

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current and previously issued FIRs are available on the NM Legislative Website (www.nmlegis.gov) and may also be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR Griego ORIGINAL DATE
LAST UPDATED 01/30/15 HB _____

SHORT TITLE Certain Liquor License Transfer Limits SB 241

ANALYST Cerny

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY15	FY16	FY17	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		NFI	NFI			

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB11, HB198, HB243, SB71, SB238, and SB300

SOURCES OF INFORMATION

LFC Files

Responses Received From

Regulation And Licensing Department (RLD)

Department of Public Safety (DPS)

SUMMARY

Synopsis of Bill

Senate Bill 241 impacts the transferability of quota liquor licenses statewide. It would allow dispenser's licenses which are currently restricted in under quota local option districts to be able to transfer out of such districts; allowing the license to be sold and moved to another location. It would further allow liquor licenses to transfer into local option districts already over quota.

FISCAL IMPLICATIONS

SB 241 carries no appropriation and has no fiscal impact.

SIGNIFICANT ISSUES

Under current law, New Mexico has a quota for dispenser's license. A dispenser's license allows for sales to the public and may include establishments such as bars, restaurants, convenience stores, liquor stores, grocery stores and pharmacies.

There is a quota limit of 1,411 licenses statewide, tied to population. Each local option district is allowed a certain number of these quota licenses, based on its population. Each such district may hold a special election to allow or prohibit license transfers in or out of its district. If a local option district is under quota, licenses cannot transfer out. A seller has to find a buyer in that district. Similarly, districts over quota may limit transfers in, if they have voted to do so. Some districts allow transfers in although they are over quota. Santa Fe, Rio Rancho and Las Cruces are currently over quota.

RLD analysis states:

This legislation came out of recommendations from the Liquor Control Act Task Force which met pursuant to Senate Memorial 77, passed in the 2013 regular session. The Task Force was convened in December 2013, met through 2014, and made recommendations to the Economic and Rural Development Interim Committee.

The Interim Committee adopted the consensus recommendations. The portion of SB 241 that allows licenses to transfer out of under quota districts was a consensus item. The portion of this bill that allows licenses to transfer in to over quota districts was not a consensus item.

RLD analysis also states that “There may be a couple of dozen licenses which could transfer if this bill were to pass that currently cannot.”

RELATIONSHIP

HB11, HB198, HB243, SB71, SB238, SB241, and SB300 all relate to the regulation and licensing of alcohol sale.

HB11 proposes to amend the Liquor Control Act to extend hours of sale for alcoholic beverages from midnight until 2 AM for package liquor (off-premise consumption) and winegrowers. HB11 would also eliminate restrictions on Sunday and holiday sales.

HB198 and SB300 both propose to allow governmental licenses to sell distilled spirits as well as beer and wine at municipal golf courses. Currently governmental licenses can only sell beer and wine at municipal golf courses.

SB71 proposes to amend the Liquor Control Act so that local option districts may hold an election to allow restaurant licenses to sell distilled spirits produced in New Mexico, as well as beer and wine. Currently, restaurant licenses may sell beer and wine, but not distilled spirits.

SB238 proposes to allow licensed small brewers to hold interest in a legal entity, directly or indirectly or through an affiliate, that holds a restaurant, dispensers, or wholesalers license issued pursuant to the Liquor Control Act.

SB241 proposes to amend the Liquor Control Act to allow the transfer of dispenser and retailer license out of local option districts which are below the number allowed by law (“under-quota”).

SB258 also defines a growler as “a clean, refillable and resealable container that has a liquid capacity that does not exceed one gallon and that is intended and used for the sale of beer, wine or cider for consumption off premises” and allows growlers to be sold for off-premise consumption.