTS: none

#### QUESTIONS:

REP. KADAS: Why don't we have a revolving fund? Mr. Meagher: A couple of years ago we tried to establish that procedure but the legislature didn't like the idea of a separate fund and it was killed. Rep. Kadas: You are opening the door for corruption with people paying the examiner directly. Mr. Meagher: The rates are established through the NAIC annually. We do account for the money totally and it is looked at by the legislative auditor. The company signs a receipt for what they have paid.

REP. FABREGA: Would the company being examined request it? Mr. Meagher: We would try to maintain their credibility and if we could not, we would request the exam. Rep. Fabrega: How can you send someone to another state without their request and say they must pay for it? Ms. Mitchell: This is for people who

claim to be exempt under the federal program. We cannot look at them until we have a state law.

REP. SAUNDERS: In addition to being licensed, you should require bonding. Mr. Meagher: The ones we are trying to get are crooks and we would never get a bond out of them.

REP. METCALF: You want us to amend person to include entity. Chapter 33 defines person to include entity. Ms. Mitchell: It will be easier in litigation to have it spelled out here.

#### HOUSE BILL 563

REP. BOB PAVLOVICH, District 86, sponsor, opened by saying this bill increases the discount on purchases of liquor in unbroken case lots from state liquor stores from 5% to 10%. He said stores like Albertsons and Safeway have a discount on the purchases they make. They use it as a lead. They sell it cheaper than the all-beverage licensee can buy it. They are in direct competition to the small tavern owner. In the governor's proposal, he is going to increase the tax on liquor which will increase the price.

BOB DURKEE, Montana Tavern Association, said Malmstrom Air Force Base in Great Falls receives a 20% discount. They started out at 9% and now it's at 20%. They undersell the liquor stores in Great Falls.

PHIL STROPE, Attorney, Montana Tavern Association, said the small operator does not receive much discount on his purchases. The take on liquor is 76%. Every bar owner has to buy his product from the state store. He can't go to the reservation where the price is alot cheaper. In the marketplace, there is no one who would consider going into business where there is only a 5% discount.

DON LARSON, Montana Tavern Association, said the 10% discount on closed cases would save the state a little and would help the rural tavern owner alot.

ERNIE GRESSECH, Montana Tavern Association, and owner of a restaurant in Black Eagle, said they are the only business that has to go to the state store and buy at the same price as their customers. It becomes very hard to make a profit. He said license fees are very high already.

#### OPPONENTS:

ELLEN FEAVER, Department of Revenue, said the fiscal note is forthcoming. The discount now cost \$1 million a year. The annual cost of this legislation would be \$1.2 million. Concerning Malmstrom, she said they do get a good discount but it is a good policy to continue because otherwise they will buy out-of-state. We don't really know what is going on at Indian reservations, but we are not selling to them.

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Business & Industry Committee

REP. PAVLOVICH, in closing, said this bill does need a fiscal note and he is requesting one. It will probably double. The discount and sales will increase so I don't look for a great loss. Our licenses are expensive - not many businesses pay as much as we do. We should be entitled to the same opportunities. There are 1600 of us in the state. Everyone goes to the tavern owner for donations and for community support projects and they get what they want. Try asking a bank. We are just asking to be treated equally.

QUESTIONS:

REP. BACHINI: Mr. Gressech, what did you want to say? Mr. Gressech: Malmstrom is a real competitor to every tavern in Great Falls. We get the overflow from banquets they can't book.

REP. FABREGA: Malmstrom is not under the quota system? Ms. Feaver: No. It's just like an Indian reservation. They can bring in their liquor but they choose to buy here and we get the taxes back.

REP. FABREGA: Are all the controlled states you have listed (Exhibit #5) under the quota system? Ellen: There is no quota system like ours. Each one is unique.

#### EXECUTIVE SESSION

#### HOUSE BILL 290

PAUL VERDON: I talked with Norm Nichol about the proposed Seifert amendments and we agreed to strike the word "all" which seemed to remove the requirement that the distributor had to be licensed. It leaves the first subsection exactly as it is but adds another subsection to subsection 2 that provides the distributor to pay the license fee and upon renewal pays the annual fee of \$200. It also requires that refinery and manufacturers have to be licensed. The new distributor should pay the \$200 fee to off-set the extra cost of auditing. We can put the existing distributors under this law too.

REP. METCALF: The first amendment said he shall have the option of a wholesale dealer - now it says gasoline distributor. Paul Verdon: In the law it refers to a distributor as anyone who pays the tax.

REP. METCALF: It doesn't read right to me. Shouldn't there be a "who" there? Paul: Yes, perhaps an "if"...

REP. FABREGA: The committee should decide if only importers should pay the \$200 or should distributors and refineries. My feeling is that if in order to expand the field and every wholesale distributor is participating, then everyone should pay the \$200.

REP. METCALF: Our time has run out...we will take this up tomorrow.

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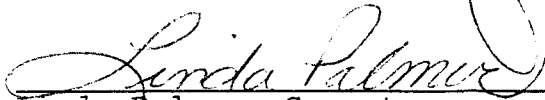
Business & Industry Committee

The hearing adjourned at 11:30 a.m.



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REP. JERRY METCALF, CHAIRMAN



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Linda Palmer, Secretary

Mr. Chairman and Members of the Committee:

For the record, I am Jan Brown, representing House District 32.

House Bill 607 is a "consumers' bill" that would require financial institutions to pay interest on money placed in escrow accounts.

Section 2 of the bill defines "escrow accounts."

This bill was introduced as a result of an article in the Helena Independent Record last month asking readers to submit ideas for legislation. A request was made for this legislation, so I volunteered to sponsor it.

For the record, I would like to read excerpts from two letters -- one from a constituent and one from the person who requested this bill:

My husband and I presently are required to place about \$110 per month in an escrow account for the payment of our house taxes and insurance. We would like to be receiving interest on that amount.

You all are aware of the interest that we are required to pay on loans, charge accounts and other time payment accounts; and we receive interest on c.d.'s, savings accounts and many types of checking accounts. It seems only logical that if a financial institution is able to use our money that we must keep in escrow accounts, they ought to be paying us interest for the use of that money. I know of at least one person who does receive interest on the money in his escrow account, because he had his attorney write that provision into the contract on his home. He told me that many people are not aware that this can be done.

I would urge your favorable consideration of House Bill 607.

Thank you.

January 11, 1983

Independent Record  
Helena Montana

There ought to be a law which requires mortgage lending institutions to pay interest on mandatory escrow amounts held for payment of taxes and insurance on homes.

For example, the mortgage holder on my home requires me to pay  $\frac{1}{12}$  of the annual taxes and  $\frac{1}{12}$  of my homeowners insurance each month. That results in their holding <sup>at least</sup> ~~about~~ \$1000 of mine all the time. <sup>Right now, they</sup> ~~have~~ \$2000.

I could be earning interest on that, but instead, the bank earns interest on my money.



Most states require the banks and S & L's to pay passbook rate interest on the escrowed amounts. The result is fewer "mandatory" escrow accounts --- and for the remaining escrow accounts, the amount held is reduced to a much more reasonable level.

I figure it costs me about \$100 per year in lost interest. There are a lot of people like me. The current situation is an awfully good deal for the banks and S & L's. They will fight to protect it, for it means hundreds of thousands of dollars of "free" money for them to use.

Don Harriott  
428 S. Roberts St.  
Helena MT  
443-6076

Dear Jan Brown,

January 28, 1983

I read recently in the Independent Record about a proposed bill to require lending institutions to pay interest on escrow accounts. No one was listed as sponsor of the bill. I would like to register my support for such bill.

In January 1982 we received a check from our savings and loan for \$600.00. When I requested an explanation, I was told a new Federal law restricted the amount of money in an escrow to \$100.00 over the amount estimated to be needed to pay the taxes and insurance. As we had only had our home 2 years, that meant they had collected approximately \$25.00 per month in excess, at no interest, of course.

Our taxes are \$1400.00 per year and interest accrued on that would be a small, but significant amount. The savings and loans have total control over how much we are billed and as far as I know we have no recourse. I resent "lending" my hard earned money to them for their use at no interest.

Please support this bill.

Sincerely

Debra J. Clark  
Julie J. Clark, Jr.

D. Clark  
738 Dealborn #1  
Mt 59601

Actual Case History

Location: 931 Hideout Street, Helena

Built: 1979; occupied 1980: purchased by D.M. Harriott 2/28/82

Loan: \$46,600 balance P + I = \$344.16 Escrow \$130.26

Escrow Account:

<u>Period</u>	<u>Escrow Balance</u>	<u>Interest @ 5.25%</u>	<u>Interest @ M.M. Rates</u>
3/1/ to 4/7	\$1,194.91	\$ 6.62	@(12.0) \$15.13
4/7 \$500 returned due to complaint about high balance			
4/7 to 4/16	\$ 694.91	\$ 0.91	@(11.5) \$ 2.00
4/16 to 5/6	\$ 825.17	\$ 2.65	@(11.25)\$ 5.55
5/6 \$430.85 Taxes Paid			
5/6 to 5/14	\$ 394.32	\$ 0.46	@(11.0) \$ 0.96
5/14 to 6/15	\$ 524.58	\$ 2.30	@(10.75)\$ 4.70
6/15 to 7/15	\$ 654.84	\$ 2.86	@(10.5) \$ 5.73
7/15 to 8/9	\$ 785.10	\$ 2.75	@(10.25)\$ 5.36
8/9 to 9/16	\$ 915.36	\$ 4.94	@(10.0) \$ 9.41
9/16 to 10/15	\$1,045.62	\$ 4.42	@(9.75) \$ 8.21
10/15 to 11/16	\$1,175.88	\$ 5.32	@(9.5) \$ 9.62
11/16 to 12/14	\$1,306.14	\$ 5.33	@(9.25) \$ 9.40
12/14 to 12/28	\$1,436.40	\$ 2.93	@(9.0) \$ 5.03
12/28 \$1,006.98 Taxes and special assessments paid.			
12/28 to 12/31	\$ 429.42	\$ 0.19	@(8.75) \$ 0.31
		<u>\$41.68</u>	<u>\$81.41</u>

## Judge Confirms Damages Against BankAmerica Unit

Special to THE WALL STREET JOURNAL

SAN FRANCISCO — A San Francisco judge ruled that Bank of America was "guilty of willful, calculated and deceitful conduct" when it used mortgage holders' tax and insurance prepayments to earn a profit for the bank.

The harsh language came in a 51-page decision by Superior Court Judge John Dearman, confirming his previously reported January decision that the BankAmerica Corp. unit must pay \$101 million to mortgage holders who made the payments, called impounds, from 1968 through 1975.

The award, which is to be distributed to 170,000 mortgage holders, is thought to be the largest judgment on record levied against a bank in this country. If upheld, each mortgage holder would receive an average of \$594.

The judge also awarded \$3.5 million to the attorneys who filed the suit 10 years ago on behalf of Bank of America mortgage holders throughout California.

A bank spokesman called the ruling unwarranted and said the bank would appeal it.

The decision completes the judge's ruling that the bank misused the prepayment trust funds by lending out the money and using it in general bank operations.

After the 17-day class-action trial, Judge Dearman issued a two-page intended decision last January awarding mortgage holders \$47 million in actual damages and \$54 million in punitive damages.

Last May, the judge heard new arguments by the bank's attorneys, who claimed that the punitive damages shouldn't be allowed because the plaintiffs hadn't introduced any evidence of malice or fraud at the trial. But in his written final order, the judge strongly disagreed, calling the bank's misuse of the funds "malicious, fraudulent and oppressive."

Judge Dearman was appointed to the San Francisco municipal court by Gov. Edmund G. Brown Jr. in 1977 and elevated to the superior court by the governor two years later. He is the former law partner of Willie Brown, California speaker of the house.

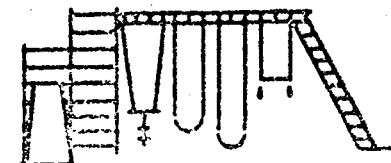
THE WALL STREET JOURNAL, 11  
Friday, August 20, 1982

### Jim Walter 4th-Period Outlook

TAMPA, Fla.—Jim Walter Corp. expects to report an operating profit for its fiscal fourth quarter, ending Aug. 31, compared with a year-earlier net loss of \$1.3 million, Jim Walter, chairman, said.

"If interest (expense) continues to moderate, I can see a nice—not dramatic—turn-around," the head of the diversified home building concern said. He added, "I hope I'm not in a fool's paradise."

Mr. Walter didn't estimate the size of the expected profit, nor did he indicate how revenue in the period would compare with the year-earlier \$538.5 million.



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## PROBLEMS WITH HOUSE BILL 607

## HOUSE BUSINESS AND INDUSTRY COMMITTEE

February 7, 1983

1. When mortgages are sold by a bank to the FNMA (Federal National Mortgage Association), reserve funds must be forwarded to them. How can a bank pay any interest on money they don't have in their possession?
2. The HUD (Federal Housing Administration) require reserve funds for home mortgages to assure timely payment of taxes and insurance premiums which preclude banks from discontinuing this service to their customers.
3. The Federal Home Loan Bank Board prohibits by regulation all federally chartered savings and loan associations from paying interest on reserve accounts or any mortgages contracted prior to June 16, 1975. Banks would not receive the same exemptions and thereby be placed at a competitive disadvantage.
4. HB 607 does not exempt mortgage contracts previously entered into which is an impairment of contract and legally questionable.
5. This bill does not include loans made or purchased by the State Housing Authority and State Investment Board. Would they be required to pay interest?
6. HB 607 does not define types of mortgages affected by the bill. Does it apply to only single family dwellings? multi-family dwellings? investment properties? commercial buildings? Some secondary markets require reserve funds on commercial property.
7. What happens when the mortgagor defaults on payment or if the reserve fund has a negative balance after payment of taxes and/or insurance? Can a bank impose interest charges on the negative balance?
8. Interest on escrows penalizes the poor and less fortunate. Large reserve accounts earn a profit to the bank and savings and loan associations but small accounts are carried at a loss. The system is similar to a progressive income tax in that the large accounts carry the smaller accounts or low to middle income homeowners. Studies show small reserve balances would not yield sufficient interest to offset handling costs.
9. Borrowers may establish their own reserve accounts on conventional loans if they so wish. Most prefer the convenience of paying the principal, interest, taxes, and insurance on a monthly budgetable single payment. Further the discipline imposed by the budgeted monthly payment is attractive to some homeowners who do not exercise good savings habits to meet the debt when due.
10. HB 607 discourages establishment of reserve accounts for payment of taxes and insurance. Thousands of homeowners' taxes are now paid in one lump sum with a check by banks and savings and loan associations. Without reserve funds, county tax collectors would have considerably more administrative expenses, more delinquency problems and higher collection costs.

Testimony of the Montana Insurance Department on H.B. 578.

This legislation is based on a model act adopted by the National Association of Insurance Commissioners (NAIC) in Philadelphia in June of 1982.

The purpose of this bill is to give the Montana Insurance Department authority to examine health care providers to determine whether they fall under the jurisdiction of the Department. The bill is designed to control Multiple Employer Trusts which are not qualified ERISA exempt programs. The bill provides that if the entity can provide the commissioner with an appropriate certificate, license or other document issued by a state or federal agency permitting it to provide health care coverage, then the Insurance Department will not regulate it. If the entity is unable to show it is subject to another state agency or the federal government, then the Montana Insurance may examine it to determine whether it is subject to the insurance code and to determine its solvency.

The bill also provides that production agencies or administrators who advertise, sell, transact or administer coverage which is not provided by an admitted insurance company or nonprofit health service corporation advise prospective purchasers or purchasers of the lack of insurance or other coverage.

Further an administrator who sells such coverage, must advise any production agency of the elements of the coverage.

The bill is necessary because many other states have had solvency problems with Multiple Employers Trusts which do not qualify as ERISA programs. These entities have "gone broke" in other states and left people without health care coverage.

## VISITOR'S REGISTER

BILL HB 563 HOUSE \_\_\_\_\_

COMMITTEE

DATE \_\_\_\_\_

SPONSOR \_\_\_\_\_

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.



## VISITOR'S REGISTER

HOUSE

COMMITTEE

BILL

DATE \_\_\_\_\_

SPONSOR

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

## VISITOR'S REGISTER

HOUSE

COMMITTEE

BILL

DATE \_\_\_\_\_

SPONSOR

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

February 7, 1983

House Bill No. 578

Suggested committee amendment:

Section 4, Line 17 ..... after the last sentence ending ..... "applicable provisions of this code." add another sentence ..... "The person or entity being examined shall pay the charges and expenses directly to the person appointed by the commissioner to perform such examination in accordance with the provisions of Section 33-1-413(1), MCA."

DISCOUNTS TO LICENSEES - CONTROL STATES

Alabama	5% spirits 10% wine	
Idaho	8%	Broken or unbroken case lots
Iowa	10%	In quantities of \$100 and over
Maine	10%	Licensees only
Michigan	17%	Licensees only
Montana	5%	Case lots only to all persons
New Hampshire	5%	Case purchases thru warehouse only
Ohio	12.5%	Retailers only
Oregon	None	
Pennsylvania	12.5%	Licensees only - minimum retail purchase \$50
Vermont	3%	
Washington	15%	Licensees only
North Carolina	3%	Through county ABC units

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Mississippi	)	
Wyoming	)	Monopoly at wholesale level only
Utah	)	
Virginia	)	No liquor by the drink licenses
West Virginia	)	

\* \* \* \* \*

Cash Store at Malmstrom AFB has received a discount from the State of Montana since 1956.

Current level of discount: 20%

There are 70 agency state stores that receive a 10% commission on sales; plus the state owns the inventory.

GROSS SALES OF ALCOHOLIC BEVERAGES (FY ending 6/30/82) \$55,356,063.00 (\*)

PURCHASES BY LICENSEES \$27,601,005.00

or 50.74 %

(\*) Figures supplied by Dept of Revenue



# STATE OF MONTANA

## DEPARTMENT OF REVENUE

### LIQUOR DIVISION

MITCHELL BUILDING

HELENA, MONTANA 59601

February 1, 1983

#### MEMORANDUM

To: Representative Bob Pavlovich

From: Tom Mulholland, Assistant Administrator *TM*  
Liquor Division

Subject: Case Lot Purchase Discount

Following is the information you requested in your discussion with Howard Heffelfinger.

Breakdown of all beverage licenses issued in Fiscal Year 1982:

All-beverage Licenses	1,379
All-beverage Catering	35
All-beverage Veterans	56
All-beverage Fraternal	68
All-beverage Airports	4
All-beverage Resorts	9
Total all-beverage licenses	<u>1,551</u>

Unfortunately, our sales reporting system does not capture case-lot sales information. The attachment, however, indicates that 50.74% of adjusted gross sales were to retail licensees.

In addition, the total discount in FY '82, at 5%, amounted to \$960,241. Of that amount \$935,336 or 97.4% were discounts to retail licensees. Had the discount been 10% the total discount would have doubled to at least \$1,920,482.

This amount is conservative. It is assumed that with a higher discount, licensees or others would have additional funds available and many may use these to purchase additional stock. If this assumption is correct, naturally the discount and sales would increase.

# RLD SALES TO LICENSEES

Fiscal Year 1982

	<u>Wine</u>	<u>Spiritis</u>		
July '81	\$31,102	\$2,458,955		
Aug. "	26,668	2,160,177		
Sept. "	29,940	2,309,613		
Oct. "	28,372	2,579,700		
Nov. "	27,690	2,164,798		
Dec. "	42,638	3,020,088		
Jan. '82	19,232	1,861,058		
Feb. "	21,548	1,977,351		
Mar. "	24,479	2,153,315		
Apr. "	25,261	2,461,067		
May "	22,134	1,973,557		
June "	23,132	2,159,130		
Total	\$322,196	\$27,278,809	+	= \$27,601,005

FY '82      Adjusted Gross Sales = \$54,395,822  
License sales as percent of gross = 50.74%