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## FISCAL IMPACT REPORT

SPONSOR Rodella DATE TYPED 3/9/05 HB 952/aHAFC

SHORT TITLE Alcohol Server Training & Permit Fees SB \_\_\_\_\_

ANALYST Hanika-Ortiz

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
			\$0.1	Recurring	General Fund

### REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY05	FY06			
\$66.0	\$133.0	\$199.0 - \$266.0	Recurring	Other State Funds

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Department of Health (DOH)  
 Economic Development Department (EDD)  
 Regulation and Licensing Department (RLD)

### SUMMARY

#### Synopsis of HAFC Amendment

The House Appropriations and Finance Committee amendment allows a person employed as a server on a licensed premise to have fifteen days to obtain a server permit. The amendment establishes the amount of the administrative fees for issuance of server permits to defray the cost of issuing server permits and for the administration of the Alcohol Server Education Article of the Liquor Control Act. Fees shall not exceed \$10 for permits issued before July 1, 2007; \$15 for permits after July 1, 2007 and \$20 for permits issued after July 1, 2008.

Synopsis of Original Bill

HB 952 amends the Alcohol Server Education Article of the Liquor Control Act by adding language requiring the successful completion of an alcohol server training course and issuance of a server permit and payment of fee prior to employment as a server in any business selling alcohol.

Significant Issues

The bill seeks to close the thirty-day 'window' currently provided for in the Liquor Control Act for a person to become server certified on a liquor licensed premises.

The bill authorizes the Alcohol and Gaming Division to charge an administrative fee not to exceed \$20 for the issuance of a server permit. The fee would be used by the division to defray the cost of issuing server permits and for the administration of the Alcohol Server Education Article of the Liquor Control Act. Currently, there is no fee collected for server permits that are issued.

Server permits would require renewal every three years from the date the server permit was issued. Currently, server permits are valid for a period of five years.

**PERFORMANCE IMPLICATIONS**

Currently the alcohol server work force has 30 days to be trained. During that initial 30 days of employment there is a significant turn over of employees. In effect, much of the work force is never trained due to the turnover. HB 952 attempts to remedy this serious problem by requiring that training occur prior to employment.

**FISCAL IMPLICATIONS**

The Alcohol and Gaming Division report that alcohol server training requirements have always been met with existing funds. The Division issues approximately 13,300 server permits each year. Revenue in the approximate amount of \$266 thousand will be collected.

The HAFC amendment proposes fees that will generate \$133 thousand for permits issued before July 1, 2007; \$199 thousand for permits issued after July 1, 2007; and \$266 thousand for permits issued after July 1, 2008.

**ADMINISTRATIVE IMPLICATIONS**

The Alcohol and Gaming Division is having UNM-CASAA (Center on Alcoholism Substance Abuse and Addictions) design a statewide curriculum for alcohol server training. This curriculum should be available by April 2005.

Additional staff time will be needed to keep server information current in the Alcohol and Gaming Division database.

**TECHNICAL ISSUES**

There is no provision in the bill stating permits must be posted in the establishment.

There is no provision in the bill stating the cost for the replacement of a lost server permit.

**OTHER SUBSTANTIVE ISSUES**

The Alcohol and Gaming Division has trained 159,000 alcohol servers since 1994, with the implementation of the Alcohol Server Education Act in 1993. In 2004, 18,000 alcohol servers were trained. An alcohol server's job is to observe for intoxicated patrons as well as prohibit underage drinking in establishments selling, serving or dispensing alcoholic beverages.

The 33 county DWI programs report that 51% of convicted DWI offenders obtained their alcohol either at a bar, restaurant or convenience/grocery/liquor store before their arrest. Alcohol server training could have an important effect in lowering DWI rates through restricting alcohol sales to intoxicated and underage individuals.

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?**

Individuals hired in positions requiring them to serve alcohol would not need to obtain a server permit prior to starting employment.

**AHO/lg**