



Duplicates/Conflicts with/Companion to/Relates to:  
Duplicates/Relates to Appropriation in the General Appropriation Act

### **SECTION III: NARRATIVE**

#### **BILL SUMMARY**

##### Synopsis:

HB 417 changes the distributions of state liquor excise taxes, imposes a liquor excise surtax on retailers and distributes revenue from the surtax to a new tribal alcohol harms alleviation fund. HB 417 makes a number of appropriations and requires annual reporting.

#### **FISCAL IMPLICATIONS**

HB 417 appropriates money from the tribal alcohol harms alleviation fund to UNM as follows:

FY 26: \$1,000,000 is appropriated to the UNM Board of Regents to be divided equally among the university's center on alcohol, substance abuse and addictions (CASAA) and the HSC's division of community behavioral health with the department of psychiatry and behavioral sciences for expenditure in fiscal year 2026 and subsequent fiscal years to begin to conduct the research and studies required pursuant to the Tribal Alcohol Harms Alleviation Program Act. This appropriation is non-reverting

FY27 – FY36: \$3,000,000 is appropriated annually to the UNM Board of Regents for CASAA and HSC division of community behavioral health to perform interdisciplinary cross-campus research on alcohol policy and prevention efforts and conduct community-engaged studies to assess the public health and economic impacts of the liquor excise tax and liquor excise surtax. These appropriations revert if unexpended.

#### **SIGNIFICANT ISSUES**

New Mexico leads the nation in alcohol-related mortality, with one in three adults under the age of 49 having deaths attributable to alcohol (compared to one in eight nationally). In fact, the rate of alcohol-related mortality in New Mexico is 6.5 times the national average, with even greater rates in some counties. Alcohol-related mortality in NM disproportionately impacts Indigenous peoples, who have alcohol-related mortality rates twice that of the state overall. Alcohol mortality also disproportionately impacts Hispanic men.

Excessive alcohol use is directly related to reduced academic and occupational success, which contributes to the perpetuation of health and economic inequities. Alcohol taxes have been described as a “best buy” with respect to reducing harms associated with alcohol use. A large body of research documents an inverse relationship between the price of alcohol and indices of excessive drinking or alcohol-related health outcomes. Alcohol taxes are particularly effective at reducing consumption and alcohol-related harms among youth.<sup>1</sup>

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<sup>1</sup> Elder RW, Lawrence B, Ferguson A, et al. The effectiveness of tax policy interventions for reducing excessive alcohol consumption and related harms. *Am J Prev Med.* 2010;38(2):217-229. doi:10.1016/j.amepre.2009.11.005

Research has also demonstrated the cost effectiveness of substance abuse research and prevention, with some interventions yielding more than \$10 in benefits for every \$1 invested.<sup>2,3</sup> Thus, this bill will likely save lives and also produce a large return on the state's investment in alcohol use harm reduction.

The appropriations to UNM in HB 417 bill will allow us to devote considerably more resources to studying, preventing, and treating alcohol problems in New Mexico, and increase workforce capacity for evidence-based behavioral health and alcohol use disorder treatment by providing ongoing provider training and support in brief alcohol interventions.

Appropriations from this bill would provide critical interdisciplinary research on policy and would also to further develop, evaluate, and implement innovative, culturally-informed programs targeting excessive alcohol use and alcohol-related harms in NM.

HB 417 will provide the resources for us to conduct critical policy evaluation to address the continuum of excessive alcohol use, alcohol use disorder, and alcohol-related harms in our communities. We will evaluate our success through reductions in alcohol-related harms among those who participate in our research, through reductions in the state-wide data on alcohol-related mortality, and by the number of providers who are trained to deliver brief alcohol interventions.

## **PERFORMANCE IMPLICATIONS**

This bill will directly improve outcomes for individuals who engage in excessive alcohol use by reducing alcohol use, and by making more prevention and treatment programs available. It will also indirectly improve quality of life and well-being for others who are most impacted by the deleterious effects of harmful alcohol use, including children, families, and society, at large. Specifically, NM has many poor outcomes related to harmful alcohol use, including low high school graduation rates and ranking among the top five of US states for accidental death, suicide, under-employment, child poverty, and crime. These are systemic social problems that are both directly and indirectly related to high rates of excessive alcohol use. If successful, this bill will impact substance use and addiction throughout NM by reducing alcohol-attributable mortality and the many impacts of harmful alcohol use in our state.

## **ADMINISTRATIVE IMPLICATIONS**

HB 417 provides that on or before December 1 of each year, the secretary of Indian Affairs Department, the director of the University of New Mexico's center on alcohol, substance abuse and addictions and the division chief of the University of New Mexico's division of community behavioral health shall report the results and findings from the research and evaluation performed pursuant to Section 18 of this bill to the legislative finance committee and the revenue stabilization and tax policy committee. The research and evaluation asked of the university of New Mexico is interdisciplinary cross-campus research on alcohol policy and prevention efforts and community-engaged studies to assess the public health and economic impacts of the liquor

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<sup>2</sup> Miller, T. and Hendrie, D. Substance Abuse Prevention Dollars and Cents: A Cost-Benefit Analysis, DHHS Pub. No. (SMA) 07-4298. Rockville, MD: Center for Substance Abuse Prevention, Substance Abuse and Mental Health Services Administration, 2008.

<sup>3</sup> Daly R. Substance Abuse Treatment: A Great Investment. *Psychiatric News*. 2005;40(24):19-26. doi:10.1176/pn.40.24.0019a

excise tax and liquor excise surtax.

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

**TECHNICAL ISSUES**

**OTHER SUBSTANTIVE ISSUES**

**ALTERNATIVES**

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

**AMENDMENTS**