

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

January 9, 1985

The meeting of the Business and Labor Committee was called to order by Chairman Bob Pavlovich on January 9, 1985 at 9:02 am in Room 312-2 of the State Capitol building.

ROLL CALL: All members were present.

HOUSE BILL NO. 41: Hearing commenced on House Bill No. 41. Representative Tom Hannah, District #86, sponsor of the bill, distributed to committee members Exhibit 1 which is a copy of the Realty Transfer Act and the Realty Transfer Certificate. This law was passed in 1975 to help with the appraising of property and to help individual counties update their name and address' for tax notices. Rep. Hannah indicated that this information is not used, it does not do anything, is unnecessary and that this process does not work. The information from the Realty Transfer Certificate presently is not included on the Revenue Departments' computer. Rep. Hannah stressed that we have done without this information for ten years, so why do we need to keep this certificate in force.

Proponent Terry Carmody, representing the Montana Association of Realtors and proponent Ken Hoovestol, representing the Great Falls Realtors, expressed their support of this bill.

Proponent Charles Gravely, a lobbyist for the county assessors' office, indicated that their position on this piece of legislation is a neutral one. An equal vote was received by their association.

Opponent Gregg Groepper, Administrator of the Property Assessment Division of the Department of Revenue, stated that the Realty Transfer Certificate provides a market value for property and is the only way to obtain value of land. Mr. Groepper explained that the reason this information is not yet input into their computer, is because they do not have the funds nor the personnel. Twenty-three states currently have requirements to equalize property values. It is not fair to treat properties in different areas in the state the same, Mr. Groepper added. The certificate is useful to realtors and lawyers in marketing property. An assessor will physically go out and inspect property once during each assessment cycle, (every five years). Mr. Groepper in closing, suggested that the committee may wish to move this bill to the taxation committee.

In closing, Representative Hannah stressed again that this

certificate is not being used and that this form is specific, not general. Rep. Hannah wants the appraisers' to go out and specifically inspect properties. By passing this bill, some burden would be taken off of the state government. This certificate is an invasion of our privacy, added Rep. Hannah.

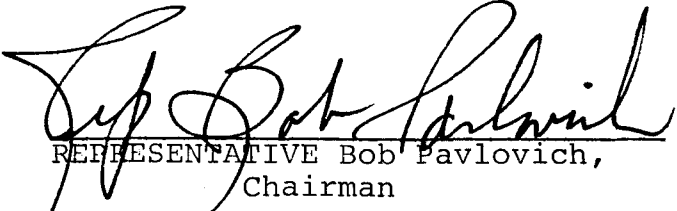
Representative Pavlovich asked Representative Hannah if he would object to the committee transferring this bill to the taxation committee. Rep. Hannah stated that the process of transferring a bill can fail and is not always effective, but if the committee would be more comfortable in moving this bill, he would have no objection.

There being no further discussion by proponents or opponents, all were excused by the chairman and the hearing on House Bill No. 41 was closed.

HOUSE BILL NO. 32: Chairman Pavlovich opened the floor for further discussion on HB 32. Proponents Mulholland, Garrity and Tippy were present for further questioning. Mr. Garrity passed out to committee members Exhibit 1 at this time. The committee members did question the proponents for further explanation of this bill. Several committee members met with Mr. Tippy, informally, prior to this meeting, to discuss HB 32 to a greater extent.

ACTION ON HOUSE BILL NO. 32: Representative Kadas made a motion that Mr. Garrity's amendment DO PASS, striking section 8 in its entirety. The motion was passed unanimously. Representative Kadas then made the motion that Mr. Tippy's amendments 3, 4, 5 and 6 DO PASS. The motion was passed unanimously. Representative Driscoll made a motion that HB 32 DO PASS AS AMENDED. The motion was passed unanimously.

ADJOURN: There being no further business before the committee, the meeting was adjourned at 10:52 a.m.



REPRESENTATIVE Bob Pavlovich,
Chairman

DAILY ROLL CALL
BUSINESS AND LABOR COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date Jan. 9th, 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 McCormich	✓		
Jerry Nisbet	✓		
James Schultz	✓		
Bruce Simon	✓		
Fred Thomas	✓		
Norm Wallin	✓		

STANDING COMMITTEE REPORT

January 9 1985

MR. SPEAKER

We, your committee on BUSINESS AND LABOR

having had under consideration HOUSE Bill No. 32

FIRST reading copy (WHITE)
color

BEER IMPORTER LICENSE

Respectfully report as follows: That HOUSE Bill No. 32

BE AMENDED AS FOLLOWS:

- 1) Page 2, Following line 3:
Insert: "(5) 'Beer importer' means a person
other than a brewer who imports malt
beverages."
Renumber: following subsections
- 2) Page 4, lines 2 through 8
Strike: subsection (20) in its entirety
Renumber: following subsections
Renumber: internal references

AND AS AMENDED

DO PASS

January 9

19 85

House Bill 32

- 3) Page 4, line 12
Strike: "located in Montana"
Following: "licensed"
Strike: "beer"
- 4) Page 4, line 13
Following: "wholesaler"
Strike: "or table wine distributor"
- 5) Page 4, line 14
Following: "beer"
Strike: "or table wine"
- 6) Page 7, lines 7 through 24
Strike: section 8 in its entirety
Re-number: subsequent sections

Part 3
Realty Transfer Act

EXHIBIT 1
January 9, 1985
HB 41
Submitted by:
Rep. Tom Hannah

15-7-301. Short title. This part may be cited as the "Realty Transfer Act".

History: En. 84-7301 by Sec. 1, Ch. 528, L. 1975; R.C.M. 1947, 84-7301.

15-7-302. Purpose. The purpose of this part is to obtain sales price data necessary to the determination of statewide levels and uniformity of real estate assessments by the most efficient, economical, and reliable method.

History: En. 84-7302 by Sec. 2, Ch. 528, L. 1975; R.C.M. 1947, 84-7302.

15-7-303. Definitions. As used in this part, the following definitions apply:

(1) "Partial interest" means a percentage interest in property when less than 100%.

(2) "Person" means and includes an individual, corporation, partnership, or other business organization, trust, fiduciary, or agent or any other party presenting a document for recordation.

(3) "Real estate" includes:

- (a) land;
- (b) growing timber;
- (c) buildings, structures, fixtures, fences, and improvements affixed to land.

(4) "Transfer" means an act of the parties or of the law by which the title to real property is conveyed from one person to another.

(5) "Value" means the amount of the full actual consideration therefor paid or to be paid, including the amount of any lien or liens thereon.

History: En. 84-7303 by Sec. 3, Ch. 528, L. 1975; R.C.M. 1947, 84-7303.

15-7-304. Report of transfers — change of ownership records.

(1) All transfers of real property which are not evidenced by a recorded document, except those transfers otherwise provided for in this part, shall be reported to the department of revenue or its agent on the form prescribed.

(2) No agent of the department may change or be required to change any ownership records used for the assessment or taxation of real property unless he has received a transfer certificate from the clerk and recorder or a transfer has been reported to him.

History: En. 84-7304 by Sec. 4, Ch. 528, L. 1975; R.C.M. 1947, 84-7304.

15-7-305. Certificate of county clerk and recorder. (1) The county clerk and recorder shall cause to be executed by the parties to the transaction or their agents or representatives a certificate declaring the consideration paid or to be paid for the real estate transferred.

(2) No instrument or deed evidencing a transfer of real estate may be accepted for recordation until the certificate has been received by the county clerk and recorder. The validity or effectiveness of an instrument or deed as between the parties to it shall not be affected by the failure to comply with the provisions in this part.

(3) The form of certificate shall be prescribed by the department of revenue, and the department shall provide an adequate supply of such forms to each county clerk and recorder in the state.

(4) The clerk and recorder shall prepare a like certificate for each contract for deed filed for recording.

(5) The clerk and recorder shall transmit each executed certificate to the department.

History: En. 84-7305 by Sec. 5, Ch. 528, L. 1975; R.C.M. 1947, 84-7305.

15-7-306. Rules. The department of revenue may prescribe such rules as are reasonably necessary to facilitate and expedite the provisions and administration of this part.

History: En. 84-7306 by Sec. 6, Ch. 528, L. 1975; R.C.M. 1947, 84-7306.

15-7-307. Certificate — exceptions. The certificate imposed by this part shall not apply to:

- (1) an instrument recorded prior to July 1, 1975;
- (2) the sale of agricultural land when the land is used for agricultural purposes;
- (3) the United States of America, this state, or any instrumentality, agency, or subdivision thereof;
- (4) an instrument which (without added consideration) confirms, corrects, modifies, or supplements a previously recorded instrument;
- (5) a transfer pursuant to court decree;
- (6) a transfer pursuant to mergers, consolidations, or reorganizations of corporations, partnerships, or other business entities;
- (7) a transfer by a subsidiary corporation to its parent corporation without actual consideration or in sole consideration of the cancellation or surrender of subsidiary stock;
- (8) a transfer of decedents' estates;
- (9) a transfer of a gift;
- (10) a transfer between husband and wife or parent and child with only nominal actual consideration therefor;
- (11) an instrument the effect of which is to transfer the property to the same party or parties;
- (12) a sale for delinquent taxes or assessments, sheriff sale, bankruptcy action, or mortgage foreclosure;
- (13) a transfer made in contemplation of death.

History: En. 84-7307 by Sec. 7, Ch. 528, L. 1975; R.C.M. 1947, 84-7307.

15-7-308. Disclosure of information restricted. The certificate required by this part and the information therein shall not be a public record and shall be held confidential by the county clerk and recorder, county assessor, and department of revenue. This is because the legislature finds that the demands of individual privacy outweigh the merits of public disclosure. The foregoing provisions shall not apply to compilations from such certificates or to summaries, analyses, and evaluations based upon such compilations.

History: En. 84-7308 by Sec. 8, Ch. 528, L. 1975; R.C.M. 1947, 84-7308.

Cross-References

Right to know, Art. II, sec. 9, Mont. Const.

15-7-309. Classification or assessment methods. (1) This part shall not change or modify the methods of classification or assessment of real estate as provided for in this title or in any law of this state.

(2) The sale price of real estate shall not be the sole determinant of assessed value. The department shall consider, wherein the consideration is to be paid in deferred installments over a period of 10 years or more, the terms of the contract, amount of down payment, amount of each installment, rate of interest, and other covenants or exceptional circumstances which may affect the consideration paid for real estate.

History: En. 84-7309 by Sec. 9, Ch. 528, L. 1975; R.C.M. 1947, 84-7309.

15-7-310. Penalty. A person convicted of violating any provision of this part shall be fined not to exceed \$500 or be imprisoned in the county jail for any term not to exceed 6 months, or both.

History: En. 84-7310 by Sec. 12, Ch. 528, L. 1975; R.C.M. 1947, 84-7310.

15-7-311. Costs. Notwithstanding 1-2-112, the duties, obligations, or responsibilities imposed on local government entities by this part are such that related costs are incurred as a part of their normal operating procedures.

History: En. 84-7311 by Sec. 10, Ch. 528, L. 1975; R.C.M. 1947, 84-7311.

15-7-307. Certificate — exceptions. The certificate imposed by this part shall not apply to:

- (1) an instrument recorded prior to July 1, 1975;
- (2) the sale of agricultural land when the land is used for agricultural purposes;
- (3) the United States of America, this state, or any instrumentality, agency, or subdivision thereof;
- (4) an instrument which (without added consideration) confirms, corrects, modifies, or supplements a previously recorded instrument;
- (5) a transfer pursuant to court decree;
- (6) a transfer pursuant to mergers, consolidations, or reorganizations of corporations, partnerships, or other business entities;
- (7) a transfer by a subsidiary corporation to its parent corporation without actual consideration or in sole consideration of the cancellation or surrender of subsidiary stock;
- (8) a transfer of decedents' estates;
- (9) a transfer of a gift;
- (10) a transfer between husband and wife or parent and child with only nominal actual consideration therefor;
- (11) an instrument the effect of which is to transfer the property to the same party or parties;
- (12) a sale for delinquent taxes or assessments, sheriff sale, bankruptcy action, or mortgage foreclosure;
- (13) a transfer made in contemplation of death.

History: En. 84-7307 by Sec. 7, Ch. 528, L. 1975; R.C.M. 1947, 84-7307.

15-7-308. Disclosure of information restricted. The certificate required by this part and the information therein shall not be a public record and shall be held confidential by the county clerk and recorder, county assessor, and department of revenue. This is because the legislature finds that the demands of individual privacy outweigh the merits of public disclosure. The foregoing provisions shall not apply to compilations from such certificates or to summaries, analyses, and evaluations based upon such compilations.

History: En. 84-7308 by Sec. 8, Ch. 528, L. 1975; R.C.M. 1947, 84-7308.

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History: En. 84-7309 by Sec. 9, Ch. 528, L. 1975; R.C.M. 1947, 84-7309.

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History: En. 84-7310 by Sec. 12, Ch. 528, L. 1975; R.C.M. 1947, 84-7310.

15-7-311. Costs. Notwithstanding 1-2-112, the duties, obligations, or responsibilities imposed on local government entities by this part are such that related costs are incurred as a part of their normal operating procedures.

History: En. 84-7311 by Sec. 10, Ch. 528, L. 1975; R.C.M. 1947, 84-7311.



DEPARTMENT OF REVENUE
PROPERTY ASSESSMENT DIVISION
MITCHELL BUILDING
HELENA, MONTANA 59601

READ INSTRUCTIONS ON REVERSE

REALTY TRANSFER CERTIFICATE**THIS STATEMENT IS CONFIDENTIAL**Revised
8/24/83**PART 1 (PLEASE READ INSTRUCTIONS ON REVERSE BEFORE STARTING)**

Grantor's Name (SELLER) (Last, First, and Middle Initial)

Address (Number and Street or Rural Route)

City

State

Zip Code

Grantee's Name (BUYER) (Last, First, and Middle Initial)

Address (Number and Street or Rural Route)

City

State

Zip Code

SALES DATE ►

Month / Day / Year

PART 2 Type of Real Estate☐ Vacant Residential Lots☐ Other Vacant Lots☐ Residential☐ Commercial☐ Industrial☐ Agricultural☐ Timber☐ Tax Exempt by Law**PART 3 Description of Property: (If description is too lengthy, please attach on separate page)**

County

Municipality (City)

Addition (Subdivision)

Block

Lot

the description

PART 4 This sale is exempt from reporting sale information because. (Please check only one)

- ☐ Property is agricultural land which will remain in that use.
☐ Purchaser is U.S., State or other governmental agency.
☐ Transfer is to correct, modify or supplement a previously recorded instrument. NO ADDITIONAL CONSIDERATION IS MADE.
☐ Transfer is pursuant to a court decree.
☐ Transfer is pursuant to a merger, consolidation or reorganization of a business entity.
☐ Transfer is from a subsidiary to a parent corporation without actual consideration.
☐ Transfer is pursuant to a decedent's estate.

- ☐ Transfer is gift.
☐ Transfer is between husband and wife or parent and child with nominal actual consideration.
☐ Purchaser and seller are identical parties.
☐ Transfer is pursuant to delinquent taxes, sheriff's sale, bankruptcy or foreclosure.
☐ Transfer is made in contemplation of death without actual consideration.
 Instrument does not transfer realty:
☐ Mineral interest, lease or royalty
☐ Assignment of interest as collateral

PART 5 This sale includes a transfer of water rights: ☐ Yes ☐ No**PART 6 If no exemption is indicated in Part 4 this part must be completed (See instructions on reverse)**

Actual Consideration

\$

Value of any personal property

(Please see instructions) \$

Have SID's been paid?

☐ YES ☐ NO

If no, amount due

\$

Financing

☐ Cash ☐ FHA ☐ VA ☐ Conv. ☐ Contract

Down Payment

Interest Rate

Term

\$

PART 7 Prepared By:

Name

Address (Number and Street or Rural Route)

City

State

Zip Code

I declare that I have examined this statement, and that it is to the best of my knowledge and belief, true and correct, and that I am duly authorized to sign this statement.

**SIGN
HERE ►**

Signature

Date Signed

WHEN COMPLETED, FILE WITH CLERK AND RECORDER WHEN FILING THE DEED**PART 8 County Clerk & Recorder (See Part 7 instructions on reverse)**

STATE OF MONTANA

Office of the Legislative Auditor

STATE CAPITOL
HELENA, MONTANA 59620
406/444-3122

EXHIBIT 2
January 9, 1985
HB 41
Submitted by:
Rep. Tom Hannah



ROBERT R. RINGWOOD
LEGISLATIVE AUDITOR

DEPUTY LEGISLATIVE AUDITORS:

JAMES H. GILLET
FINANCIAL/COMPLIANCE AUDITS

SCOTT A. SEACAT
PERFORMANCE AUDITS

STAFF LEGAL COUNSEL

JOHN W. NORTHEY

January 8, 1985

Representative Tom Hannah
Capitol Station
Helena, MT 59620

Dear Representative Hannah:

Attached is the information you requested about the administration of the Realty Transfer Act. Please feel free to call if we can provide any additional information or assistance.

Sincerely,

A handwritten signature in cursive script, reading "Scott A. Seacat".

Scott A. Seacat
Deputy Legislative Auditor

Reviewed and approved:

A handwritten signature in cursive script, reading "Robert R. Ringwood".

Robert R. Ringwood
Legislative Auditor

SAS/ks3a

Attachment

REALTY TRANSFER ACT

The Realty Transfer Act (Sections 15-7-301 through 15-7-311, MCA) was enacted by the Montana Legislature in 1975. The purpose of the act was to obtain sales data on real estate. The data would be used to develop a more efficient, economical and reliable method to determine uniform statewide real estate assessments. The act was intended to identify transfers of real property so that assessment rolls in each county could be updated in a timely manner. The act would also provide for market information on trends in selling prices of real estate and improvements.

The act has not been amended. In October of 1976, the Department of Revenue adopted rules to aid in the administration of the act.

WHAT INFORMATION IS AVAILABLE

All transfers of real property since July 1, 1975 (with some exceptions) are to be accompanied by a certificate indicating the sales price of the real estate. Before assessment rolls are changed to reflect a change in owner, a completed certificate is to be presented to the county clerk and recorder.

Certain types of property are exempt from the sales price disclosure provisions of the act. Agricultural land which is used for agricultural purposes is exempt. In addition, sales which are not "arms-length" transactions or involve government entities are exempt. "Non-arms-length" transactions include: transfers of a gift, transfers of decedents' estates, transfers pursuant to court decree or to mergers, or transfers between family members for a nominal amount. However, even exempt transfers must be filed, listing the names of the parties, a property description and the reason for exemption.

The information on individual certificates is not public information and remains confidential. Only compilations of the data can be used to summarize, analyze and evaluate sales and property information.

The Department of Revenue estimates that approximately 125,000 certificates per year are completed. Individual county offices estimate that they file between 20 to 75 forms per week. They average about 40 per week.

Contrary to the intent of the act, summary information is not available on a statewide basis. The Department of Revenue in Helena has not compiled the information and it has not been used to develop uniform assessment methods. Even though some counties have submitted information to Helena to be placed on the state's computer system, the information is not being entered on the system.

At the county level, Department of Revenue personnel (i.e. appraisers, assessors) have various uses for the certificates.

Some county appraisers use their own summaries of the data to obtain estimates of market value for certain types of real property in their counties. Others use them to record and update addresses for tax rolls. Yet, others do not use the information.

ROLE OF THE COUNTY

The county office involved in the Realty Transfer Act process is the county clerk and recorder. The county assessor and county appraiser are employees of the Department of Revenue and are therefore considered state personnel.

The clerk and recorder serves as the party responsible for filing of the transfer certificate. The certificate is to be filed with the clerk and recorder when the deed or other instrument evidencing a transfer of real property is filed.

The county does not compile or analyze any of the information. The clerk and recorder does not keep a copy of the certificate. The original is sent to the county appraiser and a copy to the county assessor.

ROLE OF THE DEPARTMENT

The Department of Revenue is to compile the transfer information to obtain price data necessary to determine standard levels and uniformity of real estate assessments. However, by law the sale price is not to be the sole determinant of the assessed value. Other factors such as terms of the contract, amount of down payment, etc., will affect the actual consideration.

As previously mentioned, the department is not using the information as intended. Some county level personnel are using the data to aid in their appraisal and reappraisal of real property in their areas. Others are not using the information at all. Overall, there has been no method established using the Realty Transfer Act to provide for efficient, economical, and reliable assessment of property on a statewide level.

JP/cLe1

April 1983

NABCA Survey

Fees Charged to Out-of-State Shippers and their Agents in Control Jurisdictions

Annual fees are imposed on out-of-state shippers in 14 of the 19 control jurisdictions. Six of these jurisdictions assess fees on each of the three alcohol beverages. The remaining 8 impose fees on wine and beer shippers, but not on spirits shippers.

These fees go by a variety of names, including Importers Fee, Certificate of Approval, Certificate of Compliance, Out-of-state Seller's License, Manufacturer's Fee, Nonresident Vendor, Importer's Permit, Vendor's Fee, and Non-resident Dealer's License. They are token amounts (\$100 or less) in Iowa, North Carolina, Oregon, Washington and Montgomery County. New Hampshire bases its fees on annual volumes.

The states with the highest annual fees on spirits are Pennsylvania (up to \$5,000) and New Hampshire (\$4,000 maximum). New Hampshire's maximum fee of \$1,500 for wine leads the control jurisdictions, with Maine second at \$600. Vermont and New Hampshire each assesses \$1,500 annually on each out-of-state brewer.

In Alabama, the \$500 annual fee grants the right to import spirits, wine and beer. Also in Alabama, each of the counties may assess up to 50% (\$250) of the annual fee charged by the state. Apparently, each county does charge some fee.

Summary

All but 5 control jurisdictions assess fees on vendor representatives. Those not collecting fees for this purpose are Iowa, Maine, Mississippi, Ohio and Pennsylvania. These fees range from a low of \$5 annually per person to \$100 annually per person. North Carolina is the only jurisdiction assessing a one-time fee on vendor representatives.

Four jurisdictions collect label registration fees (Maine, North Carolina, Virginia and Washington). Alabama and Pennsylvania assess application fees as well. Pennsylvania further collects an annual renewal fee (\$30). Only Michigan and West Virginia require bonds on either the shippers or their in-state representatives.

Pennsylvania is the only jurisdiction currently basing fees for out-of-state shippers on a "reciprocity" procedure in which Pennsylvania's fee matches that imposed by the shipper's home state on Pennsylvania suppliers (up to \$5,000). A schedule of the rates is appended to this survey. Oregon provides that reciprocal fees may be charged, but this option has not been exercised to date.

Five states--Mississippi, Ohio, Utah, West Virginia and Wyoming--do not collect annual fees from out-of-state shippers. They may, however, collect other fees from shippers and their representatives as detailed in the survey.

Recent publication history: New survey

Prepared by Steve L. Barsby & Associates, Inc.

for the NABCA
with the cooperation of the Control Jurisdictions

Fees Charged to Out-of-State Shippers and their Agents in Control Jurisdictions

State	Annual Permit Fees Assessed on Out-of-State Suppliers ^a			Other Fees & Charges
	Spirits	Wine	Beer	
Alabama	\$500 ^b	\$500 ^b	\$500 ^b	Application Fee--all bevgs; \$50 (1-time) Mfr's Rep--all bevgs; \$15/yr/person
Idaho	none ^c	\$200	\$200	Rep's Regstn--spirits ^c ; \$50/yr/person
Iowa	\$50	\$50	\$100	none
Maine	none ^c	\$600	\$600	Label Regstn--table wine & beer; \$10/ Label (1-time)
Michigan	none ^d	\$300	\$1,000	Co. & Rep Registn--spirits; \$30/3-yr period w/all licenses expiring on same date, no proration Bonds--wine & beer; \$1,000 1st yr; 1/12th of annual excise tax in successive yrs
Mississippi	none	none	none	Supplr Registn--all bevgs; \$10 (1-time)
New Hampshire	\$400-\$4,000 ^e	\$150-\$1,500 ^e	\$1,500 domestic \$1,500/brand on foreign	Liquor Rep--spirits; \$50/yr/person Solicitor Permit--beer; \$20/yr/person Solicitor License--wine; \$37.50/yr/person
Montana	\$25 ^f	\$25 ^g	\$500	Registered Agents--all bevgs; \$25/yr/person
North Carolina	none	\$25 ^h	\$25 ^h	Non-Resident Vendor Permit--beer & wine; \$25 (1-time) Vendor Rep--all bevgs; \$25 (1-time) Product Approval--all bevgs; \$10 w/analysis, \$25 without analysis
Ohio	none	none	none	none

Fees Charged to Out-of-State Shippers and their Agents in Control Jurisdictions (cont)

State	Annual Permit Fees Assessed on Out-of-State Suppliers ^a			Other Fees & Charges
	Spirits	Wine	Beer	
Oregon	none	\$15 foreign \$50 domestic ⁱ	\$15 foreign \$50 domestic ⁱ	Salesman's License--wine & beer; \$5/yr/person Agent's License--spirits; \$25/yr/person
Pennsylvania	\$125+\$0-\$5,000 ^j	\$125	\$125	Filing Fee (for \$125 Vendor's Permit)--\$30/year
Utah	none	none	none	Rep's Regstn--all bevgs; \$50/yr/person
Vermont	none ^k	\$200	\$1,500	Solicitor's Permit--all bevgs; \$10/yr/person
Virginia	none	\$200	\$200	Solicitor/Salesman--all bevgs; \$100/yr/person Wine Certification--\$6 w/analysis; \$20 without analysis Wine Registration--\$5/label
Washington	none	\$100	\$100	Agent's License--all bevgs; \$25/yr/person Label Fee--\$5/type (1-time)
West Virginia	none	none	none	Rep's License--wine & spirits; \$100/yr/person--beer; \$10/yr/person Bond--beer; \$10,000 for shipper Beer License--\$10.00/yr for shipper's rep
Wyoming	none	none	none	Rep's License--all bevgs; \$10/yr/person (may represent many suppliers)
Montg. County	\$50 ^l	\$50 ^l	\$50 ^l	Solicitor's Permit ^l --all bevgs; \$50/yr/person Vendor's Fee--\$15/yr/person

Fees Charged to Out-of-State Shippers and their Agents in Control Jurisdictions (cont)

^a States assess these annual fees under a variety of names, including Importers Fee, Certificate of Approval, Certificate of Compliance, Out-of-State Sellers License, Manufacturers Fee, Nonresident Vendor, Importers Permit, Vendor's Fee, Non-Resident Dealer's License.

^b The \$500 fee entitles a supplier to import products in all three categories. Plus County fees on imported products up to \$250/year; currently found in all counties.

^c Includes wine over 14% alcohol.

^d Includes wine over 21% alcohol.

^e Annual fees are based on volumes during previous year with separate schedules for table wine and for spirits. The schedules are appended on page 4 of this survey.

^f Charge fee if suppliers and/or manufacturers hire representatives for the purpose of actively contacting retail licensees to promote their products. No fee is involved if they opt not to actively "work" the Montana market.

^g Fee charged to suppliers who sell and ship directly to private wholesalers. Suppliers who ship only to the state are not assessed this fee.

^h \$25/year if volume is less than 500 cases annually.

ⁱ Oregon has a clause regarding reciprocity. If any Oregon products are penalized in another state, the Commission may apply different treatment to that state's products in Oregon. To the respondent's knowledge, however, the option has never been exercised.

^j A sales permit is required if the out-of-state shipper does not have a business entity in Pennsylvania. The fees are based on the countervailing fees charged by the shipper's home state on products from Pennsylvania. The schedule used by Pennsylvania is appended on page 4 of this survey.

^k Includes wine over 16% alcohol.

^l Assessed by the state.

Fees Charged to Out-of-State Shippers and their Agents in Control Jurisdictions (cont)Schedule of Vendor Fees Charged by New Hampshire

Volume during previous year	Table	
	Spirits	Wine
less than 1,000 cases	\$ 400	\$ 150
between 1,000 and 5,000 cases	2,000	750
5,000 or more cases	4,000	1,500

Schedule of Reciprocal Fees Charged by Pennsylvania

State/Jurisdiction	Sales Permit Fee	State/Jurisdiction	Sales Permit Fee
Alabama	\$ 500	Minnesota	\$ 300
Arizona	50	Missouri	250
California	50	Nebraska	200
Colorado	250	New Hampshire	400
Connecticut	1,000	New Jersey	5,000
Delaware	50	North Dakota	50
Dist. of Columbia	150	Oklahoma	500
Florida	20/label	Puerto Rico	2,000
Hawaii (County of Hawaii only)	1,200	Rhode Island	15/label
Illinois	75	South Carolina	100
Iowa	50	South Dakota	5,000
Kansas	1/label	Tennessee	50
Kentucky	25	Texas	100
Maryland	50	West Virginia	100
Massachusetts	250	Wisconsin	50

Note: States for which no fee is charged are not listed

Fees Charged to Out-of-State Shippers and their Agents in Control Jurisdictions (cont)Additional Notes

Idaho--In order to do business in the state, a corporation must have a representative registered. State residency is required. One out-of-state winery, which sells sacramental wine directly to churches in Idaho, is required to be bonded for \$5,000.

Iowa--Presently has 25-30 holders of the \$100/year Brewers' Certificate of Compliance and 75-100 holders of the \$50/year Distillers' Certificate of Compliance.

Ohio--All low-proof products must be registered with the state and approved by the Beer and Wine Division. All high-proof products are approved by the Director, but no fees are charged.

Pennsylvania--A Vendor Permit is required of out-of-state suppliers if they are the Vendor of Record (the state purchases directly from them). Out-of-state suppliers may obtain a Pennsylvania Importer License (\$125/year) by establishing a place of business within the state. A Pennsylvania Importer License does not exempt an out-of-state supplier of liquor from paying the Sales Permit Fee if that was the sole reason for obtaining the Importer License (Section 207(b)). A ceiling of \$5,000 has been placed on the Sales Permit Fee, by legislation.

VISITOR'S REGISTER

HOUSE BUSINESS AND LABOR

COMMITTEE

BILL HOUSE BILL 41

DATE January 9, 1985

SPONSOR TOM HANNAH

[illegible]

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

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.