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FISCAL IMPACT REPORT

ORIGINAL DATE 3/13/19

SPONSOR SJC LAST UPDATED _____ HB _____

SHORT TITLE Restaurant Licensure by Ordinance SB 647/SJCS

ANALYST _____

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY19	FY20	FY21		
		Indeterminate	Recurring	General Fund

(Parenthesis () Indicate Revenue Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY19	FY20	FY21	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total			Minimal	Minimal	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB 272/SB 210, HB 273/SB 78

SOURCES OF INFORMATION

LFC Files

Responses Received From

Regulation and Licensing Department (RLD)

New Mexico Attorney General (NMAG)

SUMMARY

Synopsis of Bill

The Senate Judiciary Committee Substitute for Senate Bill 647 allows local option districts to approve by ordinance or resolution the issuance of restaurant licenses to serve beer and wine. Existing law requires an election. Applicant requirements remain the same.

FISCAL IMPLICATIONS

As to revenues, RLD believes there likely will be a significant increase in the number of restaurant licenses issued in areas where an election has not been held. The number of new licenses is unknown, but each license carries an annual fee of \$1050. As to operating budget impact, RLD anticipates it may need an additional FTE, but provides no estimate of cost.

SIGNIFICANT ISSUES

RLD reports that out of the 129 local option districts, 34 have never held the election necessary to allow restaurant licenses. While NMAG comments this bill removes the power of community members to determine this issue by popular vote in their area, RLD points out that elections can be costly, and for smaller districts, authorizing restaurant licenses by ordinance or resolution may result in these licenses becoming available where they previously have not been allowed. Existing law would continue to allow for elections to eliminate alcohol sales. See Section 60-5A-1, NMSA 1978.

RELATIONSHIP

HB 272 and its duplicate SB 210 authorize restaurant licensees to sell spirituous liquors by ordinance. HB 273 and its duplicate SB 78 authorizes sale of spirituous liquors at restaurants by election.

MD/al