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FISCAL IMPACT REPORT

SPONSOR Vigil ORIGINAL DATE 2/08/07
LAST UPDATED _____ HB 754
SHORT TITLE Liquor Licenses Near Interstate Highways SB _____
ANALYST Wilson

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY07	FY08	FY09	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		\$0.1	\$0.1	\$0.1	Non- Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Health (DOH)
Regulation & Licensing (RLD)

SUMMARY

Synopsis of Bill

House Bill 754 adds a new section to the Liquor Control Act by prohibiting the issuance of a new retail or restaurant liquor license within one-half mile of an inter-state highway in New Mexico and by providing for transfer of a restaurant or retail licensed premise, including reimbursement of moving costs, if that premise is within one-half mile of an interstate highway.

FISCAL IMPLICATIONS

RLD states that the costs are unknown. This bill provides for reimbursement of moving expenses for those licenses located with the one-half mile zone described in the bill. It is unknown at this time how many licenses would be affected or what reasonable costs for re-location would be.

SIGNIFICANT ISSUES

Interstate 40 and Interstate 25 run through the heart of the city of Albuquerque and a number of other cities and towns. In Albuquerque alone, numerous hotels and restaurants line the frontage roads and sides of the highways. These businesses, as well as convenience stores would be affected, and would be required to re-locate or sell their licenses under this bill. The economic impact of this bill could run into the millions.

DOH provided a 1996 study based on Metro Court data that found that only a small proportion, 2% of DWI arrests originated with drinking in restaurants, while the largest proportion, 45% originated with drinking in bars and lounges.

There are precedents for efforts to reduce alcohol-related harm by controlling outlet proximity to other types of establishments such as churches, schools, hospitals. Connecticut, Illinois, and Michigan have passed such regulations. Research did not find a state which had enacted regulations involving proximity to a roadway, including an interstate.

ADMINISTRATIVE IMPLICATIONS

Processing the applications required to transfer all of the affected licenses would greatly increase the workload of the Alcohol and Gaming Division.

DW/csd