

Alcohol Harms Alleviation Act

Indian Affairs Interim Committee

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Presenting Sponsors:

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Outline

- Burden of harm from excessive alcohol use in the United States and New Mexico
- Evidence on the impact of state-level alcohol control policies and alcohol taxes
- Historical and recent efforts to increase alcohol excise taxes in New Mexico
- 2024-2025 Proposal: Alcohol Harms Alleviation Act

Excessive Alcohol Use is a Leading Cause of Injury and Death in the United States

- Excessive alcohol use accounts for >175,000 deaths in the United States annually
- In 2020, alcohol-related mortality was estimated to lead to 2.8 million years of potential life lost each year, with an average of 29 years lost per death
- Although deaths from alcohol are often thought of as being due to poisoning, alcohol use disorder or cirrhosis, excessive alcohol use is associated myriad chronic health conditions (hypertension, stroke, cancer, mental health conditions), and injury death both to individuals who drink (falls, suicide, drowning) and bystanders (homicide, unintentional firearm injuries, motor vehicle crashes, child maltreatment)

Esser MB, Sherk A, Liu Y, Naimi TS. Deaths from Excessive Alcohol Use — United States, 2016–2021. *MMWR Morb Mortal Wkly Rep.* 2024;73(8):154-161. doi:10.15585/mmwr.mm7308a1

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How We Are Thinking About Alcohol is Changing

- Past research that led to the promotion of low-volume alcohol use (e.g., red wine, Mediterranean diet) may have been subject to selection bias
 - When current drinkers were compared to non-drinkers in past studies, non-drinkers may have represented ‘sick quitters’, i.e., those who may have been too ill to drink and therefore not representative of a lifetime nondrinker
- A 2023 systematic review of 107 cohort studies comparing drinkers to lifetime nondrinkers found that low-volume alcohol consumption was not associated with reduced risk of death
- Even modestly reducing one’s intake is associated with improved health

Naimi TS, Stockwell T, Zhao J, Xuan Z, Dangardt F, Saitz R, Liang W, Chikritzhs T. Selection biases in observational studies affect associations between ‘moderate’ alcohol consumption and mortality. *Addiction*. 2017 Feb;112(2):207-14.

Zhao J, Stockwell T, Naimi T, Churchill S, Clay J, Sherk A. Association between daily alcohol intake and risk of all-cause mortality: a systematic review and meta-analyses. *JAMA network open*. 2023 Mar 1;6(3):e236185-.

Benefits of Drinking Less. <https://superusab.ca/cisur-dev/benefits-of-drinking-less/>. Accessed September 6,2024.

New Mexico Leads the Country in Alcohol-related Mortality

- New Mexico has had the highest state rate of alcohol-related mortality since 1997, and has ranked 1st, 2nd, or 3rd, since 1981
- Although New Mexico has the 6th highest state rate of overdose nationally, its rate of death from alcohol is 2x its rate of death from overdose
- New Mexico is also a leader in gun-related mortality, ranking 3rd in the country, and from 2010-2019, 32% of suicides and 42% of homicides in the state involved alcohol
- Youth drinking, which is associated with increased risk of alcohol use disorder is higher in New Mexico than other states
 - 21% of New Mexico youth reported having a first drink of alcohol before age 13, compared to 15% nationally

Centers for Disease Control and Prevention. Stats of the States - Firearm Mortality 2022. March 21, 2024. Accessed September 2, 2024. https://www.cdc.gov/nchs/pressroom/sosmap/firearm_mortality/firearm.htm

Centers for Disease Control and Prevention. Drug Overdose Mortality by State. Published March 1, 2022. Accessed February 10, 2024.

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<https://www.nmlegis.gov/handouts/LHHS%20091823%20Item%2013%20LFC%20Substance%20Use%20Report.pdf>

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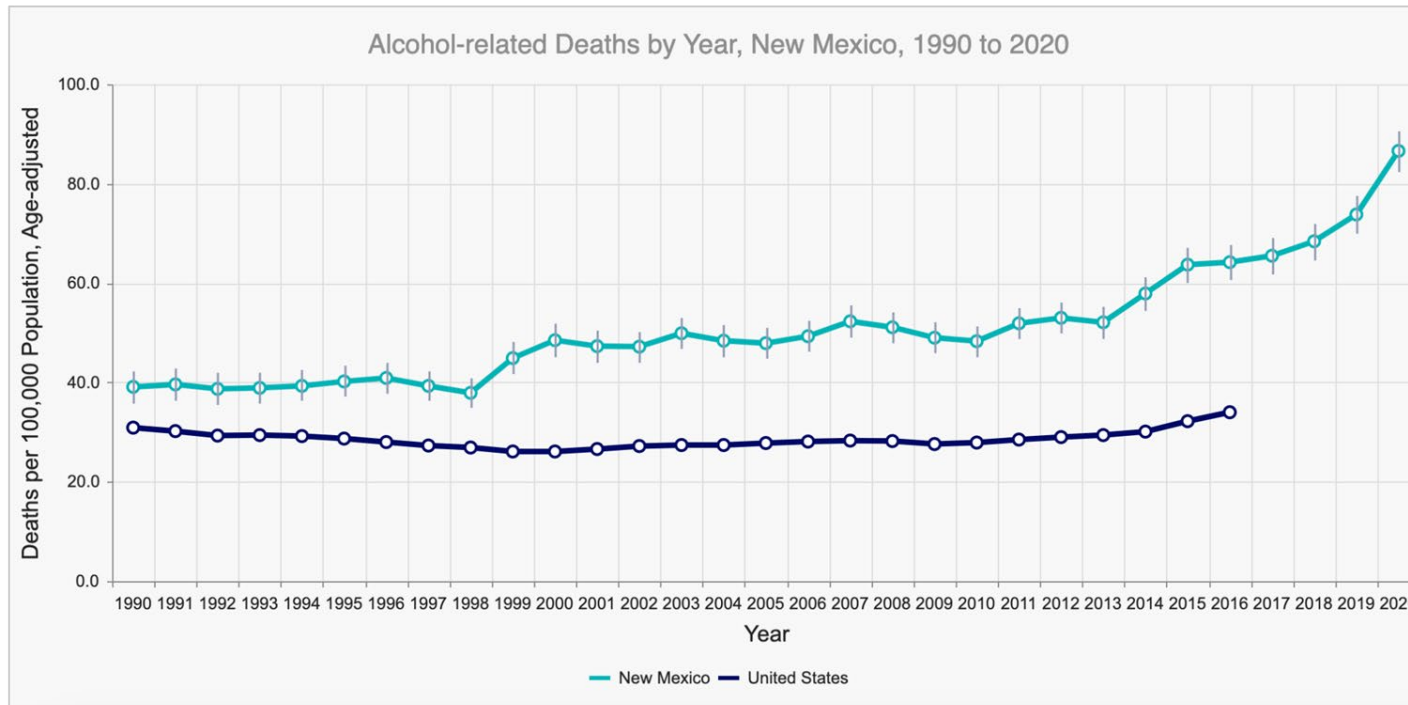
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Hingson RW, Heeren T, Winter MR. Age at drinking onset and alcohol dependence: age at onset, duration, and severity. Arch Pediatr Adolesc Med. 2006;160(7):739-746.

Fitzgerald C, Green D. New Mexico Youth Risk & Resiliency 2019 Survey Results Report: Alcohol and Related Behaviors. Epidemiology and Response Division, New Mexico Department of Health, and the University

of New Mexico Prevention Research Center; 2021. Accessed February 10, 2024. <https://youthrisk.org/2019-state-of-new-mexico-alcohol-report/>

Alcohol-related Mortality Increasing in New Mexico



- From 2019-2021, the rate of alcohol-related death increased by 31%, reaching an all-time high in 2021, now accounting for more than 2,000 deaths per year

New Mexico Department of Health. New Mexico Substance Use Epidemiology Profile, 2022.
Progress Report: Addressing Substance Use Disorders. Program Evaluation Unit Legislative Finance Committee August 24, 2023.
<https://ibis.doh.nm.gov/indicator/summary/AlcoholRelatedDth.html>

The Downstream Effects of Alcohol Consumption Impact New Mexico's Economy

- In 2010, excessive alcohol consumption cost New Mexico \$2.2 billion, equivalent to \$2.77 per standard drink
- Adjusting only for inflation, cost was estimated at \$3.1 billion in 2023, or \$3.93 per standard drink
 - NM's entire 2023 Medicaid budget was \$8.9 billion

Sacks JJ, Gonzales KR, Bouchery EE, Tomedi LE, Brewer RD. 2010 national and state costs of excessive alcohol consumption. American journal of preventive medicine. 2015 Nov 1;49(5):e73-9.

Medicaid Accountability Report. New Mexico Legislative Finance Committee; 2023.

https://www.nmlegis.gov/Entity/LFC/Documents/Program_Evaluation_Reports/Medicaid%20Accountability%20Report.pdf

Alcohol Consumption and Mortality by Race, Ethnicity and Tribal Affiliation

	2022 Alcohol-related Mortality per 100k (NMDOH)	% Who Drank at Least One Alcoholic Beverage, Past 30 Days (BRFSS)
American Indian or Alaska Native	283.4	36%
Asian/Pacific Islander	33.8	Not available (small sample)
Black or African American	80.7	46.8%
Hispanic	81.5	47.7%
White	66.9	53.5%

Alcohol and Health Disparities In New Mexico

Figure: Alcohol Harms Paradox in New Mexico

Group	% of Adults who Drank 1+ Alcoholic Beverage, Past 30-days ^a	Alcohol-related deaths per 100,000 population ^b
Indigenous	36%	284
Black	47%	81
Hispanic	48%	82
White	54%	67

^a2022 Behavioral Risk Factor Surveillance System, Centers for Disease Control and Prevention
^b2022 Alcohol-related Mortality by Race/Ethnicity, New Mexico Department of Health

- Although the entire population in New Mexico experiences high rates of alcohol-related death, alcohol is also a major contributor to health disparities
- *Alcohol Harms Paradox* = when drinking the same levels of alcohol, disadvantaged populations experience **greater** health harms and healthcare expenditures from alcohol compared to advantaged populations
- In New Mexico, harms from alcohol are compounded from legacies of colonialism, structural violence, and intergenerational trauma

Bellis, et al. BMC public health. 2016 Dec;16:1-0.
 Bloomfield. The Lancet Public Health. 2020 Jun 1;5(6):e300-1.
 Probst, et al. The Lancet Public Health. 2020 Jun 1;5(6):e324-32.
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Excessive Alcohol Use and the Paradox of Harm

“Paradox of Harm”: when drinking the same amount of alcohol, disadvantaged populations experience greater harms from alcohol than affluent populations

- A telephone study in England found that drinkers of lower socioeconomic status were more likely than drinkers of higher socioeconomic status to have other risk factors for poor health, leading to multiplicative effects on risk of adverse health outcomes related to alcohol
- In New Mexico, this could result from structural violence, intergenerational trauma, historical trauma, and social determinants of health

Bellis MA, Hughes K, Nicholls J, Sheron N, Gilmore I, Jones L. The alcohol harm paradox: using a national survey to explore how alcohol may disproportionately impact health in deprived individuals. *BMC public health*. 2016 Dec;16:1-0.

Bloomfield K. Understanding the alcohol-harm paradox: what next?. *The Lancet Public Health*. 2020 Jun 1;5(6):e300-1.

Probst C, Kilian C, Sanchez S, Lange S, Rehm J. The role of alcohol use and drinking patterns in socioeconomic inequalities in mortality: a systematic review. *The Lancet Public Health*. 2020 Jun 1;5(6):e324-32.

Karaye IM, Maleki N, Yunusa I. Racial and ethnic disparities in alcohol-attributed deaths in the United States, 1999–2020. *International journal of environmental research and public health*. 2023 Apr 20;20(8):5587.

New Mexico Department of Health Recommendations

THINGS THAT CAN BE DONE TO DECREASE ALCOHOL-RELATED HARM

Increase Alcohol Taxes - Increasing alcohol taxes has been shown to decrease drinking (including underage drinkers), and decrease many alcohol-related harms.

Regulate Alcohol Outlet Density - Limiting the number of businesses selling and distributing alcohol in neighborhoods is one of the most effective strategies for reducing alcohol-related harm.

Increase Alcohol Screening and Brief Intervention - Screening and brief intervention services provided in clinical, community, or fully online settings has been shown to reduce excessive alcohol consumption.

Limit the days and hours alcohol sales occur - Maintaining or decreasing days and hours that alcohol is sold.

To learn more visit The Community Guide at www.thecommunityguide.org/alcohol/index.html and the US Preventive Services Task Force <https://www.uspreventiveservicestaskforce.org>



World Health Organization Recommends Increasing Alcohol Taxes



“Taxing unhealthy products creates healthier populations. It has a positive ripple effect across society - less disease and debilitation and revenue for governments to provide public services. In the case of alcohol, taxes also help prevent violence and road traffic injuries.”

- Dr. Rüdiger Krech, Director, Health Promotion, World Health Organization

Excise Taxes vs. Sales Taxes

Type of Tax	Pros	Cons
Volume-based excise tax	<ul style="list-style-type: none">• Can increase the price of beverages and reduce consumption• Paid directly by alcohol industry• Easy to implement in NM	<ul style="list-style-type: none">• Need to be adjusted for inflation over time
Sales tax	<ul style="list-style-type: none">• Can increase the price of beverages and reduce consumption• Not subject to erosion from inflation	<ul style="list-style-type: none">• Lower tax amount per unit on lower-priced alcoholic beverages by design, making these more affordable and accessible• Would require additional infrastructure to assess and collect in NM• Paid directly by consumers

Experiences from Other States

- An alcohol tax increase led by Vinny DeMarco and David Jernigan in Maryland in 2011 resulted in an 3% absolute increase in sales tax from 6% to 9%, resulting in:
 - 6% reduction in rate of alcohol-involved motor vehicle crashes
 - 3.8% decline in total alcohol sales
 - 24% decrease in incident gonorrhea
- Alcohol tax increases in Alaska in 1983 and 2002 resulted in 29% reductions in alcohol-related disease mortality

Lavoie MC, Langenberg P, Villaveces A, Dischinger PC, Simoni-Wastila L, Hoke K, Smith GS. Effect of Maryland's 2011 alcohol sales tax increase on alcohol-positive driving. *American journal of preventive medicine*. 2017 Jul 1;53(1):17-24.

Smart MJ, Yearwood SS, Hwang S, Thorpe Jr RJ, Furr-Holden CD. Impact of Alcohol Tax Increase on Maryland College Students' Alcohol-Related Outcomes. *Substance use & misuse*. 2018 May 12;53(6):1015-20.

Esser MB, Waters H, Smart M, Jernigan DH. Impact of Maryland's 2011 alcohol sales tax increase on alcoholic beverage sales. *The American Journal of Drug and Alcohol Abuse*. 2016 Jul 3;42(4):404-11.

Staras SA, Livingston MD, Wagenaar AC. Maryland alcohol sales tax and sexually transmitted infections: A natural experiment. *American journal of preventive medicine*. 2016 Mar 1;50(3):e73-80.

Wagenaar AC, Maldonado-Molina MM, Wagenaar BH. Effects of alcohol tax increases on alcohol-related disease mortality in Alaska: time-series analyses from 1976 to 2004. *American Journal of Public Health*. 2009 Aug;99(8):1464-70.

New Mexico's Current Alcohol Tax Structure

- Over 140 attempts to increase alcohol excise taxes in New Mexico since 1990, with the last success in 1993
- Recall, the cost to society for each standard drink, when adjusted for inflation, is approx. \$3.93, while the revenue to the state is just pennies
- Alcohol excise tax revenue amounts to ~\$50 million annually

Beverage Type	Tax per Taxable Units	Tax per Standard Drink
Beer	\$0.41 / gallon	\$0.04 / standard drink
Wine	\$0.45 / liter	\$0.07 / standard drink
Spirits	\$1.60 / liter	\$0.07 / standard drink

New Mexico's Alcohol Policies Haven't Kept Up With Other States

TABLE 2. Restrictiveness of U.S. state alcohol control policies in 2018, and change over time, 1999–2018

Variable	States with the most restrictive alcohol policies, ^a 2018		States with least restrictive alcohol policies, ^a 2018	
States with most improvement ^b from 1999 to 2018	Arizona	North Carolina	Alaska	Nebraska
	Arkansas	Pennsylvania	Colorado	Nevada
	District of Columbia	South Carolina	Indiana	New Jersey
	Kentucky	Utah	Iowa	New York
	Louisiana	Vermont	Maryland	Texas
	New Hampshire		Mississippi	Wisconsin
			Missouri	Wyoming
			Montana	
States with least improvement ^b from 1999 to 2018	Alabama	New Mexico	California	Minnesota
	Connecticut	Ohio	Delaware	North Dakota
	Hawaii	Oklahoma	Florida	Rhode Island
	Illinois	Oregon	Georgia	South Dakota
	Kansas	Tennessee	Idaho	Virginia
	Maine	Washington		
	Massachusetts	West Virginia		
	Michigan			

^aStates were split according to the 26 states with highest Alcohol Policy Scale (APS) scores, which all had scores above 43.5 (range: 43.55–67.9; *Mdn* = 47.0) and the 25 states with lowest APS scores, which all had scores below 43.5 (range: 25.6–43.46; *Mdn* = 37.9). Higher APS scores correspond to stronger or more restrictive policy environments.

^bStates were split according to the 26 most improved states all having improvement in APS scores greater than 4.8 (range: 4.9–10.3; *Mdn* = 7.5) and the 25 least improved states all having changes in APS scores equal to or less than 4.8 (range: -7.4–4.8; *Mdn* = 2.0). Higher APS scores correspond to stronger or more restrictive policy environments.

Although New Mexico generally has restrictive alcohol policies, it has made less progress than other states in improving these policies in the last two decades

New Mexico's Taxes on Other Harmful Substances

- New Mexico's recreational cannabis market opened in April 2022
 - Retail cannabis is subject to a sales tax of 12%, rising in one-percent increments starting July 1, 2025, to a maximum 18% starting July 1, 2030
 - Cannabis tax generated \$36 million in first year
- Nicotine products subject to a combination of wholesale excise taxes
 - Cigarettes: \$2.00/pack or \$0.10/cigarette (generating \$80-\$90 million/year)
 - Vaping: 12.5% wholesale tax

<https://www.publichealthlawcenter.org/resources/us-e-cigarette-regulations-50-state-review/nm>

<https://taxfoundation.org/data/all/state/vaping-taxes-2024/>

New Mexico Excise Taxes. Presentation to RSTP. December

2023. <https://www.nmlegis.gov/handouts/RSTP%20120523%20Item%205%20Tax%20&%20Rev%20New%20Mexico%20Excise%20Taxes.pdf>

2023-2025:

- 2022-2023: Proposal (HB230) for alcohol excise taxes to be standardized at 25¢ per standard drink; miscommunication led to calculation errors; passed and vetoed
- 2023-2024: Two bills introduced; neither passed
 - Sen. Sedillo Lopez, Rep. Ferrary, HB179:
 - Increasing alcohol excise taxes by 25¢ per standard drink
 - Removing alcohol excise taxes
 - Implementing ad valorem tax of 2% - 4% depending on beverage type

2025: HB 417, sponsored by Reps Cadena, Pajaron, Ferrary, and Senators Sedillo-Lopez & Pinto

- created 6 percent surtax on all alcoholic beverages, excluding local winegrowers, craft distillers, and businesses with small brewer's licenses
- Amended Bill died in Tax & Rev Committee after originally passing that same committee
- A small tax was added to the tax package in 2025, and was directed to the Tribal Harms Alleviation Fund to address health inequities, however the entire tax package was vetoed by the Governor.

Goal: Work together to find common ground and pass alcohol policy legislation.

Policy requirements:

1. Decrease alcohol consumption by 5% - 10% using Guindon elasticity estimates
2. Explore options of a 6% (or higher) sales surtax on all alcoholic beverages, an ad-valorem tax, or an excise tax
3. Collect between \$100-\$200 million in annual tax revenue to bolster existing programs and expand public health investments for prevention of excessive alcohol use and treatment of alcohol use disorder

What Can New Mexico Do with \$200+ Million in Annual Revenue?

- Increased funding of programs in current statute: LDWI Program, Drug Courts, and Farmington program
- Funding for research to assess equity impacts of excessive alcohol consumption in New Mexico
- Robust alcohol prevention, treatment and recovery services to help communities disproportionately impacted by harms from alcohol
- Culturally relevant prevention, treatment and reduction of alcohol-related harms for Indian nations, tribes & pueblos
- Stable funding for community-led New Mexico Health Councils
- Addressing social determinants of health related to alcohol misuse (such as transportation, housing assistance, etc.)
- Support for victims of alcohol-related crimes, including domestic violence and sexual assault

Alcohol Policies are Social Determinants of Health

- Alcohol use disorder is not a choice or a moral failing; alcohol use disorder is a chronic, relapsing brain disease that is made more or less prevalent by policies
- Increasing alcohol taxes has been recommended by the New Mexico Department of Health, the Centers for Disease Control and Prevention, and the World Health Organization
- The price of alcohol will determine what our population will look like in years to come: crime, homelessness, educational gaps, and poverty cannot be solved without dealing with alcohol
- The introduction of a 3% alcohol sales tax in Maryland was associated with reductions in alcohol sales, alcohol-positive drivers, and sexually transmitted infections
- Not taking legislative action to increase alcohol taxes makes alcohol cheaper as existing alcohol taxes continue to erode from inflation
- Esser MB, Waters H, Smart M, Jernigan DH. Impact of Maryland's 2011 alcohol sales tax increase on alcoholic beverage sales. *The American Journal of Drug and Alcohol Abuse*. 2016 Jul 3;42(4):404-11.

Staras SA, Livingston MD, Wagenaar AC. Maryland alcohol sales tax and sexually transmitted infections: A natural experiment. *American journal of preventive medicine*. 2016 Mar 1;50(3):e73-80. Lavoie MC, Langenberg P, Villaveces A, Dischinger PC, Simoni-Wastila L, Hoke K, Smith GS. Effect of Maryland's 2011 alcohol sales tax increase on alcohol-positive driving. *American journal of preventive medicine*. 2017 Jul 1;53(1):17-24.

THANK YOU!

