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FISCAL IMPACT REPORT

ORIGINAL DATE 3/4/15

SPONSOR Smith LAST UPDATED _____ HB _____

SHORT TITLE Governmental Liquor Licenses to Spaceport SB 525

ANALYST Elkins

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY15	FY16	FY17		
	\$50.0	\$50.0	Recurring	New Mexico Spaceport Authority

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Spaceport Authority (NMSA)
Regulation and Licensing Department (RLD)

SUMMARY

Synopsis of Bill

Senate Bill 525 amends the Liquor Control Act by including the Spaceport Authority in the list of governmental entities eligible for governmental liquor licenses.

FISCAL IMPLICATIONS

NMSA estimates the addition of a governmental liquor license would allow it to generate incremental revenue from Spaceport America in the near and long term. Special events where alcohol is served are valued at approximately \$50 thousand per year at a minimum beginning in FY16. This estimate is based on the combination of direct net sales at events and overall revenue from events that otherwise would not have occurred at Spaceport America without a liquor license.

SIGNIFICANT ISSUES

NMSA is accelerating efforts to diversify its business model and expand the number of non-aerospace users at Spaceport America, including special events where alcohol is served. Such

events may include conferences, concerts, and/or corporate/private receptions, where the cost to an independent 3rd party would be prohibitive to acquire their own liquor license purely for the event. In addition, once Spaceport America tenant Virgin Galactic begins commercial operations, NMSA expects to earn incremental revenue via tenant-sponsored special events as well.

The current list of entities eligible for a governmental license includes but is not limited to municipalities, counties, state museums, etc. Governmental facilities currently include civic centers, airports, auditoriums, golf courses, and other facilities. Under current law, there are limits to the ways in which the Spaceport could obtain a liquor license since it is not listed as a governmental entity or facility. Senate Bill 525 will allow the Spaceport Authority to apply for a governmental license, which they could then lease to the current or any future tenant of Spaceport America.

CE/bb