



## **SECTION III: NARRATIVE**

### **BILL SUMMARY**

Synopsis: House Bill 498 (HB 498) amends the Liquor Control Act (Act) to allow for dispenser liquor licenses to transfer outside their local option district (LOD) into an LOD with fewer than or equal to the maximum number of licenses allowed in Section 60-6A-18, and retain the right to not only sell, serve or permit the onsite consumption of alcoholic beverages by the drink, but to also sell unbroken packages, including locally produced growlers, for offsite consumption and not for resale. A privilege that is currently lost when a dispenser license is transferred from one LOD to another LOD.

HB 498 removes the transfer location restriction on rural licenses, which currently requires the transfer of rural licenses to be within the unincorporated area of the county where it is located. HB 498 amends the Act to allow rural dispensers, rural retailers and rural club licenses to transfer to any LOD with fewer than or equal to the maximum number of licenses allowed in Section 60-6A-18.

As no effective date is provided in HB 498, it will go into effect on June 20, 2025.

### **FISCAL IMPLICATIONS**

No additional staffing for the Alcoholic Beverage Control (ABC) division of the Regulation and Licensing Department are expected to be needed to implement the provisions of HB 478 if the bill is enacted, however, it is anticipated it will take approximately 2-3 months to implement changes in the NM-PLUS online licensing system in order to adapt to the new requirements. Costs for the software developers to make the necessary changes to at least four (4) application types identified by the licensing staff are expected to be forty thousand dollars (\$40,000) in FY26.

### **SIGNIFICANT ISSUES**

#### **PERFORMANCE IMPLICATIONS**

Existing staff will be able to handle any increase in transfer of ownership applications and transfer of locations applications the HB 498 may cause.

#### **ADMINISTRATIVE IMPLICATIONS**

RLD staff will need approximately 2-3 months to implement changes in NM-PLUS system. As developers will need to make changes to at least four (4) applications identified by licensing staff.

#### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

HB 478 also amends Section 60-6B-12 of the Liquor Control Act in the same manner as HB 498, however, it removes a local governing bodies ability to petition for an election to approve or disapprove inter-local transfers of liquor licenses into that LOD.

Senate Bill 466 also proposes changes to the Liquor Control Act.

### **TECHNICAL ISSUES**

## **OTHER SUBSTANTIVE ISSUES**

### **ALTERNATIVES**

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

If HB 498 is not enacted, dispenser's licenses will continue to lose package sales capabilities when they leave their original local option district.

### **AMENDMENTS**