

Duplicates/Conflicts with/Companion to/Relates to: 2025 HB 498; 2025 SB 466.
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: House Bill 478 (HB 478) amends the Liquor Control Act (Act) to remove the provision providing local governing bodies with the authority to petition for an election on the question to approve or disapprove the statewide transfer of dispenser's or retailer's liquor licenses into that local option district (LOD). Such a petition requesting an election was due within one hundred eighty (180) days after the Act became effective in 1981. New Mexico has eight (8) LODs that previously voted to disapprove inter-local transfers of licenses into the LOD. By removing the ability of LODs to elect to disapprove, those eight (8) LODs will automatically allow for inter-local transfers of licenses. Such transfers of dispenser liquor licenses continue to require approval of the governing body for the transferring location.

HB 478 allows for dispenser liquor licenses to transfer outside their LOD into an LOD with fewer than or equal to the maximum number of licenses allowed in Section 60-6A-18, and retain the right to not only sell, serve or permit the onsite consumption of alcoholic beverages by the drink, but to also sell unbroken packages, including locally produced growlers, for offsite consumption and not for resale. A privilege that is currently lost when a dispenser license is transferred from one LOD to another LOD.

HB 478 removes the transfer location restriction on rural licenses, which currently requires the transfer of rural licenses to be within the unincorporated area of the county where it is located. HB 478 amends the Act to allow rural dispenser's, rural retailer's and rural club licenses to transfer to any LOD with fewer than or equal to the maximum number of licenses allowed in Section 60-6A-18, which sets a limit of one license per two thousand (2,000) inhabitants.

As no effective date is provided in HB 478, it will go into effect on June 20, 2025.

FISCAL IMPLICATIONS

No additional staffing for the Alcoholic Beverage Control (ABC) division of the Regulation and Licensing Department are expected to be needed to implement the provisions of HB 478 if the bill is enacted, however, it is anticipated it will take approximately 2-3 months to implement changes in the NM-PLUS online licensing system in order to adapt to the new requirements. Costs for the software developers to make the necessary changes to at least four (4) application types identified by the licensing staff are expected to be forty thousand dollars (\$40,000) in FY26.

SIGNIFICANT ISSUES

PERFORMANCE IMPLICATIONS

Existing staff will be able to handle any increase in transfer of ownership applications and transfer of locations applications the HB 478 may cause.

ADMINISTRATIVE IMPLICATIONS

RLD staff will need approximately 2-3 months to implement changes in NM-PLUS system. As developers will need to make changes to at least four (4) applications identified by licensing staff.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

HB 498 also amends Section 60-6B-12 of the Liquor Control Act in the same manner as HB 478 without removing the local governing body's ability to petition for an election to approve or disapprove statewide transfers of liquor licenses into that LOD within one hundred eighty (180) days of the effective date of the Act.

SB 466 also proposes changes to the current Liquor Control Act.

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

If HB 478 is not enacted, dispenser's licenses will continue to lose package sales capabilities when they leave their original local option district. Additionally, rural retailer's licenses and rural dispenser's licenses will continue to be restricted to moving only within their current local option district in areas that are further than 10 miles from another license.

AMENDMENTS