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FISCAL IMPACT REPORT

ORIGINAL DATE 2/9/09

SPONSOR Irwin LAST UPDATED _____ HB 612

SHORT TITLE Wineries as Liquor Control Licensed Premises SB _____

ANALYST Wilson

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY09	FY10	FY11		
	\$3.8		Non-recurring	GF

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Attorney General's Office (AGO)

Regulation & Licensing (RLD)

SUMMARY

Synopsis of Bill

House Bill 612 amends Section 60-3A-3 of the Liquor Control Act to clarify that the grounds and vineyards of a winery are included as part of the licensed premises. Winery is also defined. Section 60-6A-31 is amended to allow consumption of alcoholic beverages on the grounds and in the vineyards of a winery in controlled access areas.

FISCAL IMPLICATIONS

There do not appear to be significant fiscal implications in HB 612. The Alcohol and Gaming Division (AGD) of RLD charges a change of floor plan fee of \$75.00. There are 51 active Winegrower licenses statewide for a one-time total of \$3,825 to the general fund.

SIGNIFICANT ISSUES

HB 612 will allow greater flexibility for wineries to manufacture and store wine as well as offering opportunities for on-site tastings and sales.

Current law allows the holder of a winegrower’s license to conduct wine tasting and to sell, by the glass or by the bottle or sell in unbroken packages for consumption off the premises but not for resale, wine of his own production or wine produced by another New Mexico winegrower on the winegrower's premises. Current law defines “licensed premises” as the contiguous areas or areas connected by indoor passageways of a structure and the outside dining, recreation and lounge areas of the structure 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..

This bill will clearly allow the sale, service, consumption and delivery of alcoholic beverages within any part of a winery, including the vineyards. Applicants for liquor licenses, including winegrower’s licenses, must designate the controlled access areas of their licensed premises as part of the license application or renewal process, as negotiated with the AGD director.

This bill will allow the holder of a winegrower’s license to designate their grounds and vineyards as a controlled access area, subject to negotiation with the director.

ADMINISTRATIVE IMPLICATIONS

This bill will require that wineries submit an amended floor plan containing the grounds and vineyard areas. AGD will review the plans and work with the licensees to negotiate the controlled access areas.

The AGD should be able to handle the enforcement of the provisions in this bill as part of ongoing responsibilities

DW/mc