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FISCAL IMPACT REPORT

SPONSOR Soules ORIGINAL DATE 2/6/15
LAST UPDATED _____ HB _____
SHORT TITLE Local Elections For NM-Produced Liquor Sales SB 71
ANALYST Elkins

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY15	FY16	FY17	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		NFI				

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Regulation and Licensing Department (RLD)

Department of Health (DOH)

Department of Public Safety (DPS)

Municipal League

SUMMARY

Synopsis of Bill

Senate Bill 71 would amend the Liquor Control Act to allow restaurant licensees to also serve distilled spirits produced in New Mexico. Currently, restaurant licensees can serve beer and wine in establishments that serves full meals and not just fast food. This bill allows any local option district to hold an election to add distilled spirits produced in New Mexico to what restaurant licensees are allowed to sell and serve. A local option district's approval of the issuance of restaurant licenses that allow the sale of beer, wine, and distilled spirits produced in New Mexico would apply to all restaurant licenses within the local option district.

FISCAL IMPLICATIONS

There are no identified fiscal implications.

SIGNIFICANT ISSUES

Local option districts were required to hold an election to allow the issuance of restaurant licenses limited to selling beer and wine. Any local option district that does not hold a special election to allow the sale of distilled spirits produced in New Mexico will continue to allow only the sale of beer and wine by restaurant licensees. RLD raised concern over the limitation to sale only New Mexico produced distilled spirits possibly being a violation of the federal Commerce Clause. However, the department did not provide any specific details on how this would violate the federal Commerce Clause.

The Department of Health offers the following commentary:

New Mexico has the highest alcohol attributable death rate in the nation. (Stahre M, Roeber J, Kanny D, Brewer RD, Zhang X)

Unlike dispenser licenses, restaurant licenses are not included in the liquor license quota system. The New Mexico Liquor Control Act currently allows one license per 2,000 population in a local option district. SB71 would make restaurant licenses similar to dispenser licenses, but would not be included in a local option district's quota.

Reducing alcohol outlet density is one of the most effective policies available to states and local governments to reduce alcohol attributable harms. (Nelson TF, et al. Efficacy and the strength of evidence of U.S. alcohol control policies. AJPM. 2013;45(1):19-28)

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