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FISCAL IMPACT REPORT

ORIGINAL DATE 02/17/13

SPONSOR Garcia, MH LAST UPDATED _____ HB 575

SHORT TITLE Sunday Alcohol Sales in Some Counties SB _____

ANALYST Martinez

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY13	FY14	FY15	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		NFI				

(Parenthesis () Indicate Expenditure Decreases)

Relates to: HB386, HB423 & SB154

SOURCES OF INFORMATION

LFC Files

Responses Received From

Regulation and Licensing Department (RLD)
 Department of Health (DOH)
 Department of Public Safety (DPS)

SUMMARY

Synopsis of Bill

House Bill 575 (HB575) proposes to amend the Liquor Control Act, Section 60-7A-1 governing Sunday sales of alcoholic beverages, by adding a new section (K) to allow “a dispenser who is permitted Sunday sales at licensed premises that are located in a class A county within ten miles of the border with the state of Texas may sell, serve or permit the consumption of alcoholic beverages by the drink on Sundays beginning at 9:00 a.m. Other than the starting time for Sunday sales, the dispenser is subject to the provisions of this section.”

FISCAL IMPLICATIONS

No Fiscal Impact

SIGNIFICANT ISSUES

The DPS writes: the measure favors liquor establishments in or near Anthony and Sunland Park, New Mexico, that must compete with the Sunland Park racetrack in Texas. Obviously, the most significant issue becomes the fact that hours of operation for licensed liquor establishments would stop being uniform throughout the state if this bill became law, and hours of operation would be based on geographic location.

The Department of Health comments:

By many measures, New Mexico's alcohol-related problems are among the worst in the nation. New Mexico had the highest alcohol-related death rate in the nation from 1997 through 2007 (the most recent year for which other state rates are available). In 2009, New Mexico's alcohol-related death rate was 1.8 times the U.S. rate. A recent report on alcohol-related costs in New Mexico estimated the total cost of alcohol-related problems in New Mexico in 2007 to be \$2.8 billion, or more than \$1,400 per person, with the majority of these costs resulting from lost productivity due to alcohol-related premature death and disability. According to the best available estimate, 18 percent of these costs accrued to state and local government (The Economic Cost of Alcohol Abuse in New Mexico, 2007, New Mexico Department of Health). Large disparities in the burden of alcohol-related problems exist in New Mexico. In 2007-2011, average annual alcohol-related death rates in Rio Arriba and McKinley counties were more than twice the high New Mexico rate, and roughly four times the U.S. rate. The alcohol-related death rate in Dona Ana County, the only county where expanded Sunday sales would be allowed by HB575, was 31 percent higher than the U.S. rate. The alcohol-related chronic disease death rate in Dona Ana County was 48 percent higher than the U.S. rate.

Maintaining limits on hours of alcohol sales has been recommended as an approach to reducing alcohol-related problems, by a number of expert bodies that have systematically reviewed the available scientific evidence. The World Health Organization recommends maintaining restrictions on hours of alcohol sales based on evidence for the "moderate effectiveness" of these limits in reducing alcohol consumption and/or alcohol-related problems. The Community Preventive Services Task Force "recommends maintaining limits on hours of alcohol sale in on-premises settings, based on sufficient evidence of effectiveness for reducing excessive alcohol consumption and related harms"

PERFORMANCE IMPLICATIONS

RLD comments:

Determining which establishments are within ten miles of the border may require assistance from the county and the Department of Public Safety, Special Investigations Division. Surveyor certifications may also be required if distances are questionable.

DPS comments:

We would foresee implications on down the road that if the licensed premises in Dona Ana were allowed to open earlier in order to compete with bars in the different time zone in Texas, then we should expect that licensees in counties that border Texas or Oklahoma in the eastern part of the state would expect to get to follow suit. However, then we could foresee that counties that border those border counties would want to introduce legislation to allow them to extend their start-up hours, due to the fact that the border counties would have an unfair business advantage over them.

OTHER SUBSTANTIVE ISSUES

The DPS states that in order to allow for consistency in regulation and enforcement, as well as to allow for fairness in competition for the consumer's dollar within New Mexico, hours of operation should be the same for all similarly licensed premises within the state itself.

RM/blm