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**Economic Affairs Interim Committee**  
**65th Montana Legislature**

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PATRICIA MURDO, Lead Staff  
JAMESON WALKER, Staff Attorney  
FONG HOM, Secretary

February 8, 2018

Mike Kadas, Director  
Department of Revenue

sent via email

Dear Director Kadas:

The Economic Affairs Interim Committee of the Montana Legislature has voted to send a letter to the Department of Revenue voicing concerns about the process being used to implement Senate Bill No. 5 from the 2017 Special Session.

The committee's concerns include the lack of rulemaking and a public comment period before the department opened the auction for new liquor and beer and wine licenses in the Bozeman and Belgrade areas. The committee also heard that the department had decided that licenses could be auctioned in fiscal years, when the bill did not specify a fiscal year and, in fact, 1-1-301, MCA, indicates that if a fiscal year is not specified then the term "year" means "calendar year."

The committee appreciated testimony provided to the committee by Department staff stating on the record that none of the licenses would include gaming, which had been another concern.

The committee requests that no license be issued until the rules are released and adopted after the public has the opportunity to comment. There is a concern that failure to follow the rulemaking process could invalidate the auction.

Sincerely,

A blue ink signature of Sen. Gordon Vance, consisting of stylized, overlapping letters.

Sen. Gordon Vance  
EAIC Presiding Officer

A blue ink signature of Rep. Nate McConnell, featuring a large, cursive 'W' followed by 'MCCONNELL'.

Rep. Nate McConnell  
EAIC Vice Presiding Officer

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