## HOUSE BILL NO. 40

# INTRODUCED BY SHONTE

# BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE

### IN THE HOUSE

	A THE BOUCE
January 3, 1983	Introduced and referred to Committee on Taxation.
January 6, 1983	Committee recommend bill do pass. Report adopted.
January 7, 1983	Bill printed and placed on members' desks.
January 10, 1983	Second reading, do pass.
January 11, 1983	Considered correctly engrossed.
January 12, 1983	Third reading, passed. Transmitted to Senate.
	IN THE SENATE
January 13, 1983	Introduced and referred to Committee on Finance and Claims.
January 26, 1983	Committee recommend bill be concurred in. Report adopted.
January 28, 1983	Second reading, concurred in.
January 31, 1983	Third reading, concurred in. Ayes, 43; Noes, 6.
	IN THE HOUSE
January 31, 1983	Returned to House.
February 1, 1983	Sent to enrolling.
	Reported correctly enrolled.

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1	HOUSE BILL NO. 40	1	25•000
2	INTRODUCED BY SHONTZ	2	4. Recovery Services Division
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3	BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE	3	197,718 593
4		4	5. SB 50
5	A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND HOUSE BILL NO.	5	40.000
6	500, LANS OF 1981, TO ELIMINATE THE REQUIREMENT THAT THE	6	Total Department of Revenue
7	DEPARTMENT OF REVENUE DEPOSIT \$13 MILLION OF LIQUOR PROFITS	7	12,619,529 1,926
8	TO THE GENERAL FUND DURING THE BIENNIUM ENDING JULY 1, 1983;	8	Should the recovery service
9	AND PROVIDING AN EFFECTIVE DATE AND APPLICABILITY DATE.	9	collections per \$1.00 expended
16		10	item 4 may be increased a
11	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:	11	general fund and \$48,000 in fed
12	Section 1. Section 19. Division A, Department of	12	Cash within the central
13	Revenue, House Bill No. 500, Laws of 1981, is amended to	13	1981 fiscal year end must be de
14	read:	14	Collections from liquidation
15	*DEPARTMENT OF REVENUE	15	biennium must also be deposited
16	Fiscal Year 1982 Fiscal Year 1983	16	In addition to those amount
17	Other Other	17	are appropriated to the liquo
18	General Appropriated General Appropriated	18	maintain adequate inventories o
19	Fund Funds Fund Funds	19	operate the state liquor mon
20	1. General Operations	20	deposit-not-less-than-613-millio
21	12,340,311 1,325,313 12,490,050 1,359,671	21	generalfundduringthe198
22	2. Audit Costs	22	piennium, profits may not be le
23	16,500 8,500 49,500 25,500	23	sales <del>ondnot-less-then-\$13-m</del>
24	3. Legal Fees:	24	gross liquor sales less discount
25	Director's Office	25	The operational expenses

593,153 199,603 598,807 10.000 evenue 1,926,966 12,774,153 1.983.978 services division return \$1.05 in ended in 1982, the appropriation in ed a maximum of \$16,000 from the in federal funds for fiscal 1983. entral supply revolving account at be deposited to the general fund. ation of inventory during the 1983 osited to the general fund. amounts appropriated above: there liquor division funds necessary to ries of liquor and wine and to or monopoly. The--division-shall -million-of-liquor-profits--to--the e--1981--biennium- During the 1983 be less than 15% of net liquor -\$13-million. Net liquor sales are iscounts and all taxes collected. penses of the liquor merchandising INTRODUCED BILL

system may not exceed 15% of net liquor sales. Operational
expenses may not include product or freight costs. The
liquor division has full authority to determine store
operating hours and the number and location of stores and
employees and-may-reise-or-lower-the-liquor-pricing--formula
to-achieve-the-deposit-requirement.

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Nonprofitable state stores should be closed or converted to agency stores in an orderly manner. A nonprofitable store is one that shows a net loss or is less profitable than if run at agency store status after reducing gross revenues by all state excise and license taxes and by deducting therefrom all normal operating expenses, which include a pro rata share, based on gross sales, of central administrative office expenses.

The county commissioners of the various counties and the governing bodies of local government units shall provide office space in county courthouses or government office buildings to the department of revenue of the state for its use at no cost to the state. The department is not liable for any expenses in connection with the use of such space, including but not limited to rent, utilities, or janitorial services. The department shall use such space as offices for its agents: the county assessor, appraiser, and their respective staffs.

Item 5 is contingent upon passage of SB 50.0

1 <u>NEW SECTION.</u> Section 2. Effective date --

2. applicability. This act is effective on passage and approval

3 and applies retroactively and prospectively to the entire

-4-

4 biennium ending July 1, 1983.

-End-

#### STATE OF MONTANA

REQUEST	MΩ	036-83
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#### FISCAL NOTE

Form BD-15

ln	compliance	with a	written	request receivedJanuary 6.	, 19 _	83 , there is	hereby submitted a Fisc	cal Note
for	House	Bill	40	pursuant to Title 5, Chap	ter 4, Part 2	of the Montana	Code Annotated (MCA).	
Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members								
of	of the Legislature upon request.							

#### DESCRIPTION OF PROPOSED LEGISLATION:

House Bill 40 amends House Bill 500, Laws of 1981, to eliminate the requirement that the Department of Revenue deposit \$13 million of liquor profits to the general fund during the biennium ending July 1, 1983 and provides an effective date and applicability date.

### NOTE:

As a result of the rules hearing process, the department decided not to increase liquor prices during FY83. Since the Department of Revenue chose not to increase its liquor prices, it will be unable to meet the statutory requirement of depositing \$13 million of liquor profits during the current biennium. Those profits are estimated to be only \$11,189,000 (Executive Budget Estimates).

FISCAL NOTE2:G/1

BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1-10-83

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Approved by Committee on <u>Texation</u>

1	HOUSE BILL NO. 40
2	INTRODUCED BY SHONTZ
3	BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE
4	
5	A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND HOUSE BILL MO.
6	500. LAWS OF 1981. TO ELIMINATE THE REQUIREMENT THAT THE
7	DEPARTMENT OF REVENUE DEPOSIT \$13 MILLION OF LIQUOR PROFITS
8	TO THE GENERAL FUND DURING THE BIENNIUM ENDING JULY 1, 1983;
9	AND PROVIDING AN EFFECTIVE DATE AND APPLICABILITY DATE."
10	
11	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
12	Section 1. Section 19. Division A. Department of
13	Revenue, House Bill No. 500, Laws of 1981, is amended to
14	read:
15	*DEPARTMENT OF REVENUE
16	Fiscal Year 1982 Fiscal Year 1983
17	Other Other
15	General Appropriated General Appropriated
19	Fund Funds Fund Funds
20	1. General Operations
21	12,340,311 1,325,313 12,490,050 1,359,671
22	2. Audit Costs
23	16,500 8,500 49,500 25,500
24	3. Legal Fees:
25	Director's Office

2	4. Recovery Services Division
3	197,718 593,153 199,603 598,807
4	5. \$8.50
5	40.00010.000
6	Total Department of Revenue
7	12:619:529 1:926:966 12:774:153 1:983:978
8	Should the recovery services division return \$1.05 in
9	collections per \$1.00 expended in 1982, the appropriation in
10	item 4 may be increased a maximum of \$16,000 from the
11	general fund and \$48,000 in federal funds for fiscal 1983.
12	Cash within the central supply revolving account at
13	1981 fiscal year end must be deposited to the general fund.
14	Collections from liquidation of inventory during the 1983
15	biennium must also be deposited to the general fund.
16	In addition to those amounts appropriated above: there
17	are appropriated to the liquor division funds necessary to
18	maintain adequate inventories of liquor and wine and to
19	operate the state liquor monopoly. <del>The division—shall</del>
20	deposit-not-less-than-\$13-million-of-liquor-profitstothe
21	generalfundduringthe1981bienniumv During the 1983
22	blennium, profits may not be less than 15% of net liquor
23	sales endnot-less-then-\$13-million. Net liquor sales are
24	gross liquor sales less discounts and all taxes collected.
25	The operational expenses of the liquor merchandising
	S F C O N D D C A D I N C

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expenses may not include product or freight costs. The
liquor division has full authority to determine store
operating hours and the number and location of stores and
employees and may raise or lower that liquor pricing formula
to-achieve the deposit requirement.

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The county commissioners of the various counties and the governing bodies of local government units shall provide office space in county courthouses or government office buildings to the department of revenue of the state for its use at no cost to the state. The department is not liable for any expenses in connection with the use of such space, including but not limited to rent, utilities, or janitorial services. The department shall use such space as offices for its agents: the county assessor, appraiser, and their respective staffs.

Item 5 is contingent upon passage of SB 50.\*\*

1 NEW SECTION: Section 2. Effective date --

2 applicability. This act is effective on passage and approval

and applies retroactively and prospectively to the entire

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-End-

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-End-

48th Legislature HB 0040/02 HB 0040/02

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25 Director's Office 25 The operational expenses of the liquor merchandising	25	Director's Office	25 The operational expenses of the liquor merchandising

system may not exceed 15% of net liquor sales. Operational expenses may not include product or freight costs. The liquor division has full authority to determine store operating hours and the number and location of stores and employees and-may-raise-or-lower-the-liquor-pricing-formula to-achieve-the-deposit-requirement.

Nonprofitable state stores should be closed or converted to agency stores in an orderly manner. A nonprofitable store is one that shows a net loss or is less profitable than if run at agency store status after reducing gross revenues by all state excise and license taxes and by deducting therefrom all normal operating expenses, which include a pro rata share, based on gross sales, of central administrative office expenses.

The county commissioners of the various counties and the governing bodies of local government units shall provide office space in county courthouses or government office buildings to the department of revenue of the state for its use at no cost to the state. The department is not liable for any expenses in connection with the use of such space, including but not limited to rent, utilities, or janitorial services. The department shall use such space as offices for its agents: the county assessor, appraiser, and their respective staffs.

Item 5 is contingent upon passage of SB 50."

~3~ HB 40

REFERENCE BILL

NEW SECTION. Section 2. Effective date -
applicability. This act is effective on passage and approval

and applies retroactively and prospectively to the entire

biennium ending July 1, 1983.

-End+

-4- HB 40