

HOUSE BILL 332

**54TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2020**

INTRODUCED BY

Antonio Maestas

AN ACT

RELATING TO ALCOHOLIC BEVERAGES; CREATING THE LOCAL  
NONTRANSFERABLE DISPENSER'S LICENSE; ESTABLISHING PROCEDURES  
FOR ISSUANCE; ESTABLISHING FEES; PROVIDING FOR DEDUCTIONS FROM  
GROSS RECEIPTS TAX FOR CERTAIN RETAILER'S AND DISPENSER'S  
LICENSE HOLDERS; PROVIDING FOR DEDUCTIONS FROM INCOME TAX FOR  
CERTAIN RETAILER'S AND DISPENSER'S LICENSE HOLDERS; PROHIBITING  
THE SALE, LEASE OR TRANSFER OF RETAILER'S AND DISPENSER'S  
LICENSES AFTER JUNE 30, 2025; MAKING CONFORMING AMENDMENTS TO  
SECTIONS OF THE NMSA 1978.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. A new section of the Liquor Control Act is  
enacted to read:

"[NEW MATERIAL] LOCAL NONTRANSFERABLE DISPENSER'S  
LICENSE.--

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1           A. Beginning January 1, 2021, the governmental body  
2 of a local option district may by ordinance or resolution  
3 approve the issuance of local nontransferable dispenser's  
4 licenses in an amount not to exceed five new licenses per  
5 calendar year.

6           B. After passage of the ordinance or resolution, a  
7 person qualified under the provisions of the Liquor Control Act  
8 may apply for and be issued a local nontransferable dispenser's  
9 license for the sale of alcoholic beverages.

10           C. A local nontransferable dispenser's license  
11 shall only be used by the person to whom the license is issued  
12 and shall only be used within the licensed premises pursuant to  
13 the provisions of the Liquor Control Act. The license shall  
14 not be transferable from person to person and shall not be  
15 leased but shall be transferable from one location to another  
16 within the local option district in which it was approved.

17           D. If a license issued pursuant to this section is  
18 revoked or canceled pursuant to Section 60-6B-7 NMSA 1978 or  
19 otherwise returned to the department, the director may reissue  
20 the local nontransferable dispenser's license to a person  
21 qualified under the provisions of the Liquor Control Act. The  
22 reissuance of a local nontransferable dispenser's license shall  
23 not reduce the number of new licenses that the governing body  
24 may approve during that calendar year."

25           **SECTION 2.** A new section of the Income Tax Act is enacted

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1 to read:

2 "[NEW MATERIAL] DEDUCTION--INCOME FROM LEASING A LIQUOR  
3 LICENSE.--

4 A. A taxpayer who is a liquor license lessor may  
5 claim a deduction from net income in an amount equal to the  
6 gross receipts from sales of alcoholic beverages made by each  
7 liquor license lessee in an amount:

8 (1) if the liquor license is a dispenser's  
9 license, not to exceed fifty thousand dollars (\$50,000) per  
10 year until January 1, 2026; and

11 (2) if the liquor license is a retailer's  
12 license, not to exceed ten thousand dollars (\$10,000) per year  
13 until January 1, 2026.

14 B. Married individuals filing separate returns for  
15 a taxable year for which they could have filed a joint return  
16 may each claim only one-half of a deduction provided by this  
17 section that would have been claimed on a joint return.

18 C. A taxpayer may claim the deduction provided by  
19 this section in proportion to the taxpayer's ownership interest  
20 if the taxpayer owns an interest in a business entity that is  
21 taxed for federal income tax purposes as a partnership or  
22 limited liability company and that business entity has met all  
23 of the requirements to be eligible for the deduction. The  
24 total deduction claimed in the aggregate by all members of the  
25 partnership or association with respect to the deduction shall

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1 not exceed the amount of the deduction that could have been  
2 claimed by a sole owner of the business.

3 D. A taxpayer allowed a deduction pursuant to this  
4 section shall report the amount of the deduction to the  
5 department in a manner required by the department.

6 E. The department shall compile an annual report on  
7 the deduction provided by this section that shall include the  
8 number of taxpayers that claimed the deduction, the aggregate  
9 amount of deductions claimed and any other information  
10 necessary to evaluate the cost of the deduction. The  
11 department shall present the report to the revenue  
12 stabilization and tax policy committee and the legislative  
13 finance committee with an analysis of the cost of the  
14 deduction.

15 F. As used in this section:

16 (1) "alcoholic beverage" means alcoholic  
17 beverage as defined in the Liquor Control Act;

18 (2) "dispenser's license" means a license  
19 issued pursuant to the provisions of the Liquor Control Act  
20 allowing the licensee to sell, offer for sale or have in the  
21 person's possession with the intent to sell alcoholic beverages  
22 both by the drink for consumption on the licensed premises and  
23 in unbroken packages, including growlers, for consumption and  
24 not for resale off the licensed premises;

25 (3) "growler" means a clean, refillable,

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1 resealable container that has a liquid capacity that does not  
2 exceed one gallon and that is intended and used for the sale of  
3 beer, wine or cider;

4 (4) "liquor license" means a retailer's  
5 license issued pursuant to Section 60-6A-2 NMSA 1978, a  
6 dispenser's license issued pursuant to Section 60-6A-3 NMSA  
7 1978 or a dispenser's license issued pursuant to Section  
8 60-6A-16 NMSA 1978 issued prior to July 1, 2020;

9 (5) "liquor license lessee" means a person  
10 that leases a liquor license from a liquor license lessor;

11 (6) "liquor license lessor" means a person  
12 that leases a liquor license to a third party; and

13 (7) "retailer's license" means a license  
14 issued pursuant to the provisions of the Liquor Control Act  
15 allowing the licensee to sell, offer for sale or have in the  
16 person's possession with the intent to sell alcoholic beverages  
17 in unbroken packages, including growlers, for consumption and  
18 not for resale off the licensed premises."

19 SECTION 3. A new section of the Gross Receipts and  
20 Compensating Tax Act is enacted to read:

21 "[NEW MATERIAL] DEDUCTION--SALES MADE BY RETAILER'S OR  
22 DISPENSER'S LICENSE HOLDER.--

23 A. Prior to January 1, 2026, receipts from sales of  
24 alcoholic beverages by a liquor license holder may be deducted  
25 from gross receipts as follows:

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1 (1) for each dispenser's license, up to fifty  
2 thousand dollars (\$50,000) per year; and

3 (2) for each retailer's license, up to ten  
4 thousand dollars (\$10,000) per year.

5 B. A taxpayer allowed a deduction pursuant to this  
6 section shall report the amount of the deduction separately in  
7 a manner required by the department.

8 C. The department shall compile an annual report on  
9 the deduction provided by this section that shall include the  
10 number of taxpayers that claimed the deduction, the aggregate  
11 amount of deductions claimed and any other information  
12 necessary to evaluate the effectiveness of the deduction. The  
13 department shall compile and present the report to the revenue  
14 stabilization and tax policy committee and the legislative  
15 finance committee with an analysis of the cost of the  
16 deduction.

17 D. As used in this section:

18 (1) "alcoholic beverage" means alcoholic  
19 beverage as defined in the Liquor Control Act;

20 (2) "dispenser's license" means a license  
21 issued pursuant to the provisions of the Liquor Control Act  
22 allowing the licensee to sell, offer for sale or have in the  
23 person's possession with the intent to sell alcoholic beverages  
24 both by the drink for consumption on the licensed premises and  
25 in unbroken packages, including growlers, for consumption and

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1 not for resale off the licensed premises;

2 (3) "growler" means a clean, refillable,  
3 resealable container that has a liquid capacity that does not  
4 exceed one gallon and that is intended and used for the sale of  
5 beer, wine or cider;

6 (4) "liquor license holder" means a person  
7 that holds a retailer's license issued pursuant to Section  
8 60-6A-2 NMSA 1978, a dispenser's license issued pursuant to  
9 Section 60-6A-3 NMSA 1978 or a dispenser's license issued  
10 pursuant to Section 60-6A-16 NMSA 1978 issued prior to July 1,  
11 2020; and

12 (5) "retailer's license" means a license  
13 issued pursuant to the provisions of the Liquor Control Act  
14 allowing the licensee to sell, offer for sale or have in the  
15 person's possession with the intent to sell alcoholic beverages  
16 in unbroken packages, including growlers, for consumption and  
17 not for resale off the licensed premises."

18 SECTION 4. Section 60-3A-3 NMSA 1978 (being Laws 1981,  
19 Chapter 39, Section 3, as amended by Laws 2019, Chapter 29,  
20 Section 2 and by Laws 2019, Chapter 229, Section 3) is amended  
21 to read:

22 "60-3A-3. DEFINITIONS.--As used in the Liquor Control  
23 Act:

24 A. "alcoholic beverages" means distilled or  
25 rectified spirits, potable alcohol, powdered alcohol, frozen or

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1 freeze-dried alcohol, brandy, whiskey, rum, gin and aromatic  
2 bitters bearing the federal internal revenue strip stamps or  
3 any similar alcoholic beverage, including blended or fermented  
4 beverages, dilutions or mixtures of one or more of the  
5 foregoing containing more than one-half percent alcohol, but  
6 excluding medicinal bitters;

7 B. "beer" means an alcoholic beverage obtained by  
8 the fermentation of any infusion or decoction of barley, malt  
9 and hops or other cereals in water, and includes porter, beer,  
10 ale and stout;

11 C. "brewer" means a person who owns or operates a  
12 business for the manufacture of beer;

13 D. "cider" means an alcoholic beverage made from  
14 the normal alcoholic fermentation of the juice of sound, ripe  
15 apples, ~~[or]~~ pears or other fruit that contains not less than  
16 one-half of one percent alcohol by volume and not more than  
17 eight and one-half percent alcohol by volume;

18 E. "club" means:

19 (1) any nonprofit group, including an  
20 auxiliary or subsidiary group, organized and operated under the  
21 laws of this state, with a membership of not less than fifty  
22 members who pay membership dues at the rate of not less than  
23 five dollars (\$5.00) per year and who, under the constitution  
24 and bylaws of the club, have all voting rights and full  
25 membership privileges, and which group is the owner, lessee or

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1 occupant of premises used exclusively for club purposes and  
2 which group the director finds:

3 (a) is operated solely for recreation,  
4 social, patriotic, political, benevolent or athletic purposes;  
5 and

6 (b) has been granted an exemption by the  
7 United States from the payment of the federal income tax as a  
8 club under the provisions of Section 501(a) of the Internal  
9 Revenue Code of 1986, as amended, or, if the applicant has not  
10 operated as a club for a sufficient time to be eligible for the  
11 income tax exemption, it must execute and file with the  
12 director a sworn letter of intent declaring that it will, in  
13 good faith, apply for an income tax exemption as soon as it is  
14 eligible; or

15 (2) an airline passenger membership club  
16 operated by an air common carrier that maintains or operates a  
17 clubroom at an international airport terminal. As used in this  
18 paragraph, "air common carrier" means a person engaged in  
19 regularly scheduled air transportation between fixed termini  
20 under a certificate of public convenience and necessity issued  
21 by the federal aviation administration;

22 F. "commission" means the secretary of public  
23 safety when the term is used in reference to the enforcement  
24 and investigatory provisions of the Liquor Control Act and  
25 means the superintendent of regulation and licensing when the

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1 term is used in reference to the licensing provisions of the  
2 Liquor Control Act;

3 G. "department" means the New Mexico state police  
4 division of the department of public safety when the term is  
5 used in reference to the enforcement and investigatory  
6 provisions of the Liquor Control Act and means the director of  
7 the alcoholic beverage control division of the regulation and  
8 licensing department when the term is used in reference to the  
9 licensing provisions of the Liquor Control Act;

10 H. "director" means the chief of the New Mexico  
11 state police division of the department of public safety when  
12 the term is used in reference to the enforcement and  
13 investigatory provisions of the Liquor Control Act and means  
14 the director of the alcoholic beverage control division of the  
15 regulation and licensing department when the term is used in  
16 reference to the licensing provisions of the Liquor Control  
17 Act;

18 I. "dispenser" means a person licensed under the  
19 provisions of the Liquor Control Act selling, offering for sale  
20 or having in the person's possession with the intent to sell  
21 alcoholic beverages both by the drink for consumption on the  
22 licensed premises and in unbroken packages, including growlers,  
23 for consumption and not for resale off the licensed premises;

24 J. "distiller" means a person engaged in  
25 manufacturing spirituous liquors;

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1           K. "golf course" means a tract of land and  
2 facilities used for playing golf and other recreational  
3 activities that includes tees, fairways, greens, hazards,  
4 putting greens, driving ranges, recreational facilities,  
5 patios, pro shops, cart paths and public and private roads that  
6 are located within the tract of land;

7           L. "governing body" means the board of county  
8 commissioners of a county or the city council or city  
9 commissioners of a municipality;

10          M. "growler" means a clean, refillable, resealable  
11 container that has a liquid capacity that does not exceed one  
12 gallon and that is intended and used for the sale of beer, wine  
13 or cider for consumption off premises;

14          N. "hotel" means an establishment or complex having  
15 a resident of New Mexico as a proprietor or manager and where,  
16 in consideration of payment, meals and lodging are regularly  
17 furnished to the general public. The establishment or complex  
18 must maintain for the use of its guests a minimum of twenty-  
19 five sleeping rooms;

20          O. "licensed premises" means the contiguous areas  
21 or areas connected by indoor passageways of a structure and the  
22 outside dining, recreation and lounge areas of the structure  
23 and the grounds and vineyards of a structure that is a winery  
24 that are under the direct control of the licensee and from  
25 which the licensee is authorized to sell, serve or allow the

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1 consumption of alcoholic beverages under the provisions of its  
2 license; provided that in the case of a restaurant, "licensed  
3 premises" includes a restaurant that has operated continuously  
4 in two separate structures since July 1, 1987 and that is  
5 located in a local option district that has voted to disapprove  
6 the transfer of liquor licenses into that local option  
7 district, hotel, golf course, ski area or racetrack and all  
8 public and private rooms, facilities and areas in which  
9 alcoholic beverages are sold or served in the customary  
10 operating procedures of the restaurant, hotel, golf course, ski  
11 area or racetrack. "Licensed premises" also includes rural  
12 dispenser licenses located in the unincorporated areas of a  
13 county with a population of less than thirty thousand, located  
14 in buildings in existence as of January 1, 2012, that are  
15 within one hundred fifty feet of one another and that are under  
16 the direct control of the license holder;

17 P. "local nontransferable dispenser" means a person  
18 licensed under the provisions of the Liquor Control Act  
19 selling, offering for sale or having in the person's possession  
20 with the intent to sell alcoholic beverages by the drink for  
21 consumption on the licensed premises;

22 [P-] Q. "local option district" means a county that  
23 has voted to approve the sale, serving or public consumption of  
24 alcoholic beverages, or an incorporated municipality that falls  
25 within a county that has voted to approve the sale, serving or

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1 public consumption of alcoholic beverages, or an incorporated  
2 municipality of over five thousand population that has  
3 independently voted to approve the sale, serving or public  
4 consumption of alcoholic beverages under the terms of the  
5 Liquor Control Act or any former act;

6 [Q-] R. "manufacturer" means a distiller,  
7 rectifier, brewer or winer;

8 [R-] S. "minor" means a person under twenty-one  
9 years of age;

10 [S-] T. "package" means an immediate container of  
11 alcoholic beverages that is filled or packed by a manufacturer  
12 or wine bottler for sale by the manufacturer or wine bottler to  
13 wholesalers;

14 [T-] U. "person" means an individual, corporation,  
15 firm, partnership, copartnership, association or other legal  
16 entity;

17 [U-] V. "rectifier" means a person who blends,  
18 mixes or distills alcohol with other liquids or substances for  
19 the purpose of making an alcoholic beverage for the purpose of  
20 sale other than to the consumer by the drink, and includes all  
21 bottlers of spirituous liquors;

22 [V-] W. "restaurant" means an establishment having  
23 a New Mexico resident as a proprietor or manager that is held  
24 out to the public as a place where meals are prepared and  
25 served primarily for on-premises consumption to the general

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1 public in consideration of payment and that has a dining room,  
2 a kitchen and the employees necessary for preparing, cooking  
3 and serving meals; provided that "restaurant" does not include  
4 establishments as defined in rules promulgated by the director  
5 serving only hamburgers, sandwiches, salads and other fast  
6 foods;

7 ~~[W.]~~ X. "retailer" means a person licensed under  
8 the provisions of the Liquor Control Act selling, offering for  
9 sale or having in the person's possession with the intent to  
10 sell alcoholic beverages in unbroken packages, including  
11 growlers, for consumption and not for resale off the licensed  
12 premises;

13 ~~[X.]~~ Y. "ski area" means a tract of land and  
14 facilities for the primary purpose of alpine skiing,  
15 snowboarding or other snow sports with trails, parks and at  
16 least one chairlift with uphill capacity and may include  
17 facilities necessary for other seasonal or year-round  
18 recreational activities;

19 ~~[Y.]~~ Z. "spirituous liquors" means alcoholic  
20 beverages as defined in Subsection A of this section except  
21 fermented beverages such as wine, beer, cider and ale;

22 ~~[Z.]~~ AA. "wholesaler" means a person whose place of  
23 business is located in New Mexico and who sells, offers for  
24 sale or possesses for the purpose of sale any alcoholic  
25 beverages for resale by the purchaser;

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1           ~~[AA.]~~ BB. "wine" includes the words "fruit juices"  
2 and means alcoholic beverages obtained by the fermentation of  
3 the natural sugar contained in fruit or other agricultural  
4 products, with or without the addition of sugar or other  
5 products, that do not contain less than one-half percent nor  
6 more than twenty-one percent alcohol by volume;

7           ~~[BB.]~~ CC. "wine bottler" means a New Mexico  
8 wholesaler who is licensed to sell wine at wholesale for resale  
9 only and who buys wine in bulk and bottles it for wholesale  
10 resale;

11           ~~[CC.]~~ DD. "winegrower" means a person who owns or  
12 operates a business for the manufacture of wine or cider;

13           ~~[DD.]~~ EE. "winer" means a winegrower; and

14           ~~[EE.]~~ FF. "winery" means a facility in which a  
15 winegrower manufactures and stores wine or cider."

16           **SECTION 5.** Section 60-3A-12 NMSA 1978 (being Laws 2007,  
17 Chapter 78, Section 1, as amended) is amended to read:

18           "60-3A-12. PARTIALLY CONSUMED BOTTLE OF WINE--LICENSED  
19 PREMISES.--

20           A. Notwithstanding any other provision of law, a  
21 local nontransferable dispenser, dispenser, canopy licensee or  
22 restaurant licensee may permit a customer of the licensee to  
23 remove from the licensed premises one opened bottle of  
24 partially consumed wine; provided that:

25           (1) the customer has purchased a full-course

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1 meal and a bottle of wine and consumed a portion of the bottle  
2 of wine with the meal on the licensed premises; and

3 (2) the local nontransferable dispenser,  
4 dispenser, canopy licensee or restaurant licensee or an agent  
5 or employee of the local nontransferable dispenser, dispenser,  
6 canopy licensee or restaurant licensee attaches the customer  
7 receipt issued for the bottle of wine and reseals the bottle of  
8 partially consumed wine by reinserting a cork and sealing the  
9 bottle in a tamper-proof bag.

10 B. Notwithstanding any other provision of law, a  
11 winery licensee may permit a customer of the licensee to remove  
12 from the licensed premises one opened bottle of partially  
13 consumed wine; provided that the winery licensee or an agent or  
14 employee of the winery licensee attaches the customer receipt  
15 issued for the bottle of wine and reseals the bottle of  
16 partially consumed wine by reinserting a cork and sealing the  
17 bottle in a tamper-proof bag.

18 C. When operating a motor vehicle, the customer  
19 shall possess and transport the partially consumed bottle of  
20 wine in accordance with Section 66-8-138 NMSA 1978."

21 SECTION 6. Section 60-6A-1 NMSA 1978 (being Laws 1981,  
22 Chapter 39, Section 18, as amended) is amended to read:

23 "60-6A-1. WHOLESALER'S LICENSE.--

24 A. In any local option district, a person qualified  
25 under the provisions of the Liquor Control Act may apply for

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1 and be issued a license as a wholesaler of alcoholic beverages.

2 B. No wholesaler shall sell, offer for sale or ship  
3 alcoholic beverages not received at and shipped from the  
4 premises specified in the wholesaler's license. As used in  
5 this section, "received at and shipped from" means that all  
6 alcoholic beverages shall be unloaded at the wholesaler's  
7 licensed premises and placed into inventory before being sold  
8 and shipped to a licensed retailer.

9 C. No wholesaler shall sell or offer for sale  
10 alcoholic beverages to any person other than the holder of a  
11 New Mexico wholesaler's, retailer's, dispenser's, local  
12 nontransferable dispenser's, canopy, restaurant or club  
13 license, a governmental licensee or its lessee or an enterprise  
14 owned, operated or licensed by an Indian nation, tribe or  
15 pueblo within the state in conformity with an ordinance duly  
16 adopted by the Indian nation, tribe or pueblo having  
17 jurisdiction over the situs of the transaction within the area  
18 of Indian country, certified by the secretary of the interior,  
19 published in the federal register, according to the laws of the  
20 United States."

21 SECTION 7. Section 60-6A-7 NMSA 1978 (being Laws 1981,  
22 Chapter 39, Section 24, as amended) is amended to read:

23 "60-6A-7. NONRESIDENT LICENSE.--

24 A. A nonresident manufacturer or wholesaler who  
25 qualifies may apply for and be issued a nonresident license.

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1           B. No nonresident wholesaler or manufacturer shall,  
2 directly or indirectly or through an affiliate or subsidiary,  
3 apply for, be granted or hold a license under the provisions of  
4 the Liquor Control Act as a New Mexico wholesaler,  
5 manufacturer, local nontransferable dispenser, dispenser or  
6 retailer; provided that a nonresident wholesaler may be granted  
7 and hold a New Mexico wholesaler's license only if the business  
8 operated, and the New Mexico wholesaler's license, was  
9 purchased from an existing wholesaler and is operated as a  
10 separate and distinct business from all other businesses of the  
11 nonresident wholesaler, including for the purpose of Section  
12 60-8A-6 NMSA 1978, and no alcoholic beverages are transshipped  
13 between any of the other businesses and the business operated  
14 under that license.

15           C. Nonresident licensees may sell, offer for sale  
16 or ship into the state alcoholic beverages only to licensed New  
17 Mexico manufacturers and wholesalers.

18           D. Every nonresident licensee or every New Mexico  
19 wholesaler or rectifier selling or shipping alcoholic beverages  
20 to a New Mexico wholesaler shall mail to the department one  
21 duplicate invoice covering all shipments into or sales in the  
22 state, stating the prices, together with all terms,  
23 concessions, allowances, forbearances and deductions. In cases  
24 of shipments, a copy of the bill of lading or ~~[way bill]~~  
25 waybill shall accompany the invoice mailed to the department.

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1 On each invoice for alcoholic beverages, the total number of  
2 cases and the total number of liters of alcoholic beverage  
3 shall also be noted by the shipper or vendor. The invoice of  
4 all shipments or sales shall also state the brand, labels and  
5 size of containers of each item, unless shipped or sold in bulk  
6 to be bottled by a licensed rectifier or wine bottler using  
7 ~~[his]~~ the licensed rectifier's or wine bottler's own label and  
8 brand; provided, however, this section shall not apply to  
9 intrastate sales and shipments from one New Mexico wholesaler  
10 to another wholesaler.

11 E. The director may suspend or revoke the license  
12 of a nonresident licensee or wholesaler who does not comply  
13 with the provisions of Subsections B through D of this  
14 section."

15 SECTION 8. Section 60-6A-12 NMSA 1978 (being Laws 1981,  
16 Chapter 39, Section 29, as amended) is amended to read:

17 "60-6A-12. SPECIAL DISPENSER'S PERMITS--STATE AND LOCAL  
18 FEES.--

19 A. ~~[Any]~~ A person holding a local nontransferable  
20 dispenser's or dispenser's license in ~~[any]~~ a local option  
21 district where a public celebration is to be held may dispense  
22 alcoholic beverages at the public celebration upon receiving  
23 written approval from the governing body in charge of the  
24 public celebration and upon the payment of fifty dollars  
25 (\$50.00) to the department for a special dispenser's permit.

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1           B. As used in this section, "public celebration"  
2 includes any state fair, county fair, community fiesta,  
3 cultural or artistic performance or professional athletic  
4 competition of a seasonal nature or activities held on an  
5 intermittent basis.

6           C. In addition to the state fee and if previously  
7 provided for by ordinance, the governing body of the local  
8 option district in which the public celebration is held may  
9 charge an additional fee not to exceed twenty-five dollars  
10 (\$25.00) per day for each day the permittee dispenses alcoholic  
11 beverages. The permittee shall be subject to all state laws  
12 and regulations and all local regulations regulating local  
13 nontransferable dispenser's or dispenser's privileges and  
14 disabilities. All fees collected by the governing body of the  
15 local option district may be used to fund free ride home  
16 programs.

17           D. [~~Any~~] A person holding a local nontransferable  
18 dispenser's or dispenser's license may be issued a special  
19 dispenser's permit by the director allowing the dispensing of  
20 alcoholic beverages at a function catered by that business,  
21 provided the governing body of the local option district has  
22 given the person seeking the permit written approval to  
23 dispense alcoholic beverages at the catered function. The  
24 permit shall be valid for no more than twelve hours. To apply  
25 for the permit, the holder of a local nontransferable

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1 dispenser's or dispenser's license shall submit a fee of  
2 twenty-five dollars (\$25.00) together with such information as  
3 the director may require. The permittee shall be subject to  
4 all state laws and regulations and all local regulations except  
5 that the permittee shall not be required to suspend the  
6 dispensing of alcoholic beverages at the licensed premises  
7 solely because of the issuance of the special dispenser's  
8 permit.

9 E. The person holding a local nontransferable  
10 dispenser's or dispenser's license and [~~his~~] the person's  
11 employees shall be the only persons permitted to dispense  
12 alcohol during the function for which the permit was sought.  
13 Issuance of the special dispenser's permit is within the  
14 director's discretion and is subject to any reasonable  
15 requirements imposed by the director.

16 F. [~~Any~~] A person holding a local nontransferable  
17 dispenser's or dispenser's license in a local option district  
18 in which Sunday sales of alcoholic beverages are not otherwise  
19 permitted pursuant to the Liquor Control Act may dispense beer  
20 and wine on Sunday at [~~any~~] a public celebration for which it  
21 has received a concession from the governing body in charge of  
22 the public celebration, provided the governing body of that  
23 local option district has by resolution expressly permitted  
24 [~~such~~] beer and wine sales on Sunday at that public celebration  
25 in accordance with the provisions of this section.

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1           G. ~~[Any]~~ A person holding a local nontransferable  
2 dispenser's or dispenser's license who dispenses alcoholic  
3 beverages at a church's public celebration under a special  
4 dispenser's permit pursuant to this section may donate to the  
5 church holding the public celebration any portion of the  
6 profits from the sale of alcoholic beverages at that public  
7 celebration. Employees of that local nontransferable dispenser  
8 or dispenser or other individuals who have completed a  
9 certified alcohol server training program may donate to the  
10 church holding a public celebration their services as servers  
11 of alcoholic beverages at that public celebration."

12           **SECTION 9.** Section 60-6A-15 NMSA 1978 (being Laws 1981,  
13 Chapter 39, Section 32, as amended) is amended to read:

14           "60-6A-15. LICENSE FEES.--Every application for the  
15 issuance or renewal of the following licenses shall be  
16 accompanied by a license fee in the following specified  
17 amounts:

18           A. manufacturer's license as a distiller, except a  
19 brandy manufacturer, three thousand dollars (\$3,000);

20           B. manufacturer's license as a brewer, three  
21 thousand dollars (\$3,000);

22           C. manufacturer's license as a rectifier, one  
23 thousand fifty dollars (\$1,050);

24           D. wholesaler's license to sell all alcoholic  
25 beverages for resale only, two thousand five hundred dollars

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1 (\$2,500);

2 E. wholesaler's license to sell spirituous liquors  
3 and wine for resale only, one thousand seven hundred fifty  
4 dollars (\$1,750);

5 F. wholesaler's license to sell spirituous liquors  
6 for resale only, one thousand five hundred dollars (\$1,500);

7 G. wholesaler's license to sell beer and wine for  
8 resale only, one thousand five hundred dollars (\$1,500);

9 H. wholesaler's license to sell beer for resale  
10 only, one thousand dollars (\$1,000);

11 I. wholesaler's license to sell wine for resale  
12 only, seven hundred fifty dollars (\$750);

13 J. retailer's license, one thousand three hundred  
14 dollars (\$1,300);

15 K. dispenser's license, one thousand three hundred  
16 dollars (\$1,300);

17 L. canopy license, one thousand three hundred  
18 dollars (\$1,300);

19 M. restaurant license, one thousand fifty dollars  
20 (\$1,050);

21 N. club license, for clubs with more than two  
22 hundred fifty members, one thousand two hundred fifty dollars  
23 (\$1,250), and for clubs with two hundred fifty members or  
24 fewer, two hundred fifty dollars (\$250);

25 O. wine bottler's license to sell to wholesalers

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1 only, five hundred dollars (\$500);

2 P. public service license, one thousand two hundred  
3 fifty dollars (\$1,250);

4 Q. nonresident licenses, for a total billing to New  
5 Mexico wholesalers:

6 (1) in excess of:

- 7 \$3,000,000 annually . . . . . \$10,500;
- 8 1,000,000 annually . . . . . 5,250;
- 9 500,000 annually . . . . . 3,750;
- 10 200,000 annually . . . . . 2,700;
- 11 100,000 annually . . . . . 1,800;

12 and

- 13 50,000 annually . . . . . 900;

14 and

- 15 (2) of \$50,000 or less . . . . . \$300;

16 R. wine wholesaler's license, for persons with  
17 sales of five thousand gallons of wine per year or less,  
18 twenty-five dollars (\$25.00), and for persons with sales in  
19 excess of five thousand gallons of wine per year, one hundred  
20 dollars (\$100); ~~and~~

21 S. beer bottler's license, two hundred dollars  
22 (\$200); and

23 T. local nontransferable dispenser's license,  
24 thirty thousand dollars (\$30,000) for the initial license and  
25 twenty thousand dollars (\$20,000) for renewal; provided that an

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1 applicant for a local nontransferable dispenser's license may  
2 provide an irrevocable letter of credit or similar guarantee  
3 acceptable to the director ensuring that the initial license  
4 fee shall be paid upon issuance of the license."

5 SECTION 10. Section 60-6A-16 NMSA 1978 (being Laws 2015,  
6 Chapter 86, Section 1) is amended to read:

7 "60-6A-16. PRORATION OF FEES.--

8 A. License fees for new licenses issued after the  
9 beginning of the license year shall be prorated.

10 B. Local nontransferable dispenser, dispenser,  
11 retailer, restaurant, club and public service license fees  
12 shall be prorated as follows:

13 (1) licenses issued in the first quarter of  
14 the license year for each license type shall be subject to the  
15 full amount of the annual license fee;

16 (2) licenses issued in the second quarter of  
17 the license year for each license type shall be subject to  
18 three-fourths of the annual license fee;

19 (3) licenses issued in the third quarter of  
20 the license year for each license type shall be subject to one-  
21 half of the annual license fee; and

22 (4) licenses issued in the fourth quarter of  
23 the license year for each license type shall be subject to one-  
24 fourth of the annual license fee.

25 C. License fees for all new licenses not provided

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1 for in Subsection B of this section, except nonresident  
2 licenses and common carrier registrations, shall not be  
3 prorated but shall be subject to payment of the full amount of  
4 the annual license fee.

5 D. Nonresident licenses and common carrier  
6 registrations shall be issued for a three-year period. The  
7 three-year license for nonresident licenses and for common  
8 carrier registrations begins July 1, 2013 and every third year  
9 subsequently. Nonresident licenses and common carrier  
10 registrations issued at any time during the:

11 (1) first license year shall be subject to  
12 payment of the full amount of the three-year license fee;

13 (2) second license year shall be subject to  
14 payment of two-thirds of the three-year license fee; and

15 (3) third license year shall be subject to  
16 payment of one-third of the three-year license fee."

17 SECTION 11. Section 60-6A-19 NMSA 1978 (being Laws 1981,  
18 Chapter 39, Section 36, as amended) is amended to read:

19 "60-6A-19. NO PROPERTY RIGHT IN LICENSE--EXCEPTION.--

20 A. The holder of [~~any~~] a license issued under the  
21 Liquor Control Act or any former act has no vested property  
22 right in the license, which is the property of the state;  
23 provided that until July 1, 2025, retailer's licenses,  
24 dispenser's licenses and canopy licenses that were replaced by  
25 dispenser's licenses pursuant to Section 60-6B-16 NMSA 1978 and

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1 that were issued prior to July 1, 2020:

2 (1) shall be considered property subject to  
3 execution, attachment, a security transaction, liens,  
4 receivership and ~~all~~ other incidents of tangible personal  
5 property under the laws of this state, except as otherwise  
6 provided in the Liquor Control Act;

7 (2) may be assigned, transferred from person  
8 to person or leased, provided all requirements of the Liquor  
9 Control Act and department regulations are fulfilled; and

10 (3) shall be transferred as personal property  
11 upon attachment, execution, repossession by a secured party or  
12 lienor, foreclosure by a creditor, appointment of a receiver  
13 for the licensee, death of the licensee, filing of a petition  
14 of bankruptcy by or for the licensee, incapacity of the  
15 licensee or dissolution of the licensee. The director may, by  
16 rule or regulation, determine ~~any~~ an application or notice  
17 requirement for a person who temporarily holds a license  
18 pursuant to this subsection.

19 B. ~~Any~~ A license issued under the Liquor Control  
20 Act may be transferred to any location not otherwise contrary  
21 to law within the same local option district where the license  
22 is then located, provided all requirements of the Liquor  
23 Control Act and department regulations are fulfilled."

24 SECTION 12. Section 60-6A-24 NMSA 1978 (being Laws 1983,  
25 Chapter 280, Section 5, as amended) is amended to read:

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1 "60-6A-24. WINE BLENDER'S LICENSE.--

2 A. In any local option district, a person qualified  
3 under the provisions of the Liquor Control Act, except as  
4 otherwise provided in the Domestic Winery, ~~[and]~~ Small Brewery  
5 and Craft Distillery Act, may apply for and be issued a wine  
6 blender's license.

7 B. A wine blender's license authorizes the person  
8 to whom it is issued to:

9 (1) package, rectify, blend, mix, flavor,  
10 color, label and export wine, whether manufactured or produced  
11 by ~~[him]~~ the person or any other person;

12 (2) sell only wine packaged by or for ~~[him]~~  
13 the person to a person holding a New Mexico wine wholesaler's,  
14 wholesaler's, winegrower's or wine exporter's license or to a  
15 winegrower's agent;

16 (3) deal in warehouse receipts for wine; and

17 (4) be deemed a manufacturer for purposes of  
18 the Gross Receipts and Compensating Tax Act.

19 C. A wine blender's license does not authorize the  
20 person to whom it is issued:

21 (1) to crush, ferment and produce wine from  
22 grapes, berries and other fruits;

23 (2) to obtain or be issued a winer's license,  
24 a retailer's license, a local nontransferable dispenser's  
25 license or a dispenser's license;

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1 (3) to buy, sell, receive or deliver wine from  
2 persons other than authorized licensees; or

3 (4) to conduct wine tastings or sell for  
4 consumption off premises, at retail, or to sponsor wine  
5 tastings, either on or off the wine blender's premises."

6 SECTION 13. Section 60-6A-33 NMSA 1978 (being Laws 2013,  
7 Chapter 148, Section 1, as amended) is amended to read:

8 "60-6A-33. TASTING PERMIT--FEES.--

9 A. The director is authorized to issue a tasting  
10 permit to a licensed local nontransferable dispenser,  
11 dispenser, retailer, resident manufacturer, nonresident  
12 manufacturer, wholesaler or winegrower or an agent of any such  
13 licensed entity to conduct tastings of wine, beer, cider or  
14 spirituous liquor on a licensed premises in accordance with  
15 rules promulgated by the director to protect public health and  
16 safety. A person serving wine, beer, cider or spirituous  
17 liquor at a tasting event permitted pursuant to this section  
18 shall have a server permit.

19 B. To apply for a tasting permit, the holder of a  
20 license described in Subsection A of this section shall submit  
21 to the department a tasting permit fee of one hundred dollars  
22 (\$100) and such information as the director may require. A  
23 tasting permit shall be valid for one year from the date that  
24 it is issued and may be renewed upon application to the  
25 department and payment of the tasting permit fee of one hundred

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1 dollars (\$100). A person permitted to hold tastings pursuant  
2 to this section shall notify the director no less than forty-  
3 eight hours before a tasting event of the person's intent to  
4 hold the event. Notification shall include the times and  
5 locations of, and the types of products to be included in, the  
6 tasting event. Upon receipt of notification, the director  
7 shall forward the notice to the appropriate staff member of the  
8 [~~special investigations~~] New Mexico state police division of  
9 the department of public safety.

10 C. The director may impose the following  
11 administrative penalties on a person who holds a tasting permit  
12 for violations of the Liquor Control Act that occur during  
13 tastings conducted pursuant to the person's tasting permit:

14 (1) for a first violation, a fine no greater  
15 than one thousand dollars (\$1,000) or a restriction on issuance  
16 of tasting permits to the person for a period of two months, or  
17 both;

18 (2) for a second violation within a year of  
19 the first violation, a fine no greater than two thousand  
20 dollars (\$2,000) or a restriction on issuance of tasting  
21 permits to the person for a period of six months, or both; and

22 (3) for a third violation within a year of the  
23 first violation, a citation against the license held by the  
24 person, a fine no greater than five thousand dollars (\$5,000)  
25 and a restriction on issuance of tasting permits to the person

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1 for a period of one year."

2 SECTION 14. Section 60-6A-35 NMSA 1978 (being Laws 2015,  
3 Chapter 113, Section 2) is amended to read:

4 "60-6A-35. SMALL BREWER AND WINEGROWER LIMITED  
5 WHOLESALER'S LICENSE.--In any local option district, a small  
6 brewer or a winegrower that is licensed pursuant to the  
7 Domestic Winery, Small Brewery and Craft Distillery Act and  
8 that also holds a restaurant license, local nontransferable  
9 dispenser's license or a dispenser's license may apply for and  
10 be issued a small brewer and winegrower limited wholesaler's  
11 license. A small brewer that holds a small brewer and  
12 winegrower limited wholesaler's license shall only sell, offer  
13 for sale or ship beer manufactured by the small brewer. A  
14 winegrower that holds a small brewer and winegrower limited  
15 wholesaler's license shall only sell, offer for sale or ship  
16 wine manufactured by the winegrower."

17 SECTION 15. Section 60-6B-2 NMSA 1978 (being Laws 1981,  
18 Chapter 39, Section 38, as amended) is amended to read:

19 "60-6B-2. APPLICATIONS.--

20 A. Before a new license authorized by the Liquor  
21 Control Act may be issued by the director, the applicant for  
22 the license shall:

23 (1) submit to the director a written  
24 application for the license under oath, in the form prescribed  
25 by and stating the information required by the director,

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1 together with a nonrefundable application fee of two hundred  
2 dollars (\$200);

3 (2) submit to the director for approval a  
4 description, including floor plans, in a form prescribed by the  
5 director, that shows the proposed licensed premises for which  
6 the license application is submitted. The area represented by  
7 the approved description shall become the licensed premises;

8 (3) submit the name and street address of a  
9 New Mexico resident who is not a felon, who has power of  
10 attorney and authority to bind the applicant to matters related  
11 to liquor sales and operations and upon whom the director may  
12 serve any notice related to ownership or operation of the  
13 license, including any notice of charge pursuant to Chapter 60,  
14 Article 6C NMSA 1978;

15 (4) if the applicant is a corporation, be  
16 required to submit as part of its application the following:

17 (a) a certified copy of its articles of  
18 incorporation or, if a foreign corporation, a certified copy of  
19 its certificate of authority;

20 (b) the names and addresses of all  
21 officers and directors and those stockholders owning ten  
22 percent or more of the voting stock of the corporation and the  
23 amounts of stock held by each stockholder; provided, however, a  
24 corporation may not be licensed if an officer, manager,  
25 director or holder of more than a ten percent interest in the

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1 applicant entity would not be eligible to hold a license  
2 pursuant to the Liquor Control Act; and

3 (c) such additional information  
4 regarding the corporation as the director may require to assure  
5 full disclosure of the corporation's structure and financial  
6 responsibility;

7 (5) if the applicant is a limited partnership,  
8 submit as part of its application the following:

9 (a) a certified copy of its certificate  
10 of limited partnership;

11 (b) the names and addresses of all  
12 general partners and of all limited partners contributing ten  
13 percent or more of the total value of contributions made to the  
14 limited partnership or entitled to ten percent or more of the  
15 profits earned or other income paid by the limited partnership.

16 A limited partnership shall not receive a license if a partner  
17 or holder of a ten percent or greater interest in the applicant  
18 entity designated in this subsection would not be eligible to  
19 hold a license issued pursuant to the Liquor Control Act; and

20 (c) such additional information  
21 regarding the limited partnership as the director may require  
22 to assure full disclosure of the limited partnership's  
23 structure and financial responsibility;

24 (6) if the applicant is a limited liability  
25 company, submit as part of its application the following:

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1 (a) a copy of the articles of  
2 organization, with a copy of the certificate of filing with the  
3 public regulation commission;

4 (b) the ~~[name]~~ names and addresses of  
5 all the managing members and all of the nonmanaging members  
6 that own a greater than ten percent interest in the limited  
7 liability company. Any direct or indirect parent entity of the  
8 limited liability company with an interest of ten percent or  
9 more in the applicant entity shall submit application forms and  
10 qualify to hold a license; and

11 (c) such additional information  
12 regarding the limited liability company as the director may  
13 require to assure full disclosure of the limited liability  
14 company's structure and financial responsibility;

15 (7) if the applicant is a trust, submit as  
16 part of its application:

17 (a) the names and addresses of the  
18 trustees;

19 (b) the names and addresses of any  
20 beneficiaries having control over the property of the trust or  
21 receiving regular and substantial distributions of principal  
22 and income from the trust. Any beneficiary receiving regular  
23 and substantial distributions from the trust shall qualify to  
24 hold a license. The director may request a copy of the trust  
25 agreement for review, which trust agreement need not become

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1 part of the application. Affidavits as to the operation and  
2 distribution of the principal and income may be requested in  
3 lieu of, or in addition to, the copy of the trust agreement  
4 that is supplied for review by the department; and

5 (c) such additional information  
6 regarding the trust as the director may require to assure full  
7 disclosure of the trust's structure and financial  
8 responsibility; and

9 (8) obtain approval for the issuance from the  
10 governing body of the local option district in which the  
11 proposed licensed premises are to be located in accordance with  
12 the provisions of the Liquor Control Act.

13 B. Except for individual officers, directors,  
14 shareholders, members or partners of entities that are publicly  
15 traded on a national stock exchange and for individuals who  
16 have been fingerprinted for another New Mexico license and had  
17 no prior criminal or arrest record, every applicant for a new  
18 license or for a transfer of ownership of a license shall file  
19 with the application two complete sets of fingerprints taken  
20 under the supervision of and certified to by an officer of the  
21 New Mexico state police, a county sheriff, a municipal chief of  
22 police, a police officer in a foreign country or an individual  
23 qualified to take fingerprints by virtue of training or  
24 experience, for each of the following individuals:

25 (1) if the applicant is a person, for the

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1 applicant;

2 (2) if the applicant or the holder of a ten  
3 percent or greater interest in the applicant entity is a  
4 corporation, for each principal officer, for each member of the  
5 board of directors and for each stockholder with a ten percent  
6 or greater interest in the applicant entity;

7 (3) if the applicant or the holder of a ten  
8 percent or greater interest in the applicant entity is a  
9 general partnership, for each partner;

10 (4) if the applicant or the holder of a ten  
11 percent or greater interest in the applicant entity is a  
12 limited partnership, for each general partner, for each limited  
13 partner holding a ten percent or greater interest in the  
14 applicant entity and for any principal officers of the limited  
15 partnership;

16 (5) if the applicant or the holder of a ten  
17 percent or greater interest in the applicant entity is a  
18 limited liability company, for each managing member, for each  
19 member who owns a ten percent or greater interest in the  
20 applicant entity and for any principal officer of the limited  
21 liability company; and

22 (6) if the applicant is a trust, for each  
23 trustee and for each beneficiary who has control over trust  
24 property and income or who receives substantial and regular  
25 distributions from the trust.

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1           C. Upon submission of a sworn affidavit from each  
2 person who is required to file fingerprints stating that the  
3 person has not been convicted of a felony in any jurisdiction  
4 and pending the results of background investigations, a  
5 temporary license for ninety days may be issued. The temporary  
6 license may be extended by the director for an additional  
7 ninety days if the director determines there is not sufficient  
8 time to complete the background investigation or obtain reviews  
9 of fingerprints from appropriate agencies. A temporary license  
10 shall be surrendered immediately upon order of the director.

11           D. An applicant who files a false affidavit shall  
12 be denied a license. When the director determines a false  
13 affidavit has been filed, the director shall refer the matter  
14 to the attorney general or district attorney for prosecution of  
15 perjury.

16           E. If an applicant is not a resident of New Mexico,  
17 fingerprints may be taken under supervision and certification  
18 of comparable officers in the state of residence of the  
19 applicant.

20           F. Before issuing a license, the department shall  
21 hold a public hearing within thirty days after receipt of the  
22 application pursuant to Subsection K of this section.

23           G. An application for transfer of ownership shall  
24 be filed with the department no later than thirty days after  
25 the date a person acquired an ownership interest in a license.

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1 It shall contain the actual date of sale of the license and  
2 shall be accompanied by a sworn affidavit from the owner of  
3 record of the license agreeing to the sale of the license to  
4 the applicant as well as attesting to the accuracy of the  
5 information required by this section to be filed with the  
6 department. A license shall not be transferred unless it will  
7 be placed into operation in an actual location within one  
8 hundred twenty days of issuance of the license, unless for good  
9 cause shown the director grants an additional extension for a  
10 length of time determined by the director.

11 H. Whenever it appears to the director that there  
12 will be more applications for new licenses than the available  
13 number of new licenses during any time period, a random  
14 selection method for the qualification, approval and issuance  
15 of new licenses shall be provided by the director. The random  
16 selection method shall allow each applicant an equal  
17 opportunity to obtain an available license; provided that all  
18 local nontransferable dispenser's, dispenser's and retailer's  
19 licenses issued in a calendar year shall first be [~~issued~~  
20 offered to residents of the state. For the purposes of random  
21 selection, the director shall also set a reasonable deadline by  
22 which applications for the available licenses shall be filed.  
23 A person shall not file more than one application for each  
24 available license [~~and no more than three applications per~~  
25 ~~calendar year~~].

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1           I. After the deadline set in accordance with  
2 Subsection H of this section, no more than ten applications per  
3 available license shall be selected at random for priority of  
4 qualification and approval. Within thirty days after the  
5 random selection for the ten priority positions for each  
6 license, a hearing pursuant to Subsection K of this section  
7 shall be held to determine the qualifications of the applicant  
8 having the highest priority for each available license. If  
9 necessary, such a hearing shall be held on each selected  
10 application by priority until a qualified applicant for each  
11 available license is approved. Further random selections for  
12 priority positions shall also be held pursuant to this section  
13 as necessary.

14           J. All applications submitted for a license shall  
15 expire upon the director's final approval of a qualified  
16 applicant for that available license.

17           K. The director shall notify the applicant by  
18 certified mail of the date, time and place of the hearing. The  
19 hearing shall be held in Santa Fe. The director may designate  
20 a hearing officer to take evidence at the hearing. The  
21 director or the hearing officer shall have the power to  
22 administer oaths.

23           L. In determining whether a license shall be  
24 issued, the director shall take into consideration all  
25 requirements of the Liquor Control Act. In the issuance of a

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1 license, the director shall specifically consider the nature  
2 and number of prior violations of the Liquor Control Act by the  
3 applicant or of any citations issued within the prior five  
4 years against a license held by the applicant or in which the  
5 applicant had an ownership interest required to be disclosed  
6 under the Liquor Control Act. The director shall disapprove  
7 the issuance or give preliminary approval of the issuance of  
8 the license based upon a review of all documentation submitted  
9 and any investigation deemed necessary by the director.

10 M. Before a new license is issued for a location,  
11 the director shall cause a notice of the application for the  
12 license to be posted conspicuously, on a sign not smaller than  
13 thirty inches by forty inches, on the outside of the front wall  
14 or front entrance of the immediate premises for which the  
15 license is sought or, if no building or improvements exist on  
16 the premises, the notice shall be posted at the front entrance  
17 of the immediate premises for which the license is sought, on a  
18 billboard not smaller than five feet by five feet. The  
19 contents of the notice shall be in the form prescribed by the  
20 department, and such posting shall be over a continuous period  
21 of twenty days prior to preliminary approval of the license.  
22 The director shall prescribe the manner in which the posting  
23 may be accomplished by the licensee, the licensee's  
24 representative or the director's designee.

25 N. A license shall not be issued until the posting

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1 requirements of Subsection M of this section have been met.

2 O. All costs of publication and posting shall be  
3 paid by the applicant.

4 P. It is unlawful for a person to remove or deface  
5 a notice posted in accordance with this section. A person  
6 convicted of a violation of this subsection shall be punished  
7 by a fine of not more than three hundred dollars (\$300) or by  
8 imprisonment in the county jail for not more than one hundred  
9 twenty days or by both.

10 Q. A person aggrieved by a decision made by the  
11 director as to the approval or disapproval of the issuance of a  
12 license may appeal to the district court pursuant to the  
13 provisions of Section 39-3-1.1 NMSA 1978. If the disapproval  
14 is based upon local option district disapproval pursuant to  
15 Subsection H of Section 60-6B-4 NMSA 1978, the local option  
16 district shall be a necessary party to an appeal. The decision  
17 of the director shall continue in force, pending a reversal or  
18 modification by the district court, unless otherwise ordered by  
19 the court."

20 SECTION 16. Section 60-6B-4 NMSA 1978 (being Laws 1981,  
21 Chapter 39, Section 40, as amended) is amended to read:

22 "60-6B-4. ISSUANCE OR TRANSFER OF LICENSE--APPROVAL OF  
23 APPROPRIATE GOVERNING BODY.--

24 A. Prior to the approval of the issuance of a new  
25 license, and prior to the approval of a transfer permitted by

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1 Section 60-6B-3 or 60-6B-12 NMSA 1978, the director shall  
2 notify the governing body of the director's preliminary  
3 approval of the issuance or transfer of the license. Notice to  
4 the governing body shall be by certified mail.

5 B. A governing body that has received a notice of  
6 preliminary approval of the issuance or transfer of a license  
7 from the department may approve or disapprove the issuance or  
8 transfer of the license in accordance with the provisions of  
9 this section.

10 C. Within forty-five days after receipt of a notice  
11 of preliminary approval from the department, the governing body  
12 shall hold a public hearing on the question of whether the  
13 department should approve the proposed issuance or transfer.

14 D. The governing body shall give notice of the  
15 public hearing, as required by Subsection C of this section,  
16 and the notice shall:

17 (1) be published at least twice, with the  
18 initial notice published at least thirty days before the  
19 hearing, in a newspaper of general circulation within the  
20 territorial limits of the governing body;

21 (2) in addition to required print publication,  
22 be published on a local option district's [~~web site~~] website,  
23 if the district has a [~~web site~~] website;

24 (3) set forth:

25 (a) the date, time and place of the

1 hearing;

2 (b) the name and address of the  
3 licensee;

4 (c) the action proposed to be taken by  
5 the department;

6 (d) the location of the licensee's  
7 premises; and

8 (e) such other information as may be  
9 required by the department; and

10 (4) be sent by certified mail to the  
11 applicant.

12 E. The governing body may designate a hearing  
13 officer to conduct the hearing. A record shall be made of the  
14 hearing.

15 F. The governing body may disapprove the issuance  
16 or transfer of the license if:

17 (1) the proposed location is within an area  
18 where the sale of alcoholic beverages is prohibited by the laws  
19 of New Mexico;

20 (2) the issuance or transfer would be in  
21 violation of a zoning or other ordinance of the governing body;  
22 or

23 (3) the issuance or transfer would be  
24 detrimental to the public health, safety or morals of the  
25 residents of the local option district.

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1           G. Within thirty days after the public hearing, the  
2 governing body shall notify the department as to whether the  
3 governing body has approved or disapproved the proposed  
4 issuance or transfer of the license. If the governing body  
5 fails to either approve or disapprove the issuance or transfer  
6 of the license within thirty days after the public hearing, the  
7 director may give final approval to the issuance or transfer of  
8 the license.

9           H. If the governing body disapproves the issuance  
10 or transfer of the license, it shall notify the department  
11 within the time required by Subsection G of this section  
12 setting forth the reasons for the disapproval. A copy of the  
13 minutes of the public hearing shall be submitted to the  
14 department by the governing body with the notice of  
15 disapproval. If the governing body disapproves of the issuance  
16 or transfer of the license, the director shall disapprove the  
17 issuance or transfer of the license.

18           I. If the governing body approves the issuance or  
19 transfer of the license, it shall notify the department within  
20 the time required by Subsection G of this section of its  
21 approval. If the governing body approves of the issuance or  
22 transfer of the license, the director shall approve the  
23 issuance or transfer of the license.

24           J. On and after July 1, 2025, a retailer's,  
25 dispenser's or canopy license shall not be assigned,

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1 transferred from person to person, sold or leased."

2 SECTION 17. Section 60-6B-5 NMSA 1978 (being Laws 2015,  
3 Chapter 86, Section 2) is amended to read:

4 "60-6B-5. EXPIRATION AND RENEWAL OF LICENSES.--

5 A. All licenses provided for in the Liquor Control  
6 Act, except for nonresident licenses and common carrier  
7 registrations, shall be issued for a one-year period except for  
8 new licenses issued after the beginning of the license year.  
9 Nonresident licenses and common carrier registrations shall be  
10 issued for a three-year period.

11 B. The license year for local nontransferable  
12 dispenser, dispenser, retailer and canopy licenses shall end on  
13 June 30 of each year. All local nontransferable dispenser,  
14 dispenser, retailer and canopy licenses shall expire on June 30  
15 unless renewed. The annual renewal application and renewal fee  
16 are due on April 1 of each year.

17 C. The license year for restaurant, club,  
18 wholesaler and manufacturer licenses shall end on October 31 of  
19 each year. All restaurant, club, wholesaler and manufacturer  
20 licenses shall expire on October 31 unless renewed. The annual  
21 renewal application and renewal fee are due on August 1 of each  
22 year.

23 D. All licenses not provided for in Subsections B  
24 and C of this section, except nonresident licenses and common  
25 carrier registrations, shall expire on February 28 of each

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1 year. The annual renewal application and renewal fee are due  
2 on December 1 of each year.

3 E. Nonresident licenses and common carrier  
4 registrations shall expire on June 30 every three years. The  
5 renewal application and renewal fee are due on April 1 of each  
6 third year.

7 F. A license shall not be issued or renewed if the  
8 applicant or licensee is delinquent in payment of any taxes  
9 administered by the taxation and revenue department.

10 G. The director shall also determine whether there  
11 exists any other reason why a license should not be renewed.

12 H. If the director determines that the license  
13 should not be renewed, the director shall enter an order  
14 requiring the licensee, after notice, to show cause why the  
15 license should be renewed, and the director shall conduct a  
16 hearing on the matter. If, after the hearing, the director  
17 finds that no reason exists why the license should not be  
18 renewed, the director shall renew the license."

19 SECTION 18. Section 60-6B-9 NMSA 1978 (being Laws 1981,  
20 Chapter 39, Section 75) is amended to read:

21 "60-6B-9. DISCONTINUANCE OF BUSINESS OR DEATH OF  
22 LICENSEE--JUDICIAL SALES.--

23 A. If a retailer, local nontransferable dispenser,  
24 dispenser, canopy licensee, restaurant licensee, club licensee  
25 or governmental licensee or its lessee discontinues business

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1 for any reason or the licensee dies, the stock of alcoholic  
2 beverages owned at the time of the discontinuation of business  
3 or the death of the licensee may be sold in whole or in part to  
4 any other retailer, local nontransferable dispenser, dispenser,  
5 canopy licensee, restaurant licensee, club licensee or  
6 governmental licensee or its lessee or to a New Mexico  
7 wholesaler without the seller incurring criminal or civil  
8 liability under the provisions of the Liquor Control Act.

9 B. If the stock of alcoholic beverages is sold  
10 under execution or attachment or by order of a court, the stock  
11 shall be sold only to other New Mexico retailers, local  
12 nontransferable dispensers, dispensers, canopy licensees,  
13 restaurant licensees, club licensees, governmental licensees or  
14 their lessees or to a New Mexico wholesaler."

15 SECTION 19. Section 60-7A-1 NMSA 1978 (being Laws 1981,  
16 Chapter 39, Section 47, as amended) is amended to read:

17 "60-7A-1. HOURS AND DAYS OF BUSINESS--SUNDAY SALES--  
18 CHRISTMAS DAY SALES--SALES FOR CONSUMPTION OFF THE LICENSED  
19 PREMISES--ELECTIONS.--

20 A. Provided that nothing in this section shall  
21 prohibit the consumption at any time of alcoholic beverages in  
22 guest rooms of hotels, alcoholic beverages shall be sold,  
23 served and consumed on licensed premises only during the  
24 following hours and days:

25 (1) on Mondays from 7:00 a.m. until midnight;

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1 (2) on Tuesdays through Saturdays from after  
2 midnight of the previous day until 2:00 a.m., then from 7:00  
3 a.m. until midnight, except as provided in Subsections E and G  
4 of this section; and

5 (3) on Sundays only after midnight of the  
6 previous day until 2:00 a.m., except as provided in Subsections  
7 D and F of this section and Section 60-7A-2 NMSA 1978.

8 B. Except as provided in Subsection C of this  
9 section, alcoholic beverages may be sold by a dispenser or a  
10 retailer in unbroken packages, for consumption off the licensed  
11 premises and not for resale, only on Mondays through Saturdays  
12 from 7:00 a.m. until midnight, except as provided in  
13 Subsections E and G of this section.

14 C. The governing body of a local option district  
15 that is a class B county with a population greater than seventy  
16 thousand and less than seventy-six thousand according to the  
17 most recent federal decennial census or that is a municipality  
18 located within a class B county with a population greater than  
19 seventy thousand and less than seventy-six thousand according  
20 to the most recent federal decennial census may pass an  
21 ordinance to place restrictions, in addition to those provided  
22 in this section, on the hours during which a dispenser or  
23 retailer may sell alcoholic beverages in unbroken packages for  
24 consumption off the licensed premises and not for resale. The  
25 ordinance may restrict sales between 7:00 a.m. and 10:00 a.m.

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1 and shall provide the hours between 7:00 a.m. and 10:00 a.m.,  
2 if any, during which a dispenser or retailer may sell alcoholic  
3 beverages in unbroken packages for consumption off the licensed  
4 premises and not for resale.

5 D. A local nontransferable dispenser, dispenser,  
6 restaurant licensee or club may, upon payment of an additional  
7 fee of one hundred dollars (\$100), obtain a permit to sell,  
8 serve or permit the consumption of alcoholic beverages by the  
9 drink on the licensed premises on Sundays, subject to approval  
10 obtained pursuant to the process set forth in Subsection F of  
11 this section. Alcoholic beverages may be sold, served and  
12 consumed from 11:00 a.m. until midnight as set forth in the  
13 licensee's Sunday sales permit, and in those years when  
14 December 31 falls on a Sunday, from 11:00 a.m. until 2:00 a.m.  
15 of the following day, except as otherwise provided for a  
16 restaurant licensee in Section 60-6A-4 NMSA 1978. The Sunday  
17 sales permit shall expire on June 30 of each year and may be  
18 renewed from year to year upon application for renewal and  
19 payment of the required fee. The permit fee shall not be  
20 prorated. Sales made pursuant to this subsection or Subsection  
21 H of this section shall be called "Sunday sales".

22 E. Retailers, local nontransferable dispensers,  
23 dispensers, canopy licensees that were replaced by dispenser's  
24 licensees pursuant to Section 60-6B-16 NMSA 1978, restaurant  
25 licensees, club licensees and governmental licensees or their

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1 lessees shall not sell, serve, deliver or allow the consumption  
2 of alcoholic beverages on the licensed premises from 2:00 a.m.  
3 on Christmas day until 7:00 a.m. on the day after Christmas,  
4 except as permitted pursuant to Subsection G of this section.

5 F. Sunday sales pursuant to the provisions of  
6 Subsection D of this section are permitted in a local option  
7 district that voted to permit them. If in that election a  
8 majority of the voters in a local option district voted "no" on  
9 the question "Shall Sunday sales of alcoholic beverages by the  
10 drink for consumption on the licensed premises of licensees be  
11 allowed in this local option district?", Sunday sales are  
12 unlawful in that local option district upon certification of  
13 the election returns unless the provisions of Subsection K of  
14 this section apply. The question shall not again be placed on  
15 the ballot in that local option district until at least one  
16 year has passed and:

17 (1) the local governing body of the local  
18 option district passes a resolution calling for the question to  
19 be placed on a regular election ballot or adopts a proclamation  
20 calling for the question to be placed before the voters in a  
21 special local election; or

22 (2) a petition is filed with the local  
23 governing body bearing the signatures of qualified electors of  
24 the local option district equal in number to ten percent of the  
25 number of votes cast and counted in the local option district

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1 for governor in the last preceding general election in which a  
2 governor was elected. The signatures on the petition shall be  
3 verified by the clerk of the county in which the local option  
4 district is situated.

5 G. On and after July 1, 2002, local nontransferable  
6 dispensers, dispensers, canopy licensees that were replaced by  
7 dispenser's licensees pursuant to Section 60-6B-16 NMSA 1978,  
8 restaurant licensees, club licensees and governmental licensees  
9 or lessees of these licensees, provided that the licensees have  
10 current, valid food service establishment permits, may sell,  
11 serve or allow the consumption of alcoholic beverages by the  
12 drink on licensed premises from noon until 10:00 p.m. on  
13 Christmas day, except in a local option district in which,  
14 pursuant to election under this subsection, a majority of the  
15 voters voting on the question votes against continuing such  
16 sales or consumption on Christmas day. An election shall be  
17 held on the question of whether to continue to allow the sale,  
18 service or consumption of alcoholic beverages by the drink on  
19 licensed premises from noon until 10:00 p.m. on Christmas day  
20 in a local option district, if a petition requesting the  
21 governing body of that district to call the election is signed  
22 by at least ten percent of the registered voters of the  
23 district and is filed with the clerk of the governing body of  
24 the district. Upon verification by the clerk that the petition  
25 contains the required number of signatures of registered

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1 voters, the governing body shall pass a resolution calling for  
2 the question to be placed on a regular election ballot or adopt  
3 a proclamation calling for the question of allowing the sale,  
4 service or consumption of alcoholic beverages by the drink on  
5 licensed premises from noon until 10:00 p.m. on Christmas day  
6 to be placed before the voters in a special local election.  
7 The election may also be initiated by a resolution adopted by  
8 the governing body of the local option district without a  
9 petition from qualified electors having been submitted. The  
10 election shall be held pursuant to the Local Election Act. If  
11 a majority of the voters voting on the question votes against  
12 continuing the sale, service or consumption of alcoholic  
13 beverages by the drink on licensed premises from noon until  
14 10:00 p.m. on Christmas day, then such sales and consumption  
15 shall be prohibited. If a majority of the voters voting on the  
16 question votes to allow continued sale, service and consumption  
17 of alcoholic beverages by the drink on licensed premises from  
18 noon until 10:00 p.m. on Christmas day, then such sales and  
19 consumption shall be allowed to continue. The question then  
20 shall not be submitted again to the voters within two years of  
21 the date of the last election on the question.

22 H. Notwithstanding the provisions of Subsection F  
23 of this section, any Indian nation, tribe or pueblo whose lands  
24 are wholly situated within the state that has, by statute,  
25 ordinance or resolution, elected to permit the sale, possession

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1 or consumption of alcoholic beverages on lands within the  
2 territorial boundaries of the Indian nation, tribe or pueblo  
3 may, by statute, ordinance or resolution of the governing body  
4 of the Indian nation, tribe or pueblo, permit Sunday sales by  
5 the drink on the licensed premises of licensees on lands within  
6 the territorial boundaries of the Indian nation, tribe or  
7 pueblo; provided that a certified copy of such enactment is  
8 filed with the office of the director and with the secretary of  
9 state.

10 I. Subject to the provisions of Subsection J of  
11 this section, a dispenser or retailer, upon payment of an  
12 additional fee of one hundred dollars (\$100), may obtain a  
13 permit to sell alcoholic beverages in unbroken packages for  
14 consumption off the licensed premises on Sundays from noon  
15 until midnight, and in those years when December 31 falls on a  
16 Sunday, from noon on December 31 until 2:00 a.m. of the  
17 following day. The permit shall expire on June 30 of each year  
18 and may be renewed from year to year upon application for  
19 renewal and payment of the required fee. The permit fee shall  
20 not be prorated. Sales made pursuant to the provisions of this  
21 subsection shall be called "Sunday package sales".

22 J. If a petition requesting the governing body of a  
23 local option district to call an election on the question of  
24 continuing to allow sales of alcoholic beverages in unbroken  
25 packages for consumption off the licensed premises on Sundays

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1 is filed with the clerk of the governing body and that petition  
2 is signed by at least ten percent of the number of registered  
3 voters of the local option district and the clerk of the  
4 governing body verifies the petition signatures, the governing  
5 body shall pass a resolution calling for the question to be  
6 placed on a regular election ballot or adopt a proclamation  
7 calling for the question to be placed before the voters in a  
8 special local election on the question. The election may also  
9 be initiated by a resolution adopted by the governing body of  
10 the local option district without a petition from qualified  
11 electors having been submitted. The election shall be held  
12 within ninety days of the date that the petition is verified  
13 pursuant to the provisions of the Local Election Act; provided  
14 that the date of the election is not in conflict with the  
15 provisions of Section 1-24-1 NMSA 1978. If a majority of the  
16 voters of the local option district voting in the election  
17 votes to allow the sale of alcoholic beverages in unbroken  
18 packages for consumption off the licensed premises, then those  
19 sales shall continue to be allowed. If a majority of the  
20 voters of the local option district voting in the election  
21 votes not to allow the Sunday package sales, then those Sunday  
22 package sales shall be prohibited commencing the first Sunday  
23 after the results of the election are certified. Following the  
24 election, the question of allowing the Sunday package sales  
25 shall not be submitted again to the voters within two years of

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1 the date of the last election on the question.

2 K. Sunday sales of alcoholic beverages shall be  
3 permitted at resorts and at horse racetracks statewide pursuant  
4 to the provisions of Section 60-7A-2 NMSA 1978."

5 SECTION 20. Section 60-7A-2 NMSA 1978 (being Laws 1981,  
6 Chapter 39, Section 48, as amended) is amended to read:

7 "60-7A-2. SUNDAY SALES AT RACETRACKS AND RESORTS.--

8 A. Notwithstanding other provisions of the Liquor  
9 Control Act, it is lawful for a local nontransferable dispenser  
10 or dispenser:

11 (1) whose licensed premises are located on a  
12 horse racetrack licensed by the state racing commission, to  
13 sell, serve or permit the consumption of alcoholic beverages by  
14 the drink on Sunday during the racing season between the hours  
15 of 12:00 noon and 11:00 p.m.; or

16 (2) whose licensed premises are within a  
17 resort, to sell, serve or permit the consumption of alcoholic  
18 beverages by the drink on Sunday after midnight of the previous  
19 day until 2:00 a.m. and then from 12:00 noon until midnight.

20 B. As used in this section, "resort" means a  
21 lodging establishment or complex, open to the public, offering  
22 at least one hundred guest rooms or at least one hundred  
23 recreational vehicle parking or camping spaces and where meals  
24 are regularly furnished to the public. The establishment or  
25 complex shall:

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(1) offer at least two of the following recreational activities:

- (a) nine or eighteen holes of golf;
- (b) tennis;
- (c) water park facilities;
- (d) horseback riding;
- (e) snow skiing;
- (f) water-skiing;
- (g) fishing;
- (h) hunting;
- (i) boating;
- (j) trap or skeet shooting; or
- (k) swimming; or

(2) be adjacent to or within a national park, national monument, national forest, state park or state monument."

SECTION 21. Section 60-7A-9 NMSA 1978 (being Laws 1981, Chapter 39, Section 71, as amended) is amended to read:

"60-7A-9. CREDIT EXTENSION BY WHOLESALERS.--It is a violation of the Liquor Control Act for any wholesaler to extend credit or to agree to extend credit for the sale of alcoholic beverages to any retailer, local nontransferable dispenser, dispenser, canopy licensee, restaurant licensee, club licensee or governmental licensee or its lessee for any period more than thirty calendar days from the date of the



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1 invoice required under the provisions of Section 60-8A-3 NMSA  
2 1978. A violation of this section does not bar recovery by the  
3 wholesaler for the total indebtedness of the retailer, local  
4 nontransferable dispenser, dispenser, canopy licensee,  
5 restaurant licensee, club licensee or governmental licensee or  
6 its lessee."

7 SECTION 22. Section 60-7A-10 NMSA 1978 (being Laws 1981,  
8 Chapter 39, Section 74, as amended) is amended to read:

9 "60-7A-10. WHOLESALERS PROHIBITED FROM OWNING RETAILER'S,  
10 LOCAL NONTRANSFERABLE DISPENSER'S OR DISPENSER'S  
11 ESTABLISHMENT.--

12 A. Except as provided in Subsection B of this  
13 section, it is a violation of the Liquor Control Act for a  
14 wholesaler, directly or indirectly or through an affiliate, to  
15 own, either in whole or in part, a business operated under a  
16 retailer's, local nontransferable dispenser's or dispenser's  
17 license.

18 B. This section shall not prevent a wholesaler from  
19 owning a local nontransferable dispenser's or dispenser's  
20 license directly or indirectly or through an affiliate and  
21 operating a business itself or through an affiliate or [~~a~~  
22 ~~lessee under~~] a dispenser's license under a lessee if:

23 (1) the wholesaler, directly or indirectly,  
24 operates or controls an interest in an establishment or complex  
25 maintaining a minimum of one hundred sleeping rooms and having

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1 a resident of New Mexico as a proprietor or manager and where,  
2 in consideration of payment, meals and lodging are regularly  
3 furnished to the general public; and

4 (2) the sale of alcoholic beverages under the  
5 local nontransferable dispenser's or dispenser's license is  
6 restricted to their consumption on the licensed premises."

7 SECTION 23. Section 60-7A-12 NMSA 1978 (being Laws 1981,  
8 Chapter 39, Section 78, as amended) is amended to read:

9 "60-7A-12. OFFENSES BY LOCAL NONTRANSFERABLE DISPENSERS,  
10 DISPENSERS, CANOPY LICENSEES, RESTAURANT LICENSEES,  
11 GOVERNMENTAL LICENSEES OR THEIR LESSEES AND CLUBS.--It is a  
12 violation of the Liquor Control Act for any local  
13 nontransferable dispenser, dispenser, canopy licensee,  
14 restaurant licensee, governmental licensee or its lessee or  
15 club to:

16 A. receive any alcoholic beverages for the purpose  
17 or with the intent of reselling the alcoholic beverages from  
18 any person unless the person is duly licensed to sell alcoholic  
19 beverages to local nontransferable dispensers or dispensers for  
20 resale;

21 B. sell; possess for the purpose of sale; or bottle  
22 bulk wine for sale other than by the drink for immediate  
23 consumption on its licensed premises;

24 C. directly, indirectly or through subterfuge, own,  
25 operate or control any interest in a wholesale liquor

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1 establishment or liquor manufacturing or wine bottling firm;  
2 provided that this section shall not prevent:

3 (1) a local nontransferable dispenser or  
4 dispenser from owning an interest in a legal entity, directly  
5 or indirectly or through an affiliate, that wholesales  
6 alcoholic beverages and that operates or controls an interest  
7 in an establishment operating pursuant to the provisions of  
8 Subsection B of Section 60-7A-10 NMSA 1978; or

9 (2) a small brewer or winegrower licensed  
10 pursuant to the Domestic Winery, Small Brewery and Craft  
11 Distillery Act from holding an interest in a legal entity,  
12 directly or indirectly or through an affiliate, that holds a  
13 restaurant, a local nontransferable dispenser's or a  
14 dispenser's license and a small brewer and winegrower limited  
15 wholesaler's license issued pursuant to the Liquor Control Act;

16 D. sell or possess for the purpose of sale any  
17 alcoholic beverages at any location or place except its  
18 licensed premises or the location permitted pursuant to the  
19 provisions of Section 60-6A-12 NMSA 1978;

20 E. employ or engage a person to sell, serve or  
21 dispense alcoholic beverages if the person has not received  
22 alcohol server training within thirty days of employment; or

23 F. employ or engage a person to sell, serve or  
24 dispense alcoholic beverages during a period when the server  
25 permit of that person is suspended or revoked."

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1           SECTION 24. Section 60-7A-18 NMSA 1978 (being Laws 1981,  
2 Chapter 39, Section 95) is amended to read:

3           "60-7A-18. HOURS FOR PUBLIC DANCES.--A local  
4 nontransferable dispenser or dispenser who in connection with  
5 [his] the local nontransferable dispenser's or dispenser's  
6 licensed establishment maintains dancing facilities for use by  
7 [his] the local nontransferable dispenser's or dispenser's  
8 patrons shall be allowed to keep [~~such~~] the facilities open and  
9 permit dancing on the licensed premises during the same hours  
10 as [~~he~~] the local nontransferable dispenser or dispenser is  
11 allowed by law to sell alcoholic beverages."

12           SECTION 25. Section 60-7B-10 NMSA 1978 (being Laws 1981,  
13 Chapter 39, Section 90, as amended) is amended to read:

14           "60-7B-10. MINORS IN LICENSED PREMISES--REGULATIONS.--

15           A. Any person licensed pursuant to the provisions  
16 of the Liquor Control Act or any employee, agent or lessee of  
17 that person who permits a minor to enter and remain in any area  
18 of a licensed premises that is prohibited to the use of minors  
19 is guilty of a violation of the Liquor Control Act.

20           B. A minor shall not enter or attempt to enter any  
21 area of a licensed premises that is posted or otherwise  
22 identified as being prohibited to the use of minors, except as  
23 authorized by regulation or as necessitated by an emergency. A  
24 person who violates the provisions of this subsection is guilty  
25 of a petty misdemeanor and shall be punished pursuant to the

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1 provisions of Section 31-19-1 NMSA 1978.

2 C. The director of the [~~alcohol and gaming~~]  
3 alcoholic beverage control division of the regulation and  
4 licensing department shall adopt regulations classifying the  
5 types of licensed premises or areas of licensed premises where  
6 minors may be present. The director shall require that signs  
7 issued by the division be posted by licensees to inform the  
8 public, including minors, of the areas in licensed premises  
9 that are open to minors. The regulations may allow minors in  
10 those areas of licensed premises where:

11 (1) the consumption of alcoholic beverages is  
12 the primary activity, when a minor is accompanied by a parent,  
13 adult spouse or legal guardian;

14 (2) there is no consumption of alcoholic  
15 beverages; or

16 (3) the minor is at least eighteen years of  
17 age and licensed under the New Mexico Commercial Driver's  
18 License Act and is making a delivery of packaged alcoholic  
19 beverages to a holder of a local nontransferable dispenser's,  
20 dispenser's, retailer's, restaurant, club, small brewer,  
21 winegrower, craft distiller, manufacturer's or rectifier or any  
22 other license that allows for the purchase and delivery of  
23 alcoholic beverages."

24 SECTION 26. Section 60-7B-11 NMSA 1978 (being Laws 1981,  
25 Chapter 39, Section 91, as amended) is amended to read:

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1 "60-7B-11. EMPLOYMENT OF MINORS.--

2 A. Except as provided in Subsection B or C of this  
3 section, it is a violation of the Liquor Control Act for any  
4 person licensed pursuant to the provisions of the Liquor  
5 Control Act or for any employee, agent or lessee of that person  
6 knowingly to employ or use the service of any minor in the sale  
7 and service of alcoholic beverages.

8 B. A person holding a local nontransferable  
9 dispenser's, dispenser's, restaurant or club license may employ  
10 persons nineteen years of age or older to sell or serve  
11 alcoholic beverages in an establishment that is held out to the  
12 public as a place where meals are prepared and served and the  
13 primary source of revenue is food, and where the sale or  
14 consumption of alcoholic beverages is not the primary activity,  
15 except that a person under twenty-one years of age shall not be  
16 employed as a bartender.

17 C. A person holding a wholesaler's license may  
18 employ persons eighteen years of age or older who are licensed  
19 pursuant to the New Mexico Commercial Driver's License Act to  
20 engage in activities customary to warehouse operations and to  
21 handle and deliver alcoholic beverages to licensees holding a  
22 local nontransferable dispenser's, dispenser's, retailer's,  
23 restaurant, club, small brewer, winegrower, craft distiller,  
24 manufacturer's, rectifier or any other license that allows for  
25 the purchase and delivery of alcoholic beverages by a licensed

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1 wholesaler, as long as the minor delivers sealed, unbroken  
2 packages, including containers such as bottles, cans and kegs.  
3 A person under the age of twenty-one shall not be allowed to  
4 sample alcoholic beverages to accounts."

5 SECTION 27. Section 60-8A-1 NMSA 1978 (being Laws 1981,  
6 Chapter 39, Section 60, as amended) is amended to read:

7 "60-8A-1. UNFAIR COMPETITION--EXCLUSIVE OUTLET--TIED  
8 HOUSE--CONSIGNMENT SALES.--It is unlawful for an importer,  
9 manufacturer, nonresident licensee or any kind or class of  
10 wholesaler, directly or indirectly, or through an affiliate:

11 A. to require by agreement or otherwise that a  
12 wholesaler, retailer, local nontransferable dispenser,  
13 dispenser, canopy licensee, restaurant licensee, club licensee  
14 or governmental licensee or its lessee engaged in the sale of  
15 alcoholic beverages in the state purchase alcoholic beverages  
16 from that person to the exclusion in whole or in part of  
17 alcoholic beverages sold or offered for sale by other persons;

18 B. to induce through any of the following means, a  
19 wholesaler, retailer, local nontransferable dispenser,  
20 dispenser, canopy licensee, restaurant licensee, club licensee  
21 or governmental licensee or its lessee engaged in the sale of  
22 any kind or class of alcoholic beverages to purchase alcoholic  
23 beverages from that person to the exclusion in whole or in part  
24 of alcoholic beverages sold or offered for sale by other  
25 persons:

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1 (1) by acquiring or holding, after the  
2 expiration of an existing license an interest in a license with  
3 respect to the premises of the wholesaler, retailer, local  
4 nontransferable dispenser, dispenser, canopy licensee,  
5 restaurant licensee, club licensee or governmental licensee or  
6 its lessee;

7 (2) by acquiring an interest in real or  
8 personal property owned, occupied or used by a wholesaler,  
9 retailer, local nontransferable dispenser, dispenser,  
10 restaurant licensee or club licensee in the conduct of the  
11 buying wholesaler's, retailer's, local nontransferable  
12 dispenser's, dispenser's, canopy licensee's, restaurant  
13 licensee's, club licensee's or governmental licensee's or its  
14 lessee's business, subject to exceptions that the director may  
15 prescribe, having due regard for the free flow of commerce, the  
16 purposes of this subsection and established trade customs not  
17 contrary to the public interest;

18 (3) by furnishing, giving, renting, lending or  
19 selling to a wholesaler, retailer, local nontransferable  
20 dispenser, dispenser, canopy licensee, restaurant licensee,  
21 club licensee or governmental licensee or its lessee equipment,  
22 fixtures, signs, supplies, money, services or other thing of  
23 value, subject to exceptions that the director may by  
24 regulation prescribe, having due regard for public health and  
25 welfare, the quantity and value of the articles involved and

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[bracketed material] = delete

1 established trade customs not contrary to the public interest  
2 and the purposes of this subsection;

3 (4) by paying or crediting the wholesaler,  
4 retailer, local nontransferable dispenser, dispenser, canopy  
5 licensee, restaurant licensee, club licensee or governmental  
6 licensee or its lessee for advertising, display or distribution  
7 services;

8 (5) by requiring a wholesaler, retailer, local  
9 nontransferable dispenser, dispenser, canopy licensee,  
10 restaurant licensee, club licensee or governmental licensee or  
11 its lessee to take and dispose of a certain quota or  
12 combination of alcoholic beverages; or

13 (6) by commercial bribery by offering or  
14 giving a bonus, premium or compensation to an officer,  
15 employee, agent or representative of a wholesaler, retailer,  
16 local nontransferable dispenser, dispenser, canopy licensee,  
17 restaurant licensee, club licensee or governmental licensee or  
18 its lessee; or

19 C. to sell, offer for sale or contract to sell to a  
20 retailer, local nontransferable dispenser, dispenser, canopy  
21 licensee, restaurant licensee, club licensee or governmental  
22 licensee or its lessee alcoholic beverages of any kind or class  
23 on consignment or under a conditional sale or on a basis other  
24 than a bona fide sale; provided that this subsection shall not  
25 apply to transactions involving solely the bona fide return of

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1 alcoholic beverages for ordinary and usual commercial reasons  
2 arising after the alcoholic beverages have been sold, including  
3 a return of alcoholic beverages that are at or near spoilage or  
4 expiration date or that were damaged by the wholesaler, but not  
5 including a return of alcoholic beverages that were damaged by  
6 any other licensee or any other licensee's employees or  
7 customers."

8 SECTION 28. Section 60-8A-3 NMSA 1978 (being Laws 1981,  
9 Chapter 39, Section 70) is amended to read:

10 "60-8A-3. INVOICES.--Whenever a New Mexico wholesaler  
11 delivers [~~any item of~~] alcoholic beverages to a New Mexico  
12 retailer, local nontransferable dispenser, dispenser, canopy  
13 licensee, restaurant licensee, club licensee or governmental  
14 licensee or its lessee, the delivery shall be accompanied by an  
15 invoice [~~which~~] that accurately and clearly shows the date of  
16 the sale and the quantity of each item of merchandise  
17 delivered. The retailer, local nontransferable dispenser,  
18 dispenser, canopy licensee, restaurant licensee, club licensee  
19 or governmental licensee or its lessee receiving the alcoholic  
20 beverages shall retain the invoice for a period of two years.  
21 The invoices shall be open for inspection and examination by  
22 [~~any~~] an employee of the department or the taxation and revenue  
23 department during all usual business hours."

24 SECTION 29. Section 60-8A-5 NMSA 1978 (being Laws 1981,  
25 Chapter 39, Section 76) is amended to read:

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1 "60-8A-5. DEBTS FOR MERCHANDISE SOLD IN VIOLATION OF LAW  
2 UNENFORCEABLE--NO GARNISHMENT ON SALES BY RETAILERS, LOCAL  
3 NONTRANSFERABLE DISPENSERS AND DISPENSERS.--No action shall be  
4 maintained or a garnishment or attachment be issued to collect  
5 any debt for merchandise sold, served or delivered in violation  
6 of the Liquor Control Act. No writ of garnishment shall issue  
7 where the debt or obligation or the cause of action in the  
8 original suit or the garnishment action is founded upon the  
9 sale or purchase of alcoholic beverages by or from a retailer,  
10 local nontransferable dispenser or dispenser as defined in  
11 Section [~~3 of that act~~] 60-3A-3 NMSA 1978."

12 SECTION 30. EFFECTIVE DATE.--The effective date of the  
13 provisions of this act is July 1, 2020.