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FISCAL IMPACT REPORT

ORIGINAL DATE 2-7-06

SPONSOR Jennings LAST UPDATED _____ HB _____

SHORT TITLE Alcohol at Certain Permissive Lotteries SB 725

ANALYST Dearing

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY06	FY07	FY08		
	NFI*			

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Regulation and Licensing Department (RLD)

Department of Public Safety (DPS)

SUMMARY

Synopsis of Bill

Senate Bill 725 amends Section 60-6A-12 of the Liquor Control Act to permit a permissive lottery conducted pursuant to Section 30-19-6 at a public celebration at which alcoholic beverages are dispensed under the provision of Section 60-6A-12.

FISCAL IMPLICATIONS

No fiscal implications with enactment of this legislation, however, minor record keeping increase incurred due to necessity to ensure no more than two lotteries per year (see Performance Implications). *Similarly, it would become incumbent upon Agents of the Special Investigations Division to verify the benefactor and the net proceeds of the permissive lottery.

SIGNIFICANT ISSUES

A liquor licensee and his employees would be permitted to conduct a permissive lottery at public celebrations where a Special Dispenser Permit has been obtained from the Alcohol and Gaming Division.

Currently any type of “gambling” is not permitted where alcoholic beverages are being sold, served or consumed at a location where a special dispenser permit has been issued.

A “permissive lottery” applies to:

- any sale or drawing of any prize at any fair held in the state for the benefit of any church, public library or religious society in the state, or for charitable purposes when all the proceeds of such fair shall be expended in the state for the benefit of such church, public library, religious society or charitable purposes.
- A lottery shall be operated for the benefit of the organization or charitable purpose only when the entire proceeds of the lottery go to the organization or charitable purpose and not party of such proceeds go to any individual member or employee;
- Other organizations that are permitted to conduct “permissive lotteries” include, bona fide motion picture theatres, and bona fide county fairs.

Section 30-19-6 provides that no more than two lotteries shall be operated in any year by any organization.

PERFORMANCE IMPLICATIONS

Unknown level of increase/decrease in manpower needed for establishing compliance. However, could be substantial because the Alcohol and Gaming Division would be required to maintain records to ensure that each organization does not conduct more than two lotteries in any year.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

If enacted, this bill would be in direct conflict of Section 60-7A-19 which provides that it is a violation of the Liquor Control Act for a licensee to knowingly allow commercial gambling on the licensed premises. A Special Dispenser Permit becomes a licensed premises when the Alcohol and Gaming Division approves the permit.

The only exceptions to commercial gambling (60-7A-19) are 1) activities authorized pursuant to the New Mexico Lottery Act; 2) organizations exempt from the state income tax; and 3) gaming authorized pursuant to the Gaming Control Act.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The sale or drawing of any prize at any fair or public celebration held in this state for the benefit of any church, public library or religious society for charitable purposes would continue be conducted without intoxicating beverages.