

HOUSE BILL 462

IN THE HOUSE

January 30, 1979

Introduced and referred to
Committee on Taxation.

1 SHOME BILL NO. 462
2 INTRODUCED BY Noble Ellis

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT TO MODIFY THE
5 DISTRIBUTION OF PROCEEDS FROM THE TAX ON BEER; AMENDING
6 SECTION 16-1-410, MCA."

7
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

9 Section 1. Section 16-1-410, MCA, is amended to read:

10 "16-1-410. Tax revenue allocation. All revenue
11 received from taxes on beer under 16-1-406 through 16-1-408
12 over and above \$1.50 per barrel of 31 gallons shall be
13 deposited with the state treasurer to the credit of the
14 incorporated cities, and towns, and counties beer tax
15 account in the earmarked revenue fund. The state treasurer
16 shall, monthly, distribute this amount of money, 50% to the
17 incorporated cities and towns apportioned among the cities
18 and towns in the direct proportion that the population of
19 each city and town bears to the total population of all
20 incorporated cities and towns as shown in the latest
21 official federal census and 50% to the counties apportioned
22 among the counties in the direct proportion that the
23 population of each county bears to the total population of
24 all counties as shown in the latest official federal census.

25 For cities and towns incorporated after the latest official

1 federal census, the census shall be determined as of the
2 date of incorporation as evidenced by the certificate of the
3 incorporating officials of that city or town. If a city or
4 town disincorporates, it shall cease to receive any funds
5 under this section and the amount previously distributed to
6 the city or town shall be distributed to the remaining
7 incorporated cities and towns. All funds received by cities,
8 and towns, and counties under this section shall be expended
9 for state purposes such as law enforcement, maintenance of
10 the transportation system, and public health."

-End-

-2- HB 462
INTRODUCED BILL

FISCAL NOTE

Form BD-15

In compliance with a written request received February 2, 19 79, there is hereby submitted a Fiscal Note for House Bill 462 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 proposed bill modifies the distribution of proceeds from the tax on beer.

ASSUMPTIONS

It is assumed that the Department of Revenue forecast of Beer Tax receipts for the 80-81 biennium is correct.

FISCAL IMPACT

	<u>FY 80</u>	<u>FY 81</u>
Beer Tax		
under current law	\$3.405 M	\$3.557 M
under proposed law	<u>3.405 M</u>	<u>3.557 M</u>
Estimated Impact	<u>0</u>	<u>0</u>

FUND INFORMATION

General Fund		
under current law	\$1.277 M	\$1.334 M
under proposed law	<u>1.277 M</u>	<u>1.334 M</u>
Estimated Impact	<u>0</u>	<u>0</u>
Dept. of Institutions		
under current law	\$0.851 M	\$0.889 M
under proposed law	<u>0.851 M</u>	<u>0.889 M</u>
Estimated Impact	<u>\$ 0</u>	<u>\$ 0</u>
Cities & Towns		
under current law	\$1.277 M	\$1.334 M
under proposed law	<u>0.638 M</u>	<u>0.667 M</u>
Estimated Decrease	<u>(\$0.638 M)</u>	<u>(\$0.667 M)</u>
Counties		
under current law	\$ 0	\$ 0
under proposed law	<u>0.638 M</u>	<u>0.667 M</u>
Estimated Increase	<u>\$0.638 M</u>	<u>\$0.667 M</u>

EFFECT ON LOCAL GOVERNMENTS

The incorporated cities and towns will only receive half as much from the beer tax as would be received under continuation of the present law. Counties would benefit from the loss of the incorporated cities and towns by receiving the amount of the municipalities' reduction in revenue.

Richard L. Drury for

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2/7/79