Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current and previously issued FIRs are available on the NM Legislative Website (www.nmlegis.gov) and may also be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR	Johnson	ORIGINAL DATE LAST UPDATED	· · - ·	162/aHBIC
SHORT TITI	LE Local Option f	or Liquor Sales Hours	SB	
			ANALYST	Amacher

APPROPRIATION (dollars in thousands)

Appropr	iation	Recurring	Fund
FY17	FY18	or Nonrecurring	Affected
None	None		

(Parenthesis () Indicate Expenditure Decreases)

Relates to SB 37, SB 57, SB 58, and HB 39, HB 51, HB 56, and Duplicates SB 124/aSFlr#1

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Regulation and Licensing Department (RLD)

SUMMARY

Synopsis of HBIC Amendment

The House Business and Industry Committee reduces the hours of sale of alcoholic beverages for consumption off a licensed premises in the ordinance adopted by certain local option districts from 11:00 p.m. to 10:00 p.m.

Synopsis of Original Bill

House Bill 162 as amended amends Business Licenses Offenses (Section 60-7A-1 NMSA 1978) by providing for certain local option districts to restrict the days and hours of sale of alcoholic beverages for consumption off a licensed premise. HB 162 is applicable to a class b county, or a municipality within a class b county, with a population greater than 70,000 and less than 76,000. The effective date of this bill is July 1, 2017.

FISCAL IMPLICATIONS

No known fiscal impact.

House Bill 162/aHBIC – Page 2

SIGNIFICANT ISSUES

House Bill 162 as amended amends Business Licenses Offenses by providing for certain local option districts to restrict the hours of sale between 7:00 a.m. and 10:00 a.m. of alcoholic beverages for consumption off a licensed premises. HB 162 outlines that an applicable local option district is within a class b county, or a municipality within a class b county, with a population greater than 70,000 and less than 76,000. The local option district may pass an ordinance to pass restrictions on the hours of sale only.

HB 162 as amended also replaces the term "shall" with "may" providing an option to the dispenser or retailer to sell alcoholic beverages on licensed premises. Furthermore, this bill makes it clear that this option to the dispenser or retailer is "only" available on Mondays through Saturdays from 7:00 a.m. until midnight, except as provided by the restrictions of the local option district ordinance.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

HB 162 duplicates SB 124/aSFlr#1.

OTHER SUBSTANTIVE ISSUES

RLD indicates the populations of McKinley County and the City of Gallup satisfy the criteria of such counties or municipalities. This legislation allows applicable local optoin districts to adopt local ordinances changing hours of operation for package liquor establishments. RLD comments there is precedent in the Liquor Control Act for tailoring certain provisions specific to the City of Gallup and McKinley County

RLD mentions the City of Gallup and McKinley County have been looking for solutions to local alcohol issues. The Alcohol Gaming Division of RLD has met with city officials on several occasions to detail the issues faced in their communities. The Navajo Nation also seeks solutions. One of the most difficult issues, as reported by RLD, is dealing with the numbers of intoxicated persons who are solely on foot. Law enforcement resources are stretched dealing with DWIs, and those who walk intoxicated can be picked up and held only briefly. The treatment facilities are full and funding depleted. By 7:00 a.m. liquor patrons are already present waiting for the package store doors to open and, since the patrons are not intoxicated at that time, the alsochol sales are permitted by law. This legislation is a focused attempt to deal directly with local issues faced in the local optoin districts that may be impacted by HB 162 as amended.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The hours of sale for liquor will not be restricted within class b counties, or a municipality with a class b county, based upon county population. Alcoholic beverages shall be sold by a dispenser or retailer Mondays through Saturdays from 7:00 a.m. until midnight, with the existing exceptions relating to a local option district's decision for Sunday sales and sales on Christmas day.

JMA/al/jle