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FISCAL IMPACT REPORT

SPONSOR:	SWMC	DATE TYPED:	02/13/00	HB	
SHORT TITLE:	Class A County Liquor Excise Tax			SB	CS/96/aSFC
				ANALYST:	Eaton

APPROPRIATION

Appropriation Contained		Estimated Additional Impact	Recurring	Fund
FY00	FY01	FY02	or Non-Rec	Affected
\$	\$ 178.4	\$ 2,000.0	Recurring	Local DWI

(Parenthesis () Indicate Revenue Decreases)

REVENUE

Estimated Revenue		Subsequent	Recurring	Fund
FY00	FY2001	Years Impact	or Non-Rec	Affected
\$	\$ (178.4)	\$ (2,000.0)	Recurring	General Fund

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of SFC Amendment

The SFC amendment changes the effective date from July 1, 2000 to July 1, 2001.

Synopsis of SWMC Substitute Bill

This Substitute bill revises the Local DWI Grant Fund share of the state Liquor Excise Tax from 27.2% to 32.7% of net receipts, shifting about \$2 million from the State General Fund to the Local DWI Grant Fund. A new distribution (appropriation) is provided to Bernalillo County in the amount of \$2 million for funding alcohol detoxification and treatment facilities.

FISCAL IMPLICATIONS

Synopsis of SFC amendment

The SFC amendment would move back the fiscal impacts one year. The impact in FY 2000-2001 is estimated to be \$178.4 and \$2000.0 in FY 2001-2002.

The FY 2000-2001 fiscal impact results from the July 1, 2001 effective date of the bill. Money received in one month is distributed in the following month. Some taxes, like the Motor Vehicle Excise Tax, specify that money is distributed "as of the end of a month" no matter what the actual date of the computation and

transfer. The Liquor Excise Tax and most other Tax Administration Act taxes are distributed under Section 7-1-6.1 NMSA 1978 which states that "the money ... in the suspense fund as of the last day of the month" shall be identified and distributed. Thus, the change to the distribution percentage will be in effect in mid-July, 2001 when the distribution of June, 2001 revenue is executed.

The \$178.4 thousand from FY 2000-2001 would be distributed to counties under the DWI Program Distribution.

ADMINISTRATIVE IMPLICATIONS

Minimal.

OTHER SUBSTANTIVE ISSUES

The following information was provided by the University of New Mexico Center on Alcoholism, Substance Abuse and Addictions (CASAA).

Alcohol is the drug most frequently abused in New Mexico. Marijuana use and heroin use are also too frequent, as is the use and abuse of methamphetamines and cocaine. New Mexico has not received a great deal of attention for its alcohol and drug problems in the national media, a very substantial problem with all of these substances exist.

For a number of years the National Institute on Alcohol Abuse and Alcoholism (NIAAA) has ranked states and counties throughout the nation regarding their problems with alcohol related mortality. For the most recent years available, 1979 through 1985, New Mexico has ranked number one. Furthermore, twelve of New Mexico's thirty-two counties have alcohol-related mortality which puts them in the highest 108 in the nation, and six of them are also in the highest 4%.

In addition to the above mortality issues, the health care system in New Mexico is burdened with a number of cases of alcohol-related illness. In the State's emergency rooms, it is estimated that up to 80% of all traumatic injuries involve alcohol. In addition, the problems of Fetal Alcohol Syndrome (FAS) and Fetal Alcohol Effects (FAE) are special concerns. They are presently the leading major birth defects in New

Mexico, with a combined prevalence rate estimated to be 5.0 per 1,000 births.

Estimates in New Mexico indicate that 72% of those incarcerated in correctional institutions were under the influence of drugs or alcohol when the crime was committed, or were supporting drug habits at the time. In 1988, 38% of adults under active probation and 47% of adults on parole were diagnosed as having problems with substance abuse.

JBE/njw:gm