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FISCAL IMPACT REPORT

SPONSOR Gentry ORIGINAL DATE 2/1/18
LAST UPDATED _____ HB 211

SHORT TITLE Liquor License Unfair Competition SB _____

ANALYST Sánchez

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY18	FY19	FY20	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		None	None	None		

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB 258

SOURCES OF INFORMATION

LFC Files

Responses Received From

Regulation and Licensing Department (RLD)

SUMMARY

Synopsis of Bill

House Bill 211 proposes to remove “an importer, manufacturer, nonresident licensee or any kind or class of wholesaler” from Section 60-8A-1 NMSA 1978 and replace it with “a person who holds a license issued pursuant to the Liquor Control Act”.

SIGNIFICANT ISSUES

According to the Regulation and Licensing Department (RLD), under the current law, upper tier members, those who manufacture, import or wholesale alcoholic beverages but do not sell directly to the public, are prohibited from inducing the preferential placement and sales of their products “to the exclusion in whole or in part of alcoholic beverages sold or offered for sale by other persons.” This means that suppliers or distributors/wholesalers cannot offer financial or other inducement to a licensee who sells alcoholic beverages to the public; i.e. a retailer.

Although the bill applies to all licensees, it does not make it a violation for a retailer to solicit or to accept financial or other inducements from suppliers or wholesalers.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to House Bill 258.

ABS/al