LFC Requestor: GRAY, Brendon

2025 LEGISLATIVE SESSION AGENCY BILL ANALYSIS

Section I: General

Chamber: House Category: Bill Number: 417 Type: Amendment

Date (of **THIS** analysis): 02-13-2025

Sponsor(s): Micaela Lara Cadena, Cristina Parajon, Shannon D. Pinto, Antoinette Sedillo Lopez

Short Title: Liquor Tax Changes & Programs

Reviewing Agency: Agency 665 - Department of Health

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Section II: Fiscal Impact

APPROPRIATION (dollars in thousands)

Appropriation Contained		Recurring or	Fund	
FY 25	FY 26	Nonrecurring	Affected	
	\$6,300	Recurring	Local Alcohol Harms	
			Alleviation Fund	
	\$5,000	Recurring	Tribal Alcohol Harms	
			Alleviation Fund	

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or	
FY 25	FY 26	FY 27	Nonrecurring	Fund Affected
\$ Unknown	\$ Unknown	\$ Unknown	Recurring	Local Alcohol
				Harms Alleviation
				Fund
\$ Unknown	\$ Unknown	\$ Unknown	Recurring	Tribal Alcohol
				Harms Alleviation
				Fund

HB417 would generate surtax revenue, however because there is no available data on how much alcohol is purchased in the state, nor how much that alcohol costs, there is no way to determine at this time how much revenue HB417 will generate.

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY 25	FY 26	FY 27	3 Year Total Cost	Recurring or Non- recurring	Fund Affected
Total	\$0	\$0	\$0	\$0	N/A	N/A

Section III: Relationship to other legislation

Duplicates: None

Conflicts with: None

Companion to: None

Relates to: None

Duplicates/Relates to an Appropriation in the General Appropriation Act: None

Section IV: Narrative

1. BILL SUMMARY

a. Synopsis

House Bill 417 (HB417), relating to taxation, proposes to: 1) amend distributions of the Liquor Excise Tax from local DWI Grant Fund to local Alcohol Harms Alleviation Fund, 2) amend definitions in the Liquor Excise Tax Act, 3) impose a liquor excise surtax on retailers, 4) distribute the surtax revenue to a new Tribal Alcohol Harms Alleviation Fund, 5) create the Tribal Alcohol Harms Alleviation Program Act, 6) exclude taxes imposed by the Liquor Excise Tax from the definition of "gross receipts" in the Gross Receipts and Compensating Tax Act, 7) require legislative committees to review liquor excise tax rates and liquor excise surtax and associated distributions, 8) make appropriations

HB417 proposes increasing the amount of funding available for the prevention of alcohol-related harms, focusing the funding available to counties on reducing alcohol-related harms as opposed to DWIs, and creating a dedicated fund for alleviating alcohol-related harms in Tribal communities.

Specific provisions include:

Section 1: Proposes discontinuing distributions of liquor excise tax to the local DWI Grant Fund, municipalities, and drug courts and instead distributing 94% of liquor excise tax to a new Local Alcohol Harms Alleviation Fund, and 6% to drug courts. In addition, it provides for the distribution of the net receipts of the liquor excise surtax to the Tribal Alcohol Harms Alleviation Fund (created in Section 4) the net receipts of the liquor excise surtax.

Section 2: Proposes amending section "7-9-3.5. Definition – Gross Receipts. -- as used in the Gross Receipts and Compensating Tax Act: to include the following language under the list of items that "gross receipts" excludes: "...New Mexico gross receipts tax, governmental gross

receipts tax, leased vehicle gross receipts tax, cannabis excise tax and taxes imposed pursuant to the Liquor Excise Tax Act payable on transactions for the reporting period;..."

- Section 3: Proposes amending definitions in the Liquor Excise Tax Act to add definition "B" which reads: "'barrel' means the equivalent of thirty-one gallons." Definition B is to be added after Definition A for "alcoholic beverages." Subsequent definitions are reordered so that the previous Definition "B" becomes Definition "C" and so on, through Definition "H." The amendment also adds <u>Definition "I" which reads: "'retailer' means a person having a place of business in New Mexico who sells, offers for sale or possesses for the purpose of selling alcohol beverages in New Mexico." Definition I is added after Definition H. Subsequent definitions are reordered so that the previous Definition "H" becomes Definition "J" and so on, through Definition "N."</u>
- **Section 4**: Proposes a new section of the Liquor Excise Tax Act, "imposition and rate of Liquor Excise Surtax" is added. This addition imposes a 6% alcohol sales surtax on retailers who sell alcoholic beverages to begin on July 1, 2026.
- **Sections 5-9**: Proposes amending sections of NMSA 1978 to replace the word "tax" with the word "taxes" where applicable.
- **Sections 10-11**: Proposes amending sections of NMSA 1978 to replace "Local DWI Grant" with "Alcohol Harms Alleviation Act" where applicable.
- **Section 12**: Proposes amending Section 11-6A-3 NMSA 1978 to replace "Local DWI Grant" with "Alcohol Harms Alleviation Act" where applicable. The Section would also amend to state the goals of the Alcohol Harms Alleviation Act which include providing grants to counties to implement programs for awareness of substance use recovery, substance use prevention, and other interventions all of which may reduce the incidence of impaired driving and other substance use related harms. The Section is also amended to define eligibility of grant awards and application process.
- **Section 13**: Amends Section 11-6A-4 NMSA 1978 to replace "Local DWI Grant" with "Alcohol Harms Alleviation Act" where applicable. The Section is also amended to define the members and duties of the Local Alcohol Harms Alleviation Program Council. In addition to the current members of the DWI Grant Council, the secretaries of public education and Indian affairs or their designees will serve on the Local Alcohol Harms Alleviation Program Council.
- **Section 14**: Amends Section 11-6A-5 NMSA 1978 to include a promulgation of rules for the program and assigns the responsibility of promulgation of rules to the local government division for administration of the local alcohol harms alleviation program and grant distribution from the local alcohol harms alleviation fund. The section also requires the local government division to provide rules for the evaluation of county programs.
- **Section 15**: Amends Section 11-6A-6 NMSA 1978 to create the Local Alcohol Harms Alleviation Fund and remove prior language related to local DWI grant fund expenditures. The "Local Alcohol Harms Alleviation fund" is defined as a non-reverting fund in the state treasury consisting of distributions, appropriations, and other income from investment of the fund. Money from the fund is appropriated for grant distributions to approved counties. The section contains a formula to determine the grant each county is eligible for based on relative population and alcohol-related deaths.

The Section includes a provision that \$300,000 will be transferred from the local alcohol harms alleviation fund to the interlock device fund annually on July 1. Up to one million dollars (\$1,000,000) may be expended each year for reasonable costs associated with administration of the local alcohol harms program and for grant awards to counties.

Section 16: States that Sections 16-19 of this act may be cited as the "Tribal Alcohol Harms Alleviation Program Act."

Section 17: Provides new material including definitions used in the Tribal Alcohol Harms Alleviation Program Act for: A) "council," meaning the Tribal Alcohol Harms Alleviation Council and B) "department" meaning the Indian Affairs Department.

Section 18: Provides new material relating to the Tribal Alcohol Harms Alleviation Program Fund. The Section states that the Department shall establish the "Tribal Alcohol Harms Alleviation Program" to distribute grants to New Mexico Tribes, Pueblos and Nations, and to entities serving Tribal Nations, communities, and indigenous people in New Mexico. The fund is created as non reverting in the state treasury and consists of distributions, appropriations, and other income from investment of the fund and shall be administered by the Department.

The Department may expend up to two million dollars (\$2,000,000) for costs associated with the administration of the fund and for grant distribution and up to three million dollars (\$3,000,000) to conduct culturally appropriate research and evaluation on the harms and risk of alcohol and substance misuse.

The Section states that On July 1, 2027 – July 1, 2036, three million dollars (\$3,000,000) shall be appropriated from the fund to the University of New Mexico for the university's Center on Alcohol, Substance Abuse, and the Addictions and Division of Community Behavioral Health within the Department of Psychiatry and Behavioral Sciences. This money will be used to perform interdisciplinary research on alcohol policy and prevention efforts and public health and economic impacts of the liquor excise tax and surtax. Research and evaluation findings shall be reported on or before December 1 of each year.

Section 19: Provides new material related to the duties of the Tribal Alcohol Harms Alleviation Council. The Council will include representatives form New Mexico Tribes, Pueblos, and Nations, urban American Indian populations, and Tribal Behavioral Health regions. The Council will meet to receive applications, consider funding requests and approve grants. Upon grant approval, the Council shall notify the Department who will distribute the funding from the fund.

Section 20: Amends Section 60-6A-11.1 NMSA 1978 to add language related to payment of the liquor excise surtax.

Section 21: Creates temporary provision that references to the Local DWI Grant Fund shall be deemed as references to the Local Alcohol Harms Alleviation Fund.

Section 22: Creates a temporary provision stating that the legislative finance committee and revenue stabilization and tax policy committee shall review the rates of the liquor excise tax and surtax and associated distributions to assess the necessity of revisions no later than by December 1, 2032.

Section 23: Defines appropriations of the following:

A) two million dollars (\$2,000,000) from the Local Alcohol Harms Alleviation Fund to the Indian Affairs Department for expenditure in FY 2026 and subsequent fiscal years in preparation of the administration of the Tribal Alcohol Harms Alleviation Program Act and to initiate required research and evaluation.

B) one million dollars (\$1,000,000) from the Local Alcohol Harms Alleviation Fund to the University of New Mexico to be divided between university programs related to substance misuse and behavioral health in FY 2026 and subsequent fiscal years to initiate research studies and evaluation required by the Tribal Alcohol Harms Alleviation Program Act.

Section 24: States that the effective date of the provisions of the Act is July 1, 2025.

Is this an amendment or substitution? \square Yes \boxtimes No	
Is there an emergency clause? \square Yes \boxtimes No	

b) <u>Significant Issues</u>

New Mexico Impact

Since 1997, New Mexico has had the highest rates of alcohol-related death in the United States (https://www.nmhealth.org/data/view/substance/2682/). In 2023, the age-adjusted rate of alcohol-related death in NM was 84.5 deaths per 100,000 population. Two times more New Mexicans died from alcohol in 2023 than from drug overdose from any substance.

American Indians/Alaksa Natives (AIAN) have a disproportionately high rate of alcohol-related death compared to the state overall, and other race/ethnicity groups in the state. In 2022, the rate of alcohol-related death for AIAN were 3.9 times higher than the state rate overall, despite making up only 11% of the overall state population.

Excessive alcohol use has a high societal cost. A 2010 CDC analysis calculated that excessive drinking costs NM over \$2 billion in 2010 (\$3 billion in 2023 dollars), and NM had the highest societal cost per drink in the nation, at \$2.77 per drink (\$3.92 per drink after adjusting for inflation) (https://www.cdc.gov/alcohol/features/excessive-drinking.html). Societal cost is calculated based on estimated losses in workplace productivity, alcohol-related healthcare expenses, criminal justice/law enforcement costs, and alcohol-related motor vehicle crashes. Many of the costs associated with excessive alcohol consumption are borne by those who do not drink alcohol.

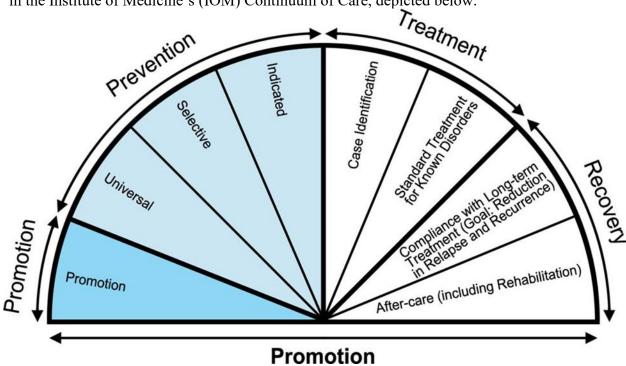
While alcohol-related death is often associated with alcohol-impaired driving, the alcohol-related death rate in NM is largely driven by chronic diseases. In 2023, more than half of the deaths from alcohol-related causes were due to chronic diseases.

In 2022, 16.7% of New Mexicans drank excessively. This is defined as binge drinking (4 or more drinks on an occasion for women, or 5 or more drinks on an occasion for men) or heavy drinking (eight or more drinks on an occasion for women or 15 or more drinks on an occasion for men.) (Behavioral Risk Factor Surveillance System, 2022). While New Mexico does not have the highest rate of excessive alcohol consumption in the US, there is a significant portion of the drinking population drinking well above the binge or heavy drinking standard. In 2022, 15.3% of New Mexicans reported binge drinking in the last 30 days. Among the 48.4% of New

Mexicans who drank alcohol the past month, 9.3% of drank in excess of eight standard drinks on one occasion.

Alleviating Alcohol-Related Harms

Alleviating alcohol-related harms requires a comprehensive infrastructure with capacity for providing general health promotion, prevention, treatment, and recovery services, as described in the Institute of Medicine's (IOM) Continuum of Care, depicted below.



Increased funding for alleviating alcohol harms such as the proposed Alcohol Alleviation Fund and the Tribal Alcohol Harms Alleviation Fund can contribute significantly to the creating a strong infrastructure for addressing alcohol misuse in New Mexico.

Evidence-based prevention is key to a continuum of care infrastructure for reducing alcohol-related harms. A 2021 meta-analysis revealed that alcohol prevention programs conducted among adolescents reduced the amount of alcohol consumed among participants (https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8392207/). Another study found that brief intervention in adolescence reduced the odds of reporting any alcohol-related harms and reduced the frequency of alcohol-related harms seven years after the intervention (https://jamanetwork.com/journals/jamanetworkopen/fullarticle/2798620#:~:text=Robust%20analyses%20showed%20that%20compared,the%207%2Dyear%20study%20period).

Evidence-based prevention interventions for substance use have consistently been found to produce benefits whose value outweighs the costs of outcomes that are prevented (<u>Investing in Prevention Makes Good Financial Sense | National Institute on Drug Abuse (NIDA)</u>) Estimates of the return on investment for specific individual, family/relationship, and school/community interventions, for example, have been estimated from \$1.36 to \$63 for each dollar invested. (<u>The Return on Investment of Substance Use Prevention - Prevention Technology Transfer Center (PTTC) Network</u>)

Raising the price of alcohol, as the proposed liquor excise surtax would, has been established as an evidence-based strategy for reducing alcohol-related harm generally and there is growing evidence that increasing the price will lead to less excessive alcohol consumption. It is important to note that alcohol consumption patterns differ state to state, with NM's morbidity and mortality being driven by an older demographic of chronic, heavy drinkers. The CDC analysis of the societal cost of alcohol included lost productivity as part of their calculation. The article by Wada et al. (2017) found that a 5% additional tax on the sales price of alcohol would increase the net employment in New Mexico by 621 jobs

(https://www.sciencedirect.com/science/article/pii/S0091743517303006).

A systematic review by Guidon et al. (2022) examined 30 articles on the impact of alcohol taxes and prices on consumption, assessing for quality. Among those 30 articles, 6 (20% of the studies included) included evidence of alcohol industry involvement, and of those industry-funded articles, more were likely to report that increasing taxes on alcohol would not change consumption behavior, noting "There is ample evidence of an association between financial conflicts of interest, including commercial research sponsorship, with publication of research favorable [sic] to the sponsor." Among the studies without apparent industry influence, the reviews concluded that higher taxes, and thus higher alcohol prices were associated with less heavy episodic drinking (binge drinking) and heavy drinking. Additionally, the non-industry influenced articles "provided no evidence that alcohol price responsiveness differed by socioeconomic status" (https://pmc.ncbi.nlm.nih.gov/articles/PMC9796894/#abstract1). Maryland and Illinois have enacted legislation to increase the cost of alcohol. Maryland increased the sales tax rate on alcohol saw a reduction in alcohol-positive driving (https://pmc.ncbi.nlm.nih.gov/articles/PMC5497300/), a reduction in the number of sexually transmitted infections (https://www.ajpmonline.org/article/S0749-3797(15)00627-3/fulltext), and a reduction in alcohol consumption (https://publichealth.jhu.edu/2016/maryland-2011-alcoholsales-tax-reduced-alcohol-sales-study-suggests). After a tax raise in Illinois, there was a statistically significant decrease in fatal motor-vehicle crashes (https://pmc.ncbi.nlm.nih.gov/articles/PMC4529769/#ref-list1). Setting aside the question of whether increased cost or taxation of alcohol contributes to less consumption, it is important to recognize the importance of funding prevention, intervention, and treatment as a valuable standalone policy.

HB417 would create two fund programs; Local Alcohol Harms Alleviation Program and the Tribal Alcohol Harms Alleviation Fund for innovative or model programs and recovery approaches to promote prevention or facilitate interventions, provide court-ordered supervision services and reduce harms and risks associated with substance misuse.

While Tribal representatives are identified for the Tribal Alcohol harms alleviation council, there isn't the same representation for the Local Alcohol Harms alleviation program council which is charged with receiving applications and considering grant requests. It must be understood that the Secretary for Indian Affairs Department is not to be considered a substitute for Tribal representation.

2. PERFORMANCE IMPLICATIONS

- Does this bill impact the current delivery of NMDOH services or operations?
 □ Yes ⋈ No
- Is this proposal related to the NMDOH Strategic Plan? \boxtimes Yes \square No

 ☑ Goal 1: We expand equitable access to services for all New Mexicans ☐ Goal 2: We ensure safety in New Mexico healthcare environments ☑ Goal 3: We improve health status for all New Mexicans ☐ Goal 4: We support each other by promoting an environment of mutual respect, tru open communication, and needed resources for staff to serve New Mexicans and to great and reach their professional goals 	
According to the FY25-FY27 Strategic Plan, excessive drinking is a performance indicator Expanding funding for treatment and prevention services would increase access to alcohol use disorder treatment for all New Mexicans.	
 3. FISCAL IMPLICATIONS If there is an appropriation, is it included in the Executive Budget Request? ☐ Yes ☐ No ☒ N/A If there is an appropriation, is it included in the LFC Budget Request? ☐ Yes ☐ No ☒ N/A Does this bill have a fiscal impact on NMDOH? ☐ Yes ☒ No 	
The bill proposes that the Tribal Alcohol Harms Alleviation Fund provide funding to the University of New Mexico. State agencies must adhere to Procurement Code in distributing funds to public and private entities. 4. ADMINISTRATIVE IMPLICATIONS Will this bill have an administrative impact on NMDOUS. The New Market New Marke	ıg
Will this bill have an administrative impact on NMDOH? □ Yes ⋈ No5. DUPLICATION, CONFLICT, COMPANIONSHIP OR RELATIONSHIP	
Duplication – None Conflict – None Companionship – None Relationship - None	
6. TECHNICAL ISSUES Are there technical issues with the bill? □ Yes ⋈ No	
 7. LEGAL/REGULATORY ISSUES (OTHER SUBSTANTIVE ISSUES) • Will administrative rules need to be updated or new rules written? ⋈ Yes ☐ No • Have there been changes in federal/state/local laws and regulations that make this legislation necessary (or unnecessary)? ☐ Yes ⋈ No • Does this bill conflict with federal grant requirements or associated regulations? ☐ Yes ⋈ No • Are there any legal problems or conflicts with existing laws, regulations, policies, or programs? ☐ Yes ⋈ No 	
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8. DISPARITIES ISSUES

New Mexico has the highest alcohol-related death rate in the US. In 2023, there were 1,896 alcohol-related deaths in New Mexico, down from 2,067 in 2022 and 2,274 in 2021. The

leading causes of alcohol-related chronic disease death in New Mexico include alcohol-related chronic liver disease, alcohol dependence, hypertension, alcohol abuse, and hemorrhagic stroke.

This bill specifically provides funding to the Indian Affairs Department for alcohol misuse prevention among the state's tribes, nations, and pueblos. Since New Mexico's American Indian population bears a disproportionate burden of alcohol-related death, this increase in funding is appropriate.

The age-adjusted rate of death among American Indians in 2022 was 3.9 times higher than the state rate overall, and 3.1 times higher than the age-adjusted rate of alcohol death among Hispanics. Hispanics have the second highest rate of alcohol-related death in the state. In 2022, there were 511 alcohol-related deaths among American Indians compared to 772 alcohol-related deaths among Hispanics. However, the 511 alcohol-related deaths accounted for 23% of the total deaths that occurred among American Indians in 2022. The 772 alcohol-related deaths among Hispanics, in contrast, accounted for 11% of the total deaths that occurred within that group.

Despite a high burden of alcohol-related death among American Indians, they drink less than Hispanics or Whites. In 2023, 6.3% of AIAN drank excessively (defined as binge or heavy drinking) compared to 16.6% of Hispanics and 13.2% of Whites. American Indians also have the highest proportion of people who didn't drink any alcohol in the last month. In 2023, 76.2% of American Indians did not drink alcohol in the past month, compared to 51.6% of Hispanics and 50% of Whites.

Increasing the amount of funding provided to tribes, nations, and pueblos for alcohol prevention and treatment will improve health equity.

Additionally, some counties in New Mexico have a rate of alcohol-related death that is significantly higher than the state rate. McKinley County has the highest rate of alcohol-related death in the state, with an age-adjusted rate 2.3 times higher than the state rate. Rio Arriba County has the second highest rate of alcohol-related death, with a rate that is 2.2 times higher than the state rate. The county with the third highest rate of alcohol-related death in New Mexico is Socorro County, with a rate that is 2 times higher than the state rate.

9. HEALTH IMPACT(S)

N.M.'s alcohol crisis affects Native, Anglo, Hispanic people similarly

Alcohol-induced deaths from 2016-20 per 100,000 people, adjusting for age

0 20 40 60 80 100 120 140 160

American Indian or Alaska Native men

153

American Indian or Alaska Native women

153

White Hispanic men

153

White non-Hispanic women

154

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In New Mexico, every demographic group dies of alcohol-induced

People who drink alcohol will be impacted by this bill via the 6% surtax on alcohol, and the entire population of New Mexico will benefit from an increase in prevention and treatment services, with American Indian populations directly benefiting from increased funding. Because alcohol-related harms (violence, property damage, indirect costs to the taxpayer) are often borne by those who do not drink, preventing excessive alcohol consumption will benefit all New Mexicans.

According to the 2023 Behavioral Risk Factor Surveillance System, 97,762 or 45.8% of New Mexicans drank alcohol in the past month.

10. ALTERNATIVES

None

11. WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?

If HB 0417 is not enacted, then distributions of the Liquor Excise Tax will continue to be made to the local DWI Grant Fund focused on lowering the DWI incidence in New Mexico. Neither the Alcohol Harms Alleviation Fund nor the Tribal Alcohol Harms Alleviation Program will be created, and a 6% retail alcohol excise surtax will not be implemented. Temporary provisions, including a provision to review the alcohol excise tax and surtax rates will not be enacted. Broadly, if not enacted, funding for the prevention of alcohol-related harms as a result of the alcohol excise tax will not be directly granted to New Mexico counties or to New Mexico Tribes Pueblos and Nations to conduct community informed and relevant prevention programs, awareness campaigns or evidence-based intervention and treatment for substance use. In addition, funding to the University of New Mexico to conduct research studies on substance misuse and related consequences will not be provided.

Consequences from not funding interventions to address alcohol misuse are wide reaching, as indicated by a 2017 New Mexico Legislative Finance report, which found that 50% of the country's jail and prison inmates are clinically addicted to drugs or alcohol, and 60% of individuals arrested for most types of crime test positive for illegal drugs when arrested (https://nmlegis.gov/Entity/LFC/Documents/Program_Evaluation_Reports/Program%20Evaluation%20Update%20on%20New%20Mexico%20Drug%20Courts.pdf).

Research shows that treatment is the most effective way to break the cycle of crime and incarceration for offenders with drug abuse and addiction issues, but less than 20% of inmates who need treatment receive it. An initial LFC analysis of adult drug court rearrest rates in FY16 found that participants who complete the program have a three-year rearrest rate (for any type of rearrest, not just felony rearrests) of 25%, compared to 50% for a comparison group with similar characteristics.

12. AMENDMENTS

Distribution of Funds from Liquor Excise Tax

On page 3, line 2 the bill states that ninety-four percent of the net receipts from the liquor excise tax shall be dedicated to the Local Alcohol Harms Alleviation Fund, and on page 3, line 4, that 6 percent shall be dedicated to the Tribal Alcohol Harms Alleviation Fund. We propose that an amendment to this distribution. DOH proposes \$5 million be distributed to the Office of Alcohol Misuse Prevention in the Department of Health to be used to

implement community level prevention interventions which address individual, interpersonal and social factors. The new language would read, starting on page 2, line 24:

- "A. A distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be made from the net receipts attributable to the liquor excise tax:
 - 1. \$5,000,000 to the Office of Alcohol Misuse Prevention at the Department of Health
 - 2. Of the remaining net receipts
 - a. ninety-four percent to the local alcohol harms alleviation fund; and
 - b. six percent to the drug court fund."

Use of Evidence-Based Practices

HB417 should specify that funds disbursed from the Local Alcohol Harms Alleviation Program should be spent on <u>evidence-based practices</u> rather than "innovative or model programs" (page 12, line 24 of HB417).

Evidence-based practices are practices that have been evaluated and determined to be effective. The risk of implementing non-evidence-based practices is that the practices may have no effect or the opposite effect than what was intended. Evidence-based programs ensure that the money from the excise tax funds is utilized in a way that maximizes their value.

Administrative Costs

It appears that the legislation provides 1 million dollars to administer the Local Alcohol Harms Alleviation Program, and up to \$4 million dollars (\$2 million from the Local Alcohol Harms Alleviation Program in Section 23 and \$2 million form the Tribal Alcohol Harms Alleviation Fund in Section 18). It is not clear that the administrative costs of the two programs will differ significantly, and it may be beneficial to allow additional funds for administration of the Local Alcohol Harms Alleviation Fund.

This could be accomplished by striking "one million dollars (\$1,000,000)" on lines 4-5 on page 24 and replacing it with "two million dollars (\$2,000,000)"