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FISCAL IMPACT REPORT

ORIGINAL DATE 02/13/13

SPONSOR Ryan LAST UPDATED _____ HB _____

SHORT TITLE Dispenser's License May Regain Package Rights SB 355

ANALYST Weber

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY13	FY14	FY15		
	\$1,250.0	\$1,250.0	Nonrecurring	General Fund

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Regulation and Licensing Department (RLD)

SUMMARY

Synopsis of Bill

Senate Bill 355 provides for a dispenser's license that was, prior to July 1, 2013, the subject of an inter-local option district transfer and as a result lost its privilege to sell alcoholic beverages in unbroken packages for consumption and not for resale off the licensed premises may apply to regain that package privilege subject to the following conditions: (1) the method and process for application shall be determined by the director, but shall be substantially the same as for an application for a new license; (2) no more than twenty-five dispenser's licenses per year may regain the package privilege; (3) the fee for the issuance of the package privilege is fifty thousand dollars (\$50,000); (4) if the package privilege is regained and the licensed premises are in a local option district that has voted to approve Sunday package sales, the dispenser may request a permit for Sunday package sales pursuant to Section 60-7A-1 NMSA 1978; and (5) when it appears to the director that there will be more than twenty-five applications to regain the package privilege in a calendar year, the director shall provide a random selection method for the qualification, approval and issuance of the package privilege.

The bill goes on to detail how the random selection process should proceed.

FISCAL IMPLICATIONS

The fee for reinstating the license is \$50,000 with a basic limit of 25 additions per year. RLD reports 354 dispenser's licenses eligible for the reinstatement of the retailer's permit. This is a potential of \$1.25 million per year until all 354 are reinstated. It is reasonable to assume the pick-up for at least the first couple of years would be the maximum but it would be questionable after that.

The bill does not comment on any additional annual fee in subsequent years or if it is included in annual fee of the dispenser's license it rejoined.

SIGNIFICANT ISSUES

It appears the reinstated retailer's privileges are not subject to any quota limitations defined in 60-6A-18 NMSA 1978, effectively increasing the number of retail licenses and therefore, the number of package liquor outlets.

POSSIBLE QUESTIONS

Should reinstatement of the retailer's privileges be subject to 60-6A-18 NMSA 1978?

MW/blm