## HOUSE TAXATION AND REVENUE COMMITTEE SUBSTITUTE FOR HOUSE BILL 255

## 55TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2021

This document may incorporate amendments proposed by a committee, but not yet adopted, as well as amendments that have been adopted during the current legislative session. The document is a tool to show amendments in context and cannot be used for the purpose of adding amendments to legislation.

## AN ACT

RELATING TO LIQUOR CONTROL; AMENDING AND ENACTING SECTIONS OF THE LIQUOR CONTROL ACT TO PERMIT CERTAIN PERSONS TO DELIVER ALCOHOLIC BEVERAGES; ADDING A NEW TYPE OF RESTAURANT LICENSE THAT ALLOWS SALE OF ALCOHOLIC BEVERAGES IN RESTAURANTS; IMPOSING LICENSE ISSUANCE FEES; PROVIDING DEDUCTIONS FROM THE INCOME TAX, CORPORATE INCOME TAX AND GROSS RECEIPTS TAX FOR CERTAIN LICENSE HOLDERS; Sf12→IMPOSING A RETAILER'S TAX ON RETAILERS PURSUANT TO THE LIQUOR EXCISE TAX ACT←Sf12

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Sf12→ALLOWING DISPENSER'S LICENSES TO BE TRANSFERRED OUT OF A LOCAL OPTION DISTRICT INTACT←Sf12 Sf12→<mark>SJC→; ALLOWING</mark> DISPENSER'S LICENSES TO BE TRANSFERRED OUT OF A LOCAL OPTION DISTRICT INTACT"←SJC←Sf12 SJC→Hf12→; DECLARING AN EMERGENCY←Hf12←SJC .

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

SECTION 1. A new section of the Income Tax Act is enacted to read:

"[<u>NEW MATERIAL</u>] DEDUCTION--INCOME FROM LEASING A LIQUOR LICENSE.--

A. Prior to January 1, 2026, a taxpayer who is a liquor license lessor and who held the license on June 30, 2021 may claim a deduction from net income in an amount equal to the gross receipts from sales of alcoholic beverages made by each liquor license lessee in an amount SJC→r←SJC SJC→,←SJC SJC→(1)←SJC if the liquor license is a dispenser's license Sf12→and sales of alcoholic beverages for consumption off premises are less than fifty percent of total alcoholic beverage sales←Sf12 , not to exceed fifty thousand dollars (\$50,000) for each of four taxable years SJC→; and←SJC SJC→.←SJC

SJC→(2) if the liquor license is a retailer's license, not to exceed twenty-five thousand dollars (\$25,000) for each of four taxable years.<mark>←</mark>SJC

B. Married individuals filing separate returns for .219774.1AIC March 15, 2021 (3:51pm) - 2 - a taxable year for which they could have filed a joint return may each claim only one-half of a deduction provided by this section that would have been claimed on a joint return.

C. A taxpayer may claim the deduction provided by this section in proportion to the taxpayer's ownership interest if the taxpayer owns an interest in a business entity that is taxed for federal income tax purposes as a partnership or limited liability company and that business entity has met all of the requirements to be eligible for the deduction. The total deduction claimed in the aggregate by all members of the partnership or association with respect to the deduction shall not exceed the amount of the deduction that could have been claimed by a sole owner of the business.

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

E. The department shall compile an annual report on the deduction provided by this section that shall include the number of taxpayers that claimed the deduction, the aggregate amount of deductions claimed and any other information necessary to evaluate the cost of the deduction. The department shall provide the report to the revenue stabilization and tax policy committee and the legislative finance committee with an analysis of the cost of the deduction.

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F. As used in this section:

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

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

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

(4) "liquor license" means SJC→a retailer's license issued pursuant to Section 60-6A-2 NMSA 1978, ←SJC a dispenser's license issued pursuant to Section 60-6A-3 NMSA 1978 or a dispenser's license issued pursuant to Section 60-6A-12 NMSA 1978 issued prior to July 1, 2021;

(5) "liquor license lessee" means a person
that leases a liquor license from a liquor license lessor;
SJC→and←SJC

(6) "liquor license lessor" means a person that leases a liquor license to a third party SJC→; and SJC SJC→."←SJC

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SJC<mark>→(7) "retailer's license" means a license</mark>

issued pursuant to the provisions of the Liquor Control Act allowing the licensee to sell, offer for sale or have in the person's possession with the intent to sell alcoholic beverages in unbroken packages, including growlers, for consumption and not for resale off the licensed premises."←SJC

SECTION 2. A new section of the Corporate Income and Franchise Tax Act is enacted to read:

"[<u>NEW MATERIAL</u>] DEDUCTION--INCOME FROM LEASING A LIQUOR LICENSE.--

A. Prior to January 1, 2026, a taxpayer that is a liquor license lessor and that held the license on June 30, 2021 may claim a deduction from taxable income in an amount equal to the gross receipts from sales of alcoholic beverages made by each liquor license lessee in an amount SJC→+←SJC SJC→,←SJC SJC→(1)←SJC if the liquor license is a dispenser's license Sf12→and sales of alcoholic beverages for consumption off premises are less than fifty percent of total alcoholic beverage sales←Sf12 , not to exceed fifty thousand dollars (\$50,000) for each of four taxable years SJC→; and←SJC SJC→.←SJC

SJC→(2) if the liquor license is a retailer's license, not to exceed twenty-five thousand dollars (\$25,000) for each of four taxable years.←SJC

B. A taxpayer allowed a deduction pursuant to this

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section shall report the amount of the deduction to the department in a manner required by the department.

C. The department shall compile an annual report on the deduction provided by this section that shall include the number of taxpayers that claimed the deduction, the aggregate amount of deductions claimed and any other information necessary to evaluate the cost of the deduction. The department shall provide the report to the revenue stabilization and tax policy committee and the legislative finance committee with an analysis of the cost of the deduction.

D. As used in this section:

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

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

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

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(4) "liquor license" means SJC→a retailer's license issued pursuant to Section 60-6A-2 NMSA 1978, ←SJC a dispenser's license issued pursuant to Section 60-6A-3 NMSA 1978 or a dispenser's license issued pursuant to Section 60-6A-12 NMSA 1978 issued prior to July 1, 2021;

(5) "liquor license lessee" means a person that leases a liquor license from a liquor license lessor; SJC→and←SJC

(6) "liquor license lessor" means a person
that leases a liquor license to a third party SJC→; and SJC
SJC→."←SJC

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

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

"[<u>NEW MATERIAL</u>] DEDUCTION--SALES MADE BY SJC→RETAILER'S OR←SJC DISPENSER'S LICENSE HOLDER.--

A. Prior to January 1, 2026, a liquor license holder who held the license on June 30, 2021 may deduct from gross receipts the following receipts SJC→:←SJC SJC→,←SJC SJC→(1)←SJC for each dispenser's license Sf12→for which sales

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of alcoholic beverages for consumption off premises are less than fifty percent of total alcoholic beverage sales ←Sf12 , up to fifty thousand dollars (\$50,000) of receipts from the sale of alcoholic beverages for taxable years 2022 through 2025 SJC→; and ←SJC SJC→. ←SJC

SJC→(2) for each retailer's license, up to twenty-five thousand dollars (\$25,000) of receipts from the sale of alcoholic beverages per year for four consecutive taxable years.←SJC

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

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

D. As used in this section:

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

(2) "dispenser's license" means a license

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issued pursuant to the provisions of the Liquor Control Act allowing the licensee to sell, offer for sale or have in the person's possession with the intent to sell alcoholic beverages both by the drink for consumption on the licensed premises and in unbroken packages, including growlers, for consumption and not for resale off the licensed premises;

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

(4) "liquor license holder" means a person that holds a retailer's license issued pursuant to Section 60-6A-2 NMSA 1978, a dispenser's license issued pursuant to Section 60-6A-3 NMSA 1978 or a dispenser's license issued pursuant to Section 60-6A-12 NMSA 1978 issued prior to July 1, 2021 SJC→; and SJC→." ←SJC

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

**SECTION 4.** A new section of the Liquor Control Act is enacted to read:

"[<u>NEW MATERIAL</u>] ALCOHOLIC BEVERAGE DELIVERY PERMIT--THIRD-

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PARTY DELIVERY LICENSE .--

Sfll→A. A person otherwise qualified pursuant to the provisions of the Liquor Control Act may apply for and the department may issue an alcoholic beverage delivery permit authorizing the person to deliver alcoholic beverages if the applicant holds a valid retailer's, dispenser's, craft distiller's, winegrower's, small brewer's or restaurant license and if the indoor retail space is less than ten thousand square feet in size.←Sfll

Sfll→A. A person otherwise qualified pursuant to the provisions of the Liquor Control Act may apply for and the department may issue an alcoholic beverage delivery permit authorizing the person to deliver alcoholic beverages if the applicant holds a valid retailer's, dispenser's, craft distiller's, winegrower's, small brewer's or restaurant license; provided, however, that if the licensed premises has indoor retail space greater than ten thousand square feet in size and is located within a class A county, the department may issue an alcoholic beverage delivery permit if:

(1) the license holder uses an identification verification system that meets the department's requirements to establish that the identification of the purchaser was checked, scanned and stored for each delivery transaction;

(2) no spirituous liquors are included in deliveries of alcoholic beverages;

.219774.1AIC March 15, 2021 (3:51pm) - 10 - (3) the liquor liability endorsement required pursuant to Paragraph (2) of Subsection H of this section is in an amount of not less than five million dollars (\$5,000,000); and

(4) deliveries of alcoholic beverages are not made using a third-party alcohol delivery service pursuant to Subsection G of this section.←Sfll

B. An alcoholic beverage delivery permit issued to a valid restaurant licensee shall only convey the authority to deliver alcoholic beverages concurrently with the delivery of a minimum of ten dollars (\$10.00) worth of food; provided that under no circumstances shall the delivery of alcoholic beverages be more than seven hundred fifty milliliters of wine, six twelve-ounce containers of prepackaged wine, beer, cider or spirituous liquors or one locally produced growler.

C. An alcoholic beverage delivery permit is not transferable from person to person or from one location to another.

D. An alcoholic beverage delivery permit issued pursuant to this section is valid for one year from the date of issuance. An alcoholic beverage delivery permittee may renew an alcoholic beverage delivery permit annually as required by the department.

E. The director shall promulgate rules to implement the provisions of this section, which shall include the

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(1) an alcoholic beverage delivery permittee shall deliver alcoholic beverages only in unbroken packages or growlers;

(2) payment for alcoholic beverages shall be received only at the licensed premises of the selling licensee personally or by other means, including telephonically, electronically, via website, application or internet platform;

(3) a licensee shall not change the price charged for an alcoholic beverage because that beverage is purchased for delivery; provided that a separate fee may be charged for delivery; and further provided that the fee shall be disclosed to the customer at the time of the purchase;

(4) deliveries of alcoholic beverages shall occur only during the hours the selling licensee is authorized to sell alcoholic beverages;

(5) an alcoholic beverage delivery permittee shall not deliver an alcoholic beverage to a business, a commercial establishment, a college or university campus or a school campus that is not a home school;

(6) an alcoholic beverage delivery permittee delivering alcoholic beverages shall obtain valid proof of the recipient's identity and age;

(7) deliveries of alcoholic beverages shall not be made to an intoxicated person in violation of Section

.219774.1AIC March 15, 2021 (3:51pm) - 12 - 60-7A-16 NMSA 1978 or to a minor in violation of Section 60-7B-1 NMSA 1978;

(8) while delivering alcoholic beverages, an alcoholic beverage delivery permittee shall have in the permittee's possession only alcoholic beverages that have been purchased for delivery; and

(9) while delivering alcoholic beverages, an alcoholic beverage delivery permittee shall have in the permittee's possession the original or an electronic or physical copy of the permittee's alcoholic beverage delivery permit.

F. A licensee that holds an alcoholic beverage delivery permit issued pursuant to this section may utilize an employee who is at least twenty-one years of age and who holds a valid server permit to deliver alcoholic beverages.

G. A licensee that holds an alcoholic beverage delivery permit issued pursuant to this section may contract with a third-party alcohol delivery service licensed by the department; provided that the licensee, the third-party alcohol delivery service and the server who delivers alcohol may be separately liable for violations of the Liquor Control Act, including for the delivery of alcohol to an intoxicated person or to a minor.

H. The department, by rule, shall create a thirdparty alcohol delivery permit and, at a minimum, condition the

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(1) requiring that all delivery employees SJC→or independent contractors ←SJC of the third-party alcohol delivery service hold a valid New Mexico alcohol server permit; and

(2) requiring proof of general liability
insurance coverage with a liquor liability endorsement in an
amount not less than one million dollars (\$1,000,000) per
occurrence SJC→, which endorsement shall provide coverage for
employees or independent contractors of the third-party alcohol
delivery service←SJC .

I. A person, company or licensee that wishes to deliver retail sales of alcohol in New Mexico on behalf of valid retailer's, dispenser's, craft distiller's, winegrower's, small brewer's or restaurant licensees that also hold a valid alcoholic beverage delivery permit shall obtain a third-party alcohol delivery license from the department.

J. An applicant for a third-party alcohol delivery license is required to be authorized to do business in this state, may not share in the profits of the sale of alcohol with a licensee and may only charge a delivery fee that is disclosed to the buyer at the time of sale.

K. A third-party alcohol delivery licensee shall not have the ability to buy, hold or deliver alcohol under its own license but to only allow for delivery of alcohol from a

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L. A third-party alcohol delivery licensee shall be independently liable for the delivery of alcoholic beverages to an intoxicated person or to a minor or for any violation of the Liquor Control Act and be subject to suspension, revocation or administrative fine pursuant to Sections 60-6C-1 through 60-6C-6 NMSA 1978.

M. A third-party alcohol delivery license shall be valid for one year, and may be renewed."

Sf12**⇒SECTION 5. A new section of the Liquor Excise Tax** 

Act, Section 7-17-5.2 NMSA 1978, is enacted to read:

<del>"7-17-5.2. [<u>NEW MATERIAL</u>] RETAILER'S TAX.--</del>

A. An excise tax is imposed on a retailer that sells alcoholic beverages in this state on which the tax imposed by this section has not been paid. The tax imposed by this section may be referred to as the "retailer's tax".

B. The rate of the retailer's tax is two percent and is applied to the price paid for alcoholic beverages sold by the retailer. If the price paid does not represent the value of the alcoholic beverage sold, the tax rate shall be applied to the reasonable value of the alcoholic beverage at the time it was sold.

C. As used in this section, "retailer" means a person having a place of business and who sells, offers for

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sale or possesses for the purpose of selling alcoholic beverages to customers of the business."

SECTION 6. Section 7-17-9 NMSA 1978 (being Laws 1966,

Chapter 49, Section 7, as amended) is amended to read:

<del>"7-17-9. EXEMPTION--CERTAIN SALES TO OR BY</del>

INSTRUMENTALITIES OF ARMED FORCES.--Exempted from the [tax] <u>taxes</u> imposed by [Section] <u>Sections</u> 7-17-5 <u>and 7-17-5.2</u> NMSA 1978 are alcoholic beverages sold to or by any instrumentality of the armed forces of the United States engaged in resale activities."

SECTION 7. Section 7-17-10 NMSA 1978 (being Laws 1966, Chapter 49, Section 8, as amended) is amended to read:

"7-17-10. DATE PAYMENT DUE.--The [tax] <u>taxes</u> imposed by the Liquor Excise Tax Act [is] <u>are</u> to be paid on or before the twenty-fifth day of the month following the month in which the taxable event occurs."

SECTION 8. Section 7-17-12 NMSA 1978 (being Laws 1984, Chapter 85, Section 8, as amended) is amended to read:

**"7-17-12. INTERPRETATION OF ACT--ADMINISTRATION AND** ENFORCEMENT OF TAX.--

A. The department shall interpret the provisions of the Liquor Excise Tax Act.

**B. The department shall administer and enforce the** collection of the [liquor excise tax] <u>taxes imposed pursuant to</u> <u>the Liquor Excise Tax Act</u>, and the Tax Administration Act

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applies to the administration and enforcement of [the tax] those taxes."←Sfl2

SECTION Sf12→9.←Sf12 Sf12→5.←Sf12 Section 60-3A-3 NMSA 1978 (being Laws 1981, Chapter 39, Section 3, as amended by Laws 2019, Chapter 29, Section 2 and by Laws 2019, Chapter 229, Section 3) is amended to read:

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

A. "alcoholic beverages" means distilled or rectified spirits, potable alcohol, powdered alcohol, frozen or freeze-dried alcohol, brandy, whiskey, rum, gin and aromatic bitters bearing the federal internal revenue strip stamps or any similar alcoholic beverage, including blended or fermented beverages, dilutions or mixtures of one or more of the foregoing containing more than one-half percent alcohol, but excluding medicinal bitters;

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

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

D. "cider" means an alcoholic beverage made from the normal alcoholic fermentation of the juice of sound, ripe apples or pears that contains not less than one-half of one

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percent alcohol by volume and not more than eight and one-half percent alcohol by volume;

E. "club" means:

(1) any nonprofit group, including an auxiliary or subsidiary group, organized and operated under the laws of this state, with a membership of not less than fifty members who pay membership dues at the rate of not less than five dollars (\$5.00) per year and who, under the constitution and bylaws of the club, have all voting rights and full membership privileges, and which group is the owner, lessee or occupant of premises used exclusively for club purposes and which group the director finds:

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

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

(2) an airline passenger membership club

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operated by an air common carrier that maintains or operates a clubroom at an [international] airport terminal. As used in this paragraph, "air common carrier" means a person engaged in regularly scheduled air transportation between fixed termini under a certificate of public convenience and necessity issued by the federal aviation administration;

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

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

H. "director" means the chief of the New Mexico state police division of the department of public safety when the term is used in reference to the enforcement and investigatory provisions of the Liquor Control Act and means the director of the alcoholic beverage control division of the regulation and licensing department when the term is used in

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I. "dispenser" means a person licensed under the provisions of the Liquor Control Act selling, offering for sale or having in the person's possession with the intent to sell alcoholic beverages both by the drink for consumption on the licensed premises and in unbroken packages, including <u>locally</u> <u>produced</u> growlers, for consumption and not for resale off the licensed premises;

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

K. "golf course" means a tract of land and facilities used for playing golf and other recreational activities that includes tees, fairways, greens, hazards, putting greens, driving ranges, recreational facilities, patios, <u>restaurants, banquet halls</u>, pro shops, cart paths and public and private roads that are located within the tract of land;

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

M. "growler" means a clean, refillable, resealable container that has a liquid capacity that does not exceed one gallon and that is intended and used for the sale of <u>New</u> <u>Mexico-produced</u> beer, wine or cider for consumption off

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premises;

N. "hotel" means an establishment or complex having a resident of New Mexico as a proprietor or manager and where, in consideration of payment, [meals] <u>food</u> and lodging are regularly furnished to the general public. The establishment or complex must maintain for the use of its guests a minimum of twenty-five sleeping rooms;

"licensed premises" means the contiguous areas 0. [or areas connected by indoor passageways of a structure and the outside dining, recreation and lounge areas] of the structure and the grounds [and vineyards of a structure that is a winery] that are under the direct control of the licensee [and from which the licensee is authorized to sell, serve or allow the consumption of alcoholic beverages under the provisions of its license]; provided that [in the case of a restaurant] "licensed premises" includes a restaurant that has operated continuously in two separate structures since July 1, 1987 and that is located in a local option district that has voted to disapprove the transfer of liquor licenses into that local option district, hotel, golf course, ski area or racetrack and all public and private rooms, facilities and areas in which alcoholic beverages are sold or served in the customary operating procedures of the restaurant, hotel, golf course, ski area or racetrack. "Licensed premises" also includes rural dispenser licenses located in the unincorporated

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P. "local option district" means a county that has voted to approve the sale, serving or public consumption of alcoholic beverages, or an incorporated municipality that falls within a county that has voted to approve the sale, serving or public consumption of alcoholic beverages, or an incorporated municipality of over five thousand population that has independently voted to approve the sale, serving or public consumption of alcoholic beverages under the terms of the Liquor Control Act or any former act;

Q. "manufacturer" means a distiller, rectifier, brewer or winer;

R. "minor" means a <u>natural</u> person under twenty-one years of age;

S. "package" means [an immediate] <u>a</u> container of alcoholic beverages that is filled or packed by a manufacturer or wine bottler for sale by the manufacturer or wine bottler to wholesalers;

T. "person" means an individual, corporation, firm, partnership, copartnership, association or other legal entity;

U. "rectifier" means a person who blends, mixes or distills alcohol with other liquids or substances for the

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purpose of making an alcoholic beverage for the purpose of sale other than to the consumer by the drink, and includes all bottlers of spirituous liquors;

"restaurant" means an establishment having a New V. Mexico resident as a proprietor or manager that is held out to the public as a place where [meals are] food is prepared and served primarily for on-premises consumption to the general public in consideration of payment and that has a dining room, a kitchen and the employees necessary for preparing, cooking and serving [meals] food; provided that "restaurant" does not include establishments as defined in rules promulgated by the director serving only hamburgers, sandwiches, salads and other fast foods;

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

"ski area" means a tract of land and facilities Χ. for the primary purpose of alpine skiing, snowboarding or other snow sports with trails, parks and at least one chairlift with uphill capacity and may include facilities necessary for other seasonal or year-round recreational activities;

Υ. "spirituous liquors" means alcoholic beverages as defined in Subsection A of this section except fermented

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beverages such as wine, beer <u>and</u> cider [and ale];

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

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

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

CC. "winegrower" means a person who owns or operates a business for the manufacture of wine or cider;

DD. "winer" means a winegrower; and

EE. "winery" means a [facility] <u>licensed premise</u> in which a winegrower manufactures and stores wine or cider."

Sf13→SECTION Sf16→10.←Sf16 Sf16→6.←Sf16 A new section of the Liquor Control Act, Section 60-3A-13 NMSA 1978, is enacted to read:

"60-3A-13. [<u>NEW MATERIAL</u>] PROHIBITED SALE OF CERTAIN SPIRITUOUS LIQUORS.--A liquor license holder shall not sell for consumption off premises closed containers containing fewer

.219774.1AIC March 15, 2021 (3:51pm) - 24 - than three fluid ounces of spirituous liquors." - Sf13

Sf14→SECTION Sf16→10.←Sf16 Sf16→7.←Sf16 Section 60-6A-2 NMSA 1978 (being Laws 1981, Chapter 39, Section 19) is amended to read:

"60-6A-2. RETAILER'S LICENSE.--

A. In any local option district, a person qualified under the provisions of the Liquor Control Act may apply for and be issued a retailer's license for the retail sale of alcoholic beverages.

B. A retailer's license, when issued, shall only be used by the person to whom the license is issued and shall only be used within the licensed premises, pursuant to provisions of the Liquor Control Act.

C. In any local option district within a class B county having a population of between fifty-six thousand and fifty-seven thousand according to the 1980 federal decennial census, a person with a retailer's license that sells retail gasoline on the premises shall not sell alcoholic beverages other than beer with less than ten percent alcohol by volume."

SECTION Sf16→11.←Sf16 Sf16→8.←Sf16 Section 60-6A-3 NMSA 1978 (being Laws 1981, Chapter 39, Section 20) is amended to read:

"60-6A-3. DISPENSER'S LICENSE.--

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

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and be issued a dispenser's license for the sale of alcoholic beverages.

B. A dispenser's license, when issued, shall only be used by the person to whom the license is issued and shall only be used within the licensed premises, pursuant to provisions of the Liquor Control Act.

C. In any local option district within a class B county having a population of between fifty-six thousand and fifty-seven thousand according to the 1980 federal decennial census, a person with a dispenser's license that sells retail gasoline on the premises shall not sell alcoholic beverages other than beer with less than ten percent alcohol by volume." ←Sf14

SECTION Sf14→10.←Sf14 Sf14→9.←Sf14 Section 60-6A-4 NMSA 1978 (being Laws 1981, Chapter 39, Section 21, as amended) is amended to read:

"60-6A-4. RESTAURANT LICENSE.--

A. A local option district may approve the issuance of restaurant licenses for the sale of beer and wine by holding an election on that question pursuant to the procedures set out in Section 60-5A-1 NMSA 1978. The election also may be initiated by a resolution adopted by the governing body of the local option district without a petition from qualified electors having been submitted.

SJC→B. A local option district that has approved

.219774.1AIC March 15, 2021 (3:51pm) - 26 - the issuance of restaurant licenses for the sale of beer and wine is deemed to have approved the issuance of restaurant licenses for the sale of beer, wine and spirituous liquors in restaurants unless the local option district affirmatively adopts an opt-out ordinance. This subsection shall not apply to a class B county having a population of between fifty-six thousand and fifty-seven thousand according to the 1980 federal decennial census.</sub>←SJC

SJC→B. A local option district that has approved the issuance of restaurant licenses for the sale of beer and wine is deemed to have approved the issuance of restaurant licenses for the sale of beer, wine and spirituous liquors in restaurants unless the local option district affirmatively adopts an ordinance prohibiting such licenses, except that a local option district within a class B county having a population of between fifty-six thousand and fifty-seven thousand according to the 1980 federal decennial census that has approved the issuance of restaurant licenses for the sale of beer and wine is deemed not to have approved the issuance of restaurant licenses for the sale of beer, wine and spirituous liquors in restaurants unless the local option district affirmatively adopts an ordinance approving such licenses.←SJC

C. A restaurant license issued or renewed on or after July 1, 2021 that permits the sale and service of beer and wine only shall be designated a restaurant A license. The

.219774.1AIC March 15, 2021 (3:51pm) - 27 - license shall be issued in accordance with the provisions of this section and rules adopted by the department.

D. A restaurant license issued on or after July 1, 2021 that permits the sale and service of beer, wine and spirituous liquors shall be designated a restaurant B license. The license shall be issued in accordance with the provisions of this section and rules adopted by the department.

[B.] E. After the approval of restaurant licenses by the qualified electors of the local option district for the sale of beer and wine and upon completion of all requirements in the Liquor Control Act for the issuance of licenses, a restaurant located or to be located within the local option district may receive a restaurant <u>A</u> license to sell, serve or allow the consumption of beer and wine subject to the following requirements and restrictions:

(1) the applicant shall submit evidence to the department that the applicant has a current valid food service establishment permit;

(2) the applicant shall satisfy the director that the primary source of revenue from the operation of the restaurant will be derived from [meals] <u>food</u> and not from the sale of beer and wine;

(3) the director shall condition renewal upon a requirement that no less than sixty percent of gross receipts from the preceding twelve months' operation of the licensed

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<u>underscored material = new</u> [<del>bracketed material</del>] = delete Amendments: <mark>new</mark> = →bold, blue, highlight← <del>delete</del> = →bold, red, highlight, strikethrough restaurant was derived from the sale of [meals] food;

(4) upon application for renewal, the licensee shall submit an annual report to the director indicating the annual gross receipts from the sale of [meals] food and from beer and wine sales;

[(5) restaurant licensees shall not sell beer and wine for consumption off the licensed premises;

(6)] (5) all sales, services and consumption of beer and wine authorized by a restaurant <u>A</u> license shall cease at the time [meal] food sales and services cease or at 11:00 p.m., whichever time is earlier;

[(7)] (6) if Sunday sales have been approved in the local option district, a restaurant licensee may serve beer and wine on Sundays until the time meal sales and services cease or ll:00 p.m., whichever time is earlier; and

[(8)] (7) a restaurant <u>A</u> license shall not be transferable from person to person [or] <u>but shall be</u> <u>transferrable</u> from one location to another <u>location within the</u> <u>same local option district</u>.

F. Upon completion of all requirements in the Liquor Control Act for the issuance of licenses on and after July 1, 2021, and barring the adoption of an opt-out ordinance by the governing body of a local option district, a restaurant located or to be located within the local option district may receive a restaurant B license to sell, serve or allow the

.219774.1AIC March 15, 2021 (3:51pm) - 29 - consumption of beer, wine and spirituous liquors subject to the following requirements and restrictions:

(1) the applicant shall submit evidence to the department that the applicant has a current valid food service establishment permit;

(2) the applicant shall satisfy the director that the primary source of revenue from the operation of the restaurant will be derived from the sale of food and not from the sale of beer, wine and spirituous liquors;

(3) the director shall condition renewal upon a requirement that no less than sixty percent of gross receipts from the preceding twelve months' operation of the licensed restaurant was derived from the sale of food;

(4) upon application for renewal, the licensee shall submit an annual report to the director indicating the annual gross receipts from the sale of food and from beer, wine and spirituous liquors sales;

SJC→Hffll→(5) all sales and service of beer, wine and spirituous liquors authorized by a restaurant B license shall cease at the time food sales and services cease or at 10:00 p.m., whichever time is earlier;

(6) a restaurant B licensee shall serve a single patron no more than three drinks containing not more than one and one-half ounces of spirituous liquor during any one visit to the restaurant;←IIfll←SJC

.219774.1AIC March 15, 2021 (3:51pm) - 30 - Sfll→(5) all sales, service and consumption

of beer, wine and spirituous liquors authorized by a restaurant B license shall cease at the time food sales and services cease or at ll:00 p.m., whichever time is earlier;

(6) a restaurant B licensee shall serve a single patron no more than three drinks containing not more than one and one-half ounces of spirituous liquor during any one visit to the restaurant; +Sfll

SJC→<mark>Hf11→(5)</mark>←Hf11 Hf11→7.←Hf11</mark>←SJC

Sfll→SJC→(5)←SJC←Sfll Sfll→(7)←Sfll if Sunday sales have been approved in the local option district, a restaurant B licensee may serve beer, wine and spirituous liquors on Sundays until the time meal sales and services cease or ll:00 p.m., whichever time is earlier; and

SJC→<mark>IIf11→(6)</mark>←IIf11 IIf11→8.←IIf11←SJC

 $Sfll \rightarrow SJC \rightarrow (6) \leftarrow SJC \leftarrow Sfll Sfll \rightarrow (8) \leftarrow Sfll a restaurant B license$ shall not be transferable from person to person but shall be transferable from one location to another location within the same local option district.

[<del>C.</del>] <u>G.</u> The provisions of Section 60-6A-18 NMSA 1978 shall not apply to restaurant licenses.

[Đ.] <u>H.</u> Nothing in this section shall prevent a restaurant licensee from receiving other licenses pursuant to the Liquor Control Act. SJC→"←SJC

Sf12-SJC-JI. A person that has held a restaurant A

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license in good standing for a period of at least twelve consecutive months shall, upon payment of a fee of one thousand two hundred dollars (\$1,200), be entitled to a restaurant A New Mexico spirituous liquors permit. In addition to being permitted to sell and serve beer and wine as authorized by a restaurant A license, the restaurant A New Mexico spirituous liquors permit shall entitle the licensee to sell and serve beer, wine and spirituous liquors produced or bottled by or for a craft distiller pursuant to Section 60-6A-6.1 NMSA 1978."←SJC</sub>←Sf12

Sf12→I. A person that has held a restaurant A license in good standing for a period of at least twelve consecutive months shall, upon payment of a fee of five hundred dollars (\$500), be entitled to a restaurant A New Mexico spirituous liquors permit. In addition to being permitted to sell and serve beer and wine as authorized by a restaurant A license, the restaurant A New Mexico spirituous liquors permit shall entitle the licensee to also sell and serve spirituous liquors produced or bottled by or for a craft distiller pursuant to Section 60-6A-6.1 NMSA 1978."←Sf12

SECTION Sf14→11.←Sf14 Sf14→10.←Sf14 Section 60-6A-6.1 NMSA 1978 (being Laws 2011, Chapter 110, Section 3, as amended) is amended to read:

"60-6A-6.1. CRAFT DISTILLER'S LICENSE.--

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Α.

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In any local option district, a person qualified

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(1) the applicant submits evidence to the department that the applicant has a valid and appropriate permit issued by the federal government to be a craft distiller;

(2) renewal of the license shall be conditioned upon:

(a) no less than sixty percent of the gross receipts from the sale of spirituous liquors for the preceding twelve months of the licensee's operation being derived from the sale of spirituous liquors produced by the licensee;

(b) the manufacture of no less than [one thousand] <u>five hundred</u> proof gallons of spirituous liquors per license year at the licensee's premises; and

(c) submission to the department by the licensee of a report showing the number of proof gallons of spirituous liquors manufactured by the licensee at the licensee's premises and the annual gross receipts from the sale of spirituous liquors produced by the licensee and from the licensee's sale of distilled spirituous liquors produced by other New Mexico licensed craft distillers;

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(3) a craft distiller's license shall not be transferred from person to person or from one location to another;

(4) the provisions of Section 60-6A-18 NMSA1978 shall not apply to a craft distiller's license; and

(5) nothing in this section shall prevent a craft distiller from receiving other licenses pursuant to the Liquor Control Act.

B. A person to whom a craft distiller's license is issued pursuant to this section may do any of the following:

(1) manufacture or produce spirituous liquors,including aging, filtering, blending, mixing, flavoring,coloring, bottling and labeling;

(2) store, transport, import or export spirituous liquors;

(3) sell only spirituous liquors that are packaged by or for the craft distiller to a person holding a wholesaler's license, a craft distiller's license, [or] a manufacturer's license, <u>a small brewer's license or a</u> <u>winegrower's license;</u>

(4) deal in warehouse receipts for spirituousliquors;

(5) buy spirituous liquors from other persons, including licensees and permittees under the Liquor Control Act, for use in blending, flavoring, mixing or bottling of

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underscored material = new [<del>bracketed material</del>] = delete Amendments: new = →bold, blue, highlight← <del>delete</del> = →bold, red, highlight, strikethrough← spirituous liquors;

(6) buy or otherwise obtain beer from a small brewer or wine or cider from a winegrower for the purposes described in this subsection;

[<del>(6)</del>] <u>(7)</u> be deemed a manufacturer for purposes of the Gross Receipts and Compensating Tax Act;

[<del>(7)</del>] <u>(8)</u> conduct spirituous liquor, <u>wine</u>, <u>cider or beer</u> tastings and sell, by the glass or by the bottle, or in unbroken packages for consumption off the premises but not for resale, spirituous liquors of the craft distiller's own production or spirituous liquors produced by another New Mexico craft distiller or New Mexico manufacturer on the craft distiller's premises, <u>wine or cider produced by a winegrower</u> <u>pursuant to Section 60-6A-11 NMSA 1978 or beer produced and</u> <u>bottled by or for a small brewer pursuant to Section 60-6A-26.1</u> NMSA 1978; and

[(8)] (9) at no more than three other locations off the craft distiller's premises, after the craft distiller has paid the applicable fee for a craft distiller's off-premises permit, after the director has determined that the off-premises locations meet the requirements of the Liquor Control Act and department rules for new liquor license locations and after the director has issued a craft distiller's off-premises permit for each off-premises location, conduct spirituous liquor, wine, cider or beer tastings and sell by the

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glass, or in unbroken packages for consumption and not for resale, spirituous liquors produced and bottled by or for the craft distiller or spirituous liquors produced and bottled by or for another New Mexico craft distiller or manufacturer, <u>wine</u> <u>or cider produced by a winegrower pursuant to Section 60-6A-11</u> <u>NMSA 1978 or beer produced and bottled by or for a small brewer</u> <u>pursuant to Section 60-6A-26.1 NMSA 1978</u>.

C. For a public or private celebration on or off the craft distiller's premises in any local option district permitting the sale of alcoholic beverages, a craft distiller shall pay ten dollars (\$10.00) to the department for a "craft distiller's public celebration permit" or a "craft distiller's private celebration permit" to be issued under rules adopted by the director. Upon request, the department may issue to a craft distiller a public celebration permit for a location at the public celebration that is to be shared with other craft distillers, small brewers and winegrowers.

D. At private celebrations on or off the craft distiller's premises after the craft distiller has paid the applicable fees and been issued the appropriate permit, the craft distiller may sell by the glass spirituous liquors produced by or for the craft distiller, <u>wine or cider produced</u> by a winegrower pursuant to Section 60-6A-11 NMSA 1978 or beer produced and bottled by or for a small brewer pursuant to <u>Section 60-6A-26.1 NMSA 1978</u>.

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Sf15→E. Sales and tastings of spirituous liquors, wine, cider and beer authorized in this section shall be permitted during the hours set forth in Subsection A of Section 60-7A-1 NMSA 1978 and between the hours of 11:00 a.m. and midnight on Sunday and shall conform to the limitations regarding Christmas day sales and the expansion of Sunday sales hours to 2:00 a.m. on January 1, when December 31 falls on a Sunday as set forth in Section 60-7A-1 NMSA 1978. ←Sf15

Sf15→F.←Sf15 Sf15→E.←Sf15 As used in this
section:

(1) "private celebration" means any celebratory activity that is held in a private or public venue not open to the general public and for which attendance is subject to private invitation; and

(2) "public celebration" includes any state or county fair, community fiesta, cultural or artistic event, sporting competition of a seasonal nature or activities held on an intermittent basis."

SECTION Sf14→12.←Sf14 Sf14→11.←Sf14 Section 60-6A-10 NMSA 1978 (being Laws 1981, Chapter 39, Section 27, as amended) is amended to read:

"60-6A-10. GOVERNMENTAL LICENSE.--

A. A governmental entity may sell alcoholic beverages directly or through its lessee at a governmental facility if the governing body applies to the director for a

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Β. A governmental license may be leased to a qualified lessee and may only be used by the lessee for its operation during events authorized by the governmental entity at the governmental facility designated on the governmental The governmental entity and its lessee shall not sell license. alcoholic beverages for consumption off the licensed premises. On the licensed premises of a [municipal baseball park] governmental facility, the sale or service of alcoholic beverages in unbroken packages is allowed. Alcoholic beverages shall not be removed from the licensed premises of a [municipal baseball park] governmental facility. A server as defined in Section 60-6E-3 NMSA 1978 is not required to be present in a [skybox] suite to serve alcoholic beverages to the person leasing the [skybox] suite or the person's guests.

C. A governmental entity holding a governmental license shall annually and not less than sixty days prior to the date for renewal of its license submit to the director documentary proof that its lessee is fully qualified to be a lessee of a governmental license. If the director finds that the lessee is qualified to lease a governmental license, the director shall renew the license for an additional period of one year. If the director determines that the proof is

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inadequate, the director shall notify the governing body of the decision and shall conduct a hearing as provided by law. If the director finds that the lessee does not qualify and the governmental entity does not change its lessee, the director shall revoke the license.

D. The provisions of Section 60-6A-18 NMSA 1978 shall not apply to governmental licenses.

E. For the purposes of this section:

(1) "governmental entity" means a municipality, a county, a state fair that is held for less than ten days per year, the state fair commission, a state museum, a state university or the spaceport authority;

(2) "governmental facility" means locations on property owned or operated by a governmental entity, including county fairs; state fairs held for less than ten days per year; convention centers; airports; civic centers; food service facilities in state museums; auditoriums; all facilities on the New Mexico state fairgrounds; facilities used for athletic competitions; golf courses, including golf courses required to be used for municipal purposes notwithstanding that there may be an existing club license at the same location operated by the same club licensee; other facilities used for cultural or artistic performances; and all spaceport authority facilities [but "governmental facility" does not include tennis facilities];

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(3) "lessee" means an individual, corporation, partnership, firm or association that fulfills the requirements set forth in Subsections A through D of Section 60-6B-2 NMSA 1978; and

[(4) "municipal baseball park" means a governmental facility owned by a governmental entity in a class A county having a population of three hundred fifty thousand or more pursuant to the most recent federal decennial census that is the home stadium of an affiliate of a professional baseball team and that may be used throughout the year for baseball games and other events; and

(5) "skybox"] (4) "suite" means a room or area of seating [of a municipal baseball park] at an event, separated from the general seating [and usually located in the upper decks of the park], leased to a person for that person's exclusive use during [baseball games] events and at any other time throughout the year.

F. The provisions of Section 60-6B-10 NMSA 1978, with respect to golf courses owned by a governmental entity and civic centers owned and operated by a governmental entity, shall not apply to governmental licenses."

SECTION Sf14→13.←Sf14 Sf14→12.←Sf14 Section 60-6A-11 NMSA 1978 (being Laws 1981, Chapter 39, Section 28, as amended) is amended to read:

"60-6A-11. WINEGROWER'S LICENSE.--

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A. A person in this state who produces wine or cider is exempt from the procurement of any other license pursuant to the terms of the Liquor Control Act, but not from the procurement of a winegrower's license. Except during periods of shortage or reduced availability, at least fifty percent of a winegrower's overall annual production of wine shall be produced from grapes or other agricultural products grown in this state pursuant to rules adopted by the director; provided, however, that, for purposes of determining annual production and compliance with the fifty percent New Mexico grown provision of this subsection, the calculation of a winegrower's overall annual production of wine shall not include the winegrower's production of wine for out-of-state wine producer license holders.

B. A person issued a winegrower's license pursuant to this section may do any of the following:

(1) manufacture or produce wine or cider, including blending, mixing, flavoring, coloring, bottling and labeling, whether the wine or cider is manufactured or produced for a winegrower or an out-of-state wine producer holding a permit issued pursuant to the Federal Alcohol Administration Act and a valid license in a state that authorizes the wine or cider producer to manufacture, produce, store or sell wine or cider;

(2) store, transport, import or export wines

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or ciders;

(3) sell wines or ciders to a holder of a New Mexico winegrower's, wine wholesaler's, wholesaler's, [or] wine exporter's, craft distiller's or small brewer's license or to a winegrower's agent;

(4) transport not more than two hundred casesof wine in a calendar year to another location within NewMexico by common carrier;

(5) deal in warehouse receipts for wine or cider;

(6) sell wines or ciders in other states or foreign jurisdictions to the holders of a license issued under the authority of that state or foreign jurisdiction authorizing the purchase of wine or cider;

(7) buy wine or cider or distilled wine products from other persons, including licensees and permittees under the Liquor Control Act, for use in blending, mixing or bottling of wines or ciders;

(8) buy or otherwise obtain beer from a small brewer <u>or spirituous liquor from a craft distiller</u> for the purposes described in this subsection;

(9) conduct wine, [<del>or</del>] cider, <u>beer or</u> <u>spirituous liquor</u> tastings and sell, by the glass or by the bottle, or sell in unbroken packages for consumption off the premises, but not for resale, wine or cider of the winegrower's

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(10) at no more than three off-premises locations, conduct wine, [or] cider, beer or spirituous liquor tastings, sell by the glass and sell in unbroken packages for consumption off premises, but not for resale, wine or cider of the winegrower's own production, wine or cider produced by another New Mexico winegrower or beer produced and bottled by or for a small brewer pursuant to Section 60-6A-26.1 NMSA 1978 or spirituous liquor produced and bottled by or for a craft distiller pursuant to Section 60-6A-6.1 NMSA 1978 after the director has determined that the off-premises locations meet the requirements of the Liquor Control Act and the department rules for new liquor license locations;

(11) be deemed a manufacturer for purposes of the Gross Receipts and Compensating Tax Act;

(12) at public celebrations on or off the winegrower's premises, after the winegrower has paid the applicable fees and been issued the appropriate permit, to conduct wine or cider tastings, sell by the glass or the bottle, or sell in unbroken packages, for consumption off premises, but not for resale, wine or cider produced by or for

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<u>underscored material = new</u> [<del>bracketed material</del>] = delete Amendments: <mark>new</mark> = →bold, blue, highlight← <del>delete</del> = →bold, red, highlight, strikethrough the winegrower, <u>beer produced and bottled by or for a small</u> <u>brewer pursuant to Section 60-6A-26.1 NMSA 1978 or spirituous</u> <u>liquor produced and bottled by or for a craft distiller</u> pursuant to Section 60-6A-6.1 NMSA 1978;

(13) at private celebrations on or off the winegrower's premises after the winegrower has paid the applicable fees and been issued the appropriate permit, sell: (a) by the glass or bottle, wine or

cider produced by or for the winegrower; [or]

(b) by the glass, beer produced by a small brewer pursuant to Section 60-6A-26.1 NMSA 1978; or (c) by the drink, spirituous liquors produced and bottled by or for a craft distiller pursuant to

produced and bottled by or for a craft distiller pursuant to Section 60-6A-6.1 NMSA 1978;

(14) sell wine or cider in a growler for consumption off premises; and

(15) in accordance with the provisions of this section that relate to the sale of wine or cider, accept and fulfill an order for wine or cider that is placed via an internet website, whether the financial transaction related to the order is administered by the licensee or the licensee's agent.

Sf15→C. Sales of wine, [or] cider, [or] beer <u>or</u> <u>spirituous liquor</u> as provided for in this section shall be permitted between the hours of 7:00 a.m. and midnight Monday

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<u>underscored material = new</u> [<del>bracketed material</del>] = delete Amendments: <mark>new</mark> = →bold, blue, highlight← <del>delete</del> = →bold, red, highlight, strikethrough through Saturday, and the holder of a winegrower's license or public celebration permit may conduct wine or cider tastings and sell, by the glass or bottle, or sell in unbroken packages for consumption off premises, but not for resale, wine or cider of the winegrower's own production or beer produced and bottled by or for a small brewer pursuant to Section 60-6A-26.1 NMSA 1978 on the winegrower's premises between the hours of 11:00 a.m. and midnight on Sunday.⇔Sf15

Sf15→D.←Sf15 Sf15→C.←Sf15 At public and private celebrations on or off the winegrower's premises in any local option district permitting the sale of alcoholic beverages, the holder of a winegrower's license shall pay ten dollars (\$10.00) to the [alcohol and gaming] alcoholic beverage control division of the regulation and licensing department for a "winegrower's public celebration permit" or a "winegrower's private celebration permit" to be issued under rules adopted by the director. Upon request, the [alcohol and gaming] alcoholic beverage control division of the regulation and licensing department may issue to a holder of a winegrower's license a public celebration permit for a location at the public celebration that is to be shared with other winegrowers and small brewers.

Sf15→E.←Sf15 Sf15→D.←Sf15 Every application for the issuance or annual renewal of a winegrower's license shall be on a form prescribed by the director and accompanied by a

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license fee to be computed as follows on the basis of total annual wine or cider produced or blended:

(1) less than five thousand gallons per year,twenty-five dollars (\$25.00) per year;

(2) between five thousand and one hundred thousand gallons per year, one hundred dollars (\$100) per year; and

(3) over one hundred thousand gallons per year, two hundred fifty dollars (\$250) per year.

Sf15→F.←Sf15 Sf15→E.←Sf15 As used in this
section:

(1) "private celebration" means any celebratory activity that is held in a private or public venue not open to the general public and for which attendance is subject to private invitation; and

(2) "public celebration" includes any state or county fair, community fiesta, cultural or artistic event, sporting competition of a seasonal nature or activities held on an intermittent basis."

SECTION Sf14→14.←Sf14 Sf14→13.←Sf14 Section 60-6A-15 NMSA 1978 (being Laws 1981, Chapter 39, Section 32, as amended) is amended to read:

"60-6A-15. LICENSE <u>AND PERMIT</u> FEES.--<u>Except for calendar</u> years 2022 through 2031 for license holders who purchased their license during the calendar years 2017 through 2021, who shall

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

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

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

D. wholesaler's license to sell all alcoholic beverages for resale only, two thousand five hundred dollars (\$2,500);

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

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

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

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

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

J. retailer's license, one thousand three hundred

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dollars (\$1,300);

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

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

M. restaurant <u>A</u> license, one thousand fifty dollars (1,050);

Sf12→<u>N. restaurant B license shall be based upon</u> the seating capacity of the restaurant:

<del>(1) zero to twenty-five seats, two thousand <u>five hundred dollars (\$2,500);</u></del>

(2) twenty-six to fifty seats, five thousand dollars (\$5,000);

<del>(3) fifty-one to one hundred seats, seven</del>

thousand five hundred dollars (\$7,500); and

(4) more than one hundred seats, ten thousand
dollars (\$10,000);
←Sf12

Sf12→N. restaurant B license, ten thousand dollars
(\$10,000);←Sf12

 $[N_{\text{-}}]$  <u>O.</u> club license, for clubs with more than two hundred fifty members, one thousand two hundred fifty dollars (\$1,250), and for clubs with two hundred fifty members or fewer, two hundred fifty dollars (\$250);

[O.] P. wine bottler's license to sell to wholesalers only, five hundred dollars (\$500);

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[P.] Q. public service license, one thousand two hundred fifty dollars (\$1,250);

 $[Q_{\cdot}]$  <u>R.</u> nonresident licenses, for a total billing to New Mexico wholesalers:

(1) in excess of:

\$3,000,000	annually	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•		\$1	.0,	500;	;
1,000,000	annually	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•		5,	250;	;
500,000	annually	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•		3,	750;	;
200,000	annually	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•		2,	700;	;
100,000	annually	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•		1,	800;	;
and																							
50,000	annually	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•		900;	;
and																							

and

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

[R.] <u>S.</u> wine wholesaler's license, for persons with sales of five thousand gallons of wine per year or less, twenty-five dollars (\$25.00), and for persons with sales in excess of five thousand gallons of wine per year, one hundred dollars (\$100); [and

S.] <u>T.</u> beer bottler's license, two hundred dollars (\$200);

U. third-party alcohol delivery license, not to exceed one thousand dollars (\$1,000);

V. alcoholic beverage delivery permit, not to exceed three hundred dollars (\$300); SJC→Hf13→and←Hf13←SJC

.219774.1AIC March 15, 2021 (3:51pm) - 49 - SJC**→and**←SJC

W. retailer's, dispenser's or canopy licenses, if the licensee held the license on June 30, 2021, there shall be no renewal fee for applications filed by the licensee or successor licensees on or before June 30, 2026 SJC→Hf13→."←Hf13←SJC SJC→."←SJC SJC→Hf13→; and←Hf13←SJC

SJC→Hf13→X. For individuals who held a dispenser's license transferred pursuant to Subsection C of Section 60-6B-12 NMSA 1978 on June 30, 2021, the director shall waive all license renewal fees for the life of the license holder and for successors in interests of the license holder if they are the spouse, a sibling or a child of the license

<mark>holder."←Hf13</mark>←SJC

SECTION Sf14→15.←Sf14 Sf14→14.←Sf14 Section 60-6A-26.1 NMSA 1978 (being Laws 1985, Chapter 217, Section 5, as amended) is amended to read:

"60-6A-26.1. SMALL BREWER'S LICENSE.--

A. In a local option district, a person qualified pursuant to the provisions of the Liquor Control Act, except as otherwise provided in the Domestic Winery, Small Brewery and Craft Distillery Act, may apply for and be issued a small brewer's license.

B. A small brewer's license authorizes the person to whom it is issued to:

(1) manufacture or produce beer;

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(2) package, label and export beer, whether manufactured, bottled or produced by the licensee or any other person;

(3) sell only beer that is packaged by or for the licensee to a person holding a wholesaler's license, [or] a small brewer's license, <u>a craft distiller's license or a</u> <u>winegrower's license;</u>

(4) deal in warehouse receipts for beer;

(5) conduct beer, <u>wine, cider and spirituous</u> <u>liquor</u> tastings and sell for consumption on or off premises, but not for resale, beer produced and bottled by, or produced and packaged for, the licensee, beer produced and bottled by or for another New Mexico small brewer on the small brewer's premises or wine or cider produced by a winegrower pursuant to Section 60-6A-11 NMSA 1978 <u>or spirituous liquor produced and</u> <u>bottled by or for a craft distiller pursuant to Section</u> <u>60-6A-6.1 NMSA 1978;</u>

(6) be deemed a manufacturer for purposes of the Gross Receipts and Compensating Tax Act;

(7) at public celebrations off the small brewer's premises, after the small brewer has paid the applicable fee for a small brewer's public celebration permit, conduct tastings and sell by the glass or in unbroken packages, but not for resale, beer produced and bottled by or for the small brewer or wine or cider produced by a winegrower pursuant

.219774.1AIC March 15, 2021 (3:51pm) - 51 - to Section 60-6A-11 NMSA 1978 <u>or spirituous liquor produced and</u> <u>bottled by or for a craft distiller pursuant to Section</u> <u>60-6A-6.1 NMSA 1978;</u>

(8) at private celebrations on or off the small brewer's premises after the small brewer has paid the applicable fees for a private celebration permit, sell by the glass, beer produced and bottled by or for the small brewer or wine or cider produced by a winegrower pursuant to Section 60-6A-11 NMSA 1978 or spirituous liquor produced and bottled by or for a craft distiller pursuant to Section 60-6A-6.1 NMSA 1978;

(9) buy or otherwise obtain wine or cider from a winegrower or spirituous liquor from a craft distiller;

(10) for the purposes described in this subsection, at no more than three other locations off the small brewer's premises, after the small brewer has paid the applicable fee for a small brewer's off-premises permit, after the director has determined that the off-premises locations meet the requirements of the Liquor Control Act and department rules for new liquor license locations and after the director has issued a small brewer's off-premises permit for each offpremises location, conduct beer tastings and sell by the glass or in unbroken packages for consumption off the small brewer's off-premises location, but not for resale, beer produced and bottled by or for the small brewer, beer produced and bottled

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by or for another New Mexico small brewer, [<del>or</del>] wine or cider produced by a winegrower pursuant to Section 60-6A-11 NMSA 1978 <u>or spirituous liquor produced and bottled by or for a craft</u> distiller pursuant to Section 60-6A-6.1 NMSA 1978;

(11) allow members of the public, on the licensed premises and under the direct supervision of the licensee, to manufacture beer for personal consumption and not for resale using the licensee's equipment and ingredients; and

(12) sell beer in a growler for consumption
off premises.

C. Renewal of a small brewer's license shall be conditioned upon submission to the department by the licensee of a report showing proof that:

(1) no less than fifty percent of the gross receipts from the sale of beer for the preceding twelve months of the licensee's operation are derived from the sale of beer produced by the licensee; or

(2) the licensee manufactures no less than fifty barrels of beer per license year at the licensee's premises.

D. At public and private celebrations on or off the small brewer's premises in a local option district permitting the sale of alcoholic beverages, the holder of a small brewer's license shall pay ten dollars (\$10.00) to the [alcohol and gaming] alcoholic beverage control division of the regulation

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and licensing department for a "small brewer's public celebration permit" or a "small brewer's private celebration permit" to be issued under rules adopted by the director. Upon request, the [alcohol and gaming] alcoholic beverage control division of the regulation and licensing department may issue to a holder of a small brewer's license a public celebration permit for a location at the public celebration that is to be shared with other small brewers and winegrowers.

Sf15→E. Sales and tastings of beer, wine, [or] cider or spirituous liquor authorized in this section shall be permitted during the hours set forth in Subsection A of Section 60-7A-1 NMSA 1978 and between the hours of 11:00 a.m. and midnight on Sunday and shall conform to the limitations regarding Christmas and voting-day sales found in Section 60-7A-1 NMSA 1978 and the expansion of Sunday sales hours to 2:00 a.m. on January 1, when December 31 falls on a Sunday.←Sf15

Sf15→F.←Sf15 Sf15→E.←Sf15 As used in this section:

(1) "private celebration" means any celebratory activity that is held in a private or public venue not open to the general public and for which attendance is subject to private invitation; and

(2) "public celebration" includes any state or county fair, community fiesta, cultural or artistic event,

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sporting competition of a seasonal nature or activities held on an intermittent basis."

SECTION Sf14→16.←Sf14 Sf14→15.←Sf14 Section 60-6A-32 NMSA 1978 (being Laws 1998, Chapter 109, Section 7) is amended to read:

"60-6A-32. INTERSTATE WINE TASTINGS--COMPETITIONS--PERMITS.--

A. Exempt from the procurement of any other license or permit issued pursuant to the terms of the Liquor Control Act, but not exempt from the procurement of a competition permit, is a winemaker or winery licensed outside of New Mexico that desires to participate in a regional wine, <u>cider, beer or</u> <u>spirituous liquor</u> tasting or competition within New Mexico. One permit shall be issued by the director to an out-of-state winemaker or winery for the duration of the wine tasting or competition.

B. A person issued a competition permit pursuant to this section may do any of the following:

(1) bring no more than twenty-five cases of wine into New Mexico after indicating on [his] the permit application the number of cases to be brought into the state;

(2) participate in the regional competition and [any] wine tastings associated with the competition for which the competition permit is issued;

(3) participate in the regional wine tasting

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for which the competition permit is issued; and

(4) at a wine tasting for which [he] the person is issued the permit, conduct tasting of wine and sell by the glass or bottle or in unbroken packages for consumption off the wine-tasting premises but not for resale, wine brought into the state by [him] the person for the wine tasting or competition.

C. Every application for the issuance of a competition permit shall be on a form prescribed by the director and accompanied by a permit fee of twenty-five dollars (\$25.00).

D. As used in this section:

(1) "competition" means an event at which a jury of wine tasters compares the quality of the wines entered for judging and at which prizes are offered for the wines judged to be of the best quality;

(2) "regional competition" means a competition at which the wines to be judged are from more than one state or country;

(3) "regional wine tasting" means a wine tasting at which the wines offered for tasting are from more than one state or country;

(4) "winemaker" means a person who manufactures or produces wine;

(5) "winery" means an establishment at which

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(6) "wine tasting" means an event at which wines are offered for tasting but not necessarily for sale and not for comparison for the purpose of awarding prizes to the wines of the best quality."

SJC→SECTION Sf14→17.←Sf14 Sf14→16.←Sf14 Section 60-6B-12 NMSA 1978 (being Laws 1981, Chapter 39, Section 113, as amended) is amended to read:

"60-6B-12. INTER-LOCAL OPTION DISTRICT AND INTER-COUNTY TRANSFERS.--

A. Dispenser's and retailer's licenses originally issued before July 1, 1981, except rural dispenser's and rural retailer's licenses [and canopy licenses] that were replaced by dispenser's licenses pursuant to Section 60-6B-16 NMSA 1978, and except canopy licenses replaced by dispenser's licenses pursuant to Section 60-6B-16 NMSA 1978 before calendar year 2017 or after calendar year 2020, may be transferred to any location within the state, except class B counties having a population of between fifty-six thousand and fifty-seven thousand according to the 1980 federal decennial census, the municipalities located within those class B counties and any municipality or county that prohibits by election the transfer of a license from another local option district, without regard to the limitations on the maximum number of licenses provided

.219774.1AIC March 15, 2021 (3:51pm) - 57 - in Section 60-6A-18 NMSA 1978, not otherwise contrary to law, subject to the approval of transferring locations of those liquor licenses by the governing body for that location; provided that the requirements of the Liquor Control Act and department regulations for the transfer of licenses are fulfilled; and provided further that:

(1) beginning in calendar year 1997, no more than ten dispenser's or retailer's licenses shall be transferred to any local option district in any calendar year; and

(2) the dispenser's or retailer's licenses transferred under this section shall count in the computation of the limitation of the maximum number of licenses that may be issued in the future in any local option district as provided in Section 60-6A-18 NMSA 1978 for the purpose of determining whether additional licenses may be issued in the local option district under the provisions of Subsection H of Section 60-6B-2 NMSA 1978.

B. Transfer of location of a liquor license pursuant to Subsection A of this section shall become effective upon approval of the local governing body, unless within one hundred twenty days after the effective date of the Liquor Control Act a petition requesting an election on the question of approval of statewide transfers of liquor licenses into that local option district is filed with the clerk of the local

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option district and the petition is signed by at least five percent of the number of registered voters of the district. The clerk of the district shall verify the petition signatures. If the petition is verified as containing the required number of signatures of registered voters, the governing body shall adopt a resolution calling an election on the question of approving or disapproving statewide transfers of liquor licenses into that district. Notice of such election shall be published as provided in [Section 3-8-35 NMSA 1978] the Local Election Act, and the election shall be held within sixty days after the date the petition is verified or it may be held in conjunction with a regular election of the governing body if such election occurs within sixty days after the date of verification. If a majority of the registered voters of the district voting in such election votes to approve statewide transfers of liquor licenses into the local option district, each license proposing to be transferred shall be subject to the approval of the governing body. If the voters of the district voting in the election vote against the approval, then all statewide transfers of liquor licenses pursuant to Subsection A of this section shall be prohibited in that district, unless a petition is filed requesting the question be again submitted to the voters as provided in this subsection. The question of approving or disapproving statewide transfers of liquor licenses into the local option district shall not be

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submitted again within two years from the date of the last election on the question.

C. Any dispenser's license transferred pursuant to this section outside its local option district shall only entitle the licensee to sell, serve or permit the consumption of alcoholic beverages by the drink on the licensed premises. This subsection shall not apply to any license transferred out of a class B county having a population of between fifty-six thousand and fifty-seven thousand according to the 1980 federal decennial census.

D. Rural dispenser's, rural retailer's and rural club licenses issued under any former act may be transferred to any location, subject to the restrictions as to location contained in the Liquor Control Act, within the unincorporated area of the county in which they are currently located; provided that they shall not be transferred to any location within ten miles of another licensed premises; and provided further that all requirements of the Liquor Control Act and department regulations for the transfer of licenses are fulfilled."←SJC

SECTION SJC→17.←SJC Sf14→SJC→18.←SJC←Sf14 Sf14→17.←Sf14 Section 60-6C-1 NMSA 1978 (being Laws 1981, Chapter 39, Section 97, as amended) is amended to read:

"60-6C-1. GROUNDS FOR SUSPENSION, REVOCATION OR ADMINISTRATIVE FINE--REPORTING REQUIREMENT.--

.219774.1AIC March 15, 2021 (3:51pm) - 60 - A. The director may suspend or revoke the license or permit or fine the licensee in an amount not more than ten thousand dollars (\$10,000), or both, when [he] <u>the director</u> finds that [any] <u>a</u> licensee has:

(1) violated any provision of the Liquor
 Control Act or any [regulation] rule or order promulgated
 pursuant to that act;

(2) been convicted of a felony pursuant to the provisions of the Criminal Code, the Liquor Control Act or federal law; or

(3) permitted [his] the licensee's licensed premises to remain a public nuisance in the neighborhood where it is located after written notice from the director that investigation by the department has revealed that the establishment is a public nuisance in the neighborhood.

B. The director shall suspend or revoke the license or permit and may fine the licensee in an amount not to exceed ten thousand dollars (\$10,000), or both, when [he] <u>the director</u> finds that any licensee or:

(1) [his] the licensee's employee or agent knowingly has sold, served, <u>delivered</u> or given [any] an alcoholic beverage to a minor in violation of Section 60-7B-1 NMSA 1978 or to an intoxicated person in violation of Section 60-7A-16 NMSA 1978, on two separate occasions within any twelve-month period; or

.219774.1AIC March 15, 2021 (3:51pm) - 61 - (2) [his] the licensee's agent has made any material false statement or concealed any material facts in [his] the licensee's application for the license or permit granted [him] the licensee pursuant to the provisions of the Liquor Control Act.

C. [Any] <u>A</u> licensee aggrieved by a revocation, suspension or fine proposed to be imposed by the director pursuant to this section shall be entitled to the hearing procedures set forth in Chapter 60, Article 6C NMSA 1978 before the revocation, suspension or fine shall be effective.

D. [Any] <u>A</u> charge filed against a licensee by the department and the resulting disposition of the charge shall be reported to the department of public safety [and local law enforcement agencies whose jurisdictions include the licensed establishment].

E. For purposes of this section, "licensee" includes any person issued an alcoholic beverage delivery permit."

SECTION SJC→18.←SJC Sf14→SJC→19.←SJC</del>←Sf14 Sf14→18.←Sf14 Section 60-6C-2 NMSA 1978 (being Laws 1981, Chapter 39, Section 98, as amended) is amended to read:

"60-6C-2. HEARINGS--LOCATION--OPEN TO PUBLIC--HEARING OFFICER.--All hearings held pursuant to the provisions of the Liquor Control Act shall be conducted by the director or a hearing officer appointed by the director and shall be held in

.219774.1AIC March 15, 2021 (3:51pm) - 62 - the county in which the licensed premises <u>or the business of</u> <u>the person issued an alcoholic beverage delivery permit</u> that [<u>are</u>] <u>is</u> the subject matter of the hearing [<u>are</u>] <u>is</u> located. All such hearings shall be open to the public."

SECTION SJC→19.←SJC Sf14→SJC→20.←SJC←Sf14 Sf14→19.←Sf14 Section 60-6C-4 NMSA 1978 (being Laws 1981, Chapter 39, Section 100, as amended) is amended to read:

"60-6C-4. ADMINISTRATIVE PROCEEDINGS--COMPLAINTS--INVESTIGATION--ORDER TO SHOW CAUSE--SERVICE--HEARINGS.--

A. Whenever a person lodges a signed, written complaint with the department alleging that a licensee has violated any of the provisions of the Liquor Control Act, unless the complaint is deficient on its face, the director shall request that the department of public safety investigate the complaint.

B. The department of public safety shall investigate the complaint and make a written report to the director.

C. If the director believes from the report that probable cause exists for filing charges against the licensee for the revocation or suspension of [his] the licensee's license or permit or for fining [him] the licensee, or for both, [he] the director or [his] the director's designee shall file in the department a charge against the licensee in the name of the state, stating the nature of the grounds relied

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D. After charges have been filed, the director shall issue a signed order for the licensee to appear at a hearing to explain, on the basis of any ground set out in the charge, why the license <u>or permit</u> should not be revoked or suspended or why the licensee should not be fined, or both.

E. The director shall keep the original of the charge and the order to show cause on file in [his] the director's office.

F. The director shall appoint a hearing officer no later than ten days prior to the date set for the hearing at which the licensee shall appear to explain why [his] the <u>licensee's</u> license or permit should not be revoked or suspended or why the licensee should not be fined, or both.

G. The director shall have a copy of the charge and a copy of the order to show cause sent to the licensee or the licensee's resident agent at the agent's last known address by certified mail at least fourteen days before the date set for the hearing on the order to show cause.

H. At [any] <u>a</u> hearing on an order to show cause, the director shall cause a record of hearing to be made, which shall record:

(1) the style of the proceedings;

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(2) the nature of the proceedings, including a copy of the charge and a copy of the order to show cause;

(3) the place, date and time of the hearing and all continuances or recesses of the hearing;

(4) the appearance or nonappearance of the licensee;

(5) if the licensee appears with an attorney, the name and address of the attorney;

(6) a record of all evidence and testimony anda copy or record of all exhibits introduced in evidence;

(7) the findings of fact and law as to whether [or not] the licensee has violated the Liquor Control Act as set out in the charge; and

(8) the decision of the director.

I. If the licensee fails to appear without good cause at the time and place designated in the order to show cause for the hearing, the director shall order the nonappearance of the licensee to be entered in the record of hearing and shall order the license <u>or permit</u> revoked or suspended or the licensee fined, or both, on all the grounds alleged in the charge and shall cause the record of hearing to show the particulars in detail. In such a case, there shall be no reopening, appeal or review of the proceedings <u>unless</u> <u>pursued by a co-owner of a license who did not receive notice</u> <u>of the hearing</u>.

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J. If the licensee admits guilt on all grounds set out in the charge, the director shall order the revocation or suspension of the license <u>or permit</u> or the licensee fined, or both, and cause a record of hearing to be made showing the facts and particulars of [his] <u>the director's</u> order of revocation or suspension of the license <u>or permit</u> or fine of the licensee, or both. In such a case, there shall be no review or appeal of the proceedings.

K. If the licensee appears at the hearing and does not testify or denies guilt of any [<del>or all</del>] of the grounds set out in the charge, the hearing shall proceed as follows:

(1) the director or the hearing officer shall administer oaths to all witnesses, the department shall cause all testimony and evidence in support of the grounds alleged in the charge to be presented in the presence of the licensee and the director shall allow the licensee or [his] the licensee's attorney to cross-examine all witnesses;

(2) the licensee shall be allowed to present testimony and evidence [he] <u>the licensee</u> may have in denial or in mitigation of the grounds set out in the charge;

(3) the department shall have the right to cross-examine the licensee or any witness testifying in [his] the licensee's favor;

(4) the department shall present any evidence or testimony in rebuttal of that produced by the licensee;

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<u>underscored material = new</u> [<del>bracketed material</del>] = delete Amendments: new = →bold, blue, highlight← <del>delete</del> = →bold, red, highlight, strikethrough◆ (5) the director or the hearing officer shall make a finding on each ground alleged and a finding of the guilt or innocence of the licensee on each ground;

(6) if the licensee is found guilty on any ground alleged and proved, the director shall make [his] an order of revocation or suspension of the license or permit or fine of the licensee, or both; and

(7) the rules of evidence shall not be required to be observed, but the order of suspension or revocation or fine, or both, shall be based upon substantial, competent and relevant evidence and testimony appearing in the record of hearing.

L. No admission of guilt, admission against interest or transcript of testimony made or given in [any] <u>a</u> hearing pursuant to this section shall be received or used in [any] criminal proceedings wherein the licensee is a defendant; provided, however, if the licensee commits perjury in a hearing, the evidence shall be admissible in a perjury trial if otherwise competent and relevant.

M. The director shall adopt reasonable [regulations] <u>rules</u> setting forth uniform standards of penalties concerning fines and suspensions imposed by the director.

N. For purposes of this section, "licensee" includes a person issued an alcoholic beverage delivery

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permit."

SECTION SJC→20.←SJC Sf14→SJC→21.←SJC←Sf14

Sf14→20.←Sf14 Section 60-6C-6 NMSA 1978 (being Laws 1981, Chapter 39, Section 102, as amended by Laws 1999, Chapter 265, Section 75 and by Laws 1999, Chapter 277, Section 1) is amended to read:

"60-6C-6. [NO INJUNCTION OR MANDAMUS PERMITTED] APPEAL.--

A. [No injunction or writ of mandamus or other legal or equitable process shall issue in any suit, action or proceeding to prevent or enjoin any finding of guilt or order of suspension or revocation or fine made by a liquor control hearing officer under the provisions of Section 60-6C-4 NMSA 1978.] A licensee aggrieved or adversely affected by an order of revocation, suspension or fine shall have the right to appeal to the district court pursuant to the provisions of Section 39-3-1.1 NMSA 1978.

B. No appeal shall have the effect of suspending the operation of the order of suspension, revocation or fine, but the liquor control hearing officer may, for good cause shown and upon such terms and conditions as [he] the officer may find are just, in [his] the officer's discretion suspend the operation of the order of suspension, revocation or fine pending the appeal. The court shall tax costs against the losing party.

C. For purposes of this section, "licensee"

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<u>includes a person issued an alcoholic beverage delivery permit</u> <u>and</u> includes a person issued a server permit pursuant to the Alcohol Server Education Article of the Liquor Control Act."

SECTION SJC→21. ←SJC Sf14→SJC→22. ←SJC ←Sf14

Sf14→21.←Sf14 Section 60-6E-3 NMSA 1978 (being Laws 1999, Chapter 277, Section 4) is amended to read:

"60-6E-3. DEFINITIONS.--As used in [Chapter 60, Article 6D NMSA 1978] the Alcohol Server Education Article of the Liquor Control Act:

A. "director" means the director of the division;

B. "division" means the [alcohol and gaming] alcoholic beverage control division of the regulation and licensing department;

C. "licensee" means a person issued a license pursuant to the provisions of the Liquor Control Act to sell, serve or dispense alcoholic beverages for consumption and not for resale;

D. "program" means an alcohol server education course and examination approved by the director to be administered by providers;

E. "provider" means an individual, partnership, corporation, public or private school or any other legal entity certified by the director to provide a program;

F. "server" means an individual who sells, serves, or dispenses alcoholic beverages for consumption on or off

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licensed premises, including persons who manage, direct or control the sale or service of alcohol <u>and when the context</u> <u>requires, includes a person who delivers alcoholic beverages</u>. "Server" does not include officers of a corporate licensee or lessee who do not manage, direct or control the sale, <u>delivery</u> or service of alcohol; and

G. "server permit" means an authorization issued by the director for a person to be employed or engaged to sell, serve or dispense alcoholic beverages."

SECTION SJC→22.←SJC Sf14→SJC→23.←SJC←Sf14 Sf14→22.←Sf14 Section 60-6E-8 NMSA 1978 (being Laws 1999, Chapter 277, Section 9) is amended to read:

"60-6E-8. SERVER PERMIT--SUSPENSION--REVOCATION--ADMINISTRATIVE FINES--PENALTIES.--[In addition to any other penalties available] The following penalties [may be imposed] are in addition to any other penalties available for sales to minors or intoxicated persons in violation of the provisions of the Liquor Control Act or rules of the division:

A. the director may suspend a server's server permit for a period of thirty days or fine the server in an amount not to exceed five hundred dollars (\$500), or both, when [he] the director finds that the server is guilty of a first offense of selling, serving, <u>delivering</u> or dispensing an alcoholic beverage to an intoxicated person in violation of Section 60-7A-16 NMSA 1978 or to a minor in violation of

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Section 60-7B-1 NMSA 1978;

B. the director shall suspend a server's server permit for a period of one year when [he] <u>the director</u> finds that the server is guilty of a second offense of selling, serving, <u>delivering</u> or dispensing alcoholic beverages to intoxicated persons in violation of Section 60-7A-16 NMSA 1978 or to minors in violation of Section 60-7B-1 NMSA 1978 arising separately from the incident giving rise to [his] <u>the server's</u> first offense;

C. the director shall permanently revoke a server's server permit when [he] <u>the director</u> finds that the server is guilty of a third offense of selling, serving, <u>delivering</u> or dispensing alcoholic beverages to intoxicated persons in violation of Section 60-7A-16 NMSA 1978 or to minors in violation of Section 60-7B-1 NMSA 1978 arising separately from the incidents giving rise to [his] <u>the server's</u> first and second offenses;

D. no person whose server permit is suspended or revoked pursuant to the provisions of this section may be a server of alcoholic beverages on a licensed premises <u>or deliver</u> <u>alcoholic beverages</u> during the period of suspension or revocation;

E. no person whose server permit is suspended may serve <u>or deliver</u> alcoholic beverages on or after the date of suspension unless the person obtains a new server permit in

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accordance with the provisions of [Article 6D of Chapter 60] the Alcohol Server Education Article of the Liquor Control Act; and

F. nothing in [this] <u>the Alcohol Server Education</u> <u>Article of the Liquor Control</u> Act shall be interpreted to waive [any] <u>a permit holder's or</u> license holder's liability that may arise pursuant to the provisions of [this] <u>the Liquor Control</u> Act."

SECTION SJC→23.←SJC Sf14→SJC→24.←SJC←Sf14 Sf14→23.←Sf14 Section 60-6E-9 NMSA 1978 (being Laws 1999, Chapter 277, Section 10) is amended to read:

"60-6E-9. ALCOHOL SERVER EDUCATION--REQUIRED FOR LICENSE RENEWAL.--A licensee seeking renewal of a license shall submit to the division, as a condition of license renewal, proof that the licensee, [his] the lessee, if any, and each server employed by the licensee or lessee during the prior licensing year have or had valid server permits at all times that alcoholic beverages were sold, served, <u>delivered</u> or dispensed."

SECTION SJC→24.←SJC Sf14→SJC→25.←SJC←Sf14 Sf14→24.←Sf14 Section 60-6E-10 NMSA 1978 (being Laws 1999, Chapter 277, Section 11) is amended to read:

"60-6E-10. ADMINISTRATIVE PROCEEDINGS--HEARINGS.--

A. Hearings for the suspension or revocation of any server's server permit <u>or delivery permit</u> or for imposing a fine on the server, or both, shall be conducted in accordance

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B. The director may suspend or revoke a server permit <u>or delivery permit</u> or impose a fine on a server, or impose a combination of those penalties, only if the server violates the provisions of Section 60-7A-16 or 60-7B-1 NMSA 1978."

Sf15→SECTION Sf14→26.←Sf14 Sf14→25.←Sf14 Section 60-7A-1 NMSA 1978 (being Laws 1981, Chapter 39, Section 47, as amended) is amended to read:

"60-7A-1. HOURS AND DAYS OF BUSINESS [<del>SUNDAY SALES--</del> CHRISTMAS DAY SALES--SALES FOR CONSUMPTION OFF THE LICENSED PREMISES-- ELECTIONS].--

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

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

(2) on Tuesdays through Saturdays from after

midnight of the previous day until 2:00 a.m., then from 7:00 a.m. until midnight, except as provided in Subsections E and G of this section; and

(3) on Sundays only after midnight of the

previous day until 2:00 a.m., except as provided in Subsections

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

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

[D. A dispenser, restaurant licensee or club may,

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

E. Retailers, dispensers, canopy licensees that were replaced by dispenser's licensees pursuant to Section 60-6B-16 NMSA 1978, restaurant licensees, club licensees and governmental licensees or their lessees shall not sell, serve, deliver or allow the consumption of alcoholic beverages on the licensed premises from 2:00 a.m. on Christmas day until 7:00 a.m. on the day after Christmas, except as permitted pursuant to Subsection G of this section.

F. Sunday sales pursuant to the provisions of Subsection D of this section are permitted in a local option .219774.1AIC March 15, 2021 (3:51pm)

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

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

(2) a petition is filed with the local governing body bearing the signatures of qualified electors of the local option district equal in number to ten percent of the number of votes cast and counted in the local option district for governor in the last preceding general election in which a governor was elected. The signatures on the petition shall be verified by the clerk of the county in which the local option district is situated.

G. On and after July 1, 2002, dispensers, canopy licensees that were replaced by dispenser's licensees pursuant .219774.1AIC March 15, 2021 (3:51pm)

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to Section 60-6B-16 NMSA 1978, restaurant licensees, club licensees and governmental licensees or lessees of these licensees; provided that the licensees have current, valid food service establishment permits, may sell, serve or allow the consumption of alcoholic beverages by the drink on licensed premises from noon until 10:00 p.m. on Christmas day, except in a local option district in which, pursuant to election under this subsection, a majority of the voters voting on the question votes against continuing such sales or consumption on Christmas day. An election shall be held on the question of whether to continue to allow the sale, service or consumption <del>of alcoholic beverages by the drink on licensed premises from</del> noon until 10:00 p.m. on Christmas day in a local option district, if a petition requesting the governing body of that district to call the election is signed by at least ten percent of the registered voters of the district and is filed with the <del>clerk of the governing body of the district. Upon verification</del> <del>by the clerk that the petition contains the required number of</del> signatures of registered voters, the governing body shall pass <del>a resolution calling for the question to be placed on a regular</del> election ballot or adopt a proclamation calling for the question of allowing the sale, service or consumption of alcoholic beverages by the drink on licensed premises from noon until 10:00 p.m. on Christmas day to be placed before the <del>voters in a special local election. The election may also be</del> .219774.1AIC March 15, 2021 (3:51pm)

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H. Notwithstanding the provisions of Subsection F of this section, any Indian nation, tribe or pueblo whose lands are wholly situated within the state that has, by statute, ordinance or resolution, elected to permit the sale, possession or consumption of alcoholic beverages on lands within the territorial boundaries of the Indian nation, tribe or pueblo may, by statute, ordinance or resolution of the governing body of the Indian nation, tribe or pueblo, permit Sunday sales by the drink on the licensed premises of licensees on lands within the territorial boundaries of the Indian nation, tribe or

.219774.1AIC March 15, 2021 (3:51pm) - 78 - pueblo; provided that a certified copy of such enactment is filed with the office of the director and with the secretary of state.

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

J. If a petition requesting the governing body of a local option district to call an election on the question of continuing to allow sales of alcoholic beverages in unbroken packages for consumption off the licensed premises on Sundays is filed with the clerk of the governing body and that petition is signed by at least ten percent of the number of registered voters of the local option district and the clerk of the governing body verifies the petition signatures, the governing body shall pass a resolution calling for the question to be placed on a regular election ballot or adopt a proclamation

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calling for the question to be placed before the voters in a special local election on the question. The election may also be initiated by a resolution adopted by the governing body of the local option district without a petition from qualified electors having been submitted. The election shall be held within ninety days of the date that the petition is verified pursuant to the provisions of the Local Election Act; provided that the date of the election is not in conflict with the provisions of Section 1-24-1 NMSA 1978. If a majority of the <del>voters of the local option district voting in the election</del> votes to allow the sale of alcoholic beverages in unbroken packages for consumption off the licensed premises, then those sales shall continue to be allowed. If a majority of the <del>voters of the local option district voting in the election</del> <del>votes not to allow the Sunday package sales, then those Sunday</del> package sales shall be prohibited commencing the first Sunday after the results of the election are certified. Following the election, the question of allowing the Sunday package sales <del>shall not be submitted again to the voters within two years of</del> the date of the last election on the question.

K. Sunday sales of alcoholic beverages shall be permitted at resorts and at horse racetracks statewide pursuant to the provisions of Section 60-7A-2 NMSA 1978.]"←Sf15

SECTION SJC→25.←SJC Sf15→SJC→26.←SJC</del>←Sf15 Sf15→26.←Sf15 Section 60-7A-4 NMSA 1978 (being Laws 1981, .219774.1AIC March 15, 2021 (3:51pm) - 80 -

underscored material = new [<del>bracketed material</del>] = delete Amendments: new = →bold, blue, highlight← <del>delete</del> = →bold, red, highlight, strikethrough← Chapter 39, Section 50, as amended) is amended to read: "60-7A-4. SALE, SHIPMENT AND DELIVERY UNLAWFUL.--

A. It is unlawful for [any] <u>a</u> person on [his] <u>the</u> <u>person's</u> own behalf or as the agent of another person, except a licensed New Mexico wholesaler or manufacturer or the agent of either, to directly or indirectly sell or offer for sale for shipment into the state or ship into the state, except as provided in Section 60-7A-3 NMSA 1978, [any] alcoholic beverages unless [such] <u>the</u> person or [his] <u>the person's</u> principals [has] <u>have</u> secured a nonresident license as provided in Section [<del>60-7A-7</del>] <u>60-6A-7</u> NMSA 1978.

B. It is a violation of the Liquor Control Act to deliver any alcoholic beverages transported into the state unless the delivery is made in accordance with Section 60-7A-3 NMSA 1978 or Section 4 of this 2021 act.

C. As used in this section, "into the state [of New Mexico]" means into the exterior boundaries of the state."

SECTION SJC→26.←SJC Sf15→SJC→27.←SJC←Sf15
Sf15→27.←Sf15 Section 60-7A-12 NMSA 1978 (being Laws 1981,
Chapter 39, Section 78, as amended) is amended to read:

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

.219774.1AIC March 15, 2021 (3:51pm) - 81 - A. receive any alcoholic beverages for the purpose or with the intent of reselling the alcoholic beverages from any person unless the person is duly licensed to sell alcoholic beverages to dispensers for resale;

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

C. directly, indirectly or through subterfuge, own, operate or control any interest in a wholesale liquor establishment or liquor manufacturing or wine bottling firm; provided that this section shall not prevent:

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

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

D. sell or possess for the purpose of sale any

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alcoholic beverages at any location or place except its licensed premises or the location permitted pursuant to the provisions of Section 60-6A-12 NMSA 1978;

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

F. employ or engage a person to sell, serve, <u>deliver</u> or dispense alcoholic beverages during a period when the server permit of that person is suspended or revoked."

SJC→SECTION Sf15→SJC→28.←SJC</mark>←Sf15 Sf15→28.←Sf15 Section 60-7A-13 NMSA 1978 (being Laws 1981, Chapter 39, Section 79, as amended) is amended to read:

"60-7A-13. SALES BY CLUBS.--

A. Any club licensed pursuant to the provisions of the Liquor Control Act shall only have the right to sell alcoholic beverages by the drink and wine by the bottle for consumption on the premises.

B. Except as otherwise provided in this section, it is unlawful and grounds for suspension or revocation of its license for a club to:

(1) solicit by advertising or any other means public patronage of its alcoholic beverage facilities. In the event the club solicits public patronage of its other facilities, alcoholic beverages shall not be sold, served or consumed on the premises while the other facilities are being

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used by or operated for the benefit of the general public, unless the alcoholic beverage facilities are separate from the other facilities and the general public is not permitted to enter any part of the facilities where alcoholic beverages are being sold, served or consumed; or

(2) serve, sell or permit the consumption of alcoholic beverages to persons other than members and their bona fide guests.

C. A club licensed pursuant to the provisions of the Liquor Control Act may allow its facilities, including its licensed premises, to be used, for activities other than its own, no more than [two] four times in a calendar year for fundraising events held by other nonprofit organizations.

D. For the purposes of this section:

(1) "bona fide guest" means a person whose
 presence in the club is in response to a specific invitation by
 a member and for whom the member assumes responsibility; and

(2) "member" includes the adult spouse and the children of a member who pays membership dues or of a deceased member who paid membership dues or a member of an official auxiliary or subsidiary group of the club who has been issued a personal identification card in accordance with the rules and regulations of the club." (SJC

SECTION SJC→27.←SJC Sf15→SJC→29.←SJC←Sf15 Sf15→29.←Sf15 Section 60-7A-16 NMSA 1978 (being Laws 1981, .219774.1AIC March 15, 2021 (3:51pm) - 84 -

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Chapter 39, Section 93, as amended) is amended to read:

"60-7A-16. SALE TO INTOXICATED PERSONS.--It is a violation of the Liquor Control Act for a person to sell, <u>deliver</u> or serve alcoholic beverages to or to procure or aid in the procurement of alcoholic beverages for an intoxicated person if the person selling, <u>delivering</u>, serving, procuring or aiding in procurement knows or has reason to know that [<del>he</del>] <u>the</u> <u>person</u> is selling, <u>delivering</u>, serving, procuring or aiding in procurement of alcoholic beverages for a person [that] who is intoxicated."

SECTION SJC<mark>→28.</mark>←SJC Sf15→<mark>SJC→30.←SJC</mark>←Sf15

Sf15→30.←Sf15 Section 60-7B-2 NMSA 1978 (being Laws 1981, Chapter 39, Section 82, as amended) is amended to read:

"60-7B-2. DOCUMENTARY EVIDENCE OF AGE AND IDENTITY .--

<u>A.</u> Evidence of the age and identity of the person may be shown by any document [which] that contains a picture of the person issued by a federal, state, county or municipal government, or subdivision or agency thereof, including but not limited to a motor vehicle operator's license or an identification card issued to a member of the armed forces.

B. An identity document is valid for the purposes of the Liquor Control Act even if it has expired.

<u>C.</u> Sfll→<u>It</u>←Sfll Sfll→Except for deliveries of alcoholic beverages pursuant to Section 4 of this 2021 act, it←Sfll is unnecessary to ask for an identity document if the

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person clearly looks older than thirty-five years of age."

SECTION SJC→29.←SJC Sf15→SJC→31.←SJC</del>←Sf15 Sf15→31.←Sf15 Section 60-7B-5 NMSA 1978 (being Laws 1981, Chapter 39, Section 85, as amended) is amended to read:

"60-7B-5. REFUSAL TO SELL, [<del>OR</del>] SERVE <u>OR DELIVER</u> ALCOHOLIC BEVERAGES TO PERSON UNABLE TO PRODUCE IDENTITY CARD.--[<del>Any</del>]

<u>A. A</u> person licensed pursuant to the provisions of the Liquor Control Act or any employee, agent or lessee of that person [shall] may refuse to <u>deliver</u>, sell or serve alcoholic beverages to any person who is unable to produce an identity card as evidence that [he] <u>the person</u> is twenty-one years of age or over.

<u>B. An identity document is valid for the purposes</u> of the Liquor Control Act even if it has expired.

<u>C.</u> Sfll→<u>It</u>+Sfll Sfll→Except for deliveries of alcoholic beverages pursuant to Section 4 of this 2021 act, it+Sfll is unnecessary to ask for an identity document if the person clearly looks older than thirty-five years of age."

SECTION SJC→30.←SJC Sf15→SJC→32.←SJC←Sf15 Sf15→32.←Sf15 Section 60-7B-6 NMSA 1978 (being Laws 1981, Chapter 39, Section 86, as amended) is amended to read:

"60-7B-6. DEMANDING AND SEEING IDENTITY CARD BEFORE FURNISHING ALCOHOLIC BEVERAGES.--In any criminal prosecution or in any proceedings for the suspension or revocation of a

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license <u>or alcoholic beverage delivery permit</u> or in any proceeding for violation of a municipal or county ordinance prohibiting the gift, sale or service of alcoholic beverages to minors, proof that the accused licensee <u>or alcoholic beverage</u> <u>delivery permittee</u> in good faith demanded and was shown an identity card <u>as evidence the person is twenty-one years of age</u> <u>or older</u> before furnishing any alcoholic beverages to a minor shall be a defense to the prosecution or proceedings."

SECTION SJC→31. ←SJC Sf15→SJC→33. ←SJC←Sf15 Sf15→33. ←Sf15 Section 60-7B-11 NMSA 1978 (being Laws 1981, Chapter 39, Section 91, as amended) is amended to read: "60-7B-11. EMPLOYMENT OF MINORS.--

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

B. A person holding a dispenser's, restaurant or club license may employ persons [nineteen] eighteen years of age or older to sell or serve alcoholic beverages in an establishment that is held out to the public as a place where meals are prepared and served and the primary source of revenue is food, and where the sale or consumption of alcoholic beverages is not the primary activity, except that a person

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under twenty-one years of age shall not be employed as a bartender <u>or deliverer</u>.

C. A person holding a wholesaler's license may employ persons eighteen years of age or older who are licensed pursuant to the New Mexico Commercial Driver's License Act to engage in activities customary to warehouse operations and to handle and deliver alcoholic beverages to licensees holding a dispenser's, retailer's, restaurant, club, small brewer, winegrower, craft distiller, manufacturer's, rectifier or any other license that allows for the purchase and delivery of alcoholic beverages by a licensed wholesaler, as long as the minor delivers sealed, unbroken packages, including containers such as bottles, cans and kegs. A person under the age of twenty-one shall not be allowed to sample alcoholic beverages to accounts."

Sfll→SECTION Sfl5→SJC→34.←SJC←Sfl5 Sfl5→34.←Sfl5 Section 60-6B-10 NMSA 1978 (being Laws 1981, Chapter 39, Section 45, as amended) is amended to read:

"60-6B-10. LOCATIONS NEAR CHURCH OR SCHOOL--RESTRICTIONS ON LICENSING.--No license shall be issued by the director for the sale of alcoholic beverages at a licensed premises where alcoholic beverages were not sold prior to July 1, 1981 that is within three hundred feet of [any] <u>a</u> church or school. A license may be granted for a proposed licensed premises if the owner or lessee has, prior to establishment of a church or

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school located within three hundred feet of the proposed licensed premises, applied for, been granted and maintained a valid building permit for the construction or renovation of the proposed licensed premises and has filed on a form prescribed by the director a notice of intention to apply for transfer of a license to the proposed licensed premises. A license may be granted for a proposed licensed premises if a person has obtained a waiver from a local option district governing body for the proposed licensed premises. A license may be granted for a proposed licensed premises if a person has obtained a restaurant A license or a restaurant B license pursuant to Section 60-6A-4 NMSA 1978. For the purposes of this section, all measurements taken in order to determine the location of licensed premises in relation to churches or schools shall be the straight line distance from the property line of the licensed premises to the property line of the church or school. This provision shall not apply to [<del>any</del>] a church that has been designated as [<del>an</del>] a historical site by the cultural properties review committee and [which] that does not have a regular  $congregation." \leftarrow Sfll$ 

Sf16→SECTION Sf15→SJC→32.←SJC←Sf15 Sf15→35.←Sf15 STUDY EFFECTS OF DELIVERY OF ALCOHOL.--Five years after reenactment of the law, the Department of Health shall conduct a study of impacts of the delivery of alcohol, evaluating consumption trends and public safety impacts of the delivery of

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alcohol.←Sfl6

SECTION SJC→32.←SJC Sf15→SJC→34.←SJC←Sf15 Sf15→36.←Sf15 REPEAL.--Sections 60-6A-25, 60-6B-1.1, Sf11→60-6B-10←Sf11 , 60-6B-11, 60-6B-15, 60-6E-6 Sf15→, 60-7A-2←Sf15 and 60-7A-18 NMSA 1978 (being Laws 1983, Chapter 280, Section 6, Laws 1989, Chapter 292, Section 2, Laws 1981, Chapter 39, Sf11→Sections 45 and←Sf11 Sf11→Section←Sf11 46, Laws 1988, Chapter 12, Section 3, Laws 1999, Chapter 277, Section 7 and Laws 1981, Chapter 39, Sf15→Section←Sf15 Sf15→Sections 48 and←Sf15 95, as amended) are repealed.

Sf12→SJC→SECTION 35. DELAYED REPEAL.--Section 5 of this act is repealed effective July 1, 2025.←SJC</sub>←Sf12

SJC-HIF12-SECTION 33. EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2021. HIF12

Hf12-SECTION 33. EFFECTIVE DATE.--The effective date of the provisions of Sections 1 through 3, 5 through 13, 15, 16, 28 and 32 of this act is July 1, 2021.

SECTION 34. EMERGENCY.--It is necessary for the public peace, health and safety that this act take effect immediately.←IIf12←SJC

SJC→SECTION Sf15→SJC→33.←SJC←Sf15 Sf15→37.←Sf15 EFFECTIVE DATE.--The effective date of the provisions of this act is July 1, 2021.←SJC

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underscored material = new [bracketed material] = delete Amendments: new = →bold, blue, highlight← delete = →bold, red, highlight, strikethrough←