

HOUSE BILL 529

IN THE HOUSE

February 2, 1979

Introduced and referred to
Committee on Business and
Industry

STATE OF MONTANA

REQUEST NO. 227-79

FISCAL NOTE

Form BD-15

In compliance with a written request received February 5, 1979, there is hereby submitted a Fiscal Note for House Bill 529 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 increases the discount for unbroken case lot sales of liquor from state liquor stores from 5% to 10%.

ASSUMPTIONS

- The Department of Revenue forecast of revenue from liquor sales for the 80-81 biennium is the basis for comparison.
- It is assumed that the value of discounts granted under continuation of the present law will be \$1,100,000 in FY80, and \$1,150,000 in FY81. Under the proposed law, the value of discounts will be \$2,200,000 in FY80 and \$2,300,000 in FY81.

FISCAL IMPACT

	<u>FY 80</u>	<u>FY 81</u>
Liquor Excise Tax		
under current law	\$ 6.030 M	\$ 6.313 M
under proposed law	5.854 M	6.129 M
Estimated Decrease	(0.176 M)	(0.184 M)
Liquor License Tax		
under current law	3.769 M	3.946 M
under proposed law	3.659 M	3.831 M
Estimated Decrease	(0.110 M)	(0.115 M)
Net Profits From		
Liquor Merchandising		
under current law	4.874 M	4.837 M
under proposed law	3.774 M	3.687 M
Estimated Decrease	(1.100 M)	(1.150 M)
Total Revenue		
under current law	14.673 M	15.096 M
under proposed law	13.287 M	13.647 M
Estimated Decrease	(\$ 1.386 M)	(\$ 1.449 M)

FUND INFORMATION

General Fund		
under current law	\$10.904 M	\$11.150 M
under proposed law	9.628 M	9.816 M
Estimated Decrease	(\$ 1.276 M)	(\$ 1.334 M)

Richard L. Drayton
BUDGET DIRECTOR
Office of Budget and Program Planning
Date: 1/2/79

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Page 2

FUND INFORMATION (Cont.)

Earmarked Revenue Fund (Local Governments)	<u>FY 80</u>	<u>FY 81</u>
under current law	\$ 2.513 M	\$ 2.631 M
under proposed law	<u>2.439 M</u>	<u>2.554 M</u>
Estimated Decrease	<u>(\$ 0.074 M)</u>	<u>(\$ 0.077 M)</u>

Department of Institutions	<u>FY 80</u>	<u>FY 81</u>
under current law	\$ 1.256 M	\$ 1.315 M
under proposed law	<u>1.220 M</u>	<u>1.277 M</u>
Estimated Decrease	<u>(\$ 0.036 M)</u>	<u>(\$ 0.038 M)</u>

EFFECT ON LOCAL GOVERNMENTS

Distribution of liquor revenue to local governments

	<u>FY 80 Present Law</u>	<u>FY 80 Proposed Law</u>	<u>Change</u>	<u>FY 81 Present Law</u>	<u>FY 81 Proposed Law</u>	<u>Change</u>
county alcoholism treatment program	1.078 M	1.045 M	(0.033 M)	1.128 M	1.095 M	(0.033 M)
county general funds	0.179 M	0.174 M	(0.005 M)	0.188 M	0.182 M	(0.006 M)
cities and towns	<u>1.256 M</u>	<u>1.220 M</u>	<u>(0.036 M)</u>	<u>1.315 M</u>	<u>1.277 M</u>	<u>(0.038 M)</u>
Total Liquor Revenue to Local Governments	<u>2.513 M</u>	<u>2.439 M</u>	<u>(0.074 M)</u>	<u>2.631 M</u>	<u>2.554 M</u>	<u>(0.077 M)</u>

LONG-RANGE EFFECTS

Loss of \$1.4 to \$1.5 Million per year in liquor revenue.

PREPARED BY DEPARTMENT OF REVENUE

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: