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## FISCAL IMPACT REPORT

ORIGINAL DATE 3/13/07

SPONSOR Garcia LAST UPDATED \_\_\_\_\_ HM 96

Creating interim Liquor Licensing review

SHORT TITLE Committee SB \_\_\_\_\_

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ANALYST C. Sanchez

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	NFI		

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates, HJM 79

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Regulation and Licensing Department (RLD)

### SUMMARY

#### Synopsis of Bill

House Memorial 96 would create an interim committee to study liquor licensing issues, receive testimony and make recommendations regarding appropriate actions to address relevant issues. HM 96 identifies various issues of concern, including the following:

- There has been no comprehensive study of liquor laws since 1981.
- Some municipalities have more licenses than the quota system would otherwise permit, but have been allowed by the Liquor Control Act.
- No new full-service licenses can be issued in the foreseeable future, due to the quota system.
- Full-service liquor licenses can be transferred as to ownership and to location. As a result, they have gained or retained value and can sell for thousands of dollars, contrary to the goal of the Liquor Control Act.
- Due to the cost of a full-service license on the open market, they are beyond the means of some hospitality businesses that would otherwise create economic development projects.
- Restaurant licenses, which permit the sale of beer and wine with meals, do not serve the

needs of some restaurants, hotels, destination resorts or other large-scale developments.

- Each legislative session, bills are introduced to provide for more full-service licenses, but those bills do not comprehensively address the issue.

### **SIGNIFICANT ISSUES**

Alcohol and Gaming Division staff should be consulted for information regarding the technical issues surrounding transfers.

Section 60-6A-18 places a limitation on the number of full-service licenses that may be issued in each local option district to one per each two thousand population. However, Section 60-6B-12 allows full-services licenses that were issued prior to July 1, 1981, to transfer to any location within the state without regard to the limitations on the maximum number of licenses provided in 60-6A-18 provided that the transfer of location does not lower the number of licenses below the number allowed by law and if the local governing body approves the transfer and if all department regulations for the transfer are met.

### **DUPLICATION,**

HJM 79

### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

An interim committee to study liquor licensing issues would not be created.

CS/mt