

LFC Requestor: Gray, Brendon

2024 LEGISLATIVE SESSION
AGENCY BILL ANALYSIS

Section I: General

Chamber: House

Category: Bill

Number: 122

Type: Introduced

Date (of THIS analysis): 1/17/2024

Sponsor(s): Dayan Hochman-Vigil & Antoinette Sedillo Lopez

Short Title: LIQUOR TAX DISTRIBUTION FOR TREATMENT

Reviewing Agency: Agency 665 - Department of Health

Person Writing Analysis: Arya Lamb

Phone Number: 505 - 470 - 4141

e-Mail: arya.lamb@doh.nm.gov

Section II: Fiscal Impact

APPROPRIATION (dollars in thousands)

Appropriation Contained		Recurring or Nonrecurring	Fund Affected
FY 24	FY 25		
\$0	\$0	N/A	N/A

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY 24	FY 25	FY 26		
\$0	\$0	\$0	N/A	N/A

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY 24	FY 25	FY 26	3 Year Total Cost	Recurring or Non-recurring	Fund Affected
Total	\$0	\$0	\$0	\$0	N/A	N/A

Section III: Relationship to other legislation

Duplicates: None

Conflicts with: None

Companion to: None

Relates to: None

Duplicates/Relates to an Appropriation in the General Appropriation Act:

Section IV: Narrative

1. BILL SUMMARY

a) Synopsis

House Bill 112 would change the distribution of alcohol sales taxes for alcohol treatment and rehabilitation services for ‘street inebriates’ for Class A cities with populations between 30,000 and 60,000 population from \$20,750 annually, to one half of one percent of the net proceeds attributable to the alcohol excise sales tax. Five percent of proceeds from the liquor excise tax would be distributed to the drug court fund. It would establish a distribution of 24% of the net proceeds attributable to the alcohol excise sales tax to counties (proportionate to population) to be used for alcohol and substance abuse prevention and treatment. This bill also would establish a “county alcohol and drug abuse prevention and treatment” fund to be administered by the Health Care Authority. Money from this fund shall be used to provide grants to counties to fund alcohol and substance use disorder prevention and treatment programs. The grants would be used to provide all or a portion of the non-federal share of Medicaid services for alcohol and substance abuse prevention and treatment.

Is this an amendment or substitution? Yes No

Is there an emergency clause? Yes No

b) Significant Issues

- Since 1997, New Mexico has had the highest rate of alcohol-related death in the US (<https://www.nmhealth.org/data/view/substance/2682/>).
- In 2022, the age-adjusted rate of alcohol-related death in NM was 93.8 deaths per 100,000 population. The rate of chronic alcohol death for 2022 was 52.8 deaths per 100,000 population.
- In 2022, the age-adjusted rate of drug overdose in NM was 49.02 deaths per 100,000 population.
- Evidence-based population-level prevention strategies can decrease the harms of excessive consumption of alcohol and use of other substance use.
- A 2021 meta-analysis revealed that alcohol prevention programs conducted among adolescents reduced the amount of alcohol consumed among participants (<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8392207/>). Another study found that brief intervention in adolescence reduced the odds of reporting any alcohol-related harms and reduced the frequency of alcohol-related harms seven years after the intervention (<https://jamanetwork.com/journals/jamanetworkopen/fullarticle/2798620#:~:text=Ro>

[bust%20analyses%20showed%20that%20compared,the%207%2Dyear%20study%20period](#)).

- Currently \$20,708 of the excise taxes are distributed monthly to class A counties for substance use treatment services.
- The variability of outcomes in the literature regarding the efficacy of substance use disorder treatment hinges on the modality and type of treatment employed, as well as if the modality is culturally appropriate. One pilot study on American Indian problem drinkers in the southwest found that evidence-based and culturally adapted substance use treatment showed significant improvements in alcohol use, psychological distress, and a reduction justice system involvement among participants (<https://www.sciencedirect.com/science/article/pii/S2352853215300018>).
- NMDOH stakeholders will benefit from expanded prevention and treatment services.

2. PERFORMANCE IMPLICATIONS

- Does this bill impact the current delivery of NMDOH services or operations?
 Yes No
- Is this proposal related to the NMDOH Strategic Plan? Yes No
 - Goal 1:** We expand equitable access to services for all New Mexicans
 - Goal 2:** We ensure safety in New Mexico healthcare environments
 - Goal 3:** We improve health status for all New Mexicans
 - Goal 4:** We support each other by promoting an environment of mutual respect, trust, open communication, and needed resources for staff to serve New Mexicans and to grow and reach their professional goals

Reducing the alcohol-related death rate and drug overdose death rate are goals in the previous State Health Improvement Plan (SHIP) 2021-2023 and the SHIP 2024-2026 currently being finalized. Specifically, the SHIP seeks to promote effective substance use disorder treatment, decrease diseases of despair (suicide & drug and alcohol related deaths), and decrease alcohol-related mortality rates.

(<https://www.nmhealth.org/publication/view/plan/7187/>). The newly formed Office of Alcohol Prevention at NMDOH will have a Public Health Assessment, Surveillance and Evaluation (PHASE) Team that will be able to provide data as well as evaluation of the prevention and intervention efforts to reduce alcohol related deaths.

3. FISCAL IMPLICATIONS

- If there is an appropriation, is it included in the Executive Budget Request?
 Yes No N/A
- If there is an appropriation, is it included in the LFC Budget Request?
 Yes No N/A
- Does this bill have a fiscal impact on NMDOH? Yes No

4. ADMINISTRATIVE IMPLICATIONS

Will this bill have an administrative impact on NMDOH? Yes No

5. DUPLICATION, CONFLICT, COMPANIONSHIP OR RELATIONSHIP

None

6. TECHNICAL ISSUES

Are there technical issues with the bill? Yes No

The bill should include language in Section 1, part D line 20-21 to state “evidence-based alcohol and substance use disorder prevention and treatment”. Section 2, part B line 20-21 should state “to fund evidence-based alcohol and substance use disorder prevention and treatment programs.”

7. LEGAL/REGULATORY ISSUES (OTHER SUBSTANTIVE ISSUES)

- Will administrative rules need to be updated or new rules written? Yes No
- The health care authority department would need to establish an application process for grant funding.
- Have there been changes in federal/state/local laws and regulations that make this legislation necessary (or unnecessary)? Yes No
- Does this bill conflict with federal grant requirements or associated regulations?
 Yes No
- Are there any legal problems or conflicts with existing laws, regulations, policies, or programs? Yes No

8. DISPARITIES ISSUES

- American Indian/Alaska Native populations bear the greatest burden of alcohol-related death in NM. In 2022, the age-adjusted rate of alcohol-related death for American Indians in NM is 283.37 deaths per 100,000 population. This is over three times the rate of alcohol-related death in the state overall for the same year.
- In 2022, McKinley County’s rate of alcohol-related death was 257.95 deaths per 100,000 population (age-adjusted).
- In 2022, Rio Arriba County’s rate of alcohol-related death 199.68 deaths per 100,000 population (age-adjusted).
- In 2022, Catron County’s rate of alcohol-related death was 179.73 deaths per 100,000 population.
- Men have higher rates of alcohol death than women. In 2022 the age-adjusted rate of alcohol-related death in men was 135.30 deaths per 100,000 population, while women the rate was 54.2 deaths per 100,000 population.

9. HEALTH IMPACT(S)

- People who consume excessive alcohol, and people who use other substances as well as their families will be most impacted if this bill is implemented. In 2022, more than half of the alcohol-related deaths in the state were due to chronic conditions. In New Mexico, alcoholic liver disease was responsible for 21.9 deaths per 100,000 population in 2022. In NM that same year, the rate of death from chronic liver disease was 52.8 deaths per 100,000 population (NMDOH, Vital Records Bureau). The national rate of death from chronic liver disease is 17 per 100,000 population, and the

rate of alcoholic liver disease deaths is 10 per 100,000, which makes the death rate from chronic liver disease in NM 210% higher than the national rate, and the rate of alcoholic liver disease in NM is 119% higher than the national rate (CDC WONDER, <https://wonder.cdc.gov/controller/saved/D158/D361F908>).

- Alcohol is also responsible for a number of injury-related deaths. In NM, the rate of poisoning deaths where alcohol was involved but not the primary cause of death was 13.5 deaths per 100,000 population in 2022. That same year in NM, the rate of homicide victims where alcohol was indicated was 6.5 deaths per 100,000 population, and suicide was 5.7 deaths per 100,000 population.

- If implemented this bill could help reduce excessive alcohol use and use of other substances, and thus reduce related harms. Alcohol has toxic effects on the digestive and cardiovascular systems and is classified as carcinogenic by international agencies like the WHO and the International Agency for Research on Cancer (https://www.who.int/health-topics/alcohol#tab=tab_3). The CDC calculates that on average, excessive drinking shortens the lifespan by about 26 years, due to cancer, diseases of the colorectal and digestive system, and cardiovascular disease (<https://www.cdc.gov/alcohol/features/excessive-alcohol-deaths.html>). An article from the journal Nature found that even those who had one alcoholic drink a day could add a year to their lifespan if they quit drinking ([https://www.nature.com/articles/s41598-022-11427-x#:~:text=In%20conclusions%2C%20modest%20drinkers%2C%20no,65%E2%80%9380%25\)%20of%20drinkers.](https://www.nature.com/articles/s41598-022-11427-x#:~:text=In%20conclusions%2C%20modest%20drinkers%2C%20no,65%E2%80%9380%25)%20of%20drinkers.)).

This increase in lifespan stems from a reduction in cancers, liver diseases, cardiovascular diseases, and accidental injury. Meta-analyses have shown that alcohol prevention programs reduce the amount of alcohol consumed, and reduce the odds of reporting alcohol-related harms (<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8392207/>), (<https://jamanetwork.com/journals/jamanetworkopen/fullarticle/2798620#:~:text=Robust%20analyses%20showed%20that%20compared,the%207%2Dyear%20study%20period>).

- Excessive alcohol use is incredibly costly to the state of NM. A 2010 CDC analysis calculated that excessive drinking costs NM over \$2 billion in 2010 (\$3 billion in 2023 dollars), and NM had the highest societal cost per drink at \$2.77 per drink (\$3.92 per drink in 2023) (<https://www.cdc.gov/alcohol/features/excessive-drinking.html>). Societal cost is calculated based on estimated losses in workplace productivity, alcohol-related healthcare expenses, criminal justice/law enforcement costs, and alcohol-related motor vehicle crashes.

- In NM, the rate of hospitalizations for chronic liver disease in 2022 was 122.5 per 100,000 population. That same year, the rate of hospitalizations where chronic liver disease was found (but was not the primary diagnosis) was 548.8 per 100,000 population.

10. ALTERNATIVES

These changes cannot be implemented through any other mechanism.

11. WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?

If HB112 is not enacted, the distributions to Class A cities with populations between 30,000 and 60,000 population for rehabilitation of “public inebriates” will remain at \$20,750 annually. The state would not establish a establish a distribution of 24% of the net proceeds attributable to the alcohol excise sales tax to counties alcohol and substance abuse prevention and treatment. The state would not establish a county alcohol and drug abuse prevention and treatment fund, and there would not be a distribution of 24% of the net proceeds attributable to the alcohol excise sales tax to this fund.

12. AMENDMENTS
None