#### HOUSE BILL NO. 14

# INTRODUCED BY DRISCOLL, GOULD, HARRINGTON, GARCIA, LYNCH, NELSON, D. BROWN

#### IN THE HOUSE

March 26, 1986

Introduced and referred to Committee on Business and Labor.

Fiscal Note requested.

Fiscal Note returned.

March 27, 1986

Committee recommend bill do pass as amended. Report adopted.

Bill printed and placed on members' desks.

Second reading, do pass.

Third reading, passed.

Transmitted to Senate.

#### IN THE SENATE

March 28, 1986

Introduced and referred to Committee on Business and Industry.

March 29, 1986

Committee recommend bill be concurred in as amended. Report adopted.

Second reading, concurred in.

Third reading, concurred in. Ayes, 46; Noes, 4.

Returned to House with amendments.

## IN THE HOUSE

March 29, 1986

Received from Senate.

Second reading, amendments concurred in.

Third reading, amendments concurred in.

Sent to enrolling.

Reported correctly enrolled.

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1.	House BILL NO. 14
2	INTRODUCED BY Driver of Harrington Janua Tope of
3	Nelson Vare Brown 9
4.	A BILL FOR AN ACT ENTITLED: "AN ACT PREVENTING THE CLOSURE
5	OF LIQUOR STORES OPERATED BY THE DEPARTMENT OF REVENUE
6	UNLESS A STORE IS NOT OPERATING AT A PROFIT AND SUCH CLOSURE
7	HAS BEEN APPROVED BY THE LEGISLATURE IN REGULAR SESSION;
8	DELETING PROVISIONS RELATING TO THE DEPARTMENT OF REVENUE'S
9	APPROPRIATION SETTING FORTH PROFIT REQUIREMENTS, LIMITS ON
10	OPERATIONAL EXPENSES, AND AUTHORITY FOR STORE CLOSURES;
11	AMENDING SECTION 16-2-101, MCA, AND SECTION 17, HOUSE BILL
12	500, LAWS OF 1985: AND PROVIDING AN IMMEDIATE EFFECTIVE DATE

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

AND A RETROACTIVE APPLICABILITY DATE."

Section 1. Section 16-2-101, MCA, is amended to read:

"16-2-101. Establishment and closure of state liquor
stores -- kinds and prices of liquor. (1) (a) The department
shall establish and maintain one or more stores, to be known
as "state liquor stores", as the department finds feasible
for the sale of liquor in accordance with the provisions of
this code and the rules made thereunder.

(2)(b) The department shall enter into an agency agreement or employ the necessary help to operate said stores and shall designate the duties to be performed by the

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agent or employees.

(c) Once established, a store may not be closed by the department unless:

(i) the store is not operating at a profit; and

(ii) the closure is approved by the legislature at the next regular session of the legislature following the department's announcement of intent to close the store.

t3)(2) The department may from time to time fix the prices at which the various classes, varieties, and brands of liquor may be sold, and prices shall be the same at all state stores."

NEW SECTION. Section 2. The narrative to the appropriations for the Department of Revenue, in Section A of Section 17, House Bill 500, Laws of 1985, at page 20 of the enrolled bill and page 1780 of the 1985 Montana Session Laws, is amended to read:

"Liquor Division proprietary funds necessary to 17 maintain adequate inventories of liquor and wine and to 18 19 operate the state liquor operation are appropriated. During the 1987 biennium, the Division shall attempt to return at 20 least-l3-percent-of a profit on net sales. Net sales are 21 22 gross sales less iscounts and all taxes collected. The Bivision-shall-lim t- operational--expenses--of--the--liquor 23 24 merchandising--system--to--not--more--than-15-percent-of-net sales:-Operational-expenses-may-not-include--product--costs; 25

1 freight-charges;-or-expenses-allocable-to-other-divisions-or
2 licensing-bureau-expenses;

4 5

- The Division retains full authority to determine store operating hours and-the-number-and-location-of--stores--and employees. Nonprofitable--or--marginally--profitable--state stores-shall-be-closed-or-converted-to-agency-stores--in--an orderly--manner---Agency--stores--shall--be--closed--if--the Division-considers--them--marginally--profitable--and--other state--stores--or--agencies--are-located-within-a-reasonable distance-"
- NEW SECTION. Section 3. Severability. If a part of this act is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of this act is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications.
- NEW SECTION. Section 4. Effective date -- retroactive applicability. This act is effective on passage and approval and applies retroactively, as that term is used in 1-2-109, to occurrences after December 31, 1985.

-End-

### STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB014, Version: as introduced

### DESCRIPITON OF PROPOSED LEGISLATION:

An act preventing the closure of liquor stores operated by the Department of Revenue unless a store is not operating at a profit and such closure has been approved by the legislature in regular session; deleting certain provisions in HB 500 related to liquor stores; providing an immediate effective date and a retroactive applicability date.

#### **ASSUMPTIONS:**

- (1) Revenue estimates for liquor profits returned to the general fund for the state liquor operation are \$5.319 million in FY 1986 and \$5.174 million in FY 1987. Liquor excise and license taxes are separate from these profit estimates.
- (2) Under current law, 7 liquor stores would be closed resulting in a savings due to store closures during the current biennium of \$562,100. This savings will result in an equal amount of profits returned to the general fund.
- (3) No liquor stores would be closed under the proposed legislation during the current biennium.
- (4) The language deletion in the proposed legislation on pages 2 and 3 relating to limits on operational expenses would not affect prudent management practices that attempt to minimize costs.
- (5) It is assumed that other expense reduction options of the Division such as reducing commission costs, reducing hours, and changing pricing structures for liquor are not affected by this legislation. If the legislation does impact these options, the fiscal losses would be increased an additional \$1.387 million.

# FISCAL IMPACT:

The proposed legislation will decrease liquor store profits returned to the general fund by \$90,800 in FY 1986 and \$471,300 in FY 1987, for a total decrease during the biennium of \$562,100.

Daugh- Hunter 3/26/86		
BUDGET DIRECTOR DATE	PRIMARY SPONSOR	STAT
Office of Budget and Program Planning		
	Fiscal Note for	HB014
		as introduced

HB014
As Introduced
March 26, 1986
Page 2

# LONG-RANGE EFFECT OF PROPOSED LEGISLATION:

The proposed legislation will eliminate the Department of Revenue's legislative mandate and therefore its management ability to maintain fixed profit goals for the general fund. If current trends of declining liquor sales and declining profits returned to the general fund continue, the proposed legislation could significantly reduce liquor operation profits.

## TECHNICAL OR MECHANICAL DIFFICULTIES:

Current law specifically defines the amount of mone that the Liquor Division is to attempt to return to the general fund as profit. The proposed legislation cos not define what the Division is expected to use to determine profits or the time-frames within which an individual store's profit is to be measured.

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1	HOUSE BILL NO. 14
2	INTRODUCED BY DRISCOLL, GOULD, HARRINGTON,
3	GARCIA, LYNCH, NELSON, D. BROWN
4	
5	A BILL FOR AN ACT ENTITLED: "AN ACT PREVENTING THE CLOSUR
6	OF LIQUOR STORES OPERATED BY THE DEPARTMENT OF REVENUE
7	UNLESS A STORE IS NOT OPERATING AT A PROFIT AND SUCH CLOSUR
8	HAS BEEN APPROVED BY THE LEGISLATURE IN REGULAR SESSION
9	DELETING PROVISIONS RELATING TO THE DEPARTMENT OF REVENUE'S
.0	APPROPRIATION SETTING FORTH PROFIT REQUIREMENTS, LIMITS OF
.1	OPERATIONAL EXPENSES, AND AUTHORITY FOR STORE CLOSURES
.2	PROVIDING THAT THE DEPARTMENT OF REVENUE MAY NOT CHANGE THE
.3	RATE OF COMMISSIONS PAYABLE FOR THE OPERATION OF AGENCY
.4	LIQUOR STORES UNTIL JULY 1, 1987, TO ALLOW THE 50TH
.5	LEGISLATURE TO EXAMINE THE ISSUE OF AGENCY STORE
.6	COMMISSIONS: AMENDING SECTION 16-2-101, MCA, AND SECTION 17
.7	HOUSE BILL 500, LAWS OF 1985; AND PROVIDING AN IMMEDIATE
.8	EFFECTIVE DATE, AND A RETROACTIVE APPLICABILITY DATE, AND
9	TERMINATION DATE."
20	
21	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
22	Section 1. Section 16-2-101, MCA, is amended to read
23	"16-2-101. Establishment and closure of state liquo
24	stores kinds and prices of liquor. (1) (a) The departmen
25	shall establish and maintain one or more stores, to be know

as "state liquor stores", as the department finds feasible
for the sale of liquor in accordance with the provisions o
this code and the rules made thereunder.
+2+(b) The department shall enter into an agenc
agreement or employ the necessary help to operate said
stores and shall designate the duties to be performed by the
agent or employees.
(c) Once established, a store may not be closed by the
department unless:
(i) the store is not operating at a profit; and OR
(ii) the closure is approved by the legislature at the
next regular session of the legislature following the
department's announcement of intent to close the store.
(3)(2) The department may from time to time fix the
prices at which the various classes, varieties, and brands
of liquor may be sold, and prices shall be the same at all
state stores."
NEW SECTION. Section 2. The narrative to the
appropriations for the Department of Revenue, in Section A
of Section 17, House Bill 500, Laws of 1985, at page 20 of
the enrolled bill and page 1780 of the 1985 Montana Session
Laws, is amended to read:

maintain adequate inventories of liquor and wine and to

operate the state liquor operation are appropriated. During

"Liquor Division proprietary funds necessary to

HB 0014/02

the 1987 biennium, the Division shall attempt to return at teast--13--percent--of a profit on net sales. Net sales are gross sales less discounts and all taxes collected. The Division--shall--limit--operational--expenses--of-the-liquor merchandising-system-to-not-more--than--15--percent--of--net sales---Operational--expenses-may-not-include-product-costs; freight-charges;-or-expenses-allocable-to-other-divisions-or licensing-bureau-expenses;

The Division retains full authority to determine store operating hours and—the-number-and-location-of-stores-and employees. Nonprofitable—or—marginally—profitable—state stores—shall—be-closed-or-converted-to-agency-stores-in-an orderly—manner;—Agency—stores—shall—be-closed—if—the Division—considers—them—marginally—profitable—and-other state-stores—or-agencies—are—located—within—a—reasonable distance; AND LOCATION OF STORES AND EMPLOYEES.

NONPROFITABLE STATE STORES MAY BE CONVERTED TO AGENCY STORES IN AN ORDERLY MANNER."

NEW SECTION. SECTION 3. CHANGE PROHIBITED IN RATE OF COMMISSIONS PAYABLE FOR OPERATION OF AGENCY LIQUOR STORES -- LEGISLATIVE CONSIDERATION. TO FACILITATE LEGISLATIVE EXAMINATION OF THE OPERATION OF AGENCY LIQUOR STORES, THE DEPARTMENT OF REVENUE MAY NOT CHANGE THE RATE OF COMMISSIONS PAYABLE FOR SUCH OPERATIONS UNTIL JULY 1, 1987. ALL SUCH COMMISSIONS MUST REMAIN IN EFFECT AS THEY WERE ON JANUARY 1,

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NEW SECTION. Section 4. Severability. If a part of this act is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of this act is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications.

NEW SECTION. Section 5. Effective date -- retroactive

8 NEW SECTION. Section 5. Effective date retroductive or applicability — TERMINATION. (1) This act is effective on passage and approval and applies retroactively, as that term is used in 1-2-109, to occurrences after December 31, 1985.

12 (2) THIS ACT TERMINATES ON JULY 1, 1987.

-End-

-4.-

1	HOUSE BILL NO. 14
2	INTRODUCED BY DRISCOLL, GOULD, HARRINGTON,
3	GARCIA, LYNCH, NELSON, D. BROWN
4	
5	A BILL FOR AN ACT ENTITLED: "AN ACT PREVENTING THE CLOSURE
6	OF LIQUOR STORES OPERATED BY THE DEPARTMENT OF REVENUE
7	UNLESS A STORE IS NOT OPERATING AT A PROFIT AND SUCH CLOSURE
8	HAS BEEN APPROVED BY THE LEGISLATURE IN REGULAR SESSION;
9	DELETING PROVISIONS RELATING TO THE DEPARTMENT OF REVENUE'S
ro	APPROPRIATION SETTING FORTH PROFIT REQUIREMENTS, LIMITS ON
11	OPERATIONAL EXPENSES, AND AUTHORITY FOR STORE CLOSURES;
2	PROVIDING THAT THE DEPARTMENT OF REVENUE MAY NOT CHANGE THE
13	RATE OF COMMISSIONS PAYABLE FOR THE OPERATION OF AGENCY
14	LIQUOR STORES UNTIL JULY 1, 1987, TO ALLOW THE 50TH
15	LEGISLATURE TO EXAMINE THE ISSUE OF AGENCY STORE
L6	COMMISSIONS; AMENDING SECTION 16-2-101, MCA, AND SECTION 17,
17	HOUSE BILL 500, LAWS OF 1985; AND PROVIDING AN IMMEDIATE
18	EFFECTIVE DATE, AND A RETROACTIVE APPLICABILITY DATE, AND A
19	TERMINATION DATE."
20	
21	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
22	Section 1. Section 16-2-101, MCA, is amended to read:
23	"16-2-101. Establishment and closure of state liquor
24	stores kinds and prices of liquor. (1) (a) The department
25	shall establish and maintain one or more stores, to be known

1	as "state liquor stores", as the department finds feasible
2	for the sale of liquor in accordance with the provisions of
3	this code and the rules made thereunder.
4	(2)(b) The department shall enter into an agency
5	agreement or employ the necessary help to operate said
6	stores and shall designate the duties to be performed by the
7	agent or employees.
8	(c) Once established, a store may not be closed by the
9	department unless:
10	(i) the store is not operating at a profit; and OR
11	(ii) the closure is approved by the legislature at the
12	next regular session of the legislature following the
13	department's announcement of intent to close the store.
14	+3)(2) The department may from time to time fix the
15	prices at which the various classes, varieties, and brands
16	of liquor may be sold, and prices shall be the same at all
17	state stores."
18	NEW SECTION. Section 2. The narrative to the
19	appropriations for the Department of Revenue, in Section A
20	of Section 17, House Bill 500, Laws of 1985, at page 20 of
21	the enrolled bill and page 1780 of the 1985 Montana Session
22	Laws, is amended to read:
23	"Liquor Division proprietary funds necessary to

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maintain adequate inventories of liquor and wine and to

operate the state liquor operation are appropriated. During

the 1987 biennium, the Division shall attempt to return at least—13—percent—of a profit on net sales. Net sales are gross sales less discounts and all taxes collected. The Bivision—shall—limit—operational—expenses—of—the—liquor merchandising—system—to—not—more—than—15—percent—of—net sales——Operational—expenses—may—not—include—product—costs; freight—charges;—or—expenses—allocable—to—other—divisions—or licensing—bureau—expenses—

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24 25 The Division retains full authority to determine store operating hours and—the—number—and—location—of—stores—and employees. Nonprofitable—or—marginally—profitable—state stores—shall—be—closed—or—converted—to—agency—stores—in—an orderly—manner:—Agency—stores—shall—be—closed—if—the Division—considers—them—marginally—profitable—and—other state—stores—or—agencies—are—located—within—a—reasonable distance: AND LOCATION OF STORES AND EMPLOYEES.

NONPROFITABLE STATE STORES MAY BE CONVERTED TO AGENCY STORES
IN AN ORDERLY MANNER."

NEW SECTION. SECTION 3. CHANGE PROHIBITED IN RATE OF
COMMISSIONS PAYABLE FOR OPERATION OF AGENCY LIQUOR STORES -LEGISLATIVE CONSIDERATION. TO FACILITATE LEGISLATIVE
EXAMINATION OF THE OPERATION OF AGENCY LIQUOR STORES, THE
DEPARTMENT OF REVENUE MAY NOT CHANGE THE RATE OF COMMISSIONS
PAYABLE FOR SUCH OPERATIONS UNTIL JULY 1, 1987. ALL SUCH
COMMISSIONS MUST REMAIN IN EFFECT AS THEY WERE ON JANUARY 1,

1 1986.

NEW SECTION. Section 4. Severability. If a part of this act is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of this act is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications.

8 NEW SECTION. Section 5. Effective date -- retroactive
9 applicability -- TERMINATION. (1) This act is effective on
10 passage and approval and applies retroactively, as that term
11 is used in 1-2-109, to occurrences after December 31, 1985.

12 (2) THIS ACT TERMINATES ON JULY 1, 1987.

-End-

HB 14

1	HOUSE BILL NO. 14
2	INTRODUCED BY DRISCOLL, GOULD, HARRINGTON,
3	GARCIA, LYNCH, NELSON, D. BROWN
4	
5	A BILL FOR AN ACT ENTITLED: "AN ACT PREVENTING THE CLOSURE
6	OF LIQUOR STORES OPERATED BY THE DEPARTMENT OF REVENUE
7	UNLESS A STORE IS NOT OPERATING AT A PROFIT AND OR SUCH
8	CLOSURE HAS BEEN APPROVED BY THE LEGISLATURE IN-REGULAR
9	SESSION; - DELETING-PROVISIONS-RELATING-TO-THEDEPARTMENTOF
10	REVENUE SAPPROPRIATIONSETTING-PORTH-PROFIT-REQUIREMENTS;
11	bimits-on-operationabexpenses;ANDAUTHORITYPORSTORE
12	CLOSURES; PROVIDING THAT THE DEPARTMENT OF REVENUE MAY NOT
13	CHANGE THE RATE OF COMMISSIONS PAYABLE FOR THE OPERATION OF
14	AGENCY LIQUOR STORES UNTIL JULY 1, 1987 1986, TO ALLOW THE
15	50TH JUNE SPECIAL SESSION OF THE 49TH LEGISLATURE TO
16	EXAMINE THE ISSUE OF AGENCY STORE COMMISSIONS; PROVIDING FOR
17	THE DEVELOPMENT OF A LIQUOR DIVISION RECOVERY PLAN TO BE
18	SUBMITTED FOR CONSIDERATION BY THE JUNE SESSION; AMENDING
19	SECTION 16-2-101, MCA, AND SECTION 17, HOUSE BILL 500, LAWS
20	OF 1985; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE, AND A
21	RETROACTIVE APPLICABILITY DATE, AND A TERMINATION DATE."
22	
23	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
24	Section 1. Section 16-2-101, MCA, is amended to read:
25	"16-2-101. Establishment and closure of state liquor

1	stores kinds and prices of liquor. (1) (a) The department
2	shall establish and maintain one or more stores, to be known
3	as "state liquor stores", as the department finds feasible
4	for the sale of liquor in accordance with the provisions of
5	this code and the rules made thereunder.
6	(2) The department shall enter into an agency
7	agreement or employ the necessary help to operate said
8	stores and shall designate the duties to be performed by the
9	agent or employees.
10	(c) Once established, a store may not be closed by the
11	department unless:
12	(i) the store is not operating at a profit; and OR
13	(ii) the closure is approved by the legislature at the
14	next regular session of the legislature following the
15	department's announcement of intent to close the store.
16	(3) The department may from time to time fix the
17	prices at which the various classes, varieties, and brands
18	of liquor may be sold, and prices shall be the same at all
19	state stores."
20	NEW-SECTION Section-2 Thenarrativetothe
21	appropriationsforthe-Department-of-Revenue;-in-Section-A
22	of-Section-17;-House-Bill-500;-baws-of-1985;-at-page20of
23	theenrolled-bill-and-page-1788-of-the-1985-Montana-Session
24	Laws;-is-amended-to-read:
25	"biquorBivisionproprietaryfundsperessary

1	maintainadequateinventoriesofinquorand-wine-and-to
2	operate-the-state-liquor-operation-are-appropriated;Buring
3	the1987biennium; the-Bivision-shall-attempt-to-return-at
4	least-13-percent-of a-profit-on net-salesNetsalesare
5	grosssaleslessdiscountsandall-taxes-collectedThe
6	Bivision-shall-limitoperationalexpensesoftheliquor
7	merchandisingsystemtonotmorethan-15-percent-of-net
8	${\tt sales-} - \theta {\tt perational-expenses-may-not-includeproductcosts_T}$
9	freight-charges;-or-expenses-allocable-to-other-divisions-or
10	licensing-bureau-expenses.
11	TheDivision-retains-full-authority-to-determine-store
12	operating-hours-and-the-number-and-locationofstoresand
13	employeesNonprofitableormarginallyprofitablestate
14	stores-shall-be-closed-or-converted-to-agency-storesinan
15	orderlymannerAgencystoresshallbeclosedifthe
16	Division-considersthemmarginallyprofitableandother
17	statestoresoragenciesare-located-within-a-reasonable
18	distance: ANDBOCATIONOPSTORESANDEMPLOYEES:
19	NONPROFITABLE-STATE-STORES-MAY-BE-CONVERTED-TO-AGENCY-STORES
20	IN-AN-ORDERLY-MANNER-"
21	NEW SECTION. SECTION 2. CHANGE PROHIBITED IN RATE OF
22	COMMISSIONS PAYABLE FOR OPERATION OF AGENCY LIQUOR STORES
23	LEGISLATIVE CONSIDERATION. TO FACILITATE LEGISLATIVE
24	EXAMINATION OF THE OPERATION OF AGENCY LIQUOR STORES, THE

1	PAYABLE FOR SUCH OPERATIONS UNTIL JULY 1, 1987 1986. ALL
2	SUCH COMMISSIONS MUST REMAIN IN EFFECT AS THEY WERE ON
3	JANUARY 1, 1986.
4	NEW SECTION. Section 3. Severability. If a part of
5	this act is invalid, all valid parts that are severable from
6	the invalid part remain in effect. If a part of this act is
7	invalid in one or more of its applications, the part remains
8	in effect in all valid applications that are severable from
9	the invalid applications.
10	NEW SECTION. SECTION 4. RECOVERY PLAN. THE
11	DEPARTMENT OF REVENUE SHALL WORK WITH THE REVENUE OVERSIGHT
12	COMMITTEE OF THE 49TH LEGISLATURE TO DEVELOP A LIQUOR
13	DIVISION RECOVERY PLAN FOR CONSIDERATION BY THE JUNE 1986
14	SPECIAL LEGISLATIVE SESSION.
15	NEW SECTION. Section 5. Effective date retroactive
16	applicability TERMINATION. (1) This act is effective on
17	passage and approval and applies retroactively, as that term
18	is used in 1-2-109, to occurrences after December 31, 1985.
19	(2) THIS ACT TERMINATES ON JULY 1, 1987 1986.
	-End-

DEPARTMENT OF REVENUE MAY NOT CHANGE THE RATE OF COMMISSIONS

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1	HOUSE BILL NO. 14
2	INTRODUCED BY DRISCOLL, GOULD, HARRINGTON,
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5	A BILL FOR AN ACT ENTITLED: "AN ACT PREVENTING THE CLOSURE
6	OF LIQUOR STORES OPERATED BY THE DEPARTMENT OF REVENUE
7	UNLESS A STORE IS NOT OPERATING AT A PROFIT AND OR SUCH
8	CLOSURE HAS BEEN APPROVED BY THE LEGISLATURE IN-REGULAR
9	SESSION; - DELETING - PROVISIONS - RELATING - TO - THE DEPARTMENT OF
10	REVENUE'SAPPROPRIATIONSETTING-PORTH-PROPIT-REQUIREMENTS7
11	LIMITS-ON-OPERATIONALEXPENSES,ANDAUTHORITYPORSTORE
12	Chosures; PROVIDING THAT THE DEPARTMENT OF REVENUE MAY NOT
13	CHANGE THE RATE OF COMMISSIONS PAYABLE FOR THE OPERATION OF
14	AGENCY LIQUOR STORES UNTIL JULY 1, 1987 1986, TO ALLOW THE
15	50TH JUNE SPECIAL SESSION OF THE 49TH LEGISLATURE TO
16	EXAMINE THE ISSUE OF AGENCY STORE COMMISSIONS; PROVIDING FOR
17	THE DEVELOPMENT OF A LIQUOR DIVISION RECOVERY PLAN TO BE
18	SUBMITTED FOR CONSIDERATION BY THE JUNE SESSION; AMENDING
19	SECTION 16-2-101, MCA7-AND-SECTION-177-HOUSE-B155-5007-5AWS
20	6F-1985; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE, AND A
21	RETROACTIVE APPLICABILITY DATE, AND A TERMINATION DATE."
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23	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
24	Section 1. Section 16-2-101, MCA, is amended to read:
25	"16-2-101. Establishment and closure of state liquor

NOWED BYEY NO. 14

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stores -- kinds and prices of liquor. (1) (a) The department
    shall establish and maintain one or more stores, to be known
    as "state liquor stores", as the department finds feasible
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    for the sale of liquor in accordance with the provisions of
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         f27(b) The department shall enter into an agency
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    stores and shall designate the duties to be performed by the
    agent or employees.
         (c) Once established, a store may not be closed by the
    department unless:
         (i) the store is not operating at a profit; and OR
         (ii) the closure is approved by the legislature at the
    next regular session of the legislature following the
    department's announcement of intent to close the store.
         +3+(2) The department may from time to time fix the
    prices at which the various classes, varieties, and brands
    of liquor may be sold, and prices shall be the same at all
    state stores."
         NEW-SECTION:--Section-2:--The----narrative----to----the
    appropriations--for--the-Department-of-Revenue;-in-Section-A
    of-Section-17,-House-Bill-500,-baws-of-1985,-at-page--20--of
    the--enrolled-bill-and-page-1780-of-the-1985-Montana-Session
    haway-is-amended-to-read:
         "biquor--Bivision--proprietary---funds---necessary---to
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HB 0014/04

maintainadequateinventoriesofliquorand-wine-and-to
operate-the-state-liquor-operation-are-appropriatedBuring
the1987biennium;-the-Division-shall-attempt-to-return-at
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${\tt sales-Operational-expenses-may-not-includeproductcosts_T}$
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licensing-bureau-expenses:

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The--Bivision-retains-full-authority-to-determine-store operating-hours-and-the-number-and-location-of--stores--and employees:--Nonprofitable--or--marginally--profitable--state stores-shall-be-closed-or-converted-to-agency-stores--in--an orderly--manner;--Agency--stores--shall--be--closed--if--the Bivision-considers--them--marginally--profitable--and--other state--stores--or--agencies--are-located-within-a-reasonable distance: ANB---b06ATi0N---DF---STORES---AND----EMP,0YEBS;
NONPROPITABLE-STATE-STORES-MAY-BE-CONVERTED-TO-AGENCY-STORES
IN-AN-ORDERBY-MANNER;\*

 PAYABLE FOR SUCH OPERATIONS UNTIL JULY 1, ±987 1986. ALL SUCH COMMISSIONS MUST REMAIN IN EFFECT AS THEY WERE ON JANUARY 1, 1986.

NEW SECTION. Section 3. Severability. If a part of this act is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of this act is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications.

NEW SECTION. SECTION 4. RECOVERY PLAN. THE

PEPARTMENT OF REVENUE SHALL WORK WITH THE REVENUE OVERSIGHT

COMMITTEE OF THE 49TH LEGISLATURE TO DEVELOP A LIQUOR

DIVISION RECOVERY PLAN FOR CONSIDERATION BY THE JUNE 1986

SPECIAL LEGISLATIVE SESSION.

NEW SECTION. Section 5. Effective date -- retroactive applicability -- TERMINATION. (1) This act is effective on passage and approval and applies retroactively, as that term is used in 1-2-109, to occurrences after December 31, 1985.

(2) THIS ACT TERMINATES ON JULY 1, 1987 1986.

19

-End-

# STANDING COMMITTEE REPORT

PAGE	1 of 2	March 28	86 19	
MR. PRESIDENT				
We, your committee on BUSINESS AND INDUSTRY				
having had under consideration				
third	reading copy ( blue ) color			
Respectfully	preport as follows: That	SE BILL	No14	
	<pre>1. Page 1, line 7. Following: "PROFIT" Strike: "AND" Insert: "OR"</pre>			
	<pre>2. Page 1, lines 8 through 11. Following: "LEGISLATURE" on page 8 Strike: remainder of line 8 through "Company of the statement of the st</pre>	CLOSURES" on lir	ne 11	
	3. Page 1, line 14. Following: "JULY 1," Strike: "1987" Insert: "1986" Following: "TO ALLOW THE" Strike: "50th" Insert: "JUNE SPECIAL SESSION OF THE 4	.9тн"		
	4. Page 1, line 16. Following: "COMMISSIONS;" Insert: "PROVIDING FOR THE DEVELOPMENT RECOVERY PLAN TO BE SUBMITTED FOR CONSI SESSION;"			
	5. Page 2, line 12. Following: "next" Strike: "regular"			
XXXXXXX				
XXXXXXXXX				
(continued page 2)				
		******************************	Chairman.	

6. Page 2, line 18 through line 18, page 3. Strike: section 2 in its entirety Renumber: subsequent sections

7. Page 3, line 24. Following: "JULY 1," Strike: "1987" Insert: "1986"

8. Page 4, line 8.
Insert: "NEW SECTION. Section 4. Recovery plan. The department of revenue shall work with the revenue oversight committee of the 49th legislature to develop a liquor division recovery plan for consideration by the June 1986 special legislative session."
Renumber: subsequent section

9. Page 4, line 12. Following: "JULY 1," Strike: "1987" Insert: "1986"

As amended, be concurred in

CAR

SENATOR MIKE HALL

HB14