

HOUSE BILL 529

IN THE HOUSE

February 2, 1979

Introduced and referred to
Committee on Business and
Industry

1 *House* BILL NO. 529
2 INTRODUCED BY *Daily Johnson*
3

4 A BILL FOR AN ACT ENTITLED: "AN ACT TO INCREASE THE
5 DISCOUNT FOR UNBROKEN CASE LOT SALES OF LIQUOR FROM STATE
6 LIQUOR STORES FROM 5% TO 10%; AMENDING SECTION 16-2-201.
7 MCA."

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

10 Section 1. Section 16-2-201, MCA, is amended to read:
11 "16-2-201. Reduction for quantity sales of liquor.
12 Reduction of 5% ~~10%~~ of the retail price of liquor sold at
13 the state liquor store shall be made by the department for
14 sales of liquor to any person purchasing liquor in unbroken
15 case lots. No other reduction shall be made by the
16 department for quantity sales of liquor."

-End-

HB 529
INTRODUCED BILL

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

	FY 80	FY 81
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. Daum for
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: *4/8/79*

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FUND INFORMATION (Cont.)

	<u>FY 80</u>	<u>FY 81</u>
Earmarked Revenue Fund (Local Governments)		
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		
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</u>	<u>FY 80</u>	<u>Change</u>	<u>FY 81</u>	<u>FY 81</u>	<u>Change</u>
	<u>Present Law</u>	<u>Proposed Law</u>		<u>Present Law</u>	<u>Proposed Law</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: _____