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FISCAL IMPACT REPORT

SPONSOR Castellano/Hochman-Vigil/Pirtle/Block **LAST UPDATED** _____
ORIGINAL DATE 2/20/2023
SHORT TITLE Liquor Control Container Size Limit **BILL NUMBER** House Bill 340
ANALYST Hanika-Ortiz

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
RLD/Law enforcement agencies	Indeterminate but minimal	Indeterminate but minimal	Indeterminate but minimal		Recurring	Various

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Relates to House Bill 230

Sources of Information

LFC Files

Responses Received From

Department of Public Safety (DPS)

New Mexico Attorney General (NMAG)

No Responses Received From

New Mexico Department of Health (DOH)

Taxation and Revenue Department (TRD)

A late request for analysis was sent to the Regulation and Licensing Department for its Alcoholic Beverage Control Division. This analysis may be updated once that information is received.

SUMMARY

Synopsis of House Bill 340

House Bill 340 (HB340) repeals Section 60-3A-13 NMSA 1978 which prohibits a liquor license holder from selling closed containers containing fewer than three fluid ounces of spirituous liquors.

The effective date of this bill is July 1, 2023

FISCAL IMPLICATIONS

The bill may be expected to boost profits for certain liquor license holders. However, the degree this bill results in increased liquor excise and gross receipts taxes is unknown.

The regulatory and public safety burden may increase for law enforcement agencies.

SIGNIFICANT ISSUES

The bill restores a section of law that was repealed in 2021. The effect would be to once again allow the retail sale of miniature bottles of spirituous liquor in New Mexico.

The 2021 prohibition applied to off-site consumption. The miniature bottles were still allowed to be sold for on-site consumption in places like hotel minibars, airplanes, and etcetera.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to House Bill 230 and Senate Bill 259 which increase liquor excise tax rates to 25 cents per serving, indexes those rates to inflation, and distributes a portion of the revenue from the tax to a new alcohol harms alleviation fund.

OTHER SUBSTANTIVE ISSUES

It has been well documented that alcohol and substance abuse leads to increased health and social harms as well as economic costs for New Mexico.

If this bill is signed into law, on behalf of local communities, the state could impose a small surcharge on each mini which may help to raise funding for anti-littering initiatives.

AHO/al/ne