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FISCAL IMPACT REPORT

ORIGINAL DATE 02/17/13

SPONSOR Stewart LAST UPDATED _____ HB 585

SHORT TITLE Club Alcohol License Requirements 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)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Regulation and Licensing Department (RLD)

SUMMARY

Synopsis of Bill

House Bill 585 (HB 585) creates a new subsection (8) within Section 1 of Section 60-6B-2 (Applications) of the Liquor Control Act that eliminates the requirement for the board of directors of a club who hold a club liquor license to be disclosed with the Division of Alcohol and Gaming or fingerprinted to ensure they are not felons.

The new subsection would require:

(8) if the applicant is a group applying for a club license, submit as part of its application to following:

(a) the names and addresses of the officers of the group. The names and addresses of the group's board of directors need not be submitted, and the provisions of Subsection B of this section shall not apply to the group's board of directors; and

(b) such additional information regarding the group as the director may require to assure full disclosure of the group's structure and financial responsibility.

FISCAL IMPLICATIONS

No Fiscal Impact

SIGNIFICANT ISSUES

The RLD comments:

Pursuant to Section 60-6B-1 NMSA 1978, convicted felons are prohibited from holding or receiving liquor licenses. This means that officers, directors, members, managers, partners, trustees, etc. of legal entities other than a sole proprietorship for the entity, that will own a liquor license are required to be disclosed to the Alcohol and Gaming division and fingerprinted to prevent convicted felons from having any control over the sale of alcohol in New Mexico. HB 585 removes the disclosure and fingerprint requirement for the board of directors for clubs that hold club liquor licenses, meaning that the Alcohol and Gaming division would have no way to ensure that convicted felons are not on the board of directors of clubs that hold club liquor licenses. Clubs seem to change their board of directors somewhat frequently, meaning that the Alcohol and Gaming division spends time processing board of director updates from clubs throughout the year, including processing fingerprints, reviewing background checks and other related administrative tasks.

RM/blm