

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 Garcia Richard ORIGINAL DATE 01/25/17
LAST UPDATED _____ HB 51

SHORT TITLE Retail Craft Liquor Reciprocity SB _____

ANALYST Amacher

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY17	FY18		
None	None		

(Parenthesis () Indicate Expenditure Decreases)

Relates to SB 37, SB 57, SB 58, SB 124 and HB 39, HB 56, HB 162

SOURCES OF INFORMATION

LFC Files

Responses Received From

Economic Development Department (EDD)
Regulation and Licensing Department (RLD)

SUMMARY

Synopsis of Bill

House Bill 51 amends Craft Distiller's License (Section 60-6A-6.1 NMSA 1978) by creating retail reciprocity among craft distillers, small brewers and winegrowers. The effective date of this bill is July 1, 2017.

FISCAL IMPLICATIONS

No known fiscal impacts.

SIGNIFICANT ISSUES

House Bill 51 creates retail reciprocity among licensed craft distillers, small brewers and winegrowers. The amendments proposed in HB 51 allow a licensed small brewer to sell and serve its own products, or those of licensed winegrowers, in addition to those products of licensed craft distillers. The same is true if a licensed winegrower want to sell products from a licensed small brewer as well as those of licensed craft distillers.

EDD notes that by allowing for manufacturing type businesses such as craft distillers, small brewers, and winegrowers, an opportunity to expand their range of products that they can offer to customers, it allows for additional revenue streams. This has the potential for a positive impact in job creation and development of the tax base in New Mexico. However, it is not possible to quantify the economic benefit.

ADMINISTRATIVE IMPLICATIONS

RLD reports there would be little administrative burden to absorb which can be done by existing staff. It is anticipated that more calls would be generated about what is and is not allowed if HB 51 were enacted. RLD indicates there might be some increase in the number of applicants in the small alcohol manufacturer category.

JMA/sb/al