

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the Legislature. LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

FISCAL IMPACT REPORT

SPONSOR <u>Jaramillo</u>	LAST UPDATED <u>2/20/2025</u>
	ORIGINAL DATE <u>2/14/2025</u>
SHORT TITLE <u>Administration of Local DWI Grant Program</u>	BILL NUMBER <u>Senate Bill 199</u>
	ANALYST <u>Gray</u>

APPROPRIATION* (dollars in thousands)

FY25	FY26	Recurring or Nonrecurring	Fund Affected
	\$500.0	Recurring	DWI Grant Program Administration
	(\$500.0)	Recurring	DWI Grants

Parentheses () indicate expenditure decreases.
 *Amounts reflect most recent analysis of this legislation.

Relates to Senate Bill 378
 Conflicts with House Bill 417

Sources of Information

LFC Files

Agency Analysis Received From
 Department of Health (DOH)
 Department of Public Safety (DPS)
 Department of Finance and Administration (DFA)

Agency Analysis was Solicited but Not Received From
 Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Senate Bill 199

Senate Bill 199 (SB199) changes the appropriation of liquor excise tax revenues by increasing the amount available for administrative costs and decreasing the amount available for grants to municipalities and counties.

Currently, 45 percent of liquor excise tax revenues are distributed to the Local DWI Grant Program, primarily for the Department of Finance and Administration (DFA) to make grants to counties and municipalities. Some funds are appropriated for specific purposes, including \$600 thousand that is appropriated for program administration. This bill increases the appropriation of liquor excise tax revenues that can be used for the administration of the Local DWI Grant Program by \$500 thousand. As a result, the bill also decreases the appropriation of liquor excise tax revenues that are used to make grants to counties and municipalities by \$500 thousand.

The delayed repeal date of this bill is July 1, 2025.

FISCAL IMPLICATIONS

The bill increases the funding amount available for DFA administration by \$500 thousand. Currently, grants to counties and municipalities for DWI programming is made after a distribution of \$600 thousand for program administration, \$300 thousand for the interlock device fund, and \$2.8 million for alcohol detoxification and treatment facilities.

This bill increases the allowable amount that can be spent on program administration from \$600 thousand to \$1.1 million and decreases the amount that can be spent on grants to counties and municipalities for DWI programming from approximately \$18.5 million to \$18 million.

SIGNIFICANT ISSUES

Revenues earmarked from the liquor excise tax for the Local DWI Grant Program have nearly doubled over the last twenty years while funding appropriated for administration has remained constant. Agency analysis from the Department of Health (DOH) notes that increasing the funding for administration will ensure that DFA “can hire and retain the staff needed to provide sufficient support for local activities.”

DFA analysis states that the funding increase will improve operations. The agency writes:

An increase in the amount of administrative funds will allow the bureau to be more proactive in the support that is provided to each of the Local DWI Programs. The bureau will be able to provide more hands-on technical assistance for the local programs by working more in-depth to provide individual support on both programming and budgetary needs that will enhance services for clients as well as the broader community.

This analysis notes that policymakers may wish to consider the tradeoff between increasing appropriations for administrative funding and decreasing funding for available for grants to counties and municipalities.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

This bill relates to Senate Bill 378, which raises the liquor excise tax rates.

This bill conflicts with House Bill 417, which raises the liquor excise tax rates and changes the distribution of liquor excise tax revenues. The changes contemplated by HB417 cannot be reconciled with the changes contemplated by SB199.