

MINUTES

**MONTANA SENATE
53rd Legislature - REGULAR SESSION**

COMMITTEE ON TAXATION

Call to Order: By Senator Mike Halligan, on January 8, 1993, at 8:03 a.m.

ROLL CALL

Members Present:

Sen. Mike Halligan, Chair (D)
Sen. Dorothy Eck, Vice Chair (D)
Sen. Bob Brown (R)
Sen. Steve Doherty (D)
Sen. Delwyn Gage (R)
Sen. Lorents Grosfield (R)
Sen. John Harp (R)
Sen. Tom Towe (D)
Sen. Fred Van Valkenburg (D)

Members Excused: Sen. Barry Stang, Sen. Bill Yellowtail.

Members Absent: None.

Staff Present: Jeff Martin, Legislative Council
Bonnie Stark, Committee Secretary

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

Committee Business Summary:

Hearing: SJR 7

Executive Action: None.

HEARING ON SJR 7

Opening Statement by Sponsor:

Senator Delwyn Gage, representing Senate District #5, presented Senate Joint Resolution 7. This bill requests an interim study of the liquor system within the state, and requires a report of the findings of the study to the 54th Legislature. Senator Gage reported there was a study committee appointed by the former Governor but that committee met only one time. Senator Gage believes the issue has not had the kind of study and presentation that it really deserves. It is his intention to have an interim committee assigned which will meet regularly,

report their findings, and give recommendations to the 54th Legislature regarding privatization of the liquor business in the State of Montana. He said this resolution does not address the makeup of the interim study committee and the Taxation Committee may want to put that kind of notation in the resolution.

Proponents' Testimony:

Mark Staples, representing the Montana Tavern Association, spoke in favor of Senate Joint Resolution 7. He was one of the appointees to the former Governor's study committee. In his opinion, that committee had key people from different entities involved who were willing to share their opinions; however, that committee only met once and did not go beyond that initial meeting. Mr. Staples believes an interim study committee is a good idea and should have a full chance to meet and come up with some realistic proposals. The Montana Tavern Association supports Senate Joint Resolution 7.

Opponents' Testimony:

None.

Informational Testimony:

None.

Questions From Committee Members and Responses:

Senator Halligan asked Senator Gage if this committee should give some guidance in the resolution on the makeup of the interim study committee, and Senator Gage responded he felt it would be fine to follow the same guidelines for appointments as were used for the last study committee.

Senator Halligan asked Senator Gage's intention regarding the interim study committee dealing with liquor stores and privatization and not addressing the quota system in this study. Senator Gage agreed that the quota system and control was a different aspect from the privatization and should not be addressed with the privatization issue.

Senator Towe asked Senator Gage if he envisioned this study committee as a legislative committee or a general committee of non-legislators and legislators. Senator Gage responded that it is his intention that this committee would be part of the interim study program of the Legislature, but that it would not have only legislators involved.

There was further discussion regarding issues an interim study committee could cover, including the impact and marketability of licenses, the costs to state government associated with liquor consumption, and replacing the revenues the state is currently receiving from the liquor industry.


Closing by Sponsor:

Senator Gage closed by stating that if an industry is causing social problems in the state, it appears to him that they should be paying a tax to defray the cost of the problems they are generating. He feels this is a worthy project, and has confidence that an interim study committee can come up with a proposal for the people of the State of Montana. Senator Gage asks favorable consideration of Senate Joint Resolution 7.


Senator Gage offered to talk to Governor Racicot to see if the Governor plans to reconstitute the previous study group rather than having the Legislature assign a new one.

ADJOURNMENT

Adjournment: The meeting adjourned at 8:36 a.m.



MIKE HURLIGAN, Chair



BONNIE STARK, Secretary

MH/bjs

ROLL CALL

SENATE COMMITTEE TAXATION

DATE 1-8-93

[illegible]

FC8

Attach to each day's minutes

DATE 1-2-93

SENATE COMMITTEE ON Taxation

BILLS BEING HEARD TODAY: SJR 7

Name	Representing	Bill No.	Check One Support Oppose
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<i>Mark Boyle</i>	<i>MAA American Assoc.</i>	<i>SJR 7</i>	<input checked="" type="checkbox"/>	

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY