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FISCAL IMPACT REPORT

SPONSOR Harrison DATE TYPED 02/10/05 HB 691

SHORT TITLE Local Empowerment Districts for Alcohol SB _____

ANALYST Ford

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
			Minimal – See Narrative		

(Parenthesis () Indicate Expenditure Decreases)

Duplicates SB 244

SOURCES OF INFORMATION

LFC Files

Responses Received From

SUMMARY

Attorney General (AGO)
 Department of Health (DOH)
 Department of Public Safety (DPS)
 Regulation and Licensing Department (RLD)

Synopsis of Bill

House Bill 691 allows local counties and municipalities to create local empowerment districts in areas suffering from problems associated with chronic public intoxication or illegal activities associated with alcohol. Jurisdictions may enact restrictions on the sale of alcohol that are stricter than the restrictions in state law by adopting an ordinance that meets specified requirements. Restrictions must be reasonably related to reducing chronic public intoxication or illegal activities associated with alcohol sales or consumption and may include restrictions on hours of operation, types of products sold and size of containers.

Before taking effect, the creation of the local empowerment district and the restrictions shall be approved by the director of Alcohol and Gaming Division of RLD after a public hearing. The

bill provides for the dissolution of a local empowerment district by the director, either at the request of the jurisdiction or by the director's discretion.

Significant Issues

DOH writes that New Mexico is one of the leading states for per capita alcohol consumption and is also one of the leading states for alcohol related problems, such as accidents, cirrhosis, and alcohol related deaths. Some areas of the state bear the burden of these problems more heavily than others. DOH further notes that chronic public intoxication is often associated with increased crime and places additional stress on law enforcement, emergency medical services, sanitation, and health systems.

DPS writes that restrictions within a local empowerment district may simply push the problems associated with chronic public intoxication out of the local empowerment district and into nearby jurisdictions, jeopardizing the safety of the motoring public and the individual traveling outside the district to obtain prohibited beverages. DPS also notes that the restrictions could create a black market for banned products.

AGO writes that liquor licensees could challenge the provisions of the bill on grounds that they violate equal protection by creating different restrictions for people holding the same license.

The AGO also notes that Section 60-7A-15 NMSA 1978 allows the district attorney to bring an action to abate a public nuisance with regard to illegal sale or consumption of alcoholic beverages.

FISCAL IMPLICATIONS

The bill will result in costs increases to RLD to hold public hearings on the creation of local empowerment districts. The costs will depend on the number of jurisdictions that pass ordinances creating the local empowerment districts.

The special investigation division of DPS, which is charged with enforcing provisions of the Liquor Control Act, may also incur cost increases to enforce the stronger restrictions created in local empowerment districts.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

House Bill 691 duplicates Senate Bill 244

TECHNICAL ISSUES

DPS and RLD note that "illegal activities" is not defined in the bill.

EF/njw