

HOUSE BILL NO. 40

INTRODUCED BY SHONTZ

BY REQUEST OF THE REVENUE OVERSIGHT COMMITTEE

IN THE HOUSE

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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2 INTRODUCED BY SHONTZ
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5 A BILL FOR AN ACT ENTITLED: "AN ACT TO AMEND HOUSE BILL NO.
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

	Fiscal Year 1982		Fiscal Year 1983	
	General	Appropriated	General	Appropriated
	Fund	Funds	Fund	Funds
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				

1	25,000		25,000	
2 4. Recovery Services Division				
3	197,718	593,153	199,603	598,807
4 5. SB 50				
5	<u>40,000</u>		<u>10,000</u>	
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. The division shall				
20 deposit not less than \$13 million of liquor profits to the				
21 general fund during the 1981 biennium. During the 1983				
22 biennium, profits may not be less than 15% of net liquor				
23 sales and not less than \$13 million. Net liquor sales are				
24 gross liquor sales less discounts and all taxes collected.				
25 The operational expenses of the liquor merchandising				

INTRODUCED BILL

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

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

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

25 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
 3 and applies retroactively and prospectively to the entire
 4 biennium ending July 1, 1983.

-End-

STATE OF MONTANA

REQUEST NO. 036-83

FISCAL NOTE

Form BD-15

In compliance with a written request received January 6, 19 83, there is hereby submitted a Fiscal Note for House Bill 40 pursuant to Title 5, Chapter 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 the Legislature upon request.

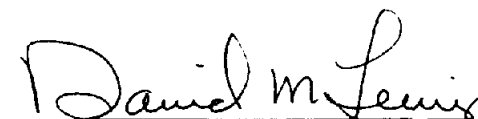
DESCRIPTION OF PROPOSED LEGISLATION:

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

Approved by Committee
on Taxation

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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
18 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

1 25,000 25,000
2 4. Recovery Services Division
3 197,718 593,153 199,603 598,807
4 5. SB 50
5 40,000 10,000
6 Total Department of Revenue
7 12,619,529 1,926,966 12,774,153 1,983,978
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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. ~~The division shall~~
20 ~~deposit not less than \$13 million of liquor profits to the~~
21 ~~general fund during the 1981 biennium.~~ During the 1983
22 biennium, profits may not be less than 15% of net liquor
23 sales ~~and not less than \$13 million.~~ Net liquor sales are
24 gross liquor sales less discounts and all taxes collected.
25 The operational expenses of the liquor merchandising

SECOND READING

1 system may not exceed 15% of net liquor sales. Operational
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