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FISCAL IMPACT REPORT

ORIGINAL DATE
LAST UPDATED 1/27/08 **HB** 356

SPONSOR Vigil

SHORT TITLE No Liquor Licenses Near Interstate Highways **SB** _____

ANALYST Wilson

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	Significant	Non-Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY08	FY09	FY10		
	(\$0.1)	(\$0.1)	Recurring	General Fund

(Parenthesis () Indicate Revenue Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY08	FY09	FY10	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		\$0.1	\$0.1	\$0.1	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Administrative Office of the Courts (AOC)

Bernalillo County Metro Court

Department of Public Safety (DPS)

Regulation & Licensing (RLD)

SUMMARY

Synopsis of Bill

House Bill 356 adds a new section to the Liquor Control Act that bans the issuance of new retail or restaurant liquor licenses within one-half mile of an interstate highway in New Mexico.

The bill also requires the director of the Alcohol and Gaming Division (AGD) of the Regulation and Licensing Department for transfer to promulgate rules that provide for the transfer of licensed premises, including reimbursement for moving a restaurant or retail establishment, if the licensed premises lie within one-half mile of a United States interstate highway on July 1, 2008.

FISCAL IMPLICATIONS

There will be a minimal administrative cost for statewide update, distribution and documentation of statutory changes. Any additional fiscal impact on the judiciary would be proportional to the enactment of this law and any challenges to the law and to reimbursement amounts for moving an establishment. 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.

RLD states that the economic impact of this bill could run into the millions. 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 relocation 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 Bernalillo County Metro Court states any rules promulgated that provide for the transfer of licensed premises may be insufficient to defeat a lawsuit alleging an unlawful taking without just compensation under the Fourteenth Amendment to the U.S. Constitution.

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/mt