

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current and previously issued FIRs are available on the NM Legislative Website (www.nmlegis.gov) and may also be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR Martinez, J. ORIGINAL DATE 02/22/15
LAST UPDATED _____ HB HM 71
SHORT TITLE Study of Impact of Alcohol SB _____
ANALYST Dunbar

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY16	FY17		
	NA		

HM71 is a duplicate to SM86.

HM71 relates to HM38

Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

Responses Received From

Department of Health (DOH)

Economic Development Department (EDD)

SUMMARY

Synopsis of the Bill

House Memorial 71 requests that the Department of Health perform a study of the impact of alcohol on the economic, health, and well-being of New Mexicans. DOH would report the findings to the Interim Legislative Health and Human Services Committee and the Legislative Finance Committee.

The study would be conducted in cooperation with the Alcohol and Gaming Division (Regulation and Licensing Department), the Economic Development Department, the Department of Transportation, the University of New Mexico's Bureau of Business and Economic Research, and the Legislative Finance Committee.

FISCAL IMPLICATIONS

The memorial indicates that the estimated cost of alcohol abuse to the State of New Mexico is \$1.8 billion annually.

SIGNIFICANT ISSUES

The most recent economic impact report from the Centers for Disease Control and Prevention (CDC) estimated the cost of excessive alcohol use as \$1.9 billion for New Mexico. This analysis assessed data from 2006 (Sacks JJ, Roeber J, Bouchery EE, Gonzales K, Chaloupka FJ, Brewer RD. State costs of excessive alcohol consumption, 2006. *Am J Prev Med.* 2013;45(4):474-85).

In 2013, approximately 1,150 people died of alcohol attributable causes (NM DOH Bureau of Vital Records and Health Statistics (BVRHS); CDC online Alcohol-Related Disease Impact (ARDI) http://apps.nccd.cdc.gov/DACH_ARDI/Default/Default.aspx). New Mexico has the highest alcohol attributable death rate in the country and excessive alcohol use is a significant contributor to premature death. One in six deaths among working age adults (20-64 years) is alcohol attributable (Stahre M, Roeber J, Kanny D, Brewer RD, Zhang X. Contribution of excessive alcohol consumption to deaths and years of potential life lost in the United States. *Prev Chronic Dis.* 2014. 26;11:E109).

PERFORMANCE IMPLICATIONS

The Economic Development Department is tasked with helping New Mexico businesses expand and create new jobs and wealth. Statistics ranking the state high in alcohol abuse and related issues does not reflect positively on the state's image as a place for business to thrive. Alcohol abuse has an obvious negative impact on employers in the form of productivity and turnover issues. Businesses that cannot find a reliable workforce will struggle to create new jobs.

Decreasing the alcohol attributable to death rate is a priority indicator in the New Mexico State Health Improvement Plan (nmhealth.org/publication/view/plan/411/) and an objective in the DOH FY16 Strategic Plan.

DUPLICATION, RELATIONSHIP

HM 71 is a duplicate to SM 86.

HM 71 relates to HM 38, which proposes to request that the Department of Health, in cooperation with the Regulation and Licensing Department, the Department of Public Safety and the Economic Development Department, conduct a study of the public safety, economic and health impacts of establishing a minimum retail price for alcoholic beverages based on their alcohol content.

OTHER SUBSTANTIVE ISSUES

There are significant racial/ethnic disparities in alcohol attributable to death in New Mexico. The alcohol attributable death rate among American Indians (121.2 deaths per 100,000 population) is nearly three times higher than the rate among non-Hispanic whites (40.7 deaths per 100,000 population). The rate among Hispanics (53.1 deaths per 100,000 population) is also high than the

House Memorial 71 – Page 3

rate among non-Hispanic whites (NMDOH BVRHS; CDC ARDI).

BD/bb