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## FISCAL IMPACT REPORT

SPONSOR Dow/Hernandez, J. LAST UPDATED \_\_\_\_\_  
ORIGINAL DATE 3/5/2025  
BILL  
SHORT TITLE Liquor License Transfer Criteria NUMBER House Bill 498  
ANALYST Hanika-Ortiz

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT\* (dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
RLD – ABC Division	No fiscal impact	\$40.0	Indeterminate but minimal	At least \$40.0	Recurring	Other state funds

Parentheses ( ) indicate expenditure decreases.

\*Amounts reflect most recent analysis of this legislation.

### Sources of Information

LFC Files

Agency Analysis Received From  
Regulation and Licensing Department (RLD)

Agency Analysis Requested But Not Received From  
Taxation and Revenue Department (TRD)  
Economic Development Department (EDD)

## SUMMARY

### Synopsis of House Bill 498

House Bill 498 (HB498) amends Section 60-6B-12 NMSA 1978 (Liquor Control Act) to allow a dispenser license to transfer from its original district into another district that has not reached the maximum number of licenses allowed. In addition to those licenses selling alcohol by the glass, the original license holder would retain the ability to sell packaged liquor for offsite consumption. HB498 also removes restrictions that required rural licenses to stay in the locations where they originated. Now, rural licenses may transfer to any district that has not reached the maximum number of licenses allowed.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns if enacted, or June 20, 2025.

## FISCAL IMPLICATIONS

The Regulation and Licensing Department (RLD) notes it will take two to three months to make changes to its NM-Plus licensing system. Those costs are expected to be about \$40 thousand.

## **SIGNIFICANT ISSUES**

The bill will allow dispenser liquor licenses to transfer outside their original local option district (LOD), while keeping offsite packaged liquor sales privileges. This could affect the balance of both access to onsite sales by the glass and packaged sales in some areas. The bill also removes location restrictions on rural liquor license transfers that will allow them to move sales to more urban areas. This could disproportionately affect access to alcohol for more rural communities.

A local option district (LOD) under the Liquor Control Act is a municipality or county that can ask for a public vote to allow or prohibit alcohol sales within its jurisdiction.

If liquor licenses can be transferred to areas without administrative capacity for regulation, local law enforcement may find it harder to control alcohol misuse in certain communities.

## **PERFORMANCE IMPLICATION**

The Liquor Control Act gives local governments the ability to regulate the sale of alcohol in their communities. The act includes restrictions on the number and location of licenses to prevent excessive alcohol availability, which may lead to higher rates of crime or public health issues.

## **ADMINISTRATIVE IMPLICATIONS**

RLD says current staff would be able to handle any increases in applications from this bill. However, at first, staff would need approximately two to three months to implement changes in NM-Plus.

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

House Bill 478 proposes similar changes to the Liquor Control Act as House Bill 498 but also removes a local government's ability to call for a public vote on a liquor license transfer.

Senate Bill 466 reduces some restaurant liquor license renewal fees, eliminates number of drinks per customer, eliminates certain waiting periods, and establishes "local entertainment zones."

AHO/hj/hg/sgs