MINUTES OF THE MEETING BUSINESS AND INDUSTRY COMMITTEE MONTANA STATE SENATE

January 7, 1983

The meeting of the Business and Industry Committee was called to order by Chairman Allen Kolstad on January 7, 1983, at 10:05 a.m., in Room 404, State Capitol.

ROLL CALL: Roll was called with Senators Goodover and Regan being excused due to other meetings.

Chairman Kolstad introduced Staff Attorney Greg Petesch and Secretary Mimi Fancher to the Committee.

SENATE BILL NO. 53: Senator Jack Galt stated Senate Bill 53 is being introduced by him by request of the Revenue Oversight Committee and the Department of Revenue. This bill would eliminate the official seal on package liquor and prohibit any open liquor containers in a state liquor store. Under the legislative mandate from last session, the Liquor Division needs to deposit \$13 million in the general fund. This bill would save them \$90,000 per year. The presence of the seal has little control over illegal liquor in Montana.

Proponents:

Howard Heffelfinger representing the Liquor Division stated in fiscal year 1982 they sold over 8 million bottles of liquor. In every case the seal had to be affixed. The process is time consuming and costly. The primary purpose of the seal is to provide deterrent affects to contraband liquor. If this bill were to pass they would still stamp merchandise but they would be entirely eliminating seals on sales to all licensees so they feel they could save \$90,000.

There were no further proponents and no opponents.

There being no further discussion, hearing on Senate Bill 53 was closed.

NO EXECUTIVE ACTION WAS TAKEN ON SENATE BILL 53.

SENATE BILL NO. 54: Senator Jack Galt stated this was another bill requested by the Revenue Oversight Committee and the Department of Revenue. The bill would allow the Department of Revenue to establish hours and days of operation for state liquor stores. As it is now, they are restricted to close on Saturday afternoons and holidays and reopen on Tuesday. They would like to set their own hours in hopes of selling more liquor. Sales have improved since the wine initiative was passed.

Proponents:

Howard Heffelfinger representing the Liquor Division stated they would like a six-day sales week instead of a 5-day. Montana is only one of two contol states left - the other state being Michigan which have a 5-day week. If they were allowed to be open on Monday it would be helpful to the consumer and he would not have to go to a licensee to make his purchase.

Opponents:

Bob Durkee representing the Montana Tavern Association stated he opposed Senate Bill 54. He stated his people built their package liquor stores based on the fact that historically the liquor stores were not open on Mondays, holidays and evenings. The only disadvantage to the public is the small additional premium they charge. He felt the unions would take a dim view of this bill. The department has some stores that are losing money which proves that the supply is adequate. He stated this situation has existed for 45 years and the public is aware of when the liquor stores are open and closed.

Representative Bob Pavlovich, representing the Silver Bow Tavern Association stated he has been in the tavern business for 33 years. He feels when the liquor stores are closed this is the tavern owner's chance to sell their package liquor. They do have a markup but it is small. They would prefer that the liquor stores close on their usual days.

Senator Galt stated the department needed to make a certain mandated amount of money to be turned over to the general fund.

Senator Gage pointed out that during the course of his campaign they had an opportunity to meet with the Blackfeet Tribe. The older people on the reservation are very concerned about the problem they have with alcohol and drugs. They requested that drugs and alcohol be less available to their people and that the stores be closed a couple days a week.

There were no further proponents or opponents.

There being no further discussion, hearing on Senate Bill 54 was closed.

NO EXECUTIVE ACTION WAS TAKEN ON SENATE BILL 54.

ADJOURN: There being no further business before the Committee, the meeting was adjourned at 10:40 a.m.

<u>LLEN C. KILLA</u>

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ROLL CALL

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BUSINESS AND INDUSTRY COMMITTEE

48th LEGISLATIVE SESSION -- 1983 DATE1-7-83

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NAME	PRESENT	ABSENT	EXCUSED
PAUL F. BOYLAN			
B. F. CHRIS CHRISTIAENS			
HAROLD L. DOVER			
DAVID FULLER	/		
DELWYN GAGE			
PAT M. GOODOVER			/
GARY P. LEE, VICE CHAIRMAN	V		
PAT REGAN			
PAT M. SEVERSON			
ALLEN C. KOLSTAD, CHAIRMAN			

DATE

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COMMITTEE ON BUSINESS & INDUSTRY

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APPEARING ON WHICH PROPOSAL: 575 53	515 51
DO YOU: SUPPORT? AMEND?	OPPOSE?
COMMENTS :	

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PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME :	Bob	Dur	kee	DATE :	1-7-83
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