

MINUTES OF THE MEETING
BUSINESS AND LABOR COMMITTEE
MONTANA STATE
HOUSE OF REPRESENTATIVES

January 8, 1985

The meeting of the Business and Labor Committee was called to order by Chairman Bob Pavlovich on January 8, 1985 at 8:07 a.m. in Room 312-2 of the State Capitol building.

ROLL CALL: All members were present.

HOUSE BILL NO. 20: Hearing commenced on House Bill No. 20. Representative Joe Quilici, District #71, sponsor of the bill, stated that the purpose of this bill is to eliminate the requirement that a permit be issued from the Department of Highways, allowing a truck tractor to be used to move a trailer or semi-trailer, which entered the state in combination with another truck tractor, to a local delivery zone. He believes that said permit is not necessary. Representative Quilici also added that the passing of House Bill #20 would be taking little bureaucracy out of the trucking industry and monetarily, save the state financially.

Proponent Don Copley, representing the Department of Highways, supported the deletion of subsection 61-10-203. Mr. Copley added that the issuance of delivery zone permits, is unnecessary.

Representative Les Kitselman, questioned Don Copley as to the cost of a delivery zone permit, the answer to which was none.

There being no further discussion by proponents or opponents, all were excused by the chairman and the hearing on House Bill No. 20 was closed.

ACTION ON HOUSE BILL NO. 20: Representative Schultz made a motion that HB 20 DO PASS. The motion was seconded by Representative Wallin and passed unanimously.

HOUSE BILL NO. 29: Hearing commenced on House Bill No. 29. Representative Mel Williams, District 85, sponsor of the bill, explained the purpose of HB 29 is to transfer the responsibility of determining if public contractors meet residency eligibility requirements from the Department of Revenue to the Department of Commerce. Representative Williams believes that the agency responsible for making residency provisions should also determine if an entity meets residency requirements. The Department of Commerce does make this determination.

Proponent James Madison of the Department of Revenue stated that the responsibility given to the Department of Revenue in making the determination of residency was merely an oversight of the last legislative session.

There being no further discussion by proponents or opponents, all were excused by the chairman and the hearing on House Bill 29 was closed.

ACTION ON HOUSE BILL NO. 29: Representative Jan Brown made a motion that HB 29 DO PASS. The motion was seconded by Representative Wallin and passed unanimously.

HOUSE BILL NO. 32: Hearing commenced on House Bill No. 32. Representative Nancy Keenan, District #66, sponsor of the Bill, called on Proponent Mike Garrity for explanation.

Mr. Garrity of the Department of Revenue stated that one purpose of this bill is to make a beer importer subject to the same laws for selling beer as a brewer or wholesaler. With the increase of foreign (outside U.S.) beer being imported into the state of Montana, it is important that a beer importer be licensed as a brewer, Mr. Garrity explained. He further added that a beer importer should be subject to the same requirements as a brewer, e.g., licenses, dues, filing agreements, shipping restrictions, financial interest restrictions. He passed out to committee members Exhibit No. 1 at this time, recommending that HB 32, be amended as shown on Exhibit No. 1. Said amendments would enable a beer importer to sell to a licensed wholesaler, not the public. In closing, Mr. Garrity added that a more avid means for controlling alcohol coming across the state line would be established by the passing of HB 32.

Proponent Roger Tippy, Executive Secretary of the Montana Beer and Wine Wholesalers Association of which all 49 wholesalers operating in Montana belong, stated that a brewers licensing fee of \$500.00 per year is charged to each importer. With several states not requiring a fee for such license, Montana does appear to be less appealing to importers. A suggestion to the committee by Mr. Tippy was that the fee level be reduced to \$200.00 per year, which could result in more firms being licensed in Montana. There were 15 brewers licensed in 1984 and 2 firms will not be renewing their licenses. With a lower fee, Mr. Tippy expects the licensing of 40 import firms. Mr. Tippy passed out to committee members Exhibit 2 at this time which further outlines his testimony, setting out the proposed amendments and showing the licensed beer importers in Montana.

Proponent Tom Mulholland, Assistant Administrator of the Liquor

Division stated that the department anticipates the smaller importers of domestic beer would not seek a license in Montana due to the fee. These smaller entities would in turn sell to a larger entity who would in turn bring beer in Montana. He did not see a need for the amendment redefining warehouse and subwarehouse.

Representative Wallin asked Mr. Tippy if he was speaking on behalf of the importers. He was not but did inform the importers of this piece of legislation at their last national meeting.

Representative Kadas questions Mr. Tippy as to his amendment number 2, which is shown on Exhibit 2. Kadas asked if this would create a problem for a smaller brewery to get a license, such as the local Kessler Brewery. Mr. Tippy did acknowledge this and said that he would have no objection to the committee disregarding this amendment.

Representative Kadas then asked Mr. Tippy if a licensing fee of \$100.00 would cover all expenses. Mr. Tippy felt that \$100.00 would be too little and that \$500.00 would be excessive.

There being no further discussion by proponents or opponents, all were excused by the chairman and the hearing on House Bill No. 32 was closed.

ACTION ON HOUSE BILL NO. 32 - Representative Kadas made a motion that the amendment to strike section 8 in its entirety, DO PASS. This amendment was passed unanimously.

Representative Kadas then made a motion to pass amendment 8, (as shown on Exhibit 2) with the \$200.00 figure being reduced to \$150.00.

Following this motion, controversial discussion followed between the committee members. Representative Kadas made a motion to withdraw all of the above motions.

HOUSE BILL NO. 44 - Hearing commenced on House Bill No. 44. Representative Hal Harper, District #44, sponsor of the bill, stressed the importance of adopting a trade secret act. With the technology field moving so rapidly, Rep. Harper feels this act is needed for protection. The "hi-tech" industry is not protected by federal law.

Proponent Bill Lekhard stated that a uniform bill has been adopted in six states. He added that although protected patents are available, they are extremely difficult to obtain and to enforce.

Proponent Karl Englund, with the Montana Trial Lawyers Associa-

tion explained that while Montana does have some case law on this issue, the majority of case law is from federal courts. This bill would help to clarify the law. Mr. Englund made the recommendation that under Section 4, subsection 2, ("If willful and malicious misappropriation exists, the court may award exemplary damages in an amount not exceeding twice any award made under subsection (1)."), that the word twice be eliminated. He would like to see the amount be left up to the judge or jury deciding each particular case.

Proponent Doris Shepherd, representing Data West, Inc., stated that a theft of computer software is very damaging. She stressed the need for software owners needing legal protection. The cost and number of years involved in developing a computer program is too great.

Proponent Ted Dovey of Applied Management Corporation, a computer consulting firm responsible for writing software packages, stated that all employees must sign a license agreement and trade secret agreement. He feels this bill is necessary to protect software.

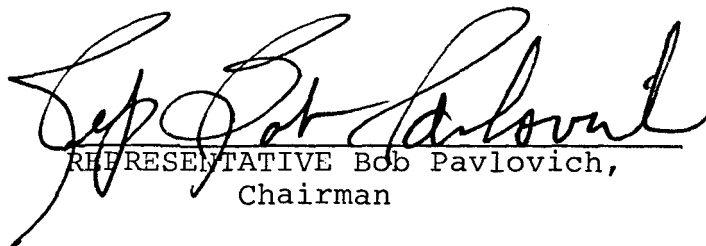
Proponent Dennis Lopach, representing Mountain Bell, asked the committee for more time to consult with their experts.

Representative Ellerd asked Mr. Lopach if there was a process for determining if an issue is in fact a trade secret. Mr. Lopach informed him that the courts would examine the evidence and that there is a formal process for review.

Mr. Lopach then asked the committee to sit on this bill for one week.

There being no further discussion by proponents or opponents, all were excused by the chairman and the hearing on House Bill No. 44 was closed.

ADJOURN: There being no further business before the committee, the meeting was adjourned at 9:37 a.m.



REPRESENTATIVE Bob Pavlovich,
Chairman

DAILY ROLL CALL
BUSINESS AND LABOR COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date Jan. 8, 1985

NAME	PRESENT	ABSENT	EXCUSED
Bob Pavlovich	✓		
Les Kitselman	✓		
Bob Bachini	✓		
Ray Brandewie	✓		
Jan Brown	✓		
Jerry Driscoll	✓		
Robert Ellerd	✓		
William Glaser	✓		
Stella Jean Hansen	✓		
Marjorie Hart	✓		
Ramona Howe	✓		
Tom Jones	✓		
Mike Kadas	✓		
Vernon Keller	✓		
Lloyd McCormick	✓		
Jerry Nisbet	✓		
James Schultz	✓		
Bruce Simon	✓		
Fred Thomas	✓		
Norm Wallin	✓		

STANDING COMMITTEE REPORT

January 8

19 85

MR. SPEAKER

We, your committee on BUSINESS AND LABOR

having had under consideration HOUSE Bill No. 29

FIRST reading copy (WHITE)
color

MOVING CONTRACTOR RESIDENCY DETERMINATION FROM DEPARTMENT OF REVENUE TO COMMERCE

Respectfully report as follows: That HOUSE Bill No. 29

DO PASS

JP 1/8/85

STANDING COMMITTEE REPORT

January 9

19 85

MR. **SPEAKER**

We, your committee on **BUSINESS AND LABOR**

having had under consideration **HOUSE** Bill No. **20**

FIRST reading copy (**WHITE**)
color

ELIMINATION OF DELIVERY ZONE PERMITS

Respectfully report as follows: That **HOUSE** Bill No. **20**

DO PASS

LR 1/9/85

HB 32

Revenue amendments

House Bill No. 32, introduced bill be amended as follows:

1. Page 7, line 8
Strike: "and beer importers "
2. Page 7, line 10
Strike: "or any beer importer"
3. Page 7, line 12
Strike: "or imports beer into"
4. Page 7, line 21
Strike: "or beer importer"

1. Page 7, line 7 through 24
Strike: section 8 in its entirety
Remember, subsequent section

Garrity

BEER IMPORTERS LICENSED BY MONTANA

Guy de Stefano, Jr., President
Advanced Brands, Ltd.
892 Main Street
Waltham, MA 02154

Richard L. Becker
All Brand Importers, Inc.
460 Park Avenue
New York City, NY 10022

~~Boles & Company, Inc.
ATTN: Diane Guillory
658 Sacramento St., Suite 110
San Francisco, CA 94111~~

Richard Fogarty, President
Carlton Importing Co.
155 East 44th Street
New York City, NY 10017

Chris D. Hildebrandt, President
Chrissa Imports, Ltd.
50 Cypress Lane
Crocker Industrial Park
Brisbane, CA 94005

Grolsch Importers, Inc.
ATTN: George Wertheimer
1985 N. Park Place
Atlanta, GA 30339

Robert F. Kinsey, President
Guinness-Harp Corporation
37-88 Review Avenue
Long Island City, NY 11101

JFC International, Inc.
ATTN: Masaki Miki
445 Kauffman Court
So. San Francisco, CA 94080

Charles Finkel, President
Merchant du Vin Corporation
214 University Street
Seattle, WA 98101

Moctezuma Imports, Inc.
ATTN: Jesus Romero
2590 Main Street
Irvine, CA 92714

Monarch Import Co.
ATTN: Gilbert Apodaca
4500 Second Avenue
Brooklyn, NY 11232

~~Royal Beverage Co., Inc.
ATTN: Seigo Nishihara
1884 E. 22nd St.
Los Angeles, CA 90058~~

Van Munching & Co., Inc.
ATTN: Denis Hepburn
1270 Avenue of the Americas--10th Floor
New York City, NY 10020

Wine Warehouse
ATTN: Robert Myerson
800 East 9th Street
Los Angeles, CA 90021

Wisdom Import Sales Co.
17401 Eastman Avenue
Irvine, CA 92714

OHIO — (1) Brewers, wholesalers, and railroad licensees; (2) Out-of-state brewers or wholesalers who sell to Ohio permittees must register with Tax Commissioner; (3) Bond may be required by Tax Commissioner; (4) Brewers and importers must file a report on or before the tenth of each month of sales in Ohio during the preceding month and pay the tax due, after deductions for advance payments, credits, etc.; (5) Tax reports by 10th of each month; advance payment on 18th; (6) Registration required; no fee prescribed; (7) Beer may be imported only on written consent of department of liquor control. Interstate shipment of beer in bulk is prohibited.

OKLAHOMA — (1) 3.2 wholesalers; with Oklahoma license to retailers. Over 3.2, class B wholesalers; (2) 3.2: \$500, if business is transacted in the state; additional \$250 if selling to retailers. Over 3.2: Certificate of Approval required; fee \$50; (3) No; (4) Oklahoma wholesalers by monthly reports; (5) Monthly reports; (6) Over 3.2% manufacturer's agent's license \$55; (7) If out-of-state shippers operates under a wholesale license he is required to file monthly reports and remit tax. If he does not have a wholesale license, the tax is paid by the first licensed wholesaler or retailer to sell the beverage in the state. Taxes paid at time of filing report.

OREGON — (1) Brewers and wholesalers; (2) Yes, at fee of \$50; (3) No; (4) Monthly reports; (5) Yes, by 20th of each month; (6) Salesman's license required; fee \$5; (7) Beer may be imported only by state licensee (either brewer or wholesaler) so that shipment must be property of state licensee and under his control when it enters state.

PENNSYLVANIA — (1) Importing distributors; (2) No; (3) Bond required of brewers, minimum \$5,000.00; (4) Taxes are paid monthly with sales report; (5) Yes, report of shipments and tax payment by 15th of each month; (6) No; (7) Surety bond in penal sum of \$2,000.00 required. Filing fee of \$20 and license fee of \$50; \$2 charge for each vehicle identification card.

RHODE ISLAND — (1) Wholesale licensees only; (2) Certificate of compli-

ance, fee \$15.00 per brand; (3) No; (4) R.I. brewer by monthly reports, in-state licensee with import orders; (5) Duplicate copy of invoice bearing import order number of every shipment must be mailed to department day shipment is made; (6) Agent's permit required; fee \$25; (7) Sales to retailers may be made only by holder or wholesaler's licenses.

SOUTH CAROLINA — (1) Licensed wholesalers only; (2) Yes, fee \$100.00; (3) Commission may require cash bond or surety bond; (4) Monthly reports; (5) Monthly reports of shipments, invoices and bill of lading to Tax Commission; (6) No.

SOUTH DAKOTA — (1) Brewers or wholesalers; (2) No; (3) No; (4) By in-state licensee by monthly report due 15th of following month; (5) Manifest or other document must be forwarded to Dept. of Revenue on date of shipment, to be in Dept.'s hands when beverages received in state; (6) Solicitor's license for beer over 3.2% by weight; fee \$25; (7) Suitable sample including label must be submitted to state chemist with annual fee of \$25 before malt beverages may be sold in state.

TENNESSEE — (1) Licensed wholesalers; (2) \$40.00 registration. License fees up to \$1,000; (3) Domestic brewers must give bond of twice monthly taxes; (4) Monthly reports; Special state privilege tax on barrels of beer shall be paid on or before the 20th day of the month following the month in which accrues. (5) Reports required by 20th of each month; (6) No; (7) Certificate of registration at fee of \$10 for retailers, \$20 for wholesalers and \$40 for brewers, must be obtained before any storage, sale or distribution is made inside state. Wholesaler must maintain a wholesale price list, a file same with the Department and with a tax collection official of each county and municipality wherein he makes wholesale sales. Notice of any change in such price list shall be delivered to the Department and the tax collection official of each county and municipality where sales are made.

TEXAS — (1) Licensed importers, brewers and wholesalers; (2) 4% non-resident manufacturer, \$500; over 4% permit, non-resident brewer, \$1,000; must also obtain non-resident seller's permit, \$100; (3) Non-resident manufacturer transporting beer to importer, minimum \$1,000; (4) Responsibility of tax payment rests with wholesaler of imported beer and with brewer operating in Texas. Taxes due on 15th day of month following month in which beer was imported or sold; (5) Monthly reports by out-of-state shippers; (6) 4% agent's beer license, \$10. Over 4%: permit, \$10; (7) Out-of-state shippers must file with Secretary of State name and address of agent in Texas on whom service may be made. No shipments on consignment.

UTAH — (1) Licensed wholesalers; (2) Certificate of approval, annual fee \$25.00; (3) No; (4) Monthly reports; (5) Monthly report due on 15th of month; (6) No; (7) To obtain certificate of approval, brewer must agree in writing to report details of all state sales, to comply with law and regulations.

VERMONT — (1) Licensed wholesaler, also to consumers; (2) Certificate of approval, fee \$1,500; (3) No; (4) By in-state wholesaler at time of filing reports; (5) Monthly reports required by twentieth of month; (6) Solicitor's permit required, annual fee \$10; (7) To obtain certificate of approval, brewer must agree in writing to report details of all state sales to comply with law and regulations.

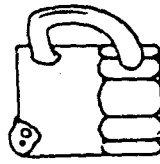
VIRGINIA — (1) Licensed wholesalers; (2) "Importer's license" required, fee \$100; (3) No; (4) Monthly reports; (5) Monthly report by 15th of month; (6) Salesmen must register and obtain permit; annual fee \$100; (7) Transporters other than state licensees must file \$1,000 bond. Evidence of payment of bond and memorandum of shipment showing route to be travelled must accompany each shipment. All beer, ale and stout shipped into state must be marked as not containing an excess of 3.2 alcohol by weight. Importer's license required; \$100 fee.

WASHINGTON — (1) To licensed beer importers; (2) Certificate of approval, fee \$50; (3) Bond conditioned upon payment of tax is required; (4) At time of filing monthly reports; (5) Reports and tax payment by 20th of each month; (6) Agents license, \$15, must represent Washington license; (7) To obtain certificate of approval, out-of-state brewer must agree to report each month, to comply with law and regulation.

WEST VIRGINIA — (1) Licensed distributor; (2) Contract and bond required; (3) Bond of not less than \$5,000 nor more than \$10,000; (4) By tax crowns, lids and barrel stamps; (5) Reports must be filed by 10th of each month; (6) Permits required; annual fee \$10; (7) Out-state brewers must file their prices by brands and container sizes with the Beer Commission.

WISCONSIN — (1) Licensed wholesalers; (2) Wisconsin brewers, bottlers and wholesalers must obtain registration number from Commissioner of Taxation. No fee. Out-of-state brewers and wholesalers must have permit from Commissioner to ship into state. No fee; (3) Bond of not less than \$1,000 or more than \$5,000; (4) Monthly reports; (5) Monthly reports; (6) No.

WYOMING — (1) Licensed wholesalers; (2) No; (3) No; (4) Monthly reports; (5) An exact copy of invoice of every shipment must be sent to commission; (6) No licenses required of shipping brewers salesmen. A license is required by any person, corporation, or group planning occasions for the consumption or sale of beer and such permits may be obtained from issuing authorities, cities or counties, at figures set by them which range from \$5 to \$10 per day for the sale of beverages over 3.2%.



AMENDMENTS
PROPOSED TO HB32
By the Beer & Wine Wholesalers Assn.

1. Page 2, line 4

Following: line 3

Insert: "(5) "Beer importer" means a person other than a brewer who imports malt beverages."

Renumber: following subsections

2. Page 2, line 10

Following: "outside the"

Strike: "state of Montana"

Insert: "United States of America"

3. Page 4, lines 2 through 8

Strike: subsection (20) in its entirety

Renumber: following subsections

4. Page 4, line 12

Strike: "located in Montana"

Following: "licensed"

Strike: "beer"

5. Page 4, line 13

Following: "wholesaler"

Strike: "or table wine distributor"

6. Page 4, line 14

Following: "beer"

Strike: "or table wine"

7. Page 23, line 7

Following: "brewer"

Strike: "and each beer importer"

8. Page 23, line 10

Following: line 9

Insert: "(b) each beer importer, wherever located, whose product is sold or offered for sale within the state, \$200; for each storage depot, \$100;

Reletter: following subsections

tion with and liquor control department. \$50 registration fee.

KANSAS — (1) Wholesalers or distributors only; (2) Agreement must be signed and bond furnished; (3) Bond amount is 3 times the tax the Dir. of Revenue estimates the manufacturer or importer will be liable for during any one month, but not less than \$5,000; (4) By monthly reports by brewers; (5) By wholesale importer by agreement with director of taxation; (6) Invoice of each shipment and monthly tax reports; (7) Permit required if salesman handles beer stronger than 3.2% alcohol by weight. Fee \$10.

KENTUCKY — (1) Brewers, wholesalers and railroads; (2) Must register with A.B.C. Board; (3) \$1,000 bond required; (4) By monthly reports in- and out-state brewer; tax paid monthly by shipping brewer; (5) Report and tax payment by the fifteenth of each month; (6) No.

LOUISIANA — (1) Licensed wholesalers only; (2) None, but must obtain written authority from Secretary of Revenue Department. Wholesalers who have posted bond are exempt; (3) No; (4) By state dealer by reports; (5) Yes; (6) Salesmen of beer over 6% by volume need license fee \$1; (7) Transporter required to have invoice showing details of shipment, and transportation must be effected by common carrier operating under the I.C.C. or by a Louisiana wholesaler dealer's personally owned vehicle, with special permit on each load moving into state.

MAINE — (1) Wholesale licensees; (2) Certificate of approval; fee \$600. No shipment may be made until certificate or confirmation has been received from Commission that tax has been paid. Shipment must be accompanied by invoice; (3) No; (4) By in-state licensee before shipment may be made; wholesaler may post bond and pay monthly; (5) Copy of every invoice; also report by 10th of each month; (6) All brewery representatives must be licensed, fee \$10.

MARYLAND — (1) Brewers, wholesalers and railroads; (2) Permit required of non-resident dealers, fee \$50; (3) \$5,000 mini-

um bond for non-resident dealer; (4) Monthly reports by in- or out-state brewer; in Garrett County, an additional tax is imposed and will be paid by some method other than the use of tax-paid crowns or stamps until June 30, 1981; (5) Report due 15th of each month; (6) No; (7) Out-state shipper sends certificate check to purchase stamps or obtain crown release. In-state brewers pay tax by return method and furnish bond.

MASSACHUSETTS — (1) Licensed wholesalers and importers; (2) Certificate of Compliance; fee not over \$10; (3) No; (4) By in-state licensee by reports; (5) As required by commission; (6) Selling agents' license required, fee \$1,000 to residents only; may solicit only wholesalers and importers. Also salesman's license fee, \$15.00.

MICHIGAN — (1) Licensed wholesalers; (2) Out-of-state seller's license, \$1,000 fee; (3) Bond of \$1,000 or equal to 1/2 of the total excise taxes paid in the last calendar year, whichever is greater; (4) By shipping brewers twice monthly; (5) Monthly report of shipments and semi-monthly tax payments; (6) License required, fee set by written order; renewed every 3 years.

MINNESOTA — (1) Brewers or wholesalers; (2) \$100 license required and agreement must be signed; (3) Bond of \$1,000 to \$5,000 may be required; (4) By monthly reports in- and out-state brewers; (5) Report and tax payment due by 15th of month; (6) Identification cards required for salesmen over 3.2% beer; fee \$1.00.

MISSISSIPPI — (1) Wholesalers or distributors; (2) Yes, agreement must be signed to obtain tax crowns; (3) Bond required effective 11/1/77 in an amount determined by Commissioner. Effective 11/1/78, bond required will be in an amount equal to total of excise taxes owed or due for both the 3 highest months of the preceding 12 months; (4) Monthly reports by brewers or manufacturers; (5) Invoice covering each sale, reports filed by 15th of each month shipments are made; (6) No; (7) To transport beer into state, distributor must first obtain permit from state tax commission.

MISSOURI — (1) Licensed wholesalers; (2) License to sell to wholesalers, fee \$50 each for 3.2 and over 3.2%; (3) \$1,000-\$100,000 bond required; determined by the Supervisor of Liquor Control, but not to exceed twice the amount of tax liability of a monthly return; (4) Reporting System; (5) Monthly report and tax payment due on the 15th; (6) No.

MONTANA — (1) Brewers or wholesalers; (2) Brewer's license, fee \$500; (3) No; (4) Monthly reports; (5) Out-state brewers must report shipments made into state by duplicate invoice of sales or deliveries; (6) No.

NEBRASKA — (1) Licensed distributors; (2) Out-of-state shippers permit required; fee \$100; (3) Bond required; minimum \$5,000, maximum \$300,000; (4) By monthly reports, brewers and distributors; (5) Report and tax payment by 15th of each month; (6) No.

NEVADA — (1) Licensed importers only; (2) Certificate of compliance required, no fee; (3) No for out-state brewer, but importer is required to furnish surety bond; (4) Monthly reports; (5) Reports must be filed by 10th of each month; (6) No; (7) Shipments must be carried regularly operating as such, unless special permit is secured for each shipment.

NEW HAMPSHIRE — (1) Licensed wholesalers; (2) Certificate of approval, fee \$750; (3) Commission may require bond in such amount as it determines; (4) By wholesaler on all beverages sold by him to retailers for the previous month, with payment made by the tenth day of the month; (5) Reports must be filed by the 10th of each month; (6) Solicitor's permit required at annual fee of \$10.00; (7) Besides certificate of approval, shippers must be registered with state board of health at annual fee of \$10.

NEW JERSEY — (1) Brewers or wholesalers; (2) No, unless orders solicited within state; (3) Bond may be required in an amount satisfactory to the Dir. of the Division of Taxation; (4) Brewers and wholesalers; bi-monthly reports on sales of first delivery into state; (5) Yes; (6) Solicitors permit fee \$15.00; only to agents of the N.J. licensees.

NEW MEXICO — (1) Brewers or wholesalers; (2) Non-resident license; between \$300-\$3,500 dependent on gross sales; (3) Bond required; same amount as license fee; (4) By in-state licensee by report; (5) Must mail to division one copy of invoices of each shipment and copy of bill of lading; (6) Annual license fee \$25.00; (7) Shipments from out-state to state wholesaler must be to places covered by the wholesaler license.

NEW YORK — (1) Brewers or wholesalers or retailers; (2) No, unless orders solicited within state; (3) No; (4) By in-state licensee at time of filing reports; (5) Monthly reports; New York manufacturers or importers on sales. New York City excise tax — monthly reports — wholesaler. (6) No Solicitor's "negotiating" permit; fee from \$20 — \$200, depending on number of transactions; only to agents of NY licensees; (7) To solicit or take orders in state, out-state brewers must have state wholesaler license, fee \$500, and have place of business in state. Out-of-state brewer or wholesaler may negotiate with in-state wholesaler for establishment of agency for sale of his products in the state. Fee of negotiations permit, \$100 annually, or \$10 for a single transaction.

NORTH CAROLINA — (1) Wholesalers or bottlers; (2) Out-state brewer must get permit, fee \$150; (3) \$2,000 bond may be required; (4) Monthly reports; (5) Monthly reports by 15th; (6) Vendor representative permit — \$25 fee; (7) Out-state brewer must put permit number on every invoice. Highway trucks must have certificate to transport beer, no fee, also must carry invoice covering shipment. Brewers, before making delivery to distributor of tax-free beer destined for military consumption, must affix on top of each carton or other container a label with letters not less than two inches in height reading: "For military use."

NORTH DAKOTA — (1) Licensed wholesaler; (2) No; (3) No; tax bond for over 4% beer fixed by State Treasurer; (4) Monthly reports; (5) Monthly report of shipments by 15th of each month; (6) No; (7) Sample of beer must be sent to food commissioner at annual fee of \$50 per brand.

1981. Statute for return to \$3.40 rate in any year following enactment of mandatory deposit legislation on or before June 30, 1984, whichever occurs first. (2) \$3.90; (& 17% wholesale price); (3) 28.306 cents. Plus 17% of wholesale price; (4) 37.74 cents; (5) 37.74 cents.

TEXAS—(1) \$5.00 per barrel; over 4% by weight, 16½ cents per gallon; Exemption of 25% of tax on products manufactured in Texas by manufacturer producing not over 75,000 barrels each year; (2) Up to 4% by weight, \$5.00; over 4% by weight, \$5.115; (3) Up to 4% by weight, .36292 cents; over 4% by weight, .3713 cents; (4) none; (5) .48398 cents on 4%, .495 on over 4%.

UTAH—(1) \$11.00 per barrel; (2) \$4.12 (over 3.2); (3) 29.903 cents; (4) 39.871 cents; (5) 39.871 cents.

VERMONT—(1) 26½ cents per gallon; (2) \$8.215; (3) 59.625 cents; (4) 79.5 cents; (5) 79.5 cents.

SHIPPING REQUIREMENTS AFFECTING BREWERS

KEY — (1) To whom beer may be shipped.
(2) License or certificate of approval required?
(3) Bond required?
(4) How taxes are paid;
(5) Reports and records required?
(6) Salesman's license required?
(7) Special provisions.
Information supplied by U.S.B.A.

ALABAMA — (1) Licensed wholesaler; (2) Agreement required, but no license; (3) No; (4) Crowns, lids or other identification — manufacturers; monthly reports (special permits), (5) Monthly; (6) Registration required (affidavit filed); \$15 annual fee.

ALASKA — (1) Licensees; (2) General Wholesale license for each point of distribution (minimum fee of \$500) and other applicable licenses. (3) \$25,000 bond required; (4) Tax paid monthly by

shipping brewer; (5) Monthly report required; (6) No.

ARIZONA — (1) Licensed wholesaler; (2) Out-of-state brewer's license; fee \$200. Annual renewal fee \$50. (3) No; (4) Monthly reports; Arizona wholesalers on beer received. (5) Copies of all invoices filed with State Tax Commission; (6) Registration with superintendent required; fee \$10.

ARKANSAS — (1) Licensed wholesaler; (2) No, but wholesaler must furnish "Authorization to Transport"; (3) No; (4) By

VIRGINIA—(1) \$7.95 per barrel; 7 oz., 2 cents per bottle; 12 oz., 2.65 cents per bottle over 12 oz., \$2.22 mills per ounce; (2) \$7.95; (3) 6358 cents; (4) .8477 cents; (5) .8477 cents.

WASHINGTON—(1) \$2.782 per barrel; From 8/1/82 — 6/30/83, a 7% surcharge is added to and imposed on the \$2.60 per barrel tax. (2) \$2.782; (3) 20.193 cents; (4) 26.923 cents; (5) 26.923 cents.

WEST VIRGINIA—(1) \$5.50 per barrel; (2) \$5.50; (3) 40 cents; (4) .5333 cents; (5) .5333 cents.

WISCONSIN—(1) \$2.00 per barrel. Tax rate reduced 50% on first 50,000 barrels in a year in which any brewer produces less than 300,000 barrels; (2) \$2.00; (3) .1452 cents; (4) .1936 cents; (5) .1936 cents.

WYOMING—(1) 2 cents per gallon; (2) 62 cents per barrel; (3) 4½ cents; (4) 6 cents; (5) 6 cents.

In-state wholesaler by reports; (5) Monthly reports of shipments or sales; (6) No.

CALIFORNIA — (1) Importers of manufacturers; (2) Certificate of compliance; no fee; Out-of-State manufacturer's certificate, fee \$50; (3) No; (4) Monthly reports; (5) Yes — reports must be filed by 10th of each month; (6) Out-of-state brewers must have wholesalers license at \$56 annual fee.

COLORADO — (1) Licensed importers or wholesalers; (2) Non-resident manufacturer's license or importer's license required; \$100 for 3.2%; \$250 for over 3.2%; (3) May require \$2,000 bond; (4) Monthly reports; (5) Invoice of each shipment (within 48 hours) and monthly report; (6) No; (7) All importations must be property of state wholesaler when they cross state line. No such licensee shall sell, offer or expose for sale or distribute within the state any fermented malt beverages in bottles or cans of less than thirty-three (33) ounces capacity unless said containers, or a label attached thereto, shall carry thereon in clear legible and indelible print a statement which clearly indicates that the beverage therein contains more than 3.2% alcohol by weight.

CONNECTICUT — (1) Wholesalers and brewers; (2) Yes, out-of-state shipper's permit necessary, fee of \$1,000 or \$45 for an in-state manufacturer or wholesaler, respectively, holding out-of-state shipper's permit; (3) No; (4) In-state licensee by reports; (5) Yes; (6) Salesman must be registered by his out-of-state shipper employer with the Liquor Control Commission may contact only wholesalers; (7) Out-of-state shipper's permit allows representative thereof to solicit Connecticut manufacturer and Connecticut wholesaler only. May not solicit retail trade unless out-of-state shipper has a Connecticut wholesale permit.

DELAWARE — (1) Licensed importers and manufacturers; (2) Supplier's permit; fee \$250 (\$25 if 50 or less cases in year; (3) Commission may require bond in amount it deems necessary; (4) Tax paid weekly by wholesaler; (5) Weekly reports showing daily shipments; (6) permits for sales representatives; fee \$25; (7) Transporter must carry way bill and each case

or keg carry stamp. Permits for salesmen have \$25 fee.

DISTRICT OF COLUMBIA — (1) Brewers and wholesalers or retailer, under separate permit; (2) No; (3) No; (4) By District of Columbia licensee on or before 15th of each month on sales of preceding month; (5) Yes; (6) \$100 license.

FLORIDA — (1) Brewers, distributors and railroads; (2) No; (3) No; (4) By state licensees by inventory reports; (5) Monthly reports of shipments; (6) No.

GEORGIA — (1) Brewers or wholesalers; (2) Registration with State Revenue Commissioner and approval of brand, label, alcoholic content by volume, and names of Georgia wholesalers to whom shipments are made necessary before any shipments can be made into state; (3) \$5,000 bond required for out-of-state shippers; (4) Monthly reports; Georgia wholesalers on sales; (5) Monthly; (6) Registration with Georgia Dept. of Revenue, no fee prescribed.

HAWAII — (1) Licensed manufacturers or wholesalers; (2) No; (3) No provisions; (4) Monthly reports; (5) Yes; (6) No.

IDAHO—(1) Licensed dealers only; (2) Certificate of approval; no fee; (3) Yes, bond for twice the average monthly tax; minimum \$1,000; (4) By monthly reports by in- and out-state brewer; (5) Monthly reports of all shipments.

ILLINOIS — (1) Foreign importers and importing distributors; (2) No; (3) No; (4) Monthly reports; (5) Reports by fifteenth of month; (6) No.

INDIANA — (1) Licensed wholesalers; (2) Brewer must execute agreement on prescribed forms; (3) Bond for average monthly tax required by brewers who pay by reports; (4) By reports; reciprocal law requiring stamps on beer from states where crowns and keg stamps are still in use; (5) Monthly reports; also monthly tax payment; (6) Permit is required; fee \$5; must post \$500 bond.

IOWA — (1) Brewers or wholesalers; (2) Certificate of compliance; fee \$100; (3) No; (4) By Iowa brewers and wholesalers by monthly reports; (5) Yes; (6) Register a

BEFORE THE COMMITTEE ON BUSINESS AND LABOR
MONTANA HOUSE OF REPRESENTATIVES

House Bill 32)
By Keenan (Request)
of Dept. of Revenue))
Establishing a Beer)
Importer License)

STATEMENT OF MONTANA BEER & WINE
WHOLESALE ASSOCIATION
IN SUPPORT - WITH AMENDMENTS

I am Roger Tippy, Executive Secretary of the Montana Beer and Wine Wholesalers Association, a trade association to which all 49 wholesalers operating in Montana belong. Nearly all wholesalers handle one or more lines of imported beers as side-lines to their main products, and they are interested in clarification of the status of beer importers.

At the present time importers of foreign beers must take out a brewer's license to do business in Montana. Thirteen companies are presently so licensed; seven or eight of these do most of the business, which constitutes about 1% of the beer consumed in Montana. Nationally, around 3% of all beer consumed is imported and this total is rising even as domestic beer production and consumption is holding still or falling.

While importers considering Montana as a market have not experienced major difficulties in getting brewers' licenses from DOR, the \$500/year license fee has probably been a deterrent to some. 109 firms are listed in a national directory; over 60 of them set up trade exhibits in Las Vegas for the purpose of finding new distributors. Although our sparse and non-urban population would make Montana less interesting to importers, the annual license fee is a factor as well. A Japanese importer in San Francisco sent me a tabulation of licensing requirements in the fifty states; copies are attached to my testimony. Many states have no fee, such as Wyoming, Idaho, and the Dakotas; most others have much lower fees, such as the \$50/year in Oregon and Washington.

The fee is also disproportionate to that paid by wine importers and wineries -- \$25 a year. With a lower fee we would surely see more importers offering their beers in Montana. I would suggest to the committee that licensing of 30 import firms could be expected at a fee level of \$200 a year. This would generate revenue of \$6,000 annually, while the Department would take in \$6,500 under existing law from the 13 firms now licensed.

I would also note some technical problems in the bill. The definitions of warehouse and subwarehouse on page 4 are not described in the title; this material is also in Senator Norman's SB35 which has been introduced for the purpose of providing those definitions. The bill before you today does lack a definition it should have, a definition of beer importer. The bill defines the verb to import but does not go on to define an importer of beer vis-a-vis a brewer of beer. The amendments attached to my testimony clarify this situation by redefining importing as bringing in from outside the nation and defining an importer as someone other than a brewer.

DATED: January 8, 1985.

BY:

ROGER TIPPY

VISITORS' REGISTER

HOUSE BUSINESS AND LABOR COMMITTEE

BILL House Bill 29

Date January 8, 1985

SPONSOR Mel Williams

[illegible]

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

BUSINESS AND LABOR

COMMITTEE

Date January 8, 1985

SPONSOR Nancy Keenan

[illegible]

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

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

BUSINESS AND LABOR

COMMITTEE

Date January 8, 1985

[illegible]

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.