

MINUTES

MONTANA SENATE 52nd LEGISLATURE - REGULAR SESSION

COMMITTEE ON BUSINESS & INDUSTRY

Call to Order: By Chairman J.D. Lynch, on January 15, 1991, at 10:00 a.m.

ROLL CALL

Members Present:

J.D. Lynch, Chairman (D)
John Jr. Kennedy, Vice Chairman (D)
Betty Bruski (D)
Eve Franklin (D)
Delwyn Gage (R)
Thomas Hager (R)
Jerry Noble (R)
Gene Thayer (R)
Bob Williams (D)

Members Excused: None

Staff Present: Bart Campbell (Legislative Council).

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Announcements/Discussion: None

HEARING ON SENATE BILL 60

Presentation and Opening Statement by Sponsor:

Senator Gage, sponsor of the bill, stated that this bill came about on request from a person up in east Glacier which is a tourist area in the state of Montana. The big part of their business is done in the tourist season June, July, and August. They have had a multitude of tourists come in their agency store and they wonder how come they cannot buy liquor on Sundays and state holidays. Most folks at Glacier say that the state of Montana is mandating the 15% profit on their own stores, and yet they're telling yet their closing on Sundays and holidays. Page one section two lines sixteen through eighteen defines an agency store and the new section on page five that indicates that agency stores within 15 miles of a national park may operate and sell liquor and table wine on Sundays and state holidays during the summer tourist season of June, July, August, and September.

Proponents' Testimony:

None

Opponents' Testimony:

Mark Staples, representative of the Montana Tavern Association, commented that this bill is fair in some respects also applies to Senator Thayer's upcoming legislation on privatization. The privatization bill that the governor is supporting and Senator Thayer is carrying would privatize all retail liquor stores. This is going to be a process when these leases expire on these agency stores they will go out of business. Our taverns are being encouraged right now to build package liquor stores on to their existing licenses. Very fazing out of state liquor stores and the state retail stores and the transference of those who pass these to the private retailers would be contradicted by this bill. The state says on one hand, we're losing money we're going to eradicate these stores. On the other hand, take from the taverns the business. This bill is a direct contradiction of what the taverns are trying to accomplish.

Questions From Committee Members:

Senator Thayer commented that before Mr. Staples' testimony he was going to ask if Senator Gage would have any objections to substituting the word 'private' for 'agencies' through out the bill. But this bill has a lot of merit, it would probably make sense that this bill would be laid on the table. Not necessarily kill it, but keep it alive by this method perhaps until we see what the outcome of the broader bill which would deal with the entire area. We essentially would solve this problem which Senator Gage is trying to solve.

Senator Williams asked if Mark Staples could live with this bill a little easier if it just kept the way it's presented at 15 mile radius of a park rather than amend it and cover the whole state.

Mark Staples answered no he couldn't. He had not considered until he spoke with Senator Gage yesterday that it may go beyond the 15 mile radius. Those areas there is a certain percentage of people that do not want to buy packaged liquor from a tavern or bar.

Senator Williams asked if the business is privatized, can liquor be bought from eight in the morning until two in the morning in a tavern.

Mark Staples answered that there would be limitations within this bill. Right now you can buy from eight to two.

Senator Lynch asked if the state employees that will have to work on Easter and forth of July, will they be compensated.

Senator Gage replied that this is just for agency stores no state employees. Just June, July, and August holidays.

Senator Lynch asked if Senator Gage had any requests to hold the bill up, he'd like to send it through.

Senator Gage replied that he had not other than Senator Thayer's proposal that he had not had anyone indicate that an

interest in holding it up.

Senator Williams asked how many liquor stores are located in a 15 mile radius of the parks.

Senator Gage replied that he wouldn't think there would be over four or five but didn't check to find out.

Senator Thayer commented that this might prompt a rash in this type of bill which would be sort of a piece meal legislation to deal with the broad issue is whether or not this should be the hands of a private industry. We might see next term other agency stores that come in that aren't in this 15 mile radius. He is opposed to this piece meal type of legislature.

Senator Bruski asked why is it only national parks.

Senator Gage replied what they decided to do with this bill and how to approach it from a drafting point of view. Initially we thought about perhaps trying the pattern it after the bills that have a lot of tourist areas where the predominant amount of their revenue is generated as a result of tourist activity.

Senator Thayer asked while this would have the effect of helping four or five of agency stores, how many private taverns are in the private sales that might have an adverse affect on the passage of these bills.

Senator Gage replied that he did not have any idea.

Mark Staples replied that 80 taverns would be affected.

Senator Hager asked if the liquor stores inside the national parks open on Sundays.

Senator Gage replied that to his knowledge there are none inside the national parks that are open on Sunday. The store part is open, but the liquor side is not.

Tom Maholland, liquor division of Montana, stated that the stores cannot be open past two o'clock.

Senator Williams asked if the tavern association is going to support the finalization of the liquor stores, or is this an unfair question.

Mark Staples replied that it was not an unfair question but a premature question because the bill is not finalized. Senator Thayer who was going to carry the bill doesn't even have the bill yet. There was a resolution at their convention that if the bill wasn't full of holes and problems, they would support it. Freight prices will increase, elimination of jobs, labor problems. Who will get privatization and when. Eighty percent of the business is done in the retail stores is in the bars. He is looking at this with an open mind.

Senator Lynch commented that the agency stores are in private enterprise, and only those places in the national parks would feel that they would benefit from it would stay open anyway. This is a law, it's not demanding that they do so.

Senator Gage replied that Senator Lynch was right.

Closing by Sponsor:

Senator Gage closed by saying that he did not know what would happen to the privatization bill. If privatization goes through there will be no such thing as an agency store or an

agency agreement. When talking about competition, we're not asking you to close the bars on Sundays and holidays so that they're not unfairly competing with the agency stores. Trying to level out the enterprize.

Senator Lynch commented that since there was one opponent, executive action would be scheduled for Thursday on SB 60. There is an option to motion to table, which means simply if the majority passes it you take away the say of the chairman to send the bill one way or the other.

EXECUTIVE ACTION ON SENATE BILL 11

Discussion:

Senator Lynch stated that because there was a minor amendment on senate bill 11, it wasn't acted on yesterday, January 14, 1991. The amendment is prepared and is simply affective on passage approval amendment. This bill would put our contractors into the playing field. If passed now, it would make it into the bidding season.

Senator Thayer moved that the amendment put before them by Bart Campbell be adopted for senate bill 11.

The amendment passed unanimously for senate bill 11.

Senator Thayer moved that senate bill 11 due pass as amended.

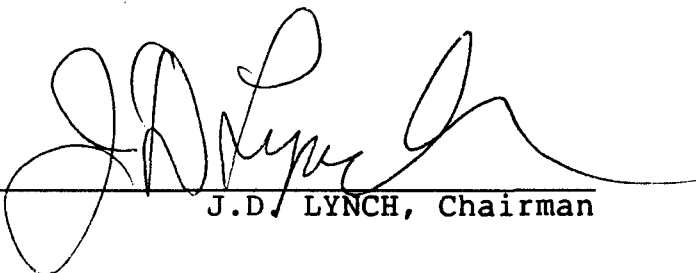
Senate bill 11 passed as amended unanimously.

Closing by Sponsor:


Senator Lynch stated that executive action would be scheduled for SB 60 on Thursday, January 17, 1991.

ADJOURNMENT

Adjournment At: 10:40 a.m.



J.D. LYNCH, Chairman



DARA ANDERSON, Secretary

JL/da

ROLL CALL

B&I COMMITTEE
52nd. LEGISLATIVE SESSION -- 1991

Date 1/15/91

NAME	PRESENT	ABSENT	EXCUSED
1 Senator Bruski	X		
2 Senator Franklin	X		
3 Senator Gage	X		
4 Senator Hager	X		
8 Senator Kennedy	X		
9 Senator Lynch	X		
5 Senator Noble	X		
6 Senator Thayer	X		
7 Senator Williams	X		

Each day attach to minutes.

COMMITTEE ON BUSINESS & INDUSTRY DATE 1/15/91

VISITORS' REGISTER

[illegible]

(Please leave prepared statement with Secretary)

ROLL CALL VOTE

SENATE COMMITTEE Business and Industry

Date 1/15/91 Bill No. 11 Time 10:00

NAME	YES	NO
Senator Bruski	X	
Senator Franklin	X	
Senator Gage	X	
Senator Hager	X	
Senator Noble	X	
Senator Thayer	X	
Senator Williams	X	
Senator Kennedy	X	
Senator Lynch	X	

Dara Anderson
Secretary

JD Lynch
Chairman

Motion: SB11 DUE PASS AS AMENDED
UNANIMOUSLY.

ROLL CALL VOTE

SENATE COMMITTEE Business and Industry

Date 1/15/91 Bill No. ^{AMEND} SB11 Time 10:00

NAME	YES	NO
Senator Bruski	X	
Senator Franklin	X	
Senator Gage	X	
Senator Hager	X	
Senator Noble	X	
Senator Thayer	X	
Senator Williams	X	
Senator Kennedy	X	
Senator Lynch	X	

Dara Anderson

Secretary

JD Lynch

Chairman

Motion: TO AMEND
SB11

SENATE STANDING COMMITTEE REPORT

Page 1 of 1
January 15, 1991

MR. PRESIDENT:

We, your committee on Business and Industry having had under consideration Senate Bill No. 11 (first reading copy -- white), respectfully report that Senate Bill No. 11 be amended and as so amended do pass:

1. Title, line 6.

Strike: "AND"

2. Title, line 7.

Following: "MCA"

Insert: "; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE"

3. Page 3, line 10.

Following: line 9

Insert: "NEW SECTION. Section 2. Effective date. [This act] is effective on passage and approval."

Signed: _____


John "J.D." Lynch, Chairman

 1-15-91
And. Coord.

SB 1-15-91 11:55
Sec. of Senate