

HOUSE BILL 417

57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025

INTRODUCED BY

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This document may incorporate amendments proposed by a committee, but not yet adopted, as well as amendments that have been adopted during the current legislative session. The document is a tool to show amendments in context and cannot be used for the purpose of adding amendments to legislation.

AN ACT

RELATING TO TAXATION; AMENDING THE DISTRIBUTIONS OF THE LIQUOR EXCISE TAX; AMENDING DEFINITIONS IN THE LIQUOR EXCISE TAX ACT; IMPOSING A LIQUOR EXCISE SURTAX ON RETAILERS; DISTRIBUTING THE REVENUE FROM THE SURTAX TO A NEW TRIBAL ALCOHOL HARMS ALLEVIATION FUND; CHANGING THE LOCAL DWI GRANT PROGRAM ACT TO THE LOCAL ALCOHOL HARMS ALLEVIATION PROGRAM ACT AND MAKING AMENDMENTS TO THE ACT; CREATING THE TRIBAL ALCOHOL HARMS ALLEVIATION PROGRAM ACT; EXCLUDING THE TAXES IMPOSED BY THE

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LIQUOR EXCISE TAX FROM THE DEFINITION OF "GROSS RECEIPTS" IN THE GROSS RECEIPTS AND COMPENSATING TAX ACT; REQUIRING CERTAIN LEGISLATIVE COMMITTEES TO REVIEW THE RATES OF THE LIQUOR EXCISE TAX AND LIQUOR EXCISE SURTAX AND THE DISTRIBUTIONS FROM THOSE TAXES; MAKING APPROPRIATIONS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. Section 7-1-6.40 NMSA 1978 (being Laws 1997, Chapter 182, Section 1, as amended) is amended to read:

"7-1-6.40. [~~DISTRIBUTION OF~~] DISTRIBUTIONS--LIQUOR EXCISE TAX TO LOCAL [DWI GRANT] ALCOHOL HARMS ALLEVIATION FUND [CERTAIN MUNICIPALITIES] AND DRUG COURT FUND--LIQUOR EXCISE SURTAX TO TRIBAL ALCOHOL HARMS ALLEVIATION FUND.--

~~[A. A distribution pursuant to Section 7-1-6.1 NMSA 1978 in an amount equal to forty-five percent of the net receipts attributable to the liquor excise tax shall be made to the local DWI grant fund.~~

~~B. A distribution pursuant to Section 7-1-6.1 NMSA 1978 of twenty thousand seven hundred fifty dollars (\$20,750) monthly from the net receipts attributable to the liquor excise tax shall be made to a municipality that is located in a class A county and that has a population according to the most recent federal decennial census of more than thirty thousand but less than sixty thousand and shall be used by the municipality only for the provision of alcohol treatment and rehabilitation~~

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~~services for street inebriates.~~

~~G. Beginning July 1, 2019 A distribution pursuant to Section 7-1-6.1 NMSA 1978 in an amount equal to five percent of the net receipts attributable to the liquor excise tax shall be made to the drug court fund.]~~

A. A distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be made in the following percentages of the net receipts attributable to the liquor excise tax:

(1) ninety-four percent to the local alcohol harms alleviation fund; and

(2) six percent to the drug court fund.

B. A distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be made to the tribal alcohol harms alleviation fund in an amount equal to the net receipts attributable to the liquor excise surtax."

SECTION 2. Section 7-9-3.5 NMSA 1978 (being Laws 2003, Chapter 272, Section 3, as amended) is amended to read:

"7-9-3.5. DEFINITION--GROSS RECEIPTS.--

A. As used in the Gross Receipts and Compensating Tax Act:

(1) "gross receipts" means the total amount of money or the value of other consideration received from selling property in New Mexico, from leasing or licensing property employed in New Mexico, from granting a right to use a franchise employed in New Mexico, from selling services

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performed outside New Mexico, the product of which is initially used in New Mexico, or from performing services in New Mexico. In an exchange in which the money or other consideration received does not represent the value of the property or service exchanged, "gross receipts" means the reasonable value of the property or service exchanged;

(2) "gross receipts" includes:

(a) any receipts from sales of tangible personal property handled on consignment;

(b) the total commissions or fees derived from the business of buying, selling or promoting the purchase, sale or lease, as an agent or broker on a commission or fee basis, of any property, service, stock, bond or security;

(c) amounts paid by members of any cooperative association or similar organization for sales or leases of personal property or performance of services by such organization;

(d) amounts received from transmitting messages or conversations by persons providing telephone or telegraph services;

(e) amounts received by a New Mexico florist from the sale of flowers, plants or other products that are customarily sold by florists where the sale is made pursuant to orders placed with the New Mexico florist that are

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filled and delivered outside New Mexico by an out-of-state florist;

(f) the receipts of a home service provider from providing mobile telecommunications services to customers whose place of primary use is in New Mexico if: 1) the mobile telecommunications services originate and terminate in the same state, regardless of where the services originate, terminate or pass through; and 2) the charges for mobile telecommunications services are billed by or for a customer's home service provider and are deemed provided by the home service provider. For the purposes of this section, "home service provider", "mobile telecommunications services", "customer" and "place of primary use" have the meanings given in the federal Mobile Telecommunications Sourcing Act; and

(g) receipts collected by a marketplace provider engaging in business in the state from sales, leases and licenses of tangible personal property, sales of licenses and sales of services or licenses for use of real property that are sourced to this state and are facilitated by the marketplace provider on behalf of marketplace sellers, regardless of whether the marketplace sellers are engaging in business in the state; and

(3) "gross receipts" excludes:

- (a) cash discounts allowed and taken;
- (b) New Mexico gross receipts tax,

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governmental gross receipts tax, leased vehicle gross receipts tax, [~~and~~] cannabis excise tax and taxes imposed pursuant to the Liquor Excise Tax Act payable on transactions for the reporting period;

(c) taxes imposed pursuant to the provisions of any local option gross receipts tax that is payable on transactions for the reporting period;

(d) any gross receipts or sales taxes imposed by an Indian nation, tribe or pueblo; provided that the tax is approved, if approval is required by federal law or regulation, by the secretary of the interior of the United States; and provided further that the gross receipts or sales tax imposed by the Indian nation, tribe or pueblo provides a reciprocal exclusion for gross receipts, sales or gross receipts-based excise taxes imposed by the state or its political subdivisions;

(e) any type of time-price differential;

(f) amounts received solely on behalf of another in a disclosed agency capacity; and

(g) amounts received by a New Mexico florist from the sale of flowers, plants or other products that are customarily sold by florists where the sale is made pursuant to orders placed with an out-of-state florist for filling and delivery in New Mexico by a New Mexico florist.

B. When the sale of property or service is made

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under any type of charge, conditional or time-sales contract or the leasing of property is made under a leasing contract, the seller or lessor may elect to treat all receipts, excluding any type of time-price differential, under such contracts as gross receipts as and when the payments are actually received. If the seller or lessor transfers the seller's or lessor's interest in any such contract to a third person, the seller or lessor shall pay the gross receipts tax upon the full sale or leasing contract amount, excluding any type of time-price differential."

SECTION 3. Section 7-17-2 NMSA 1978 (being Laws 1966, Chapter 49, Section 2, as amended) is amended to read:

"7-17-2. DEFINITIONS.--As used in the Liquor Excise Tax Act:

A. "alcoholic beverages" means distilled or rectified spirits, potable alcohol, brandy, whiskey, rum, gin, aromatic bitters or any similar beverage, including blended or fermented beverages, dilutions or mixtures of one or more of the foregoing containing more than one-half of one percent alcohol by volume, but "alcoholic beverages" does not include medicinal bitters;

B. "barrel" means the equivalent of thirty-one gallons;

~~[B-]~~ C. "beer" means an alcoholic beverage obtained by the fermentation of any infusion or decoction of barley,

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malt and hops or other cereals in water and includes porter, beer, ale and stout;

[G-] D. "cider" means an alcoholic beverage made from the normal alcoholic fermentation of the juice of sound, ripe apples or pears that contains not less than one-half of one percent of alcohol by volume and not more than eight and one-half percent of alcohol by volume;

[D-] E. "department" means the taxation and revenue department, the secretary of taxation and revenue or any employee of the department exercising authority lawfully delegated to that employee by the secretary;

[E-] F. "fortified wine" means wine containing more than fourteen percent alcohol by volume when bottled or packaged by the manufacturer, but "fortified wine" does not include:

(1) wine that is sealed or capped by cork closure and aged two years or more;

(2) wine that contains more than fourteen percent alcohol by volume solely as a result of the natural fermentation process and that has not been produced with the addition of wine spirits, brandy or alcohol; or

(3) vermouth and sherry;

[F-] G. "microbrewer" means a person who produces less than two hundred thousand barrels of beer per year;

[G-] H. "person" includes, to the extent permitted

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by law, a federal, state or other governmental unit or subdivision or an agency, department, institution or instrumentality thereof;

I. "retailer" means a person having a place of business in New Mexico HTRC→, excluding winegrowers, persons issued a small brewer's license pursuant to Section 60-6A-26.1 NMSA 1978 and persons issued a craft distiller's license pursuant to Section 60-6A-6.1 NMSA 1978←HTRC who sells, offers for sale or possesses for the purpose of selling alcoholic beverages in New Mexico;

[H-] J. "small winegrower" means a winegrower who produces less than one million five hundred thousand liters of wine in a year;

[F-] K. "spirituous liquors" means alcoholic beverages, except fermented beverages such as wine, beer, cider and ale;

[J-] L. "wholesaler" means a person holding a license issued under Section 60-6A-1 NMSA 1978 or a person selling alcoholic beverages that were not purchased from a person holding a license issued under Section 60-6A-1 NMSA 1978;

[K-] M. "wine" means an alcoholic beverage other than cider that is obtained by the fermentation of the natural sugar contained in fruit or other agricultural products, with or without the addition of sugar or other products, and that

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does not contain more than twenty-one percent alcohol by volume; and

[~~E~~] N. "winegrower" means a person licensed pursuant to Section 60-6A-11 NMSA 1978."

SECTION 4. A new section of the Liquor Excise Tax Act, Section 7-17-5.2 NMSA 1978, is enacted to read:

"7-17-5.2. [NEW MATERIAL] IMPOSITION AND RATE OF LIQUOR EXCISE SURTAX.--Beginning July 1, 2026, there is imposed on a retailer who sells alcoholic beverages not for resale on which the surtax imposed by this section has not been paid an excise surtax, to be referred to as the "liquor excise surtax", at the rate of six percent of the price paid for alcoholic beverages sold by the retailer."

SECTION 5. Section 7-17-6 NMSA 1978 (being Laws 1984, Chapter 85, Section 4, as amended) is amended to read:

"7-17-6. DEDUCTION--INTERSTATE SALES--WINEGROWER-TO-WINEGROWER TRANSFERS.--

A. A wholesaler may deduct the liters of spirituous liquors, gallons of beer and liters of wine sold and shipped to a person in another state from the units of alcoholic beverages subject to the [~~tax~~] taxes imposed by the Liquor Excise Tax Act; provided that the department may require the wholesaler to submit evidence satisfactory to the department that the units have been sold and shipped to a person in another state.

B. A winegrower may deduct the liters of wine

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transferred to the winegrower from another winegrower for processing, bottling or storage and subsequent return to the transferor from the units of wine subject to the [~~liquor excise tax~~] taxes imposed by the Liquor Excise Tax Act on the licensed premises of the winegrower."

SECTION 6. Section 7-17-9 NMSA 1978 (being Laws 1966, Chapter 49, Section 7, as amended) is amended to read:

"7-17-9. EXEMPTION--CERTAIN SALES TO OR BY INSTRUMENTALITIES OF ARMED FORCES.--Exempted from the [~~tax imposed by Section 7-17-5 NMSA 1978~~] taxes imposed by the Liquor Excise Tax Act are alcoholic beverages sold to or by any instrumentality of the armed forces of the United States engaged in resale activities."

SECTION 7. Section 7-17-10 NMSA 1978 (being Laws 1966, Chapter 49, Section 8, as amended) is amended to read:

"7-17-10. DATE PAYMENT DUE.--The [~~tax~~] taxes imposed by the Liquor Excise Tax Act [~~is~~] are to be paid on or before the twenty-fifth day of the month following the month in which the taxable event occurs."

SECTION 8. Section 7-17-11 NMSA 1978 (being Laws 1969, Chapter 80, Section 1, as amended) is amended to read:

"7-17-11. REFUND OR CREDIT OF [~~TAX~~] TAXES.--The department shall allow a claim for refund or credit as provided in Sections 7-1-26 and 7-1-29 NMSA 1978 for the [~~tax imposed by Section 7-17-5 NMSA 1978~~] taxes imposed by the Liquor Excise

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Tax Act and paid on alcoholic beverages destroyed in shipment, spoiled or otherwise damaged as to be unfit for sale or consumption upon submission of proof satisfactory to the department of such destruction, spoilage or damage."

SECTION 9. Section 7-17-12 NMSA 1978 (being Laws 1984, Chapter 85, Section 8, as amended) is amended to read:

"7-17-12. INTERPRETATION OF ACT--ADMINISTRATION AND ENFORCEMENT OF ~~[TAX]~~ TAXES.--

A. The department shall interpret the provisions of the Liquor Excise Tax Act.

B. The department shall administer and enforce the collection of the ~~[liquor excise tax]~~ taxes imposed by the Liquor Excise Tax Act, and the Tax Administration Act applies to the administration and enforcement of the ~~[tax]~~ taxes."

SECTION 10. Section 11-6A-1 NMSA 1978 (being Laws 1993, Chapter 65, Section 1) is amended to read:

"11-6A-1. SHORT TITLE.--~~[Sections 1 through 5 of this act]~~ Chapter 11, Article 6A NMSA 1978 may be cited as the "Local ~~[DWI Grant]~~ Alcohol Harms Alleviation Program Act"."

SECTION 11. Section 11-6A-2 NMSA 1978 (being Laws 1993, Chapter 65, Section 2) is amended to read:

"11-6A-2. DEFINITIONS.--As used in the Local ~~[DWI Grant]~~ Alcohol Harms Alleviation Program Act:

A. "council" means the ~~[DWI grant]~~ local alcohol harms alleviation council; and

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B. "division" means the local government division of the department of finance and administration."

SECTION 12. Section 11-6A-3 NMSA 1978 (being Laws 1993, Chapter 65, Section 3, as amended) is amended to read:

"11-6A-3. LOCAL ~~[DWI GRANT]~~ ALCOHOL HARMS ALLEVIATION PROGRAM--[FUND] ELIGIBILITY FOR GRANTS.--

A. The division shall establish a "local ~~[DWI grant]~~ alcohol harms alleviation program" to make grants from the local alcohol harms alleviation fund to ~~[municipalities or]~~ counties upon council approval for ~~[(1) new]~~ innovative or model programs ~~[services or activities]~~ that include awareness and recovery approaches to ~~[prevent]~~ promote prevention or facilitate interventions, provide court-ordered supervision services and reduce harms and risks associated with substance misuse, including the incidence of ~~[DWI, alcoholism, alcohol abuse, drug addiction or drug abuse; and (2) programs, services or activities to prevent or reduce the incidence of domestic abuse related to DWI, alcoholism, alcohol abuse, drug addiction or drug abuse.~~

~~B. Grants shall be awarded by the council pursuant to the advice and recommendations of the division.~~

~~C. The "local DWI grant fund" is created in the state treasury and shall be administered by the division. Two million five hundred thousand dollars (\$2,500,000) of liquor excise tax revenues distributed to the fund and all other money~~

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~~in the fund, other than money appropriated for distribution pursuant to Subsections D and E of this section and money appropriated for DWI program distributions, are appropriated to the division to make grants to municipalities and counties upon council approval in accordance with the program established under the Local DWI Grant Program Act and to evaluate DWI grantees and the local DWI grant program. Money in the fund may be used for drug courts. An amount equal to the liquor excise tax revenues distributed annually to the fund, less five million six hundred thousand dollars (\$5,600,000), is appropriated to the division to make DWI program distributions to counties upon council approval of programs in accordance with the provisions of the Local DWI Grant Program Act. No more than six hundred thousand dollars (\$600,000) of liquor excise tax revenues distributed to the fund in any fiscal year shall be expended for administration of the grant program. Balances in the fund at the end of any fiscal year shall not revert to the general fund.~~

~~D. Two million eight hundred thousand dollars (\$2,800,000) of the liquor excise tax revenues distributed to the local DWI grant fund is appropriated to the division for distribution to the following counties in the following amounts for funding of alcohol detoxification and treatment facilities:~~

~~(1) one million seven hundred thousand dollars (\$1,700,000) to class A counties with a population of over~~

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~~three hundred thousand persons according to the 1990 federal decennial census;~~

~~(2) three hundred thousand dollars (\$300,000) each to counties reclassified in 2002 as class A counties with a population of more than ninety thousand but less than one hundred thousand persons according to the 1990 federal decennial census;~~

~~(3) two hundred thousand dollars (\$200,000) to class B counties with a population of more than thirty thousand but less than forty thousand persons according to the 1990 federal decennial census;~~

~~(4) one hundred fifty thousand dollars (\$150,000) to class B counties with a population of more than sixty-two thousand but less than sixty-five thousand persons according to the 1990 federal decennial census; and~~

~~(5) one hundred fifty thousand dollars (\$150,000) to class B counties with a population of more than thirteen thousand but less than fifteen thousand persons according to the 1990 federal decennial census.~~

~~E. three hundred thousand dollars (\$300,000) of the liquor excise tax revenues distributed to the local DWI grant fund is appropriated to the division for the interlock device fund.~~

~~F. In awarding DWI grants to local communities, the council:~~

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~~(1) may fund new or existing innovative or model programs, services or activities designed to prevent or reduce the incidence of DWI, alcoholism or alcohol abuse;~~

~~(2) may fund existing community-based programs, services or facilities for prevention, screening and treatment of alcoholism and alcohol abuse;~~

~~(3) may fund new or existing innovative or model programs, services or activities of any kind designed to prevent or reduce the incidence of domestic abuse related to DWI, alcoholism or alcohol abuse;~~

~~(4) may fund existing community-based programs, services or facilities for prevention and treatment of domestic abuse related to DWI, alcoholism or alcohol abuse;~~

~~(5) shall give consideration to a broad range of approaches to prevention, education, screening, treatment or alternative sentencing, including programs that combine incarceration, treatment and aftercare, to address the problem of DWI, alcoholism or alcohol abuse; and~~

~~(6) shall make grants only to counties or municipalities in counties that have established a DWI planning council and adopted a county DWI plan or are parties to a multicounty DWI plan that has been approved by the council and approved pursuant to Chapter 43, Article 3 NMSA 1978 and only for programs, services or activities consistent with that plan. A DWI plan shall also comply with local DWI grant program rules~~

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~~and guidelines.~~

~~G. The council shall use the criteria in Subsection F of this section to approve DWI programs, services or activities for funding through the county DWI program distribution. Sixty-five percent of the DWI grants awarded to local communities shall be used for alcohol-related treatment and detoxification programs]~~ impaired driving. The division shall administer the program and shall serve as staff to the council.

B. A county shall be eligible to receive a grant if the board of county commissioners of the county has submitted to the council a request to use the grant for one or more programs in the county and the program is approved by the council and complies with county program guidelines and the Local Alcohol Harms Alleviation Program Act.

C. No later than April 1 each year, each board of county commissioners seeking a grant shall make application to the division for review and approval by the council. Application shall be made on a form and in a manner determined by the division. The council shall approve programs eligible for a grant no later than July 1 of each year. The division shall provide the grant to each county in quarterly installments on or before each September 10, December 10, March 10 and June 10."

SECTION 13. Section 11-6A-4 NMSA 1978 (being Laws 1993,

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Chapter 65, Section 4, as amended) is amended to read:

"11-6A-4. ~~[DWI-GRANT]~~ LOCAL ALCOHOL HARMS ALLEVIATION PROGRAM COUNCIL--MEMBERSHIP--DUTIES.--

A. The "~~[DWI-grant]~~ local alcohol harms alleviation program council" is created and shall consist of:

(1) the president of the New Mexico municipal league or ~~[his]~~ the president's designee;

(2) the president of the New Mexico association of counties or ~~[his]~~ the president's designee;

(3) the secretary of health or the secretary's designee;

(4) the secretary of finance and administration or the secretary's designee;

(5) the secretary of public education or the secretary's designee;

(6) the secretary of Indian affairs or the secretary's designee;

(7) the chief of the traffic safety bureau of the ~~[state highway and transportation]~~ department of transportation; and

(8) two representatives of local governing bodies who shall be appointed by the governor so as to provide geographic diversity.

B. Appointed members shall be appointed to a two-year term. In the event of a vacancy, the governor shall

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appoint a member for the remainder of the term.

C. The council shall meet as necessary to receive applications, consider grant requests and [~~award DWI grants~~] advise the division to make grants to counties pursuant to the Local [~~DWI Grant~~] Alcohol Harms Alleviation Program Act. All actions of the council require the affirmative vote of a majority of the members of the council.

D. Members of the council shall be reimbursed for per diem and mileage in accordance with the Per Diem and Mileage Act."

SECTION 14. Section 11-6A-5 NMSA 1978 (being Laws 1993, Chapter 65, Section 5, as amended) is amended to read:

"11-6A-5. [~~ADMINISTRATION OF LOCAL DWI GRANT PROGRAM AND COUNTY DWI PROGRAM DISTRIBUTION--REGULATIONS~~] PROMULGATION OF RULES.--

~~[A. The division shall administer and evaluate the local DWI grant program and the county DWI program distribution and shall serve as staff to the council.~~

B.] The division, with the advice and approval of the council, shall [~~adopt regulations~~] promulgate rules necessary for [~~operation~~] administration of the local [~~DWI grant~~] alcohol harms alleviation program and [~~the county DWI program distribution~~] grants from the local alcohol harms alleviation fund, including rules for:

[~~(1)~~] A. forms and procedures for the application

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process for ~~[the local DWI grant program and the county DWI program distribution]~~ a grant;

~~[(2)]~~ B. documentation to be provided by the applicant to assure compliance with the ~~[grant and the]~~ county ~~[DWI] program [distribution]~~ guidelines and ~~[other]~~ the provisions of the Local ~~[DWI Grant]~~ Alcohol Harms Alleviation Program Act;

~~[(3)]~~ C. procedures and guidelines for review, evaluation and approval of ~~[grant awards and for review and approval of]~~ programs; ~~[to be funded by the county DWI program distribution]~~;

~~(4)~~ ~~procedures and guidelines for oversight, evaluation and audit of DWI grantees to assure that grants are being administered in the manner and for the purposes that the grants were awarded; and~~

~~(5)]~~ D. design of an evaluation mechanism for ~~[DWI grant]~~ county programs ~~[distributions and services]~~; and

E. submission by each ~~[DWI grantee]~~ county of an annual report or other data on each ~~[local DWI grant program, distribution or service]~~ of the county's programs and ~~[its]~~ the effectiveness and outcomes of the programs."

SECTION 15. Section 11-6A-6 NMSA 1978 (being Laws 1997, Chapter 182, Section 2, as amended) is amended to read:

"11-6A-6. ~~[DISTRIBUTION OF CERTAIN LOCAL DWI GRANT PROGRAM FUNDS -- APPROVAL OF PROGRAMS]~~ EXPENDITURES FROM THE

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LOCAL ALCOHOL HARMS ALLEVIATION FUND.--

~~[A. An amount equal to the liquor excise tax revenues distributed to the local DWI grant fund for the fiscal year less five million six hundred thousand dollars (\$5,600,000) shall be available for distribution in accordance with the formula in Subsection B of this section to each county for council-approved DWI programs, services or activities; provided that each county shall receive a minimum distribution of at least one-half percent of the money available for distribution.~~

~~B. Each county shall be eligible for a DWI program distribution in an amount derived by multiplying the total amount of money available for distribution by a percentage that is the average of the following two percentages;~~

~~(1) a percentage equal to a fraction, the numerator of which is the retail trade gross receipts in the county and the denominator of which is the total retail trade gross receipts in the state; and~~

~~(2) a percentage equal to a fraction, the numerator of which is the number of alcohol-related injury crashes in the county and the denominator of which is the total alcohol-related injury crashes in the state.~~

~~G. A county shall be eligible to receive the distribution determined pursuant to Subsection B of this section if the board of county commissioners has submitted to~~

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~~the council a request to use the distribution for the operation of one or more DWI programs, services or activities in the county and the request has been approved by the council. The request shall also comply with local DWI grant program rules and guidelines.~~

~~D. No later than April 1 each year, each board of county commissioners seeking approval for the DWI program distribution pursuant to this section shall make application to the division for review and approval by the council for one or more local DWI programs, services or activities in the county. Application shall be made on a form and in a manner determined by the division. The council shall approve the programs eligible for a distribution no later than July 1 of each year. The division shall make the annual distribution to each county in quarterly installments on or before each September 10, December 10, March 10 and June 10, beginning in September 2004. The amount available for distribution quarterly to each county shall be the amount determined by applying the formula in Subsection B of this section to the amount of liquor excise tax revenues in the local DWI grant fund at the end of the month prior to the quarterly installment due date and after one million three hundred twenty-five thousand dollars (\$1,325,000) has been set aside for the DWI grant program and after the appropriations and distributions pursuant to Subsections D and E of Section 11-6A-3 NMSA 1978.]~~

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A. The "local alcohol harms alleviation fund" is created as a nonreverting fund in the state treasury. The fund consists of distributions, appropriations, gifts, grants, donations and income from investment of the fund. The fund shall be administered by the division, and, except as provided in Subsection B of this section, money in the fund is appropriated to the division to make grants to counties for programs approved by the council and pursuant to the Local Alcohol Harms Alleviation Program Act. Expenditures from the fund shall be by warrant of the secretary of finance and administration pursuant to vouchers signed by the director of the division or the director's authorized representative.

B. On July 1 of each year, three hundred thousand dollars (\$300,000) shall be transferred from the local alcohol harms alleviation fund to the interlock device fund.

C. Each county shall be eligible for a grant in an amount derived by multiplying the balance of the local alcohol harms alleviation fund after the transfer is made pursuant to Subsection B of this section by a percentage that is the sum of the following two amounts; provided that each county shall receive a minimum distribution of at least one-half percent of the remaining balance of the fund:

(1) one-tenth multiplied by a fraction, the numerator of which is an amount equal to the population of the county as determined each year by the department of health and

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the denominator of which is the population of the entire state as determined each year by the department of health; and

(2) nine-tenths multiplied by a fraction, the numerator of which is an amount equal to the number of alcohol-related deaths for the county and the denominator of which is the total alcohol-related deaths for the state.

~~[E.]~~ D. Grants made to counties pursuant to this section shall not revert to any fund; provided that if a county does not have a council-approved [DWI] program [service or activity] or does not need the full amount of the available distribution, the unused money shall revert to the local [DWI grant] alcohol harms alleviation fund [and may be used by the council for the local DWI grant program].

E. The division may expend up to one million dollars (\$1,000,000) each year for reasonable costs necessary to administer the local alcohol harms alleviation program and make grants from the local alcohol harms alleviation fund.

F. As used in this section, ~~[(1) "alcohol-related injury crashes" means the average annual number of alcohol-related injury crashes during the period from January 1, 2000 through December 31, 2002, as determined by the traffic safety bureau of the state highway and transportation department; and (2) "retail trade gross receipts" means the total reported gross receipts attributable to taxpayers reporting under the retail trade industry sector of the state for the most recent~~

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~~fiscal year as determined by the taxation and revenue department]~~ "alcohol-related deaths" means the total number of deaths over the most recently available period of five full calendar years attributed to alcohol, as calculated by the department of health."

SECTION 16. [NEW MATERIAL] SHORT TITLE.--Sections 16 through 19 of this act may be cited as the "Tribal Alcohol Harms Alleviation Program Act".

SECTION 17. [NEW MATERIAL] DEFINITIONS.--As used in the Tribal Alcohol Harms Alleviation Program Act:

A. "council" means the tribal alcohol harms alleviation council; and

B. "department" means the Indian affairs department.

SECTION 18. [NEW MATERIAL] TRIBAL ALCOHOL HARMS ALLEVIATION PROGRAM--FUND.--

A. The department shall establish a "tribal alcohol harms alleviation program" to make grants, upon council approval pursuant to Section 19 of this 2025 act, to Indian nations, tribes and pueblos in New Mexico and to local governments and entities serving tribal nations, tribal communities, indigenous peoples and urban Indian populations in New Mexico.

B. The "tribal alcohol harms alleviation fund" is created as a nonreverting fund in the state treasury. The fund

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consists of distributions, appropriations, gifts, grants, donations and income from investment of the fund. The fund shall be administered by the department, and, except as provided in Subsections C and D of this section, money in the fund is appropriated to the department to make grants pursuant to the Tribal Alcohol Harms Alleviation Program Act. Any unexpended or unencumbered balance of a distribution remaining at the end of a fiscal year shall not revert to any fund.

C. The department may expend up to the following amounts from the balance of the fund each year, subject to the availability of money in the fund, and any unexpended or unencumbered amounts remaining at the end of a fiscal year shall revert to the fund:

(1) two million dollars (\$2,000,000) for reasonable costs necessary to administer the fund and to make grants from the fund; and

(2) three million dollars (\$3,000,000) to conduct culturally appropriate research and evaluation on the harms and risks of alcohol and substance misuse.

D. On July 1 of 2027 through 2036, subject to the availability of money in the fund, three million dollars (\$3,000,000) shall be appropriated from the fund to the board of regents of the university of New Mexico for the university's center on alcohol, substance abuse and addictions and division of community behavioral health with the department of

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psychiatry and behavioral sciences to perform interdisciplinary cross-campus research on alcohol policy and prevention efforts and conduct community-engaged studies to assess the public health and economic impacts of the liquor excise tax and liquor excise surtax. If, after the amounts pursuant to Subsection C of this section are deducted, the balance of the fund is less than three million dollars (\$3,000,000), then the balance of the fund may be appropriated as provided in this subsection. Any unexpended or unencumbered balance of the appropriated amount remaining at the end of a fiscal year shall revert to the fund.

E. On or before December 1 of each year, the secretary of Indian affairs, the director of the university of New Mexico's center on alcohol, substance abuse and addictions and the division chief of the university of New Mexico's division of community behavioral health shall report the results and findings from the research and evaluation performed pursuant to this section to the legislative finance committee and the revenue stabilization and tax policy committee.

F. Expenditures from the fund shall be by warrant of the secretary of finance and administration pursuant to vouchers signed by the secretary of Indian affairs or the secretary's authorized representative.

SECTION 19. [NEW MATERIAL] TRIBAL ALCOHOL HARMS ALLEVIATION COUNCIL--MEMBERSHIP--DUTIES.--

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A. The department shall establish a "tribal alcohol harms alleviation council" that consists of representatives from Indian nations, tribes and pueblos located in New Mexico, four representatives serving urban Indian populations in New Mexico and tribal behavioral health regions identified by the department.

B. The council shall meet as necessary to receive applications, consider funding requests and approve grants to be made by the department to Indian nations, tribes and pueblos and local governments and entities serving tribal nations, tribal communities, indigenous peoples and urban Indian populations for preventing or reducing harms and risks associated with substance misuse among tribal nations, tribal communities, indigenous peoples and urban Indian populations.

C. Once the council has approved a grant, the council shall notify the department, and the department shall promptly make the grant from the tribal alcohol harms alleviation fund to the recipient approved by the council, subject to availability of money in the fund.

SECTION 20. Section 60-6A-11.1 NMSA 1978 (being Laws 2011, Chapter 109, Section 1) is amended to read:

"60-6A-11.1. DIRECT WINE SHIPMENT PERMIT--AUTHORIZATION--RESTRICTIONS.--

A. A licensee with a winegrower's license or a person licensed in a state other than New Mexico that holds a

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winery license may apply to the director for and the director may issue to the applicant a direct wine shipment permit. An application for a direct wine shipment permit shall include:

(1) contact information for the applicant in a form required by the department;

(2) an annual application fee of fifty dollars (\$50.00) if the applicant does not hold a winegrower's license;

(3) the number of the applicant's winegrower's license if the applicant is located in New Mexico or a copy of the applicant's winery license if the applicant is located in a state other than New Mexico; and

(4) any other information or documents required by the director. Upon approval of an applicant for a permit, the director shall forward to the taxation and revenue department the name of each permittee and the contact information for the permittee.

B. A direct wine shipment permit shall be valid for a permit year. A permittee shall renew a direct wine shipment permit annually as required by the department to continue making direct shipments of wine to New Mexico residents.

C. A permittee may ship:

(1) not more than two nine-liter cases of wine monthly to a New Mexico resident who is twenty-one years of age or older for the recipient's personal consumption or use, but not for resale; and

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(2) wine directly to a New Mexico resident only in containers that are conspicuously labeled with the words:

"CONTAINS ALCOHOL
SIGNATURE OF PERSON 21 YEARS OR OLDER REQUIRED
FOR DELIVERY".

D. A permittee shall:

(1) register with the taxation and revenue department for the payment of the liquor excise tax, liquor excise surtax and gross receipts taxes due on the sales of wine pursuant to the permittee's activities in New Mexico;

(2) submit to the jurisdiction of New Mexico courts to resolve legal actions that arise from the shipping by the permittee of wine into New Mexico to New Mexico residents;

(3) monthly, by the twenty-fifth day of each month following the month in which the permittee was issued a direct wine shipment permit, pay to the taxation and revenue department the liquor excise tax, ~~due~~ liquor excise surtax and ~~the~~ gross receipts tax due; and

(4) submit to an audit by an agent of the taxation and revenue department of the permittee's records of the wine shipped pursuant to this section to New Mexico residents upon notice and during usual business hours.

E. As used in this section:

(1) "permit year" means the period between

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July 1 and June 30 of a year; and

(2) "permittee" means a person that is the holder of a direct wine shipment permit."

SECTION 21. TEMPORARY PROVISION--LOCAL DWI GRANT FUND DEEMED LOCAL ALCOHOL HARMS ALLEVIATION FUND.--References to the local DWI grant fund shall be deemed as references to the local alcohol harms alleviation fund.

HTRC→SECTION 22. TEMPORARY PROVISION--AUTHORIZED DISTRIBUTIONS FROM LOCAL DWI GRANT FUND.--The annual distribution authorized prior to the effective date of this act pursuant to Section 11-6A-6 NMSA 1978 to be made to each county in quarterly installments on or before September 10, 2025, December 10, 2025, March 10, 2026 and June 10, 2026 shall be made from the local alcohol harms alleviation fund.←HTRC

SECTION HTRC→22.←HTRC HTRC→23.←HTRC TEMPORARY PROVISION--REVIEW OF LIQUOR EXCISE TAXES AND DISTRIBUTIONS.--By December 1, 2032, the legislative finance committee and the revenue stabilization and tax policy committee shall review the rates of the liquor excise tax and liquor excise surtax and the distributions from those taxes to determine if any changes should be made to the rates of the taxes or the distributions.

SECTION HTRC→23.←HTRC HTRC→24.←HTRC APPROPRIATIONS.--

A. Two million dollars (\$2,000,000) is appropriated from the local alcohol harms alleviation fund to the Indian affairs department for expenditure in fiscal year 2026 and

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subsequent fiscal years to prepare for the administration of the Tribal Alcohol Harms Alleviation Program Act and begin to conduct the research and evaluation required pursuant to that act. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the local alcohol harms alleviation fund.

B. One million dollars (\$1,000,000) is appropriated from the local alcohol harms alleviation fund to the board of regents of the university of New Mexico to be divided equally among the university's center on alcohol, substance abuse and addictions and division of community behavioral health with the department of psychiatry and behavioral sciences for expenditure in fiscal year 2026 and subsequent fiscal years to begin to conduct the research and studies required pursuant to the Tribal Alcohol Harms Alleviation Program Act. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the local alcohol harms alleviation fund.

SECTION HTRC→24.←HTRC HTRC→25.←HTRC EFFECTIVE DATE.--

The effective date of the provisions of this act is July 1, 2025.