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## FISCAL IMPACT REPORT

SPONSOR Stewart ORIGINAL DATE 02/22/15  
 LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE Study of Impact of Alcohol SM 86

ANALYST Dunbar

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY16	FY17		
	NA		

SM 86 is a duplicate to HM 71

SM 86 relates to HM 38

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

Senate Memorial 86 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](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/](http://nmhealth.org/publication/view/plan/411/)) and an objective in the DOH FY16 Strategic Plan.

## **DUPLICATION, RELATIONSHIP**

SM 86 is a duplicate to HM 71.

SM 86 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 rate among non-Hispanic whites (NMDOH BVRHS; CDC ARDI).

BD/bb