

House Bill 266

In The House

January 16, 1981	Introduced and referred to Committee on Business and Industry.
January 17, 1981	Fiscal note requested.
January 21, 1981	Fiscal note returned.
February 2, 1981	Committee recommend bill do not pass.

1 HOUSE BILL NO. 266
2 INTRODUCED BY Senate - History, Consay, Stevens
3 Manuel J. Velasco, Dulce, Stohr
4 A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING SECTION
5 16-2-201, MCA, TO REMOVE THE REQUIREMENT FOR PERSONS
6 ELIGIBLE FOR A 5 PERCENT DISCOUNT ON BULK PURCHASES THAT THE
7 LIQUOR PURCHASED BE OF THE SAME VARIETY AND FROM THE SAME
8 CASELOT AND TO PROVIDE FOR A 5 PERCENT DISCOUNT TO HOLDERS
9 OF ALL-BEVERAGE LICENSES ON ANY SIZE PURCHASE OF LIQUOR FROM
10 STATE LIQUOR STORES."

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

13 Section 1. Section 16-2-201, MCA, is amended to read:
14 *16-2-201. Reduction for quantity sales of liquor. **III**
15 Reduction of 5% of the retail price of liquor sold at the
16 state liquor store shall be made by the department for sales
17 of liquor;

18 fail to any person purchasing liquor in unbroken case
19 lots, and

151 to any holder of an all-beverage license for any
152 size or quantity of purchase.

22 121 No other reduction shall be made by the department
23 for quantity sales of liquor."

-End-

INTRODUCED BILL
HB 226

STATE OF MONTANA

REQUEST NO. 142-81

FISCAL NOTE

Form BD-15

In compliance with a written request received January 19, 1981, there is hereby submitted a Fiscal Note or HOUSE BILL 266 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

An act to remove the requirement for persons eligible for a 5 percent discount on bulk purchases that the liquor purchased be of the same variety and from the same caselot and to provide for a 5 percent discount to holders of all-beverage licenses on any size purchase of liquor from state liquor stores.

ASSUMPTIONS

- Gross sales to retail liquor dealers are approximately 60% of total sales.
- Gross total sales for FY 82 are \$57,397,000 and \$61,929,000 for FY 83.
- Discounts under the proposal to retail liquor dealers are 5% of their purchases.
- Estimated discounts under the status quo are \$1,148,000 and \$1,239,000 for FY 82 and FY 83, respectively. These figures were projected by using the historical ratio of discounts to total sales and therefore include discounts to dealers and individuals.
- No attempt is made to estimate discounts to individuals under the proposal. (i.e., a lower bound estimate of the total effect is provided.)
- Net liquor profits are \$6,339,469 and \$6,811,938 under the status quo for FY 82 and FY 83, respectively.

FISCAL IMPACT

	FY 82	FY 83
Net Liquor Discounts		
Under current law	\$1,148,800	\$1,239,400
Under proposed law	<u>1,721,910</u>	<u>1,857,870</u>
Estimated Increase	\$ 573,110	\$ 618,470
Net Liquor Profits		
Under current law	\$6,314,100	\$6,786,600
Under proposed law	<u>5,740,990</u>	<u>6,168,130</u>
Estimated Decrease	(\$ 573,110)	(\$ 618,470)

TECHNICAL NOTE

Base lots for different sized bottles need to be consistently defined to avoid potential problems. For example, some 750 ml bottles come in cases of 6 and others in cases of 12 bottles.

REARED BY THE DEPARTMENT OF REVENUE

David M. Lewis

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1-21-81