

SB 324 INTRODUCED BY PINSONEAULT  
REQUIRE OUT-OF-STATE TRANSIENT RETAIL MERCHANT TO  
PAY \$25 LICENSE FEE  
2/11 INTRODUCED  
2/11 REFERRED TO BUSINESS & INDUSTRY  
2/11 FISCAL NOTE REQUESTED  
2/16 HEARING  
2/17 FISCAL NOTE RECEIVED  
2/19 ADVERSE COMMITTEE REPORT ADOPTED

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1 Senate BILL NO. 324  
2 INTRODUCED BY Ken Sussell

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4 A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE AN  
5 OUT-OF-STATE TRANSIENT RETAIL MERCHANT TO PAY A \$25 LICENSE  
6 FEE OR POST A \$2,000 BOND TO DO BUSINESS IN THIS STATE; AND  
7 AMENDING SECTIONS 7-21-2404 AND 7-21-2407, MCA."

8  
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10 Section 1. Section 7-21-2404, MCA, is amended to read:

11 "7-21-2404. License required to do business as  
12 transient retail merchant -- fee. (1) The amount to be paid  
13 for the license to conduct the business of a transient  
14 retail merchant shall be the sum of:

15 (a) \$5 for each week or fraction thereof ~~7-to-be~~ if the  
16 transient retail merchant's business originates in this  
17 state; or

18 (b) \$25 for each week or fraction thereof if the  
19 transient retail merchant enters this state from another  
20 state to do business in this state.

21 (2) ~~The license fee must be paid in advance to the~~  
22 county treasurer of the county in which such the business is  
23 conducted."

24 Section 2. Section 7-21-2407, MCA, is amended to read:

25 "7-21-2407. Bond in lieu of license fee. (1) In lieu

1 of the license fee prescribed in 7-21-2404, every transient  
2 retail merchant who files with the application required in  
3 7-21-2406 an affidavit indicating bona fide intention to  
4 become a permanent merchant and continue in business for a  
5 period longer than 1 year shall, upon filing and approval of  
6 the bond provided for in this section, receive from the  
7 county treasurer a license permitting the conduct of such  
8 business for a period of 1 year.

9 (2) ~~Such--bond--shall--be--a--surety--bond--in--the--sum--of~~  
10 ~~\$1,000--to--said--county--treasurer.~~ (a) If the transient  
11 retail merchant's business originates in this state, the  
12 bond must be a surety bond in the sum of \$1,000 to the  
13 county treasurer.

14 (b) If the transient retail merchant enters this state  
15 from another state to do business here, the bond must be a  
16 surety bond in the sum of \$2,000 to the county treasurer.

17 (3) (a) The bond shall be executed by a surety company  
18 licensed to do business in this state or by two responsible  
19 freeholders residing in the county and whose names appear  
20 upon the assessment roll of said county.

21 (b) In lieu of a bond meeting the requirements of  
22 subsection (3)(a), the bond may be a cash bond of equal  
23 amount.

24 (4) The bond shall be approved by said county  
25 treasurer and conditioned upon the performance of the



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1 intention to become a permanent merchant and continue in  
2 business for a period longer than 1 year and to insure the  
3 payment of license fees for the period such business is  
4 actually conducted if not in fact a bona fide permanent  
5 business. The bond shall be further conditioned upon the  
6 delivery of goods ordered or sold in accordance with the  
7 terms of such order or sale.

8 (5) Such bond shall remain in full force and effect  
9 for a period of 6 months after the expiration of the 1-year  
10 period."

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB324, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to require an out-of-state transient retail merchant to pay a \$25 license fee or post a \$2,000 bond to do business in Montana.

ASSUMPTIONS:

1. Transient retail merchants whose businesses originate in Montana will continue to pay the county treasurer \$5/week, or fraction thereof for a license and will continue to provide a surety bond of \$1,000 to the county treasurer.
2. Transient retail merchants who enter Montana from another state to do business in Montana will pay a \$25 license fee and will provide a \$2,000 surety bond.

FISCAL IMPACT:

No fiscal impact on state government expenditures or revenues. Local impact cannot be reliably determined due to lack of statewide data on number of transient retail merchants licensed and their business origin.

EFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:

See fiscal impact.

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

None.

TECHNICAL OR MECHANICAL DEFECTS IN PROPOSED LEGISLATION OR CONFLICTS WITH EXISTING LEGISLATION:

None.

*David L. Hunter* DATE 2/16/87

DAVID L. HUNTER, BUDGET DIRECTOR  
Office of Budget and Program Planning

*Dick Pinsoneault* DATE 2-17-87

DICK PINSONEAULT, PRIMARY SPONSOR

Fiscal Note for SB324, as introduced.

**SB 324**