

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 54th LEGISLATURE - REGULAR SESSION

COMMITTEE ON BUSINESS & LABOR

Call to Order: By **CHAIRMAN BRUCE T. SIMON**, on March 2, 1995, at 8:00 AM.

ROLL CALL

Members Present:

Rep. Bruce T. Simon, Chairman (R)
Rep. Norm Mills, Vice Chairman (Majority) (R)
Rep. Robert J. "Bob" Pavlovich, Vice Chairman (Minority) (D)
Rep. Vicki Cocchiarella (D)
Rep. Charles R. Devaney (R)
Rep. Jon Ellingson (D)
Rep. Alvin A. Ellis, Jr. (R)
Rep. David Ewer (D)
Rep. Rose Forbes (R)
Rep. Jack R. Herron (R)
Rep. Bob Keenan (R)
Rep. Don Larson (D)
Rep. Rod Marshall (R)
Rep. Jeanette S. McKee (R)
Rep. Karl Ohs (R)
Rep. Paul Sliter (R)
Rep. Carley Tuss (D)
Rep. Joe Barnett (R)

Members Excused: None.

Members Absent: None.

Staff Present: Stephen Maly, Legislative Council
Alberta Strachan, Committee Secretary

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

Committee Business Summary:

Hearing: SB 275, HB 574, SB 243, SB 201, SB 302
Executive Action: SB 243, SB 302, SB 38, SB 275

HEARING ON SB 275

Opening Statement by Sponsor:

SEN. GERRY DEVLIN, SD 2, Prairie County, said this bill puts a graduated stalemate in the licensing of fees for nurseries.

Proponents' Testimony:

Greg Chadwick, Vice President, Montana Nurserymans Association, said they supported this bill.

Gary Gingery, Montana Department of Agriculture, said they supported this bill.

Opponents' Testimony:

None.

Questions From Committee Members and Responses:

REP. ALVIN ELLIS said the window in the bill stated a figure of \$5000 and amended down to \$3000. A 10% license fee is excessive for a person of \$1000 gross sales. It makes it unprofitable. What was the justification for lowering that figure. Mr. Devlin said there were negotiations made while drafting the bill the amount was lowered. Mr. Chadwick said by having inspections on the crops there is protection.

Closing by Sponsor:

The sponsor closed.

HEARING ON HB 574**Opening Statement by Sponsor:**

REP. WILLIAM REHBEIN, HD 100, Richland County said this bill is a liquor privatization proposal. The difference in this bill was evolved in its preparation by representatives from major groups which would be affected by its passage.

Proponents' Testimony:

Mick Robinson, Director, Department of Revenue gave a detailed explanation of the bill. He also provided a description of the state liquor retail privatization proposal which included background, what was proposed and how will retail privatization be accomplished, why privatization was intended, will the price of liquor change, will the variety of liquor products change, will the number of agency liquor stores change, what days and hours can agencies be open, how will an agent's commission rate be established, how do agents get paid their commissions, how do agents get compensated for full case discount sales, how will agents purchase the in-store inventory currently owned by the state and what happens to state employees affected by this legislation. **EXHIBIT 1**

Bob Gilbert, Montana Agency Liquor Store's Association, said this bill was based upon the Agency Liquor Franchise Act of 1993 which

took the state from a three-year contract where bidders could bid against the agents. Whoever received the low bid received the contract regardless of a person in business or a person out of business. There was no option for the current agent to retain their business and match that bid. That was changed in 1993. The group supported the concept. One of the positive points of the bill is the purchase of the stock interest free. Some members of the organization do not support the bill. The alternatives are not good.

Mark Staples, Montana Tavern Association, said the state must take some degree of privatization with full conversion to agency stores.

Dave Brown, Restaurant and Lounge Coalition, proposed some amendments to the bill. He also stated as with all businesses in Montana, the restaurant and lounge industry is dependent on decisions of state government. Timeliness in government decision making plays a significant role in the success or failure of business, whether it be coal or hard rock mining, water quality or health matters, agriculture, or any other aspect of the mix of business and regulatory compliance. The Department of Revenue is bound by only one time which would be consistent in making decisions on granting or denying new liquor licenses or the transfer of existing ones. Government must be responsive to private sector investment and capital outlay. **EXHIBITS 2 and 3**

REP. LARRY GRINDE, HD 94, Fergus County, said the saga of liquor privatization moves on one more time. It is time to settle the situation. He described the negotiations involved in the drafting this bill. The state employees involved in the state stores were considered in this bill also. These agents came out with everything possible that could be done with privatization. They have first refusal, they will receive insurance and many other benefits. The Tavern Association was well represented and came with honesty and dealt with the situation. The union representatives were also in attendance. The last meeting attended by the union members indicated their approval of the bill. There was 100% say in this bill from every sector that was involved. The union people are not satisfied.

Opponents' Testimony:

Don Judge, Montana State AFL-CIO, said they opposed this bill. Although organized labor remains opposed to privatization of the state's liquor store system, they were also responsible for the drafting of the bill. This bill does represent a much better and well thought out method for privatizing the system than any previously considered legislation. However, this bill would secure the right of first refusal for current employees to purchase the state stores. This will result in employees losing their jobs, suffer possible loss of retirement and suffer economic dislocation as a result. Whenever that happens, the collateral impact can include family breakups, increased health

problems and greater reliance on public assistance. This bill will not increase revenue to the state. This bill also limits and caps the percentage of profits which may be made by the newly privatized stores, as well as current agency stores. There is the possibility of reducing the variety and availability of exotic spirits to the consuming public. **EXHIBIT 4**

TAPE 1, SIDE B

Brian Harris, Northwest Regional Director, Distilled Spirits Council, said they were not in opposition to the concept. They opposed the bill because distillers under the bailment system would delay payment for the product to distillers for thirty days. This bill would carry that time limit to sixty days. The distillers provide the state with their product and don't get paid for sixty days. Retailers are required to pay within seven days. If retailers purchase liquor from state agencies they are required to pay upon purchase. The consumer pays immediately. There is no other industry that is being asked to provide and supply their product for distribution and sale and wait sixty days to be paid. That is unfair. The industry was never on the committee. A consumer pays 57% for taxes on liquor. The variety of liquor will go down considerably.

Mary Schuler, Manager #8, Livingston, said the state, with this bill, still controls the warehouse, sets the frequency of delivery, maintains a 40% markup, sets the retail price, denies advertising even on sales, approves the size and location of the store, controls the products that can be carried in the store, establishes the percentage of the sales to the licensees as it does now. This is not a privatization.

Mark Asbury, Agency 171, Wilsall, said he provides the agency store for the community of Wilsall as a service to the community. He has no objection to the bill as it stands or the thought of privatization. He wished to amend the bill to increase the commission and the length of time to buy out the initial inventory. The state is saving money by this bill. None of the savings are being passed on to the retail outlets to promote growth, cover the cost of money, provide any return on investment or make an agency a desirable business to operate. Commissions should be increased to 18%, eliminate case discounts to the agency, increase buyout of inventory to three years with full bonding for this period. This is not privatization, this is merely a shifting of the inventory liability. **EXHIBIT 5**

Ed Rizer, Clerk, Agency 9, Bozeman, said the last time this issue was brought forth in the legislature, the Department of Revenue was handed a legislative mandate stating if the stores made at least a 10% profit the privatization would not occur. The remaining stores have done this yet privatization will occur in this bill. He then said the Governor could not sign this legislation because it abolishes union representation and any benefits to the workers. This is a right-to-work in disguise.

Dan Felska, Agency 33, Conrad, said he was not against privatization but there is no incentive with this bill. This bill will end up costing the state more than what it is doing today in trying to find vendors.

Bea Lunda, Agency 29, Shelby, said 10% commission is not sufficient to operate an agency store. The delivery of liquor from agency stores needs to be struck from this bill and agencies need to continue to operate as they presently do. Licensees are in need of additional discount for quantity purchases. The method of paying the agents must be adjusted to cover additional sales anticipated by this further reduction in price. **EXHIBIT 6**

George Hagerman, Executive Director, American Federation of State, County and Municipal Employees, AFL-CIO, said they do not represent workers who will be affected by this privatization bill. This legislation does not promote or protect the public interest, it does not save the public any money or in any way benefit the public. Liquor division employees have made money for the state, both in the liquor stores and the liquor warehouse. Jobs will be privatized by this bill under the guise of saving the public money and improving services to the public. **EXHIBIT 7**

Informational Testimony:

Joseph Gough, EXHIBIT 8; Sandra Lee, EXHIBIT 9; Gary Crane, EXHIBIT 10

Questions From Committee Members and Responses:

REP. BOB PAVLOVICH said he had been in the business over 41 years. If he should want to apply for an agency store and is accepted, which may default if he should want to sell it, what happens. **Mr. Robinson** said yes he could become the owner of an agency store. He said he would be pre-empted under the bill from doing both; owning a retail liquor license as well as owning a retail liquor store. He could not do both. He must either resell the liquor license a second time or move out of the agency franchise.

REP. PAVLOVICH questioned the prohibiting of grocery stores from having liquor. **Gary Blewett, Administrator, Liquor Division, Department of Revenue,** said the current law unchanged which states any community over 3000 population, an agency may not be located in or adjacent to a grocery store. The law does allow an agency liquor store to be located in a grocery in communities that are smaller.

REP. GRINDE (Ex-officio member of the Committee) said as these negotiations were commencing, **Mr. Thomas** was present at all times, sitting in the back of the room. He asked him to tell the committee about the process and what he felt about drafting of this legislation. **Leo Thomas, Agency #1, Helena,** said the way

the situation was handled the job was done well. He said he had a problem with the privatization. It is not really privatization. All that is being accomplished is shifting full time employees out of jobs into privatization. The whole operation which they have done was a good job. He felt the dollar amount that smaller stores are talking about is too low. If they are going to privatize by getting out of the system the state should collect the tax dollar and let the people operate. They cannot control the dollar and the people and call this privatization.

REP. GRINDE said he agreed this was not true privatization. If they did go to true privatization and these stores were put out without first option. **Mr. Thomas** said if that would happen he said they would have to agree with that. He said he was, at the present time, looking to take the store over. He said he was not going to deny that. They do not adjust prices, they buy and sell as the state dictates, if the state decides the agency operation is not to their specifications, they may stop the operation.

REP. GRINDE said after watching these negotiations and going to these meetings, he asked if he still intended to be an agency store? **Mr. Thomas** said yes.

REP. GRINDE said he had been confused by some of the testimony. The opponents indicated the spirit of alcohol was bad for society and this will create more problems with alcoholism. Then it was stated people would not have their favorite beverage. Can it be both ways? **Mr. Judge** said the only way for these people to make a profit would be to encourage increased consumption of alcohol. Under the current way the bill is drafted, if the profit level is limited to six, eight, ten percent of the stores' gross income, the only way to improve return is to sell more liquor. He then said the other side of that spectrum is for the customer in the decrease in the variety and quantity of selection which is available. That will come about with two reasons. The Liquor Division is going to downsize the current inventory at those stores and getting rid of "cats and dogs," the things that don't turn over on a routine regular basis which will mean the customer will see less of a variety unless they special order.

REP. GRINDE said he felt it was agreed by all parties that most of these things the agencies themselves agreed upon were not needed. **Mr. Judge** said that was accurate. The Department indicated there might be a considerable amount in terms of dollars. It was going to bring down the actual cash income in the state upon privatization to something in the neighborhood of \$3 million than \$4 million.

REP. GRINDE said he would agree this is not pure privatization. What would pure privatization be in the liquor business? **Mr. Judge** said it would be cause in the state of Montana. Some of the opponents who had testified from the agency stores and not from the state stores outlined the difficulty they will have in

continuing to operate those agency stores if they are required to purchase the inventory at the end of eighteen months. There is no way to privatize those stores and not cost the state money and not raise the price to the consumer. It will create some opposition from the tavern owners.

REP. GRINDE said he was aware of the reasons against privatization. Under pure privatization, what would the union people in the state owned stores do? **Mr. Judge** said most of these people would be looking for other jobs. There would be a greater potential for a monopolistic, large money, political posture in the state.

REP. LARSON stated, as a point of order, asked the committee to return to the body of the bill. There are many other committee members with questions.

REP. GRINDE said he would be glad to yield and felt the discussion was on the body of the bill. He then said the reason for not drafting for pure privatization, and he agreed with all of the statements, was to help state employees or union members have a first chance to take these stores over, be employed so they would not be put out on the street. **Mr. Judge** said that was a piece from labor's perspective. The Tavern Owners Association did not want pure privatization because they felt predatory practices with regard to pricing availability, delivery and service might impact specific tavern owners into the favor of others and the detriment of some and the current agency stores were opposed because they felt simply granting anybody the opportunity to have a license is going to devalue the current agencies. They have the ability to make an income.

REP. GRINDE said he would yield to **REP. LARSON** although he said he felt his questions were very pertinent to what went on. This bill was set up to satisfy everybody and finding the problem with it would go against the bill which they helped to write.

REP. OHS asked if there was a provision which the state would buy back liquor which is not sold over a certain period of time. **Mr. Blewett** said all of the inventory that is out in the state stores is owned by the state. There are some volumes that will not sell and the state does pull that back.

REP. LARSON asked what if an agent does not want to buy the store or the state employee cannot buy the store? **Mr. Blewett** said the procedure currently in place is to advertise in the newspaper, both in the locality and nearby areas that the agency is available and are requesting bids or proposals depending upon the size of the store. **REP. LARSON** asked where in the bill did it prohibit a beer and wine wholesaler or grocer from bidding on that store.

TAPE 2, SIDE A

Bruce McGinnis, Legal Division, Department of Revenue said grocery stores, on page 16 of the bill, stated the same type or prohibition against putting agency stores into or adjacent to grocery stores in communities with a population of 3000 or more is retained. A commission store could be placed in a grocery store if the population of the community was 3000 or less. There is a provision in the bill which is new language and would prohibit anybody who has any other type of liquor license or alcoholic beverage license of any kind, could not have ownership interest in an agency.

REP. LARSON said when negotiations for commissions are done will the existing contracts be honored. **Mr. Blewett** said yes. **REP. LARSON** asked how the contracts were negotiated. **Mr. Blewett** said they would not be negotiating. Their current commission rate would continue with the current agent. If they are a new agency that is rolling over to an employee that has already been calculated it is premised in law and is based on the current cost of operating store dividends by the gross sales in that store in FY94.

REP. ELLINGSON said there is a 16-month period for the payment of monthly installments of the initial inventory. Must there be payments spread over the 16 months of time or as the inventory is used is there a requirement that payment should be made. **Mr. Robinson** said the payment does not necessarily need to be made as the inventory is sold. It allows for interest-free financing of that inventory over 18 months. **REP. ELLINGSON** said in the final analysis there is a positive cash flow to the state as a result of this change to the system. That is predicated upon the accuracy of the projected operating expenses. Is that an accurate figure and what anticipated increases in operating expenses are shown. **Mr. Robinson** said the increase in operating expenses is simply an accounting chain because they are moving from a system which is a state-operated system.

REP. EWER asked what the sense of the intention was where the state was going as far as the financial impact to the state should be. **REP. GRINDE** said \$4 million is going into the general fund. That is the key to the legislation. The rest of the money was to try to work as finances. The employees have a great opportunity. These stores can sell other things besides liquor. **REP. EWER** said the gain to the state is the one-time money gained from selling the inventory. The profit which the state had been capturing will go down. Has the fiscal impact of the state been analyzed from 1998. **REP. GRINDE** said the state is going to put up the \$4.5 million. There will still be the liquor taxes, selling at a wholesale and they will still be getting revenues.

REP. ELLIS questioned the reduction of tax on inventory and the effect it would have on the state. **Mr. Robinson** said the profitability would be an add on to an ongoing business.

CHAIRMAN SIMON wanted to clarify when a product is received from the distillery is the freight costing added. There is also a 10% and 16% license tax and an excise tax and then the 40% markup. **Mr. Blewett** said it was the reverse. After freight there is a 40% markup and on top of markup there is a 26% tax, 10% of which is the license.

Closing by Sponsor:

The sponsor closed.

HEARING ON SB 243

Opening Statement by Sponsor:

SEN. BILL WILSON, SD 22, Cascade County, said this bill simply updates the skiers responsibility code to encompass snow boarders. The old skiers responsibility code that is mandatory for every ski area to possess is posted in a prominent location.

Proponents' Testimony:

Pat Melby, Montana Skiers Association, said he supported this bill.

Opponents' Testimony:

None.

Closing by Sponsor:

The sponsor closed.

EXECUTIVE ACTION ON SB 243

Motion/Vote: **REP. JACK HERRON** MOVED SB 243 BE CONCURRED IN.
Motion carried 18-0.

HEARING ON SB 201

Opening Statement by Sponsor:

SEN. JIM BURNETT, SD 12, Carbon County, said this bill concerns mining safety for workmen. The bill was originally drafted which would allow the company to test an employee for drugs following an accident which has caused a person personal injury or property damage exceeding \$500. He then distributed amendments.

Proponents' Testimony:

Ward Shanahan, Stillwater Mining Company, said this is an important issue for the company. Drug testing of employees in a country like the United States is a complicated problem. This is because it not only involves the company's concern for work place safety, a decent social and work environment for its employees, lost time accidents, and work disruption and loss of efficiency and earnings, but it also involves the personal privacy rights, the civil rights of the employees. These must be personally and legally respected and safety methods must be designated with these considerations in mind. The mere happening of an accident that causes death or personal injury should be sufficient cause to allow an employer to require "drug testing" as a condition for continued employment following a serious accident. **EXHIBIT 11**

Chris Allen, Manager of Safety and Environmental Affairs, Stillwater Mining Company, provided statistics from a major contractor. At the present time, the size of their operation is 2000 tons a day. PIC is the general contractor which is a nation-wide contractor and they operate in all states. They have provided statistics. In states where it is allowed, they do drug testing for cause and random drug testing. Stillwater is not interested in doing random testing but are simply interested in testing individuals when there is an accident. The genesis of this bill came about in March 1994 when Stillwater had a seminar for all of its employees on how to determine if somebody is under the influence of drugs. The upshot of that seminar or the way of certain detection was to look at the size of their pupils. He then provided a letter from the Industrial Company Wyoming, Inc. and an impairment indicator for supervisors list. **EXHIBITS 12 and 13**

REP. ALVIN ELLIS favored the bill.

Jim Tutweiler, Montana Chamber of Commerce said this bill will be beneficial to many Montana businesses. He also said the human resource is by far the most important asset. This bill will benefit other employees who are not a victim of drug usage in that having this kind of measure in place will promote a safer work place. It is not the managers who will be injured, it is other workers that are going to be at risk. If accidents can be reduced and accidents dealt with in a forward way, there can be an impact on productivity which is a factor which all can share in. The bill is a win/win for people at the working and management level and combined together.

TAPE 2, SIDE B

Don Allen, Wood Products Industry, said there are real dangers involved in terms of the preciseness of the movement of the parts of various things people are working with. Safety in the work place is a key part in any legislation in terms of trying to make it safer and cut the costs.

REP. NORM MILLS said he favored the bill.

Opponents' Testimony:

Don Judge, Montana AFL-CIO, said this legislation is unnecessary. Not one specific example was pointed out to the committee by any of the proponents. His organization does not condone drug usage, they understand that one person's drug usage on the job provides a dangerous situation for other employees who are working with that specific employee. There is a situation where the employers are asking for a license which may be used unfairly and perhaps abusively against the work force. Under current law an employer, if he has reason to believe that an employee's faculties are impaired on the job as a result of alcohol consumption or illegal drugs, can require a test. They think this is poorly drafted legislation and is not needed. The sponsors have not demonstrated a need for this legislation.

Questions From Committee Members and Responses:

REP. ELLIS asked if it were possible that every time they had come before the committee concerning safety issues they have testified in a manner which places all of the responsibility for safety on the employer and almost none on the employee. Mr. Judge said no. He indicated he had said it was the employee's responsibility to participate in that process. Employees have a great responsibility for promoting a safe workplace.

REP. ELLIS said that placing the threat of testing on employees is a huge difference on the risk they are going to be willing to take with drugs before they go to work. Mr. Shanahan said that was the intent.

REP. CARLEY TUSS asked what their experience was with personal stress. Chris Allen said there was one accident regarding personal stress. The employer is not notified by the employee he is going to EAP.

REP. JON ELLINGSON said under the current statute they may require anyone to submit to a blood or urine test in hazardous work environments and questioned if Stillwater fell under that statute. Chris Allen said it was hazardous. REP. ELLINGSON said if that were the case and employees could be tested why is the additional legislation necessary. Chris Allen said currently there was a presumption that the person requesting the test has to presume an impairment exists.

Closing by Sponsor:

The sponsor closed.

HEARING ON SB 302Opening Statement by Sponsor:

SEN. REINY JABS, SD 3, Big Horn County, said this bill was a territorial integrity act which was being amended. This has long been an issue of concern between electric cooperatives and investor-owned utilities providing electric service to Montana. An unnecessary and costly duplication of distribution facilities has an impact on electric rates paid to consumers. This legislation is an attempt to avoid this wasteful practice. All entities are trying to put a mechanism in place that will allow for sensible resolutions to differences in disputed areas. It has long been recognized that negotiated agreements between industrial owned utilities and properties are an allowable way to dissolve differences. This bill would allow agreements between suppliers in the service areas.

Proponents' Testimony:

Jay Downan, Electric Cooperatives Serving Montana, said they work with Montana Power to develop this bill which will be good for consumers and good for utilities and expands the ability to negotiate with each other.

John Murphy, Montana Power Company, said they supported this bill.

REP. NORM MILLS supported this bill.

Opponents' Testimony:

None.

Questions From Committee Members and Responses:

None.

Closing by Sponsor:

The sponsor closed.

EXECUTIVE ACTION ON SB 302

Motion/Vote: REP. MILLS MOVED SB 302 BE CONCURRED IN. Motion carried 18-0.

EXECUTIVE ACTION ON SB 38

Motion/Vote: REP. ELLIS MOVED SB 38 BE REMOVED FROM TABLE. Motion carried 18-0.

CHAIRMAN SIMON relinquished the chair to **VICE CHAIRMAN MILLS**.

Discussion:

REP. SIMON explained the amendments on the bill.

Andy Poole, Deputy Director, Department of Commerce explained the bill further and also explained the amendments.

REP. EWER asked if these rules are already in the Department of Commerce. **Mr. Poole** said every year guidelines are adopted and become rules. The application guidelines include the criteria necessary. **REP. EWER** said then the criteria are rules. **Mr. Poole** said yes. **REP. EWER** asked if there was a public hearing requirement for CDBG applications. **Mr. Poole** said yes. **REP. EWER** asked if there would be a public hearing requirement for these loans? **Mr. Poole** said there would not be.

REP. SIMON said he wished to suspend this discussion.

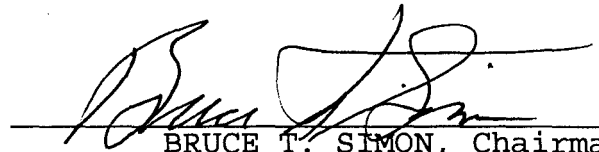
VICE CHAIRMAN MILLS relinquished the chair back to **CHAIRMAN SIMON**.

EXECUTIVE ACTION ON SB 275

Motion/Vote: **REP. PAVLOVICH** MOVED SB 275 BE CONCURRED IN.
Motion carried 18-0.

ADJOURNMENT

Adjournment: 12:10 PM.



BRUCE T. SIMON, Chairman



ALBERTA STRACHAN, Secretary

BTS/ajs

HOUSE OF REPRESENTATIVES

Business and Labor

ROLL CALL

DATE 3-2-95

NAME	PRESENT	ABSENT	EXCUSED
Rep. Bruce Simon, Chairman	X		
Rep. Norm Mills, Vice Chairman, Majority			
Rep. Bob Pavlovich, Vice Chairman, Minority	X		
Rep. Joe Barnett	X		
Rep. Vicki Cocchiarella			
Rep. Charles Devaney	X		
Rep. Jon Ellingson	X		
Rep. Alvin Ellis, Jr.	X		
Rep. David Ewer	X		
Rep. Rose Forbes	X		
Rep. Jack Herron	X		
Rep. Bob Keenan	X		
Rep. Don Larson	X		
Rep. Rod Marshall	X		
Rep. Jeanette McKee	X		
Rep. Karl Ohs	X		
Rep. Paul Sliter	X		
Rep. Carley Tuss	X		



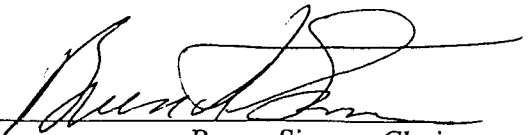
HOUSE STANDING COMMITTEE REPORT

March 2, 1995

Page 1 of 1

Mr. Speaker: We, the committee on **Business and Labor** report that **Senate Bill 243** (third reading copy -- blue) be concurred in.

Signed:


Bruce Simon, Chair

Carried by: Rep. Ryan


3/3

Committee Vote:
Yes 18, No 0.

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HOUSE STANDING COMMITTEE REPORT

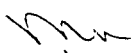
March 2, 1995

Page 1 of 1

Mr. Speaker: We, the committee on **Business and Labor** report that **Senate Bill 302** (third reading copy -- blue) be concurred in.

Signed: 
Bruce Simon, Chair

Carried by: Rep. Mills


3/3
Committee Vote:
Yes 18, No 0.

491417SC.Hbk



HOUSE STANDING COMMITTEE REPORT

March 2, 1995

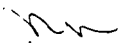
Page 1 of 1

Mr. Speaker: We, the committee on **Business and Labor** report that **Senate Bill 275** (third reading copy -- blue) be concurred in.

Signed:


Bruce Simon, Chair

Carried by: Rep. S. Smith


33
Committee Vote:

Yes 18, No 0.

491418SC.Hbk

DESCRIPTION
 STATE LIQUOR RETAIL PRIVATIZATION PROPOSAL

2/22/95

Background: Since 1933 the State of Montana has not only controlled liquor sales through regulation, but has also maintained a monopoly on the public's access to liquor through a central warehouse located in Helena and up to 168 liquor stores located throughout the state. Currently there are 108 state liquor stores, 26 operated by state employees with the rest being operated by agents who are paid a commission on sales. The state also licenses private retailers to sell liquor for consumption on their licensed premises and for off-premises consumption (package sales). The number of retail licenses is limited by a quota system. Private retailers are required by law to purchase all the liquor they sell from a state liquor store. Licensees are not permitted to sell liquor at prices lower than state liquor store prices. While state liquor stores perform a wholesale function for licensees, the general public is permitted to purchase from state liquor stores at the same price available to licensees. Fifty-five percent of all state liquor store sales are to licensees.

What is proposed and how will retail privatization be accomplished? The liquor distribution system that is currently in place will remain unchanged for the most part. However, the 26 state liquor stores operated by state employees will be converted to stores operated under agency franchise contracts just as 82 agency stores are currently operating. The inventory that is now furnished by the state to agents will be purchased and owned by the agents; currently the state owns the inventory located in state stores and agencies. Agents will purchase the liquor they sell from the state warehouse at a price that is less than the state's posted retail price per bottle to cover an agent's commission and historical level of full case discounts granted at the store. Current agents will take over ownership of inventory on July 1, 1995. State employee operated stores will be converted to contract agencies that own the liquor inventory between July 1, 1995 and December 1, 1995. All store employees who have worked half time or more between July 1, 1994 and January 6, 1995 have first right of refusal to be the agent in the store they worked or in another store in the community if a store employee doesn't take up the option. If no employee takes up the agency offer, the agency will be advertised and go to the best qualified bidder. Procedures under current law will continue: no person can have any ownership interest in more than one agency; no liquor licensee may have an ownership interest in an agency; an agent may sell the agency franchise contract after state approval; agents must carry liability insurance indemnifying the state at levels specified by the state.

Why privatize the state retail liquor stores? The state drops 76.5 FTE from its control (69.5 FTE in stores and 7 FTE in the central office in Helena) and sheds costly inventory investment in state liquor stores. This conversion results in a one-time transfer of \$4 million to the general fund. Since the State no longer will have assets or employees in liquor stores, it no longer will have to involve itself in the day-to-day management of stores or need to account for monthly inventory values. Agents will be free to be more entrepreneurial in the service they provide than previously allowed. For example, agencies will have the option of delivering liquor to licensees and other customers. Agencies can expand their product lines to include items other than liquor; however, current law continues to prohibit agencies located in communities with 3,000 or more inhabitants from being located in or adjacent to grocery stores.

Will the price of liquor change? The state will continue to set the price of a bottle of liquor sold at agencies in the same way it does now. The price will be the same at every agency liquor store throughout the state just as it is now. A uniform price prevents penalizing the more rural communities remote from the Helena warehouse with higher prices due to added freight costs while maintaining the economies that a single warehouse operation avails a large geographical state containing a relatively small population. The discount for full case purchases will change however. The discount will be available to liquor licensees only and will be increased from the current 5% discount to 8%. The new discount arrangement more clearly differentiates agency liquor stores' wholesale function from their retail walk-in trade function and acknowledges more adequately the volume and stability of stores' wholesale relationship with licensees.

Will the variety of liquor products change? Agency liquor stores will be required to carry the variety and quantity of products needed to meet demand in the community. Financial constraints on an agent's ability to invest in sufficient inventory to meet demand is eased considerably by a two-week delivery schedule to every agency liquor store, a 60-day interest free payment schedule, availability of some mixed case shipments from the warehouse, and the ability to special order products not carried as regular items in the warehouse. While entrepreneurial incentives will likely keep agents responsive to public demand for variety, the law provides for the central office to respond to complaints on a case-by-case basis.

Will the number of agency liquor stores change? The proposed law establishes a quota for the number of agencies that can operate in a community. The number of agencies in a community varies with population as measured every two years by the Federal Census Bureau. Communities with 12,000 inhabitants or less can have one agency. For each increment of 40,000 inhabitants above 12,000, one additional agency is allowed. For example, communities between 12,001 and 52,000 inhabitants are allowed 2 agencies and communities between 52,001 and 92,000 inhabitants are allowed 3 agencies. The proposed law puts a moratorium on any additional agencies in communities that currently have one or more stores until after July 1, 1999. There is no moratorium for communities that do not currently have an agency liquor store and are more than 35 miles away from a community with an agency store.

What days and hours can agencies be open? Agencies will normally operate 5 days a week (Tuesday through Saturday) at least 6 hours a day (but not between the hours of 2 a.m. and 8 a.m.). Agencies will be closed on state holidays. If agents in a community obtain agreement from 51% of the liquor licensees, they can be open on Mondays as well.

How will an agent's commission rate be established? Current agents will initially continue with the commission rates they now have except that the commission will be based on the posted retail price of liquor rather than the price after full case discounts are applied. New agencies that will be operated by former state store employees will have a commission rate that is initially the store's direct operating expense in FY94 divided by the store's gross sales in FY94, not to exceed 10% nor to be less than 10% for stores in communities with less than 3,000 inhabitants (see table below for new agency initial rates). Rates can be adjusted upward every 3 years if an agency's rate is lower than peer agencies or extraordinary expenses are demonstrated and adjusted downward at the 10-year contract renewal if the state can demonstrate that it is in the state's best interest to do so.

Anaconda	8.55%	Butte 116	8.75%	Kalispell 12	9.08%	Missoula 170	8.89%
Billings 3	8.18%	Glasgow	10.00%	Kalispell 195	9.80%	Missoula 171	5.76%
Billings 4	5.88%	Glendive	9.24%	Laurel	10.00%	Polson	10.00%
Billings 196	7.37%	Great Falls 139	10.00%	Lewistown	8.92%	Red Lodge	10.00%
Bozeman 9	7.74%	Great Falls 141	7.56%	Libby	10.00%	Whitefish	7.27%
Bozeman 193	8.26%	Havre	8.74%	Livingston	7.95%		
Butte 2	10.00%	Helena	7.42%	Miles City	8.25%		

How do agents get paid their commissions? The price of liquor purchased from the state warehouse will be reduced by the commission rate applicable to an agency. So when the agent sells a bottle of liquor at the state posted retail price, the agent earns the commission which is the difference between the agent's purchase price and the posted price. For example, an agent with a 10% commission will purchase a 12-bottle case of liquor that sells at a state posted retail price of \$10 per bottle for \$108 from the state warehouse; the sale of each bottle of liquor will produce a \$1 commission.

How do agents get compensated for full case discount sales? The method is similar to commissions. Each agency has an historical full case discount percentage based on its experience in FY94 (discounts divided by gross sales). This discount percentage is adjusted for the increased discount rate (from 5% to 8%). In addition to the reduction for commission rate, liquor purchased from the state warehouse will be reduced by the adjusted discount rate applicable to an agency. So when the agent sells a bottle of liquor at the state selling price, the agent earns both the commission and the value of discounts on average. For example, an agent with discounts of \$10,000 and gross sales of \$1.0 million in FY94 will have an historical average discount ratio of 1% which after adjusting for the increase in the discount rate becomes 1.6%. Using the example bottle of liquor that sells for a state price of \$10, an agent's purchase of a case would be reduced by \$1.92 to offset on average the discounts that the agent will allow licensees on full case purchases. So, if the agent makes full case sales to licensees in the same proportion that occurred in FY94, the cost of discounts will be a wash.

How will agents purchase the in-store inventory currently owned by the State? Inventory on hand the day before the store or agency converts to the new law will be purchased by the agent at the agent's warehouse purchase price (state posted retail price less commission rate less discount rate). The agent will have up to 16 equal monthly installments to pay for this initial inventory beginning 60 days after the state bills the agent. A security bond equal to a 12-month average monthly inventory will be required until the initial inventory is paid for. The agent will have time between the effective date of this legislation and the conversion date (no earlier than July 1, 1995) to bring the inventory in the store to a level that the agent wants to have for the initial purchase. If difficult-to-sell, state-owned items are currently in a state store or agency, the central office will arrange to return the items to the warehouse. Agents will purchase subsequent replenishment of inventory at the agent's warehouse purchase price and have up to 60 days to pay for those purchases.

What happens to state employees affected by this legislation? All employees who will be subject to reduction in force (RIF) due to this legislation (76.5 FTE) will be afforded the benefits any other RIFed employee will get. Separate legislation has been introduced to provide training expenses, relocation expenses, state job preference, and 6 months paid health insurance or up to 3 years of PERS retirement addition for those eligible. Liquor division RIF's who have worked half time or more between July 1, 1994 and January 6, 1995 will also be paid a bonus if they continue their jobs until the conversion is completed. The bonus is 26.8% of an employees annual wage. State employees who work in a store and have worked as a store employee half time or more between July 1, 1994 and January 6, 1995 will have first right of refusal to become the new agent. If more than one store employee applies for the same store (i.e. each has a first right of refusal standing), the agent will be selected through a competitive process between the applicants. If there's more than one state store in a community and no store employee takes up the offer, employees from other stores in the community who have worked as a store employee half time or more will get the opportunity to be the agent. Competitive selection will also be used for this set of applicants if there are multiple applicants with this standing. Those who take up the first right of refusal get up to a year and a half to pay for the initial purchase of inventory.

EXHIBIT 2
DATE 3-2-95
HB 574

March 2, 1995

TESTIMONY BEFORE THE HOUSE BUSINESS AND LABOR COMMITTEE ON
HOUSE BILL 574

Mr. Chairman and Members of the Committee:

For the record I am Dave Brown, 3040 Ottawa, Butte, MT, here today representing the Restaurant and Lounge Coalition. The Coalition I represent has no strong feelings either way about House Bill 574. I stand as a proponent because without this legislation we cannot offer this session an amendment about which I am here to visit with you and ask your consideration.

As with all business in Montana, the restaurant and lounge industry is dependent on decisions of state government. Timeliness in government decision making plays a significant role in the success or failure of business, whether it be coal or hard rock mining, water quality or health matters, agriculture, or any other aspect of the mix of business and regulatory compliance.

Currently, the Department of Revenue is bound by only one time constraint in making decisions on granting or denying new liquor licenses or transfer of existing ones. That single statutory requirement relates to the 30 days allowed to do an investigation into the backgrounds of applicants for a new license or transfer of an existing license. We would propose to you an amendment to this bill that would set very reasonable time limits for the Department of Revenue to respond to an applicant for a liquor license. I have checked with the Legislative Council staff as to the germaneness of this amendment

and find that it fits within the title and scope of House Bill 574.

Presently, other than the 30 days allowed for investigation of an applicant, the Department is bound by no restrictions on the amount of time it might take to consider approval or denial of a new license or transfer of an old license. I have passed out an amendment that Representative Pavlovich has consented to carry in the Committee deliberations on HB-574 that would set some mutual parameters between the Department and an applicant as the process evolves. I see no difference in this approach from similar time periods for government response that the legislature has in the past set for the Montana Major Facility Siting Act or Health Department review relating to environmental degradation or review of hardrock mining permits or other controls to prevent undue government delay.

Let me explain the process:

1. A new applicant for a liquor license or someone wishing to transfer a license files a formal request with the Department of Revenue. This begins the current statutory 30 days for background investigation. After this 30 day period, if the Department finds no basis for denial of the license, under 16-4-207 the Department must publish in a newspaper of general circulation in the city, town or county from which the application comes a notice that the applicant has made application for retail license and requests those that object to let the Department know in writing of this opposition. On a new license this requires four publications on consecutive weeks; on a transfer request this occurs on each of two consecutive

- weeks. Protest must be filed within 10 days after the final notice is published.
2. Under present law if no written protests are received, the department may issue or transfer the license without holding a public hearing. Under the proposed amendment on page two, the issuance or transfer of a license must be completed within 30 days of the last publication of public notice.
 3. If there are protests, then the amendment directs the department, unless a later date is set by agreement between the applicant and the department, to hold a public hearing within 30 days of the last date of publication.
 4. The process works as follows from this point after a public hearing held because of protests to the license transfer or issuance of a new license: a hearing examiner recommends a proposed decision for granting or denying the license request. Either way, proponents of both sides are allowed a time period for written exceptions to the hearing examiners proposed decision and/or a request for oral arguments before the Director who must make the final decision. There are no time constraints for any of this process and the applicant cannot go to district court to seek a review of a denial decision until the process is complete.
 5. The amendments in the new sub (4) at the bottom of page 2 require that the hearing examiner reach a proposed decision within 60 days. Within 45 days of the expiration of the

time period for written exceptions or, if there are oral arguments, within 45 days after oral arguments are held, the department shall grant or deny a license application.

6. If the applicant believes he/she has been mistreated in the process, at this point they can seek redress in district court.

These amendments set up a very reasonable and to some extent, still too loose a departmental review. But at least there are some constraints placed on the department for timely review of license applications. I have many complaints in my coalition about the lack of timeliness of departmental review of a license application. These amendments were designed in an attempt to be fair to the department and the applicant and I believe they achieve that balance. If in the future, stricter guidelines are necessary, we will come back to the legislature and ask your consideration.

Government must be responsive to private sector investment and capital outlay. This does not mean they should roll over and play dead to the process of licensing requirements. They should, however, be held accountable for failure to respond in a timely and prudent manner. That is all these amendments ask and require. I hope you will see fit to add them to House Bill 574.

Your time and consideration of this matter are much appreciated.

Amendments to House Bill No. 574
First Reading Copy

Requested by Rep. Pavlovich
For the Committee on Business

Prepared by Lee Heiman
February 28, 1995

1. Title, line 20.

Following: "AGREE;"

Insert: "PROVIDING TIME LIMITS RELATING TO GRANTING OR DENYING A
LICENSE;"

2. Title, line 23.

Following: "16-4-105,"

Insert: "16-4-207,"

Following: "16-4-401,"

Insert: "16-4-405,"

3. Page 28, line 3.

Insert: "Section 36. Section 16-4-207, MCA, is amended to read:

"16-4-207. Notice of application -- investigation --
publication -- protest. (1) When an application has been filed
with the department for a license to sell alcoholic beverages at
retail or to transfer a retail license, the department shall
review the application for completeness and to determine whether
the applicant or the premises to be licensed meets criteria
provided by law. The department shall request that the department
of justice investigate the application as provided in 16-4-402.
If after the investigation the department does not discover a
basis to deny the application, the department shall promptly
publish in a newspaper of general circulation in the city, town,
or county from which the application comes a notice that the
applicant has made application for a retail license and that
protests against the issuance of a license to the applicant by a
person who has extended credit to the transferor or residents of
the county from which the application comes or adjoining Montana
counties may be mailed to a named administrator in the department
of revenue within 10 days after the final notice is published.
Notice of application for a new license must be published once a
week for 4 consecutive weeks. Notice of application for transfer
of a license must be published once a week for 2 consecutive
weeks. Notice may be substantially in the following form:

NOTICE OF APPLICATION FOR RETAIL ALL-BEVERAGES LICENSE

Notice is given that on the day of, 19..., one
(name of applicant) filed an application for a retail
all-beverages license with the Montana department of revenue, to
be used at (describe location of premises where beverages are to
be sold). A person who has extended credit to the transferor and
residents of counties may protest against the issuance of
the license. Protests may be mailed to, department of
revenue, Helena, Montana, on or before the day of,
19....

Dated

Signed

ADMINISTRATOR

(2) Each applicant shall, at the time of filing an application, pay to the department an amount sufficient to cover the costs of publishing the notice.

(3) If the administrator receives no written protests, the department may issue or transfer the license without holding a public hearing. If the issuance or transfer of a license is made without holding a public hearing, the issuance or transfer must be completed within 30 days of the last date of publication under subsection (1). If written protests by a person who has extended credit to the transferor or residents of the county from which the application comes or adjoining Montana counties against the issuance or transfer of the license are received, the department shall hold a public hearing. Unless a later date is set by agreement between the applicant and the department, the public hearing must be held within 30 days of the last date of publication under subsection (1)."

Renumber: subsequent sections

4. Page 31, line 5.

Insert: "Section 38. Section 16-4-405, MCA, is amended to read:

"16-4-405. Denial of license -- timeliness. (1) The department may deny the issuance of a retail alcoholic beverages license if it determines that the premises proposed for licensing are off regular police beats and cannot be properly policed by local authorities.

(2) A retail license may not be issued by the department for a premises situated within a zone of a city or town where the sale of alcoholic beverages is prohibited by ordinance, a certified copy of which has been filed with the department.

(3) A license under this code may not be issued if the department finds from the evidence at the hearing held pursuant to 16-4-207(3) that:

(a) the welfare of the people residing in the vicinity of the premises for which the license is desired will be adversely and seriously affected;

(b) there is not a public convenience and necessity justification;

(c) the applicant or the premises proposed for licensing fail to meet the eligibility or suitability criteria established by this code; or

(d) the purposes of this code will not be carried out by the issuance of the license.

(4) The hearings examiner shall issue a proposed decision to grant or deny a license within 60 days after holding a public hearing under 16-4-207. Within 45 days of the expiration of the time period for written exceptions or, if there are oral arguments, within 45 days after oral arguments are held before the department, the department shall either grant or deny a license application."

Renumber: subsequent sections



Montana State AFL-CIO

EXHIBIT 4
DATE 3-2-95
HB 574

Donald R. Judge
Executive Secretary

110 West 13th Street, P.O. Box 1176, Helena, Montana 59624

406-442-1708

TESTIMONY OF DON JUDGE IN OPPOSITION TO HOUSE BILL 574 BEFORE THE HOUSE BUSINESS AND LABOR COMMITTEE MARCH 2, 1995.

Mr Chairman, members of the committee, for the record my name is Don Judge and I'm appearing here today in behalf of the Montana State AFL-CIO in opposition to House Bill 574, the so-called "privatization of state liquor stores" bill.

Let me say at the outset that we are not appearing here today to oppose the specific provisions contained in House Bill 574, but that our opposition is based, instead, on the very concept and potential results of privatizing the state's retail liquor store system.

Please allow me to explain. Although organized labor remains opposed to privatization of the state's liquor store system, we will admit that our organization and the unions which represent the state's liquor store employees were involved in the development of HB 574. In fact, I'd like to express our appreciation to the bill's sponsor, Rep. Rehbein, House Majority Leader, Rep. Grinde, and representatives of the Department of Revenue for their willingness to encourage the involvement and incorporate the concerns of these workers in the development of this legislation. From our perspective, House Bill 574 represents a much better and well thought out method for privatizing the state's retail liquor system than any previously-considered legislation.

Having said that, I would now like to address the reasons why we remain opposed to this privatization.

(1) Although HB 574 would secure the right of first refusal for current employees to purchase the state stores; provides a bonus for those employees who continue working until each store is privatized; and establishes a limitation on competition for a grace period of time, not all employees will be in a position to take advantage of these provisions. There will be employees who will lose their jobs, suffer possible loss of retirement and suffer economic dislocation as a result of privatization. Whenever that happens, collateral impacts can include family breakups, increased health problems and greater reliance on public assistance.

(2) Privatization of the state's retail liquor stores, we believe, will not result in any increased revenue to the state. In fact, we believe it may well result in reduced revenue as these newly-created private ventures will likely form a potentially powerful special interest group, engaging in political and legislative activities in order to enhance their profit margins at the expense of state revenues. The current structure inhibits the creation of such a special interest group.

(3) HB 574 limits and caps the percentage of profits which may be made by the newly-privatized stores, as well as current agency stores. This restriction, combined with the state's setting of liquor pricing and monopoly ownership of the liquor warehouse really means that this so-called privatization is not really transferring ownership to actual "private sector" businesses. Consider the dilemma that it puts these new "private sector" owners in. In order to enhance their profits, they must do one of two things. They must (1) increase the volume of their liquor sales or, said another way, increase the amount of liquor that is

consumed in Montana; or, (2) make these stores more than liquor stores by selling, or leasing, everything but restaurant food.

We believe that both options could result in circumstances which are detrimental to one of the most important aspects of having a state monopoly in the first place: to regulate the consumption and distribution of alcohol in Montana. The attached "comparison of selected alcohol-related data of control states and open states" points to the resulting negative impacts of increased alcohol consumption.

(4) On the opposite side of the spectrum is the potential for reducing the variety and availability of exotic spirits to the consuming public. Currently, the state maintains a fairly large variety of alcoholic beverages in its inventory in order to satisfy the desires of its customers. With HB 574, this variety and availability will "necessarily" be limited. In order to make the "sale" of the inventory to the new owners affordable and to enhance the possibility of these stores "making it", HB 574 provides for a reduction in current store inventories. This reduction is reflected in both volume and variety. For the discriminating customer, this may well mean that their favorite beverage will no longer be readily available.

Mr. Chairman, members of the committee, there are other reasons why we believe that privatization of the state's retail liquor store system is not a good idea, but I'll try to sum up our opposition with just a few additional comments.

House Bill 574, for all the hard work of its sponsor and those individuals participating in its development, does not represent true privatization of the system. It is, rather, simply a shifting of the cost of purchasing the ongoing inventory from the state to a rigidly controlled licensee structure. Price fixing, store location, parameters on inventory selection and profit levels will still be regulated or established by the state.

Privatization will not result in enhancing profits or taxes accruing to the state and may, in fact, result in the creation of a powerful, special interest lobby which could eventually cost the state money, raise the prices for the consumer and create greater impetus for more consumption in Montana.

The pressure by large retail grocery outlets to expand the licensees and allow grocery stores to sell liquor will grow and, like other "privatized" states, liquor will eventually become more accessible and less controllable in such circumstances.

Many employees, although granted better rights and protections in HB 574 than any other previously considered privatization bill, would still suffer.

We believe that the quest for privatization is driven by public sentiment which, in turn, was influenced by incomplete and inaccurate data. Before proceeding, we would encourage you to ask simple questions, not often mentioned by privatization advocates. Would this proposal result in true, full privatization of the state's liquor system? Will the state actually acquire \$5 million in one time revenue, if not, how much? Is there a compelling control issue, or financial reason to privatize the state liquor system? Do you expect that, once partially privatized, special interest pressure will mount for more full privatization and freedom to set prices, influence tax rates and adjust inventories? Will this proposal result in better consumer services or enhance product selection? Does this proposal result in an elimination of the case lot discount for individual citizens, and subsequently, higher prices for such purchases?

Mr. Chairman, members of the committee, we encourage you to ask these and other questions. For the reasons stated above we would encourage you to reject HB 574. Thank you.

COMPARISON OF SELECTED ALCOHOL-RELATED DATA OF CONTROL STATES AND OPEN STATES

	CONTROL STATES (Average)	OPEN STATES (Average)	OPEN STATES HIGHER BY
Motor vehicle fatalities, 1992 (Open states have 32.98% MORE motor vehicle fatalities than control states.)	634.00	843.12	33%
Violent crime rate per 100,000 population, 1992 (Open states have 85.75% MORE violent crimes than control states.)	390.30	724.97	86%
Alcohol-related motor vehicle fatalities, 1992 (Open states have 48.91% MORE alcohol-related motor vehicle fatalities than control states.)	263.61	392.55	49%
Alcohol-related mortality per 100,000 population, 1986-1990 (Open states have 4.57% MORE alcohol-related mortalities than control states.)	42.93	44.89	5%
Alcohol-related mortality due to cirrhosis per 100,000 population, 1991 (Open states have 13.45% MORE alcohol-related cirrhosis mortalities than control states.)	9.09	10.31	13%
Homicide per 100,000 population, 1992 (Open states have 74.96% MORE homicides than control states.)	5.63	9.85	75%

Sources:

Total Auto Deaths

U.S. Dept of Transportation
Traffic Safety Facts 1992, pp 154-155

Violent Crime

U. S. Federal Bureau of Investigation,
Crime in the United States, annual

Alcohol-Related Auto Deaths

U.S. Dept of Transportation
Traffic Safety Facts 1992, pp 154-155

Alcohol-related Mortalities

U. S. Dept of Health and Human Services
U.S. Alcohol Epidemiologic Data Manual, 4th ed. Vol 3, Tale 1, pp332

Alcohol-related Cirrhosis deaths

Statistical Abstract of the United States
114th Ed, 1994, Table 129

Homicide

U. S. Federal Bureau of Investigation,
Crime in the United States, annual

NAME Marc Asbury
ADDRESS Rte 62 Box 3238A, Livingston MT
HOME PHONE 222-6098 WORK PHONE 222-0202
REPRESENTING EMA Corp. Agency #117
APPEARING ON WHICH PROPOSAL? 574
DO YOU: SUPPORT OPPOSE X AMEND ~~8~~

COMMENTS:

Support the proposal but would amend to
increase the commission + the length of
time to buy out the initial inventory. The
State is saving money by this bill. None of
the savings are being passed on to the retail
outlets to promote growth, cover the cost
of money, provide any return on investment,
or make an agency a desirable business to operate.
Increase the commissions to 18%, eliminate
case discounts to the agency. Increase buyout
of inventory to 3 yrs. with full bonding for
this period. This is not privatization, this is merely
a shifting of the inventory liability.

WITNESS STATEMENT

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

Shelby Liquor Store #29

Testimony

House Bill No. 574

Section 16-2-101 (4) (a)

The 10% commission is not sufficient to operate an Agency store, being required to own the inventory and additional expenses associated with inventory ownership.

Added expenditures:

1. Additional inventory insurance
 - a) quoted at \$25.00 per thousand would amount to an added expense of approx. \$1,000 per year on a \$40,000 inventory
 - b) breakage & leakage would become the agent's responsibility

I feel in order to own the inventory, the % of commission would need to be set at 15% (See Shelby Liquor Store #29 Projected Sales and Projected Cost of Liquor Summary)

Section 23 16-2-106

The delivery of liquor from Agency Stores needs to be struck from this bill, and agencies need to continue to operate as present. If it is to remain in the bill the % of commission needs to be adjusted to cover additional costs of delivery.

If deliveries are allowed, the possibility exists for truck deliveries all across the state. Consequently, delivery areas need to be well defined to not exceed the boundaries of the service area designated for each Agency Store.

Section 26 16-2-201

I strongly feel licensees are in need of additional discount for quantity purchases but it must be set up so that the savings passed on to the licensees is not at the Agent's expense. As written, an Agent could end up selling a large amount of his inventory at 2% commission.

A method of paying the Agents must be adjusted to cover additional sales anticipated by this further reduction in price. (See Shelby Liquor Store #29 Documentation of Actual Sales and Projected Sales)

Testimony
Shelby Liquor Store #29
Page 2

Other Significant Issues/Concerns to be Redefined/Clarified in HB574

- (1) Moratorium only until July 1, 1999 and no moratorium in communities with no liquor store more than 35 miles away from a community with an agency store
- (2) Repacks: More repacks (mixed case shipments) must be available to small and mid-size stores to assure availability of slow moving items
- (3) Bad check from licensees: The State licenses the licensees and presently absorbs all insufficient funds checks received from licensees. This has the potential of being an on-going problem with the high turnover of Liquor Licenses
- (4) Declining consumption of liquor: Liquor consumption is steadily declining and revenues are historically shrinking every year, while operational expenses are increasing. Consequently, margins of profit will significantly continue to diminish when the price of the product is controlled and the agents are locked into a restrictive profit margin based on a fixed percentage

EXHIBIT 6
DATE 3-2-95
HB 574

Shelby Liquor Store #29

Projected Revenues and Projected Cost of Liquor
(Including Initial Inventory Payment)
07/01/95 thru 12/31/96

Initial Inventory at \$40,000 x 90% to allow for 10% Commission

Projected Sales

Projected Payments
\$36,000/\$2250 per payment
x 16 payments

July '95	\$ 30,000
Aug '95	20,000
Sept '95	22,000
Oct '95	21,000
Nov '95	24,000
Dec '95	38,000
Jan '96	18,000
Feb '96	18,000
Mar '96	21,000
Apr '96	20,000
May '96	22,000
June '96	21,000
July '96	30,000
Aug '96	20,000
Sept '96	22,000
Oct '96	21,000
Nov '96	24,000
Dec '96	38,000

	-0-
Shipm't for	-0-
July '95	\$ 33,750
Aug '95	26,650
Sept '95	21,150
Oct '95	29,250
Nov '95	21,150
Dec '95	29,250
Jan '96	21,150
Feb '96	15,750
Mar '96	19,350
Apr '96	26,550
May '96	16,650
June '96	31,950
July '96	33,750
Aug '96	26,650
Sept '96	21,150
Oct '96	29,250

\$431,000
(Projected Sales
over 18 month period)

\$403,400
(Payments thru Dec. '96)

\$27,600 gross to pay for
operational costs ÷ 18 months
= \$1533.33

[2 months shipments still outstanding: (Nov. & Dec.) \$45,900]

Shelby Liquor Store #29

Documentation of Actual Case Lot Sales

January thru December 1994

January	35
February	43
March	48
April	39
May	45
June	37
July	61
August	42
September	46
October	35
November	63
December	68

TOTAL (1994)	562 Cases
--------------	-----------

562 cases represents approximately 20% of the total bottle sales in the Shelby Liquor Store, for an average case lot sale of 5620 bottles. If the demand increases by 10% from 20% to 30% case lot orders, 8430 bottles would be sold at an 8% discount July 1995 thru June 1996. This would result in a loss of \$2248 in case lot sales revenues to the store during the first year of operation.

TESTIMONY
FOR
HOUSE BILL 574

LIQUOR PRIVATIZATION

Mr. Chairman, members of the committee, for the record my name is George Hagerman, Executive Director of Council No. 9 of the American Federation of State, County and Municipal Employees, AFL-CIO.

AFSCME does not represent any of the workers who will be affected by this privatization bill, however, we did once represent liquor warehouse workers.

Mr. Chairman, AFSCME is against the kind of wholesale privatization of public jobs that this bill represents. We do not believe that such legislation promotes or protects the public interest, saves the public any money or in any way benefits the public we're supposed to be serving.

It has been stated time and time again -- and it is a fact -- that liquor division employees have made money for the state, both in the liquor stores and the liquor warehouse. Despite this fact, jobs will be privatized by this bill under the guise of saving the public money and improving services to the public.

Both those arguments do not hold up, just as they generally are when offered in other privatization discussions.

Public employees provide good services at reasonable cost with strong dedication and commitment to the public. Wholesale privatization of their jobs under the guise of savings ^{is what} ~~that we~~ objected to and will continue to object to in future, regardless of whether it directly affects our members.

Thank you. We respectfully request that you vote no on House Bill 574.

To Whom it may concern:
My name is Joe Gough. I have worked at Missoula State Liquor Store 171 for 16 years. Once again I find myself in fear of losing my job. House Bill 574. I am told that this bill is going through and there is nothing anyone can do about it.

My severance pay which used to be one week pay for every year worked, is now limited to two weeks max. 2 weeks pay for 16 years service. Next, the bonus if you stay on until the store sells. Nice bonus it almost makes up for the severance pay, except you only get it if nobody takes over your store by July 1st. So you can't count on that money to pay bills & live on. And now, take over my store? Not at 5.76 % commission rate. Buy a 400,000 inventory not when you can put money in the bank and get 8% and not have to work. The public will lose 1/2 selection. there is no way anyone could carry the selection we do. Liquor sales will drop, people will buy out of state. Since there will be no discount for case sales for the general public which we sell alot of case lots to the public.

Thankyou for reading this
Joseph Gough

EXHIBIT 9
DATE 3-2-95
HB 574

Dear Sirs,

My name is Sandra Lee and I manage Loquor Store #171 in Missoula. I'm writing concerning the Privatization Bill. I have a few concerns.

First, the Section that states that any store manager that takes over will be responsible for any shortages. Most retail businesses plan for a shortage from 2% to 5% depending on the size and products. The State is running these stores up until the time they sell them, taking all the profits and should absorb the shortages too, just as we will be responsible from the time we take over. As this does not apply to any clerk or private person taking over, it seems to discriminate and discourage managers from doing so.

Second, the section that states that the State shall have the right to decide if a store will carry a product, taken complaint by complaint. The State controls the wholesale price, the retail price, and the agents profit. That leaves little for the agent to do in order to run a profitable store other than inventory control and overhead. If the payment turn around is 60 days, the agent should be able to not carry any item that doesn't sell in 2 months.

Third, the section that states that agents will be able to buy product at sale price and gain a profit from that which doesn't sell that month. The way it reads you will get the product for the sale price the month it is on sale. With getting shipment only every two weeks, a store might not get a shipment until 13 days into the sale. Thus having to sell at a sale price product bought at a regular price. There would be three solutions to this. One, have deliveries every week. Two, have a window of six weeks, two weeks before the sale and the month during, in which the agent could buy product at sale price. Or three, have the agent buy the sale product

the month before it goes on sale. I prefer the last.

Fourth, the section that states that the State shall have the authority over the size and location of the store. I realize the state is still bound by current contracts, but when those contracts are up it should be up to the agent. He has first hand knowledge of his business and is not going to move to a location that is detrimental to it. He can't do worse than a few of the locations picked in Great Falls, Billings, and Missoula.

Thank you for reading this and I hope these things will be addressed in this legislation.

Sincerely,

Harry Crane store #170
Sandra Lee Mgt. #17,
for Joseph Crane
Mr. R. B. Crane - Mgt. #170

My name is Gary Crane, I am employed at State Sign Store #170, and have been in or around the system since 1973. Bills to "privatize" the system have been bandied about nearly every legislative session since that time. None of them would have actually accomplished that end, and this latest proposal wouldn't, either, since the warehouse would still supply merchandise.

If you analyze operations, the warehouse is the weakest link, dictating prices, quantities and availability.

I suggest that if a bill must be processed, that more consideration be afforded present employees and that in the meantime, instead of looking for this \$4 million "windfall" from the sale of present store stock, that all stores go into a bailment or consignment mode of operation. This should, over time, accomplish the same liquidation.

Gary Crane
#S #170

Stillwater Mining Company Statement on Senate Bill 201

House Business and Labor Committee-
Thursday March 2, 1995

Mr. Chairman, Members of the Committee:

My name is Ward Shanahan. I am a lawyer from Helena. I've represented Stillwater Mining Company as a lawyer and a lobbyist for more than 13 years. Stillwater Mining Company requested Senator Burnett to sponsor Senate Bill 201.

Let me first give you some background on Stillwater Mining Company. Stillwater Mining is the successor to two partnerships owned by Chevron USA Inc. and Manville Mining Company. These partnerships began their interest in Montana in 1981 following exploration activities by Manville Mining to outline what is now known as the "Stillwater Complex". The company's principal office is located at HC 54, Box 365, Nye, Montana 59061, Telephone: 406-328-8500.

The Stillwater Complex is the only significant source of platinum, palladium and their associated metals of the platinum group (known as PGMs) outside the Republic of South Africa. It is located in the Beartooth Mountains in southern Montana. Stillwater Mining Company is now a publicly traded company engaged in the exploration, development and mining of this deposit. Mining is located primarily at Nye, Montana, south of Columbus at this time although the company is proceeding with plans to open a second mine south of Big Timber in what is known as "The East Boulder".

Stillwater Mining Company also operates a small electric smelter for the primary recovery of metals from concentrates. This smelter will be expanded as the East Boulder Mine comes on line. The company is also planning to construct a Precious Metals Refinery in the near future so that all of its operation will be located in Montana.

Senate Bill 201--We are here today to talk to you about Senate Bill 201 which deals with Post-Accident Drug Testing as a condition for continued employment. This is an important issue for the company and Mr. Chris Allen will explain the reasons for this in some detail. But first, I would like to tell you about the bill.

Drug Testing of employees in a country like ours, is a complicated problem. This is because it not only involves the company's concern for work place safety, a decent social and work environment for its employees, lost time accidents, and work

disruption and loss of efficiency and earnings, but it also involves the personal privacy rights, the civil rights of the employees. These must be personally and legally respected and safety methods must be designed with these considerations in mind.

The present Montana law on drug testing is contained in Title 39, Labor, Chapter 2, The employment Relationship, Part 3, General Prohibitions on Employers. The specific section of the law we are attempting to amend here is 39-2-304, the title of which is "Lie Detector test prohibited-regulation of blood and urine testing" A copy is attached to this statement for your examination.

Senate Bill 201 will amend that section by clarifying the exceptions to the prohibition on blood and urine testing, and adding a new exception for cases in which "an employee has been involved in a work-related accident that causes death or personal injury or property damage."

At present 39-2-304, MCA authorizes only limited forms of pre-employment and "suspicion" testing. Periodic testing (annual physical or random) is not permitted. In 1991 the law was changed to require the testing procedures set forth in federal regulation under 49 CFR Part 40.

You will also notice that the law provides that an employer cannot take "adverse action" against an employee if that person presents a "reasonable explanation" or medical opinion indicating that the test results were not caused by alcohol or illegal drug use. Thus, the law contains many safeguards for the employee's rights.

The problem we need to have solved by SB 201 is the inadequacy of options available to the employer to identify and reduce drug use. This will help eliminate a real and present work place danger to fellow employees. It will allow the company to adopt measures to prevent the recurrence of serious accidents. That is what this bill is all about.

Congress, as well as you the legislature have regulated the Stillwater Mining Company by the Federal Mine Safety and Health Act of 1977 which, by definition, makes Stillwater Mining an employer whose work presents hazards which require special training and safety precautions. There are many other labor laws that place a duty on the employer to provide a safe place to work. That's what we're trying to do with SB 201. However the Senate made some amendments which made this job a little more difficult. We would like them restored in part and I have a prepared amendment to do that.

The mere happening of an accident that causes death or personal injury should be sufficient cause to allow an employer to require "drug testing" as a condition for continued employment following a serious accident. We don't agree with the Senate amendment that inserted "direct and proximate" cause as a

EXHIBIT 11
DATE 3-2-95
SB 201

requirement to do these tests. Our supervisors aren't lawyers they're miners. To require a legal determination of "direct cause" defeats the whole purpose of the bill. The resulting argument over who is to blame exposes the employer to unnecessary liability. It impedes the identification of a real threat to the safety of fellow employees and to the employer's work place and property. The company is in a hazardous business it needs a proper tool to control the drug hazard. You have directed them to do this, please let them do it!

We sincerely request your concurrence in these amendments and that as amended you'll give the bill a "DO PASS" recommendation.

Ward A. Shanahan
Attorney/Lobbyist
Stillwater Mining Company

PROPOSED AMENDMENTS TO SB 201

Introduced by Burnett and others

Amend the Third Reading copy of Senate Bill 201 as follows:

Page 1 Lines 5 and 6, in the Title of the Bill

Strike: "EMPLOYEES ACTS OR FAILURE TO ACT IS THE DIRECT OR
PROXIMATE CAUSE"

Insert: "EMPLOYEE HAS BEEN INVOLVED IN"

Page 1 Line 7, in the Title of the Bill

Strike: \$2,500

Insert: \$1,000

Page 1 Lines 28 and 29

Strike: "EMPLOYEES ACTS OR FAILURE TO ACT IS THE DIRECT OR
PROXIMATE CAUSE OF"

Insert: "employee has been involved in"

Page 1 Line 30

Strike: "\$2,500"

Insert: "\$1,000"

And as amended DO PASS

Ward A. Shanahan
Stillwater Mining Company
33 South Last Chance Gulch
P.O. Box 1715
Helena, Montana 59624
Tel: 406-442-8560

(4) Any employer violating the provisions of this section shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine in any sum not exceeding \$100 for each such offense.

History: En. Secs. 1, 2, 3, 4, Ch. 47, L. 1963; R.C.M. 1947, 41-113, 41-114, 41-115, 41-116.

Cross-References
"Employment" defined, 39-2-101.
"Misdemeanor" defined, 45-2-101.

Classification of offenses, 45-1-201.

39-2-302. Discharge or layoff of employee because of attachment or garnishment prohibited. No employer shall discharge or lay off an employee because of attachment or garnishment served on the employer against the wages of the employee.

History: En. Sec. 1, Ch. 245, L. 1969; R.C.M. 1947, 41-305.1.

Cross-References
Partial exemption of wages from execution, 25-13-614.

39-2-303. Deception as to character of employment, conditions of work, or existence of labor dispute prohibited. (1) No one doing business in this state shall induce, influence, persuade, or engage workmen to change from one place to another in this state through or by means of deception, misrepresentation, or false advertising concerning the kind or character of the work, the sanitary or other conditions of employment, or as to the existence of a strike or other trouble pending between the employer and the employees at the time of or immediately prior to such engagement. Failure to state in any advertisement, proposal, or contract for the employment of workmen that there is a strike, lockout, or other labor trouble at the place of the proposed employment when in fact such strike, lockout, or other trouble then actually exists at such place shall be deemed a false advertisement and misrepresentation for the purpose of this section.

(2) Any workman influenced, induced, persuaded, or engaged through or by means of any of the things prohibited by subsection (1) of this section has a right of action for recovery of all damages that he had sustained in consequence of the deception, misrepresentation, or false advertising used to induce him to change his place of employment against anyone directly or indirectly procuring such change, and in addition thereto, he shall recover reasonable attorneys' fees to be fixed by the court and taxed as costs in any judgment recovered.

History: En. 41-118 by Sec. 2, Ch. 513, L. 1973; R.C.M. 1947, 41-118.

Cross-References
Attorneys' fees, Title 25, ch. 10, part 3.
"Employment" defined, 39-2-101.

39-2-304. Lie detector tests prohibited — regulation of blood and urine testing. (1) A person, firm, corporation, or other business entity or representative thereof may not require:

- (a) as a condition for employment or continuance of employment, any person to take a polygraph test or any form of a mechanical lie detector test;
- (b) as a condition for employment, any person to submit to a blood or urine test, except for employment in:

- (i) hazardous work environments;
- (ii) jobs the primary responsibility of which is security, public safety, or

(iii) jobs involving the intrastate commercial transportation of persons or commodities by a commercial motor carrier or an employee subject to driver qualification requirements; and

(c) as a condition for continuance of employment, any employee to submit to a blood or urine test unless the employer has reason to believe that the employee's faculties are impaired on the job as a result of alcohol consumption or illegal drug use, except that drug testing may be conducted at an employee's regular biennial physical for employment in jobs involving the intrastate commercial motor carrier transportation of persons or commodities.

(2) Prior to the administration of a drug or alcohol test, the person, firm, corporation, or other business entity or its representative shall adopt the written testing procedure that is provided in 49 CFR, part 40, and make it available to all persons subject to testing.

(3) The person, firm, corporation, or other business entity or its representative shall provide a copy of drug or alcohol test results to the person tested and provide him the opportunity, at the expense of the person requiring the test, to obtain a confirmatory test of the blood or urine by an independent laboratory selected by the person tested. The person tested must be given the opportunity to rebut or explain the results of either test or both tests.

(4) Adverse action may not be taken against a person tested under subsections (1)(b), (1)(c), (2), and (3) if the person tested presents a reasonable explanation or medical opinion indicating that the results of the test were not caused by alcohol consumption or illegal drug use.

(5) A person who violates this section is guilty of a misdemeanor.

(6) As used in this section:

(a) "commercial motor carrier" has the meaning provided in 69-12-101 and

(b) "intrastate" means commerce or trade that is begun, carried on, and completed wholly in this state.

History: En. Secs. 1, 2, Ch. 46, L. 1974; R.C.M. 1947, 41-119, 41-120; amd. Sec. 1, Ch. 482, L. 1987; amd. Sec. 1, Ch. 477, L. 1991.

Cross-References
Right to equal protection of the laws, Art. II, sec. 4, Mont. Const.
Licensing and regulation of polygraph examiners, Title 37, ch. 62.
"Employment" defined, 39-2-101.
Classification of offenses, 45-1-201.
"Misdemeanor" defined, 45-2-101.
Penalty for misdemeanor, 46-18-212.

39-2-305. Employment of aliens not lawfully authorized to accept employment prohibited. (1) No employer may knowingly employ an alien who is not lawfully authorized to accept employment.

(2) A person convicted of violating this section shall be fined no more than \$300.

(3) The department of labor and industry or a person harmed by violation of this section may sue to enjoin an employer from violating this section and to gain other appropriate relief.

History: En. 41-121 by Sec. 1, Ch. 56, L. 1977; R.C.M. 1947, 41-121.

Cross-References
Injunctions, Title 27, ch. 19.
"Employment" defined, 39-2-101.
Classification of offenses, 45-1-201.
"Misdemeanor" defined, 45-2-101.

DATE 3-2-95NB SB 201**TIC** The
Industrial Company
Wyoming, Inc.

STILLWATER MINING EXHIBIT SNEATE BILL 201

2-2-95

January 29, 1995

Stillwater Mining Company
HC 54, Box 365
Nye, MT 59061

Attention: Chris Allen

Subject: Drug & Alcohol Testing Information

Dear Mr. Allen:

TIC is committed to keeping our entire workplace drug free. We attribute much of our outstanding safety record to drug and alcohol education and testing. Pre-employment, random, post-accident, and reasonable cause testing are very effective ways of keeping the workplace clean and safe. Random testing combined with an education program helps maintain a drug free environment. Employees know if caught, termination is immediate.

As you requested, TIC has put together D&A statistics concerning random and post-accident testing. It is our hope that this information will be helpful to you.

1991	451 Random, Post-Accident, Pre-employment	8% positive
1992	162 Random	4% positive
	36 Post-Accident	19% positive
1993	250 Random	10% positive
	28 Post-Accident	11% positive
1994	229 Random	6% positive
	37 Post-Accident	16% positive

EXHIBIT _____

DATE _____

HB _____

STILLWATER MINING

EXHIBIT

SENATE BILL 201

2-2-95

TIC WYOMING, INC.

LOST TIME ACCIDENT AND SEVERITY RATES

Lost Time Accident Rate		Severity Rate	
TIC	National Average	TIC	National Average
1991	4.78	65.16	160.1
1992	1.85	20.11	144.6
1993	0	0	147.1
1994	0	0	n/a
1994 National averages have not been calculated.			

Possibly due to:

IMPAIRMENT INDICATORS FOR SUPERVISORS	ALCOHOL	DRUGS	MEDICAL CONDITION
* Flushed face, neck, and/or head	x	x	x
* Dilated pupils	-	x	x
* Constricted pupils	-	x	x
* Redness and irritation around nasal area	-	x	x
* Uncoordinated gait	x	x	x
* Thick, slurred speech	x	x	x
* Poor motor coordination	x	x	x
* Glassy eyed	x	x	x
* Sleepiness and drowsiness	x	x	x
* Jerky movement of eyes	x	x	x
* Redness or red eyes	x	x	x
* Amnesia	x	x	x
* Tremor of fingers and hands	x	x	x
* Disorientation or confusion	x	x	x
* Blank stare appearance	-	x	x
* Odor of glue, solvent, or paint on clothes	-	x	-
* Unusual body posture	-	x	x
* Odor of alcohol or fruity odor on breath, or clothes	x	-	x
* Muscle rigidity	x	x	x
* Difficulty with speech	x	x	x
* Hearing and/or seeing things	x	x	x
* Poor perception of time and distance	x	x	x

Possibly due to:

IMPAIRMENT INDICATORS FOR SUPERVISORS (CONT.)	ALCOHOL	DRUGS	MEDICAL CONDITION
* Extremely nervous	x	x	x
* Unusually talkative	x	x	-
* Profuse sweating	-	x	x
* Difficulty concentrating	x	x	x
* Use of sun glasses at inappropriate times	x	x	-
* Staggering gait	x	x	x
* Coma	x	x	x
* Convulsions	x	x	x
* Isolation	x	x	x
* Belligerence	x	x	x
* Unable to perform <u>usual</u> routine tasks	x	x	x
* Mood changes	x	x	x
* Odor of burnt rope	-	x	-

SYMPTOMS OF DRUG AND ALCOHOL ABUSE

This chart indicates the most common primary symptoms of drug abuse. However, all of the signs are not always evident, nor are they the only ones that may occur. Any drug's reaction will usually depend on the person, his/her mood, his/her environment, the dosage of the drug and how the drug interacts with other drugs the abuser has taken or contaminants with the drug.

** LEGEND **

NAR = Narcotic Analgesics
DEPR = Depressants
ALC = Alcohol
MJ = Marijuana

PCP = PCP
PSY = Psychodelics
COC = Cocaine
AMPH = Amphetamines and
other stimulants

-----	NAR	DEPR	ALC	MJ	PCP	PSY	COC	AMPH
PHYSICAL INDICATORS								
GAIT ATAXIA (STAGGERING)		X	X		X			
DROWSINESS	X	X	X	X	X			
TALKATIVENESS							X	X
SLURRED SPEECH	X	X	X					
RAMBLING SPEECH				X		X		
EYES DILATED						X	X	X
CONSTRICTED	X							
RED AND BLOODSHOT			X	X				
HORIZONTAL NYSTAGMUS (Rapid eye movement)		X	X		X			

PHYSICAL INDICATORS (CONT.)	NAR	DEPR	ALC	MJ	PCP	PSY	COC	AMPH
VERTICAL NYSTAGMUS (Rapid eye movement)						X		
IMPAIRED COORDINATION	X	X	X	X	X			
DISORIENTATION (TIME & SPACE)					X	X	X	
SECRETIVE BEHAVIOR	X	X	X	X	X	X	X	X
NEEDLE MARKS (OVER VEINS)	X							

EXHIBIT 13
DATE 3-2-95
1 SB201

SYMPTOMS OF DRUG AND ALCOHOL ABUSE
(CONT.)

=====

COMMON ITEMS FOUND IN ASSOCIATION WITH DRUG AND ALCOHOL ABUSE
(IN RESTROOMS, TRASHCANS, DESKS, LUNCH PAILS, LOCKERS, ETC.)

=====

MATERIAL INDICATORS NAR DEPR ALC MJ PCP PSY COC AMPH

=====

LIQUOR BOTTLES

X

SMALL FOLDED PAPERS,
SMALL PLASTIC BAGS

X

X

X

FOIL PACKETS,
SMALL BOTTLES

X

X

X

ROLLED BILLS,
CUT-OFF STRAWS

X

X

BAGGIES W/VEGETABLE
MATTER

X

SMALL PIPES

X

CIGARETTE PAPERS
WITHOUT TOBACCO

X

EYEDROPPERS,
SYRINGES

X

BURNED SPOON
OR BOTTLE CAPS

X

BLOOD SPOTS ON
HANDS OR ARMS

X

ALLIGATOR CLIPS,
MEDICAL FORCEPS,
OTHER CLIPS

X

HOUSE OF REPRESENTATIVES
VISITORS REGISTER

Business & Labor

DATE 3-2-95

BILL NO. SB 201 SPONSOR(S) _____

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	Support	Oppose
Jim J. Twiler	MT Chamber Billings 11	<input checked="" type="checkbox"/>	
Ward Dando	Stillwater Min.	AMCOIL <input checked="" type="checkbox"/>	
Christopher Allen	Stillwater Mining Co.	<input checked="" type="checkbox"/>	
Don Allen	MT Wool Products Assoc	<input checked="" type="checkbox"/>	
Don Judge	MT STATE AFL-CIO		<input checked="" type="checkbox"/>

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

HOUSE OF REPRESENTATIVES
VISITORS REGISTER

Business & Labor

DATE 3-2-95

BILL NO. SB 243 SPONSOR(S) _____

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	Support	Oppose
Pat Melly	MSAA	✓	

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS
ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

HOUSE OF REPRESENTATIVES
VISITORS REGISTER

Business & Labor

DATE 3-2-95

BILL NO. SB 275 SPONSOR(S) _____

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	Support	Oppose
Greg Chadwick	Mtn ASSO Nursesmen	X	
Gary Gingery	MT. Dept of Agric	X	

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS
ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

HOUSE OF REPRESENTATIVES
VISITORS REGISTER

Business & Labor

DATE 3-2-95

BILL NO. SB 302 SPONSOR(S) _____

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	Support	Oppose
<i>John Murphy</i>	<i>Montana Power</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>Ing Downer</i>	<i>Montana Ed Co</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS
ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

HOUSE OF REPRESENTATIVES
VISITORS REGISTER

Business & Labor

DATE 3-2-95

BILL NO. HB 574 SPONSOR(S) _____

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	Support	Oppose
Don Judge	MT STATE AFL-CIO		X
Marc Asbury	Agency # 117		X
BEA LUNDA	SHELBY LIQUOR ST. #29		X
DAN J FELSKA	CONRAD #33		X
Jim Carlson	Cum gratia Smk		X
Ray Meyer	Helena, MT	X	
By Charles Costello 2010	MT LIQ. STORE #15		
Brian Harris	DISTILLED SPIRITS COUNCIL		X
MICKEY CRISON	LIQ. DIVISION		X
ROD BOETSCH	" "		X
JEFF WILLIAMS	" "		X
ED REISER BOZEMAN	LIQUOR STORE #9		X
DAVE BROWN	Restaurant & Lounge Coalition	X	

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

George Nagarkian
Lorraine Burns
Ken W. Hurt
Robert Schreiner
Leo Thomas

AFCME
Liquor Store #15
#74
Montana Liquor Reps
Liquor Store #1

✓
✓
✓
X
X

HOUSE OF REPRESENTATIVES
VISITORS REGISTER

Business & Labor

DATE 3-2-95

BILL NO. HB 574

SPONSOR(S) _____

PLEASE PRINT

PLEASE PRINT

PLEASE PRINT

NAME AND ADDRESS	REPRESENTING	Support	Oppose
Esther Scott /mgr.	Liquor Store #9		X
Frances Curks Mgr.	Belgrade Liquor Store #76		X
Mary J. Schuler	#8 Lumber Store		X
Bob Gilbert	M.A.L.S.A.	X	
MIRG CETRAZO 52 N. Main HILLWA	FINLTO		X
John W. Harper			X

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.