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## FISCAL IMPACT REPORT

ORIGINAL DATE 2/19/07

SPONSOR Grubestic LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_

SHORT TITLE SMALL LIQUOR DISTILLER LICENSES SB 1071

ANALYST C. Sanchez

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	NFI		

(Parenthesis ( ) Indicate Expenditure Decreases)

### REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY07	FY08	FY09		
	Undeterminable	Undeterminable	Recurring	Alcohol and Gaming

(Parenthesis ( ) Indicate Revenue Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Department of Public Safety (DPS)

Regulation and Licensing Department (RLD)

### SUMMARY

#### Synopsis of Bill

Senate Bill 1071 amends NMSA 1978 60-6A-22 of the Liquor Control Act to include the manufacture of spirituous liquors to the Domestic Winery and Small Brewery Act [60-6A-21 to 60-6A-28 NMSA 1978] and creates a new type of liquor license. The "Small Distiller" would be

permitted to sell only spirituous liquors that are packaged by or for the small distiller to a wholesaler, a small distiller or a manufacturer. The small distiller would also be able to conduct tastings and sell by the glass or in unbroken packages, but not for resale, spirituous liquors of the licensee's own production or that of another small distiller or New Mexico manufacturer on the small distiller's premises and/or up to two additional off-site locations.

SB 1071 also provides for licensing provisions and license fees of \$750.00 per year to include \$200 per year off-site fee.

### **FISCAL IMPLICATIONS**

SB 1071 will slightly increase revenues for the alcohol and gaming division. The exact amount is undeterminable since the Regulation and Licensing Department is unsure how many licenses will be requested.

### **SIGNIFICANT ISSUES**

Special Investigations Division Agents would be tasked with conducting periodic premise inspection as well as enforcement activities as needed. Without adequate safeguards, there is a potential for "bootlegging" and subterfuge.

### **ADMINISTRATIVE IMPLICATIONS**

The alcohol and gaming division will be responsible for authorizing and regulating additional licenses.

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

Status Quo

CS/nt