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FISCAL IMPACT REPORT

SPONSOR: Cervantes DATE TYPED: 03/20/03 HB 274/aSPAC

SHORT TITLE: Allow Sales of Alcohol at State Museums SB _____

ANALYST: Gonzales

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY03	FY04			
	\$160.0	\$200.0	Recurring	OCA funds

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Office of Cultural Affairs

Traffic Safety Bureau, State Highway and Transportation Department

Alcohol and Gaming Division, Regulation and Licensing Department

Attorney General

SUMMARY

Synopsis of SPAC Amendment

The Senate Public Affairs Committee amendment:

- expands the original bill to allow the sale of alcoholic beverages in unbroken packages at municipal baseball parks prohibiting the alcoholic beverage from being removed from the licensed park; and
- provides that a server is not required to be present in a skybox to serve alcoholic beverages to persons leasing skyboxes or his guests.

The amendment defines municipal baseball park as “a governmental facility owned by a government entity in a class A county having a population of 350,000 or more pursuant to the most recent federal decennial census that is the home stadium of an affiliate of a professional baseball team and that may be used throughout the year for baseball games and other events.”

Significant Issues

According to the Attorney General the definition of “municipal baseball park” is somewhat limiting. However, this definition includes use of the facility for “baseball games and other events.” Conceivably, the service and sale of alcoholic beverages could occur in a municipal baseball park in connection with an event other than a baseball game.

The Alcohol and Gaming Division notes that as municipal baseball park is defined in this bill, this activity would only be applicable to the Albuquerque Sports Stadium.

If the intent is to allow sales in unbroken packages of alcoholic beverages **ONLY** in the sky-boxes, an amendment should be filed to clarify this. As currently amended, unbroken packages of alcoholic beverages could occur throughout the entire premises during baseball games.

Synopsis of Original Bill

House Bill 274 proposes to allow a state museum to sell alcoholic beverages directly or through its lessee at a food service facility within its facility.

Significant Issues

This bill adds a state museum to the list of other governmental entities allowed to sell alcoholic beverages on its premises including municipality, county, state fair, and state university.

The alcoholic beverages would be restricted to beer and wine and would require the museum to apply for a license to be renewed annually.

PERFORMANCE IMPLICATIONS

The museum’s mission is to showcase and interpret the products of New Mexico’s farming and ranching industry. With the passage of this bill, the museum will be able to interpret the state’s beer and wine industries through programs and demonstrations at the museum and its restaurant.

The State Highway and Transportation Department questions whether adding more locations where people may be enticed to drink and drive will affect its performance measures related to reducing traffic fatalities and drinking while intoxicated traffic accidents.

FISCAL IMPLICATIONS

The Office of Cultural Affairs estimates the passage of this bill will help generate an additional \$160.0 in direct revenue for the museum. At present, potential revenue to state museums is lost, both through funds for a picnic license going to an outside permit holder and through lost revenue of concessionaire sales at restaurant and catered events. Currently, each individual museum has contracts with food vendors for its restaurant operations and get a certain percent of sales from restaurant operations and catering operations.

Museums will be more attractive to host revenue-generating events and fundraisers. This provision should enable the museums to be more attractive to the public and help generate additional revenue in an area that has experienced declining general fund appropriations over the years due

to “across-the-board” reductions by the previous administration.

The museum or its lessee would be required to apply for a license to be renewed annually and pay the appropriate fee.

ADMINISTRATIVE IMPLICATIONS

There would be some costs to OCA to apply for or oversee a liquor license.

POSSIBLE QUESTIONS

The Attorney General questions whether or not the enabling statutes for the Museum of New Mexico, its divisions or the other state museums need to expressly authorize the Board of Regents of the Museum of New Mexico, Board of Trustees or a museum director to apply for and maintain a liquor license?

JMG/njw:yr