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## FISCAL IMPACT REPORT

SPONSOR: Garcia, M.P.      DATE TYPED: 01/24/01    HB 72  
 SHORT TITLE: Liquor License Hearings      SB \_\_\_\_\_  
 ANALYST: Valdes

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
			Indeterminate		

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Relates to Appropriation in The General Appropriation Act \_\_\_\_\_

### SOURCES OF INFORMATION

Alcohol and Gaming Division, Regulation and Licensing Department

### SUMMARY

#### Synopsis of Bill

House Bill 72 adds a new definition to the Liquor Control Act for “agent Lessee” and enacts a new section to the Liquor Control Act that requires an applicant for a lease of a liquor license to submit an application and become qualified prior to the director granting approval for lease of a liquor license.

#### Significant Issues

The bill provides that applicants for lease of a liquor license are required to submit an application as required by the director, to include all information required of a new license applicant pursuant to the provisions of the Liquor Control Act.

Applicants for lease of a liquor license will then be required to appear before the director for a hearing to be held in Santa Fe to determine the qualifications of the applicant to lease the liquor license to ensure that all requirements of the act have been met. Any application for lease of a liquor license requires that the proposed premises be posted for at least twenty days prior to the hearing and requires that the licensee pay all costs of the posting.

In issuing licenses, the director shall take into account the nature and number of violations of the Liquor Control Act by the applicant or the licensee or of citations issued within the prior five year period against a license in which the applicant or licensee has an ownership interest.

In addition to filing fingerprint cards, an applicant for lease of a liquor license is required to submit an affidavit that the person applying has not been convicted of a felony in any jurisdiction. Any person who files a false affidavit shall be denied the lease.

### **PERFORMANCE IMPLICATIONS**

This bill may impact the outcome performance measure of the Alcohol and Gaming Program which intends to reduce the number of days required to process a license application that requires a hearing.

### **FISCAL IMPLICATIONS**

Additional resources required to implement the provisions of this bill is unknown at this time.

### **ADMINISTRATIVE IMPLICATIONS**

Administrative impact may be significant to the extent that hearings for the lease of liquor licenses are not currently required. Additional hearings would increase workload of the division and processing time for the application and hearing process.

### **TECHNICAL ISSUES**

The new section of the bill provides that, “in determining whether a *license shall be issued*...(Page 10, line 7), the director shall approve or disapprove the *issuance of the license* based upon review of all documentation.” (Page 10, line 16) Liquor licenses that can be leased have already been “issued.” This wording should be changed to refer to the approval of the *lease* of the liquor license rather than the *issuance* of the license.

### **OTHER SUBSTANTIVE ISSUES**

The bill provides that all costs of posting a notice of intent to license an “agent lessee” shall be paid by the licensee. Currently, postings are conducted by the Special Investigations Division of the Department of Public Safety. It is unclear where the money would be deposited or who would collect the money for the costs associated with the posting.

MFV/njw