

1 H BILL NO. 575  
 2 INTRODUCED BY Kenneth Holmes

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 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO REALLOCATE THE LOCAL  
 5 GOVERNMENT SHARE OF THE STATE LIQUOR LICENSE TAX;  
 6 DESIGNATING THE COUNTY GOVERNING BODY THE BUDGETING  
 7 AUTHORITY FOR SUCH FUNDS; AND PROVIDING FOR ALCOHOLISM  
 8 TREATMENT; AMENDING SECTION 4-1-401, R.C.M. 1947, AND  
 9 REPEALING SECTION 4-1-402, R.C.M. 1947."

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 11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

12 Section 1. Statements of policy and purpose. The  
 13 policy of the state of Montana is to recognize alcoholism as  
 14 a disease rather than a crime, as declared in 80-2708, and  
 15 to provide facilities for the medical and psychological  
 16 treatment of alcoholism. The state policy also requires that  
 17 community-based detoxification centers be generally  
 18 established to take the place of the county or city jails  
 19 which formerly provided such shelter and protection as  
 20 alcoholics would from time to time require, and also to  
 21 provide the first step in the continuum of treatment pledged  
 22 by 80-2708. The purpose of this act is to clarify the  
 23 assignments of responsibility to local governments under the  
 24 Montana alcoholism treatment policy by designating county  
 25 government as the entity responsible for budgeting the state

1 revenues returned to local governments for detoxification  
 2 centers and other local duties with respect to alcoholics.

3 Section 2. Section 4-1-401, R.C.M. 1947, is amended to  
 4 read as follows:

5 "4-1-401. License tax on liquor -- amount --  
 6 distribution of proceeds. (1) The department of revenue is  
 7 hereby authorized and directed to charge, receive and  
 8 collect at the time of sale and delivery of any liquor under  
 9 any provisions of the laws of the state of Montana a license  
 10 tax of five percent (5%) of the retail selling price on all  
 11 liquor so sold and delivered. Said tax shall be charged and  
 12 collected on all liquor brought into the state and taxed by  
 13 the department of revenue. The retail selling price shall  
 14 be computed by adding to the cost of said liquor the state  
 15 markup as designated by the department. Said five percent  
 16 (5%) license tax shall be figured in the same manner as the  
 17 state excise tax and shall be in addition to said state  
 18 excise tax. The department of revenue shall retain the  
 19 amount of such five percent (5%) license tax so received in  
 20 a separate account. Four-fifths (4/5) of these revenues  
 21 shall be distributed to the counties according to the amount  
 22 of liquor purchased in each county. One-fifth (1/5) of  
 23 these revenues shall be deposited in the general fund.  
 24 Provided, however, in the case of purchases of liquor by a  
 25 retail liquor licensee for use in his business, the

1 department shall make such regulations as are necessary to  
 2 apportion that proportion of license tax so generated to the  
 3 county where the licensed establishment is located, for use  
 4 as hereinafter provided in ~~section 4-1-402, R.C.M. 1947.~~

5 The department of revenue shall pay quarterly to each county  
 6 treasurer the proportion of the license tax due each county.

7 ~~The county treasurer of each county shall retain~~  
 8 ~~one-fourth (1/4) of said license tax and shall within~~  
 9 ~~thirty (30) days after receipt thereof apportion the~~  
 10 ~~remaining three-fourths (3/4) thereof to the treasurers of~~  
 11 ~~the incorporated cities and towns within his county, said~~  
 12 ~~apportionment to be based in each instance upon the~~  
 13 ~~proportion which the gross sale of liquor in such~~  
 14 ~~incorporated city or town bears to the gross sale of liquor~~  
 15 ~~in all of the incorporated cities and towns in his said~~  
 16 ~~county.~~

17 (2) The governing body of each county shall annually  
 18 prepare a budget for the expenditures anticipated by all  
 19 local governments within the county for duties imposed on  
 20 them under Title 80, chapter 27, including expenditures by  
 21 law enforcement agencies for transportation, housing, and  
 22 detention of alcoholics and operation and maintenance of a  
 23 public treatment facility approved under 80-2711 or  
 24 contribution to such a facility operated on a regional  
 25 basis.

1 (3) The license tax allocated to the counties under  
 2 this section shall be allocated to the county, city, and  
 3 town agencies for the purposes budgeted by the county  
 4 governing body. At least 15% of the total allocation to the  
 5 county and any additional surplus of allocations over the  
 6 amounts so budgeted shall be apportioned one-fourth to the  
 7 county and three-fourths to the incorporated cities and  
 8 towns within the county on a population basis. Such funds  
 9 distributed to the cities and towns shall be earmarked for  
 10 law enforcement and public health purposes. When costs of  
 11 duties mandated by Title 80, chapter 27, exceed the amount  
 12 budgeted, the county governing body shall include the  
 13 deficiency in the budget for the subsequent year."

14 Section 3. Repealer. Section 4-1-402, R.C.M. 1947, is  
 15 repealed.

-End-

STATE OF MONTANA

REQUEST NO. 428-77

FISCAL NOTE

Form BD-15

In compliance with a written request received February 11, 19 77, there is hereby submitted a Fiscal Note for House Bill 575 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly. Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION

This bill reallocates the local government share of the state liquor license tax; designates the county governing body the budgeting authority for such funds; and provides for alcoholism treatment.

ASSUMPTIONS

This bill only affects the local government allocation of the 5% liquor license tax. Therefore state revenues or expenditures will be unaffected.

EFFECT ON LOCAL REVENUE

This bill allows local governments the option of allocating up to 85% of their share of the 5% liquor license for alcohol treatment facilities. The local share of the 5% liquor license tax is estimated to be \$1.623M in FY 78 and \$1.704 in FY 79.

TECHNICAL NOTE

Page 3 lines 19 & 20

There are no duties imposed on local governments by Title 80, Chapter 27. Title 80, Chapter 27 is strictly optional for local governments.

PREPARED BY DEPARTMENT OF REVENUE

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Office of Budget and Program Planning

Date: 2-11-77