

HB 50 INTRODUCED BY PAVLOVICH, ET AL.
PREVENT LIQUOR STORE CLOSURES

6/25 ON MOTION, RULES SUSPENDED TO ALLOW
 INTRODUCTION

6/26 INTRODUCED

6/26 REFERRED TO BUSINESS & LABOR

6/27 HEARING

6/27 COMMITTEE REPORT-BILL PASS AS AMENDED

6/28 2ND READING DO NOT PASS AS AMENDED 51 48
 BILL KILLED

1 *House* BILL, NO. *50*
2 INTRODUCED BY *Galante* *Edmon* *Harmon* *McNamis* *Leahy* *Burke* *Cady*

3 A BILL FOR AN ACT ENTITLED: "AN ACT PREVENTING THE CLOSURE
4 OF LIQUOR STORES OPERATED BY THE DEPARTMENT OF REVENUE
5 UNLESS A STORE IS NOT OPERATING AT A PROFIT OR SUCH CLOSURE
6 HAS BEEN APPROVED BY THE LEGISLATURE BY JOINT RESOLUTION;
7 PREVENTING THE CONVERSION OF A STATE LIQUOR STORE TO AN
8 AGENCY STORE UNLESS SUCH CONVERSION HAS BEEN APPROVED BY THE
9 LEGISLATURE BY JOINT RESOLUTION; AMENDING SECTION 16-2-101,
10 MCA, AND SECTIONS 2 AND 5, CHAPTER 2, SPECIAL LAWS OF MARCH
11 1986; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE, A
12 TERMINATION DATE, AND A RETROACTIVE APPLICABILITY DATE."

13
14
15 WHEREAS, the Legislature is the policymaking body of
16 the state; and

17 WHEREAS, the recommendations of a committee may be
18 rejected by the full Legislature.

19
20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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

22 "16-2-101. Establishment and closure of state liquor
23 stores -- kinds and prices of liquor. (1) (a) The department
24 shall establish and maintain one or more stores, to be known
25 as "state liquor stores", as the department finds feasible

1 for the sale of liquor in accordance with the provisions of
2 this code and the rules made thereunder.

3 (b) The department shall enter into an agency
4 agreement or employ the necessary help to operate said
5 stores and shall designate the duties to be performed by the
6 agent or employees. The department may not convert an
7 existing store to an agency store unless the conversion is
8 approved by the legislature by joint resolution.

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

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

12 (ii) the closure is approved by the legislature by
13 joint resolution at the next session of the legislature
14 following the department's announcement of intent to close
15 the store.

16 (2) 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 Section 2. Section 2, Chapter 2, Special Laws of March
21 1986, is amended to read:

22 "Section 2. Change prohibited in rate of commissions
23 payable for operation of agency liquor stores -- legislative
24 consideration. To facilitate legislative examination of the
25 operation of agency liquor stores, the department of revenue

1 may not change the rate of commissions payable for such
2 operations until ~~July 1, 1986~~ [the termination date of this
3 act]. All such commissions must remain in effect as they
4 were on January 1, 1986."

5 Section 3. Section 5, Chapter 2, Special Laws of March
6 1986, is amended to read:

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

11 (2) This act terminates on ~~July 1, 1986~~ the date the
12 50th legislature meeting in regular session adjourns sine
13 die."

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

20 NEW SECTION. Section 5. Effective date -- retroactive
21 applicability -- termination. (1) This act is effective on
22 passage and approval and if approved after July 1, 1986,
23 applies retroactively, as that term is used in 1-2-109, to
24 July 1, 1986.

25 (2) This act terminates on the date the 50th

1 legislature meeting in regular session adjourns sine die.

-End-

In compliance with a written request, there is hereby submitted a Fiscal Note for HB 50 , Version: As Introduced

DESCRIPTION:

A bill preventing the closure of liquor stores operated by the Department of Revenue unless a store is not operating at a profit or such closure has been approved by the Legislature by joint resolution; preventing the conversion of a state liquor store to an agency store unless such conversion has been approved by the legislature by joint resolution; amending Section 16-2-101, MCA, and Sections 2 and 5, Chapter 2, Special Laws of March 1986; and providing an immediate effective date, a termination date, and a retroactive applicability date.

FISCAL IMPACT:

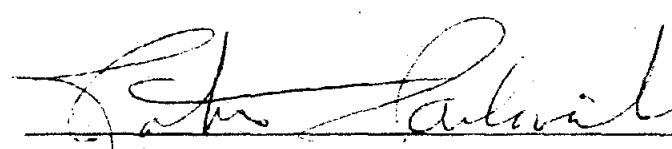
Passage of this bill would prevent the implementation of the Liquor Recovery Plan as adopted by the Revenue Oversight Committee on June 19, 1986. Implementation of the Liquor Recovery Plan, and the subsequent gradual conversion of state operated stores to agencies, would save the State an estimated \$300,000 during Fiscal Year 1987 (Department of Revenue, Liquor Division estimate).

The impact in subsequent years could be expected to increase as sales volume continues to fall.

If the Department is precluded from restructuring prices as recommended by the Revenue Oversight Committee, an additional \$800,000 impact would occur.


BUDGET DIRECTOR6/27/86
DATE

Office of Budget and Program Planning


PRIMARY SPONSOR

DATE

Fiscal Note for HB 50 as introduced

APPROVED BY COMM. ON
BUSINESS AND LABOR

HOUSE BILL NO. 50

INTRODUCED BY PAVLOVICH, DRISCOLL, GARCIA, QUILICI,
PETERSON, RAPP-SVRCEK, MENAHAN, O'CONNELL, PISTORIA,
MONTAYNE, NISBET, JONES, C. SMITH, GOULD, MCCORMICK,
ELLISON, HARRINGTON, SCHYE, BACHINI, CODY, KEENAN, POFF

A BILL FOR AN ACT ENTITLED: "AN ACT PREVENTING THE CLOSURE
OF LIQUOR STORES OPERATED BY THE DEPARTMENT OF REVENUE
UNLESS A STORE IS NOT OPERATING AT A PROFIT OR SUCH CLOSURE
HAS BEEN APPROVED BY THE LEGISLATURE BY JOINT RESOLUTION;
PREVENTING THE CONVERSION OF A STATE LIQUOR STORE TO AN
AGENCY STORE UNLESS SUCH CONVERSION HAS BEEN APPROVED BY THE
LEGISLATURE BY JOINT RESOLUTION; PROVIDING FOR THE PRICING
OF LIQUOR; AMENDING SECTION 16-2-101, MCA, AND SECTIONS 2
AND 5, CHAPTER 2, SPECIAL LAWS OF MARCH 1986; AND PROVIDING
AN IMMEDIATE EFFECTIVE DATE, A TERMINATION DATE, AND A
RETROACTIVE APPLICABILITY DATE."

WHEREAS, the Legislature is the policymaking body of
the state; and

WHEREAS, the recommendations of a committee may be
rejected by the full Legislature.

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

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.

(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
agent or employees. The department may not convert an
existing store to an agency store unless the conversion is
approved by the legislature by joint resolution.

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

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

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

(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.~~ SUCH PRICING:

(A) MAY NOT BE FIXED UNTIL AFTER NOTICE AND PUBLIC
HEARING AS PROVIDED IN THE MONTANA ADMINISTRATIVE PROCEDURE
ACT;

SECOND READING

1 (B) SHALL PROVIDE THAT PRICES DO NOT EXCEED RETAIL
 2 PRICES OF THE SAME ITEMS IN CONTIGUOUS STATES; AND

3 (C) shall be the same at all state stores."

4 Section 2. Section 2, Chapter 2, Special Laws of March
 5 1986, is amended to read:

6 "Section 2. Change prohibited in rate of commissions
 7 payable for operation of agency liquor stores -- legislative
 8 consideration. To facilitate legislative examination of the
 9 operation of agency liquor stores, the department of revenue
 10 may not change the rate of commissions payable for such
 11 operations until July-17-1986 [the termination date of this
 12 act]. All such commissions must remain in effect as they
 13 were on January 1, 1986."

14 Section 3. Section 5, Chapter 2, Special Laws of March
 15 1986, is amended to read:

16 "Section 5. Effective date -- retroactive
 17 applicability -- termination. (1) This act is effective on
 18 passage and approval and applies retroactively, as that term
 19 is used in 1-2-109, to occurrences after December 31, 1985.

20 (2) This act terminates on July-17-1986 the date the
 21 50th legislature meeting in regular session adjourns sine
 22 die."

23 NEW SECTION. Section 4. Severability. If a part of
 24 this act is invalid, all valid parts that are severable from
 25 the invalid part remain in effect. If a part of this act is

1 invalid in one or more of its applications, the part remains
 2 in effect in all valid applications that are severable from
 3 the invalid applications.

4 NEW SECTION. Section 5. Effective date -- retroactive
 5 applicability -- termination. (1) This act is effective on
 6 passage and approval and if approved after July 1, 1986,
 7 applies retroactively, as that term is used in 1-2-109, to
 8 July 1, 1986.

9 (2) This act terminates on the date the 50th
 10 legislature meeting in regular session adjourns sine die.

-End-