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FISCAL IMPACT REPORT

ORIGINAL DATE 2/10/07

SPONSOR Moore LAST UPDATED _____ HB 971

SHORT TITLE Limited Liquor Dispenser's Licenses SB _____

ANALYST C. Sanchez

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

Conflicts with,
HB 986, SB 191 and SB 654.

SOURCES OF INFORMATION

LFC Files

Responses Received From

Administrative Office of the Courts (AOC)
Regulation and Licensing Department (RLD)
Administrative Office of the District Attorneys (AODA)

SUMMARY

Synopsis of Bill

House Bill 971 creates a limited dispenser's license for use in a local option district that is a Class B or C County or a first class county with a 2006 valuation of \$150,000,000 or less. The person applying for and being granted the license must be qualified under the provisions of the Liquor Control Act. The bill provides that except as otherwise provided a limited dispenser's license is subject to the provisions of the Liquor Control Act applicable to a dispenser's license. In placing restrictions upon the license, HB 971 provides that a limited dispenser's license

- shall only be used by the person to whom the license is issued and used only within the original licensed premises.
- shall not be transferred in any manner

- only entitles the person to which it is issued to sell alcoholic beverages by the drink for consumption on the premises and does not entitle the person to sell alcoholic beverages in unbroken packages for consumption off the licensed premises
- is not subject to provisions regarding the maximum number of licenses that may be issued
- shall expire by its own terms and not be renewable under specified circumstances

The effective date of the Act is July 1, 2007.

FISCAL IMPLICATIONS

The bill allows for an annual license fee of \$1,300.00. An application filing fee of \$200.00 would also be collected for each application. The potential dollar amount that would be collected for the general fund is not known, as it would be dependent upon the number of license applications received and issued.

There will be a minimal administrative cost for statewide update, distribution and documentation of statutory changes. Any additional fiscal impact on the state would be proportional to the enforcement of this law and commenced hearings and appeals. New laws, amendments to existing laws and new hearings have the potential to increase caseloads in the courts, thus requiring additional resources to handle the increase.

SIGNIFICANT ISSUES

HB 971 would create an entirely new classification of license in New Mexico. This would have a significant effect on the current value of Dispenser type licenses in New Mexico. HB 971 also allows the State to issue licenses outside the quota requirements of one license per each two-thousand in population.

ADMINISTRATIVE IMPLICATIONS

With presumably more licenses being granted, there may be more violations of licensing requirements and restrictions, and more hearings and appeals related to the same.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Conflicts with HB 986, SB 191 and SB 654.

ALTERNATIVES

This bill as prepared seeks to create a specific category of liquor license holders as deemed appropriate by the Bill Sponsor; perhaps a legislative compromise on the bill's particulars.

It appears that the legislative intent behind this bill is to address an issue which has come up within the Class B and Class C Counties; and the 1st Class Counties facing this situation. If the Legislature is enacting this Bill to accommodate these Counties and regulate the sale of alcohol in this capacity, not enacting this Bill could (1) Result in loss of state revenue; no license fees for new class (LDL) and (2) Possibility of Non – License Liquor sales by private individuals, i.e.

“boot leggers” within the County.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status Quo

CS/mt