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FISCAL IMPACT REPORT

ORIGINAL DATE 2/1/06
 SPONSOR Griego LAST UPDATED 2/6/06 HB _____
 SHORT TITLE Liquor Excise Distribution to Local DWI Fund SB 525/aSCORC
 ANALYST Schardin

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY06	FY07	FY08		
	9,994.0	10,193.4	Recurring	Local DWI Grant Fund
	(9,994.0)	(10,193.4)	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Conflicts with HB477, HB435.

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Health (DOH)
 Department of Finance and Administration (DFA)
 Bernalillo County Metro Court (BCMC)
 Department of Transportation (DOT)

SUMMARY

Synopsis of SCORC Amendment

The Senate Corporations Committee amendment to Senate Bill 525 restores language found in current law to allow drug courts to continue to receive funding from the local DWI grant fund.

Synopsis of Bill

Senate Bill 525 would increase the percentage of liquor excise tax revenue that is distributed into the local DWI grant fund from 34.57 percent to 60 percent. Doing so would cause the percentage of liquor excise tax revenue that is distributed into the general fund to decrease from the current level of 65.43 percent to 40 percent.

The bill would designate how additional local DWI grant fund revenue will be distributed

amongst New Mexico's counties and the state's five alcohol detoxification and treatment centers.

Part of the new revenue to the local DWI grant fund would be used to increase the amount of funding available for grants to New Mexico counties.

The bill would eliminate an existing annual appropriation of \$300 thousand from the local DWI grant fund to the local government division of DFA to cover the costs of installing ignition interlock devices for indigent people who are required by law to install ignition interlock devices on their vehicles.

The effective date of this bill is July 1, 2006.

FISCAL IMPLICATIONS

According to the January 2006 consensus revenue estimate, total liquor excise tax revenue is expected to be \$39.3 million in FY07. Under current law, the local DWI grant fund would receive 34.57 percent (\$13.6 million) and the general fund would receive 65.43 percent (\$25.7 million). Senate Bill 525 would increase the local DWI grant fund distribution to 60 percent (\$23.6 million) and decrease the general fund distribution to 40 percent (\$15.7 million). The total impact will be \$10.0 million.

The bill would increase the annual distributions to the state's five county alcohol detoxification and treatment centers from \$2.8 to \$4.36 million. \$1 million of this increase will be used to fund a new alcohol treatment facility in De Baca County to serve an eight-county region.

The bill would also increase the amount of funding for grants to New Mexico's 33 counties from about \$8.0 million to about \$16.7 million.

SIGNIFICANT ISSUES

According to a report from UNM's Division of Government Research, 40 percent of all fatal crashes in New Mexico involved alcohol in 2004.

The additional \$10.0 million distributed to the local DWI grant fund would be distributed amongst New Mexico's 33 counties based on a formula that considers the amount of retail trade gross receipts and the number of alcohol-related crashes in each county relative to the amount of retail trade and the number of alcohol-related crashes statewide.

ADMINISTRATIVE IMPLICATIONS

The bill will increase the administrative responsibilities of DFA's Local Government Division, which administers the local DWI grant fund.

DOH will need to oversee the new treatment center in De Baca County funded by this bill. This will require about ¼ FTE and three site visits per year to ensure quality of services provided.

The bill will require TRD to make minor administrative changes.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Senate Bill 525 conflicts with House Bill 435 and House Bill 477, which increase the local DWI grant share of liquor excise tax revenue and create different ways for the additional DWI grant money to be distributed.

POSSIBLE QUESTIONS

Page 4-5: What will be the impacts of removing the \$300 thousand per year appropriation to DFA to fund ignition interlock device installation for indigent people?

SS/yr