19.0787.02000

FISCAL NOTE STATEMENT

House Bill or Resolution No. HB 1421

This bill or resolution appears to affect revenues, expenditures, or fiscal liability of counties, cities, school districts, or townships. However, no state agency has primary responsibility for compiling and maintaining the information necessary for the proper preparation of a fiscal note regarding this bill or resolution. Pursuant to Joint Rule 502, this statement meets the fiscal note requirement.

Sheila Sandness
Senior Fiscal Analyst

2019 HOUSE POLITICAL SUBDIVISIONS

HB 1421

2019 HOUSE STANDING COMMITTEE MINUTES

Political Subdivisions Committee
Prairie Room, State Capitol

1/24/2019
HB 1421
Job # 31453
☐ Subcommittee
☐ Conference Committee

Committee Clerk: Carmen Hickle

Explanation or reason for introduction of bill/resolution:

Relating to local beer and liquor license fees

Minutes: 1

Chairman J. Dockter: Opened HB 1421.

Rep. Boschee: (Handout 1) Introduced HB 1421 by reading his testimony.

Rep K. Koppelman: Is there a need for a higher fee? If so why?

Rep. Boschee: They would access this to hire additional law enforcement, public safety officers for that area.

Chairman J. Dockter: Closed the hearing on HB1421.

Chairman J. Dockter: Reopened later for committee work.

Rep. Simons: Made a do not pass motion.

Rep K. Koppelman: Second the motion.

Rep. Hatlestad: $10,000 might be too much but 1967 was a long time ago. Maybe there should be an amendment.

Rep. Ertelt: I am willing to wait myself for an amendment.

Rep. Simons: Withdraws do not pass motion.

Rep K. Koppelman: Withdraws second.

Rep K. Koppelman: This is not an outcry. The city was not here, the League of Cities wasn't here to support this, some were here and didn't testify. So that tells me there is not a cry saying we need more here.

Rep. Adams: Why would we dictate to the cities what they have to charge? Let them set their fee.

Rep. Guggisberg: When the bill sponsor did the consumer price index increase it was $15,000 if we put an amendment on here it probably won't pass. I agree with Rep. Adams that we should not be dictating nearly as much as we do on local government including this.

Rep K. Koppelman: Made a do not pass motion.

Rep. Simons: Second the motion.

Vote: yes 12, no 2, absent 0

Carrier: Rep. Fegley:

Date: 1-24-19
Roll Call Vote #: 1

2019 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 1421

House Political Subdivisions Committee

☐ Subcommittee

Amendment LC# or Description: _____

Recommendation: ☐ Adopt Amendment
☐ Do Pass ☑ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ _____

Motion Made By Rep. Koppelman Seconded By Rep. Simons

Representatives	Yes	No	Representatives	Yes	No
Chairman J. Dockter:	/				
Vice Chairman Pyle:	/				
Rep. Ertelt:	/				
Rep. Fegley:	/				
Rep. Hatlestad:	/				
Rep. Johnson		/			
Rep K. Koppelman:	/				
Rep. Longmuir	/				
Rep. Magrum:	/				
Rep. Simons:	/				
Rep. Toman:	/				
Rep. Strinden:	/				
Rep. Adams:	/				
Rep. Guggisberg		/			

Total (Yes) 12 No 2

Absent 0

Floor Assignment Rep. Fegley

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1421: Political Subdivisions Committee (Rep. Dockter, Chairman) recommends **DO NOT PASS** (12 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). HB 1421 was placed on the Eleventh order on the calendar.

2019 TESTIMONY

HB 1421

#1

North Dakota
House of
Representatives

State Capitol
600 East Boulevard Avenue
Bismarck, ND 58505-0360

Representative
Josh Boschee
District 44
517 First Street North
Fargo, ND 58102-4540
C: 701-367-3513
jboschee@nd.gov

Minority Leader

January 24, 2019

HB 1421 Testimony
House Political Subdivisions Committee

Good Morning Chairman Dockter and members of the House Political Subdivisions Committee. For the record, I am Josh Boschee and I represent District 44 here in the House of Representatives.

House Bill 1421 was introduced on behalf of constituents who live in and near downtown Fargo as a tool to provide additional resources to local government seeking to enhance safety and security issues related to consumption of alcohol.

These citizens have asked local law enforcement and city leaders to assist in ensuring that their downtown neighborhood be more regularly patrolled and properly maintained. While supportive of these desires, city leaders have expressed concerns of limited funding available to be more proactive. In discussion with these leaders, it was identified that the ceiling for alcohol license fees have not been increased since their inception in 1967. I have provided a copy of House Bill 683 from 1967 for your review, where you will see in subsection 16 on the second page provided that the caps from 52 years ago are the same as what we have in statute today.

Based on inflation, a $2,000 cap in 1967 would be equal to just under $15,000 in 2017 dollars as identified in the inflation calculator document I've provided as page 5 of my testimony.

By increasing the cap to much less than what the license fees would be based on inflation, local governments will have a tool available to them to further support law enforcement and quality of life issues impacted by citizen's consumption of alcohol.

I appreciate the committee's consideration of this legislation and I will try my best to answer any questions committee members may have.

1

#1
HB 1421
1-24-19

ALCOHOLIC BEVERAGES

CHAPTER 80

H. B. No. 683
(Kelsch)

REGULATION OF ALCOHOLIC BEVERAGES

AN ACT

To provide for the regulation and taxation of the sale, use and distribution of alcoholic beverages and licensing of wholesalers and retailers of such beverages and to repeal title 5 of the North Dakota Century Code, and providing a penalty.

Be It Enacted by the Legislative Assembly of the State of North Dakota:

§ 1. **Definitions.)** In this title,

1. "Alcoholic beverages" shall mean any liquid suitable for drinking by human beings, which contains one-half of one percent or more of alcohol by volume.
2. "Beer" shall mean any malt beverage containing more than one-half of one percent of alcohol by volume.
3. "Liquor" shall mean any alcoholic beverage except beer.
4. "Wine" shall mean the alcoholic beverage obtained by fermentation of agricultural products containing natural or added sugar or such beverage fortified with brandy and containing not more than twenty-four percent alcohol by volume.
5. "Sparkling wine" shall mean wine made effervescent with carbon dioxide.
6. "Alcohol" shall mean neutral spirits distilled at or above 190° proof, whether or not such product is subsequently reduced, for non-industrial use.
7. "Distilled spirits" shall mean any alcoholic beverage that is not beer, wine, sparkling wine or alcohol.

§ 2. **Exceptions.)** Nothing contained in this Act shall be construed to apply to the following articles, when they are unfit for beverage purposes:

1. Denatured alcohol produced and used pursuant to Acts of Congress, and the regulations thereunder;

(2)

#1
HB 1421
1-24-19

§ 14. State and Local Retail License Required—Exception.) Any person engaging in the sale of alcoholic beverages at retail without first securing an appropriate license from the attorney general and the governing body of any town, or board of county commissioners if said business is located outside the corporate limits of a town, is guilty of a misdemeanor. This section shall not apply to public carriers engaged in interstate commerce.

§ 15. Qualifications for License.) No retail license shall be issued to any person unless the applicant shall file a sworn application, accompanied by the required fee, showing the following qualifications:

1. Applicant, other than corporate, must be a citizen of the United States and a resident of the state of North Dakota and be a person of good moral character.
2. If applicant is a corporation the manager of the licensed premises and the officers, directors and stockholders must be citizens of the United States and persons of good moral character. Corporate applicants must first be properly registered with the secretary of state.
3. Applicant or manager must not have been convicted of a felony.
4. Building in which business is to be conducted must meet local and state requirements regarding the sanitation and safety.
5. Applicant for a state license must have first secured a local license.
6. The attorney general, or local governing body, may require applicant to set forth such other information in application as necessary to enable them to determine if a license should be granted.

§ 16. Local License Fees.) The fee for an annual local on and off sale liquor license shall be set by ordinance or resolution at not less than two hundred dollars nor more than two thousand dollars, except outside the corporate limits of a town the fee shall not exceed one thousand dollars. The fee for an annual on and off sale local beer license shall be set by ordinance or resolution at not less than fifty dollars nor more than five hundred dollars. The fee for an annual local exclusive off sale beer or off sale liquor license shall not be more than the fee charged for an on and off sale license. The local governing body may by ordinance or resolution provide for issuance of licenses for any period not to exceed one year and may allow for proration and refunds of license fees.

§ 31. Examination by Treasurer — Penalty for Improper Returns.) The state treasurer may at any reasonable time make an examination of the books and premises of any wholesaler to determine if such wholesaler has fully complied with all statutes and regulations pertaining to his wholesale business. If any wholesaler liable for any taxes imposed by this chapter shall fail to pay such tax on the date payment is due, there shall be added to the tax five percent per month of the total amount of the tax unpaid from the due date of payment until paid. Any wholesaler failing to furnish reports when required shall be assessed a penalty of one hundred dollars for each day such reports are delinquent. The state treasurer may forgive all or part of any penalty for good cause shown. If any wholesaler shall file a fraudulent return, there shall be added to the tax an amount equal to the tax evaded or attempted to be evaded and such wholesaler shall also be guilty of a felony. All such taxes and civil penalties may be collected by assessment or distraint, and no court of this state shall enjoin the collection of any such tax or civil penalty. No wholesaler shall purchase alcoholic beverages from a manufacturer after notice from the state treasurer that such manufacturer has failed to file required reports with his office. Any wholesaler may have his license suspended or revoked for violation of any of the provisions of this title after a hearing conducted similar to that prescribed by this law.

§ 32. Imposition of Tax—Rate.) A tax is hereby imposed upon all sales of alcoholic beverages by wholesalers according to the following schedule:

Beer in bulk containers—per wine gallon	$ .08
Beer in bottles and cans—per wine gallon	.16
Wine containing less than 17% alcohol by volume—per wine gallon	.50
Wine containing 17%—24% alcohol by volume—per wine gallon	.60
Sparkling wine—per wine gallon	1.00
Distilled spirits—per wine gallon	2.50
Alcohol—per wine gallon	4.05

***§ 33. Repeal.)** Title 5 of the North Dakota Century Code is hereby repealed and shall be replaced by the provisions of this Act.

Approved March 14, 1967.

***Note:** Section 1 of chapter 81, 1967 S.L., also repealed section 5-03-26 of the North Dakota Century Code. Section 2 of chapter 158, 1967 S.L., amended section 5-01-13 of the North Dakota Century Code. Sections 12 through 20 of chapter 323, 1967 S.L., amended sections 5-01-13, 5-01-17, 5-02-07, 5-02-08, 5-03-03, 5-03-04, 5-03-20, 5-05-02, and 5-05-03 of the North Dakota Century Code. Since the repeal of these sections by chapter 80, 1967 S.L., governs any amendments, the amendments have in effect been nullified.

#1
HB1421
1-24-19

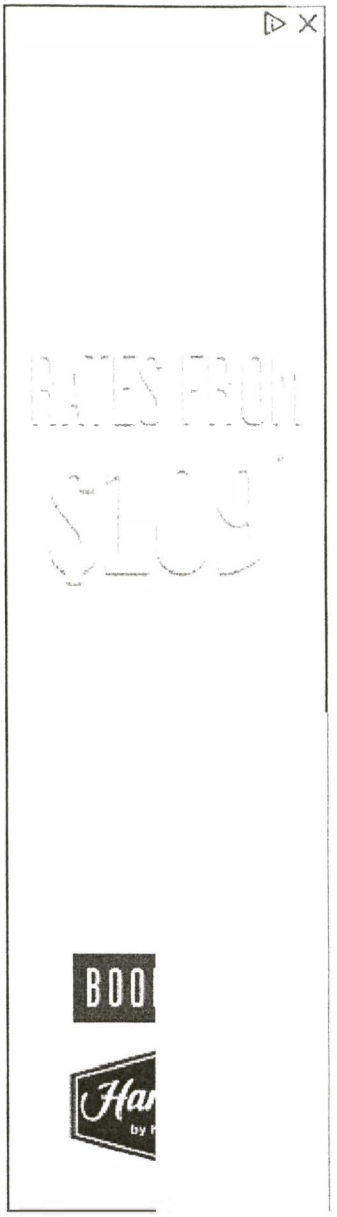
(4)

#1
HB1421
1-24-19

The Inflation Calculator

What cost $**2000** in 1967 would cost $**14928.31** in 2017.
Also, if you were to buy exactly the same products in 2017 and 1967,
they would cost you $**2000** and $**266.12** respectively.

Do you want to do another calculation?



Creator & Maintainer: Morgan Friedman
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Other sites of mine: Spanish Etymology - Learn Spanish with Etymologies, Modern Ketubahs

5