

HOUSE JOINT RESOLUTION NO. 34

INTRODUCED BY M. DUNWELL

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A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING AN INTERIM STUDY OF MONTANA LAWS REGULATING THE ON-PREMISES SALE OF ALCOHOL.

WHEREAS, the specified policy in Montana authorizing control of the manufacture, sale, importation, and distribution of alcohol is for the protection of the welfare, health, peace, morals, and safety of the people of this state as well as promotion of temperance and the creation of orderly markets and aid in the collection of taxes; and

WHEREAS, after the 64th Legislature, stakeholders in the three-tiered system of manufacture, sale, and distribution related to liquor, wine, and beer met at various times over the interim to try to iron out problems with what some participants saw as encroachments and disruption of orderly markets; and

WHEREAS, those meetings resulted in no policy recommendations and each group of stakeholders seeking independent patches to specific concerns at the 65th Legislature; and

WHEREAS, legislators recognize that investments in various types of liquor licenses are expensive, may involve bank loans and for some license holders constitute a life's savings, and are predicated on and benefit from a structure of laws that offer constancy rather than constant change; and

WHEREAS, evolving consumer demands and demographic trends impact populations and industries even while the regulatory structure of Montana's three-tiered system has stayed relatively unchanged; and

WHEREAS, the stakeholders in the complex existing system currently experience or fear incremental or larger changes whenever the legislature meets due to changing environments encountering a system rooted in past policies, which may or may not serve modern needs yet may benefit from an overall plan or concept for growth of the overall industry, within a climate promoting orderly markets.

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA:

That the Legislative Council be requested to designate an appropriate interim committee, pursuant to section 5-5-217, MCA, or direct sufficient staff resources to:



- 1 (1) review the system for licensing on-premise sales of alcohol in Montana and document:
2 (a) the costs and associated risks of the existing system borne not only by on-premise sellers of liquor,
3 beer, or wine but their customers as well;
4 (b) the limitations that the existing system places on local economic development, including the interplay
5 with license holders by participants in the gaming industry as related to local economic development; and
6 (2) study and make recommendations on:
7 (a) whether changes in the current system should or could be made in a way that revises the quota
8 system without harming current license holders; and
9 (b) whether changes in the laws related to liquor, beer, and wine sales as related to manufacturing could
10 be made without upending the entire system through the use of offsets or other means to address potentially lost
11 revenues.

12 BE IT FURTHER RESOLVED, that the interim committee work with stakeholders, including
13 manufacturers, sellers, distributors, and gaming industry and coin operator licensees as well as members of local
14 governments and economic developers to bring proposals forward as a way of determining whether policies ought
15 to change.

16 BE IT FURTHER RESOLVED, that if the study is assigned to staff, any findings or conclusions be
17 presented to and reviewed by an appropriate committee designated by the Legislative Council.

18 BE IT FURTHER RESOLVED, that all aspects of the study, including presentation and review
19 requirements, be concluded prior to September 15, 2018.

20 BE IT FURTHER RESOLVED, that the final results of the study, including any findings, conclusions,
21 comments, or recommendations of the appropriate committee, be reported to the 66th Legislature.

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