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## FISCAL IMPACT REPORT

ORIGINAL DATE 1/23/08

SPONSOR Griego LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Knowledge of Providing Minors With Alcohol SB 230

ANALYST C. Sanchez

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY08	FY09	FY10	3 Year Total Cost	Recurring or Non- Rec	Fund Affected
<b>Total</b>			Indeterminable			General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Administrative Office of the Courts (AOC)  
 Department of Public Defenders (PD)  
 Regulation and Licensing Department (RLD)

### SUMMARY

#### Synopsis of Bill

Senate Bill 230 amends the section of the Liquor Control Act relating to sales of alcoholic beverages to minors. Currently, the Liquor Control Act states that it is a violation for a person, including a licensee, lessee, employee or agent of the licensee to sell, serve or give alcoholic beverages to a minor or to permit a minor to consume alcohol on the licensed premises if the person violating the Act knows or has reason to know that he is violating the Act. SB 230 removes the phrase “or has reason to know”, thereby requiring that a person must know he is selling alcohol to a minor.

### FISCAL IMPLICATIONS

Currently, the Alcohol and Gaming Division collects fines and penalties for violations of the Liquor Control Act, which includes fines for sales to minors. The decrease in the amount of fines is indeterminate as it is unknown how many citations will be written or proven to be factual. Fines collected are deposited into the General Fund.

There will be a minimal administrative cost for statewide update, distribution, and documentation of statutory changes. The amendment could reduce the fiscal and administrative burden upon the courts.

**SIGNIFICANT ISSUES**

Removal of the phrase “or has reason to know” will severely limit enforcement of sales to minors. Currently, a licensee would have reason to know a person is a minor because he is required to ask for identification showing that the person is twenty-one years of age or older. Under SB 230, if a licensee fails to require identification, either intentionally or unintentionally, then he would not know the person is under twenty-one and would therefore be exempt from prosecution for selling liquor to a minor. Licensees have substantially less incentive to restrict sales to minors.

It is conceivable that the amendment could reduce the number of people charged with or convicted of selling or giving alcoholic beverages to minors.

**PERFORMANCE IMPLICATIONS**

The courts are participating in performance-based budgeting. This bill may have an impact on the measures of the district courts in the following areas:

- Cases disposed of as a percent of cases filed
- Percent change in case filings by case type

**ADMINISTRATIVE IMPLICATIONS**

The Alcohol and Gaming Division would be limited in its prosecution of licensees for selling alcohol to minors.

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

It would remain a violation for a person to sell alcoholic beverages to a minor when he has reason to know, through the requirement for production of identification showing the person is twenty-one years of age or older, that the person is a minor.

CS/bb