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FISCAL IMPACT REPORT

SPONSOR: Vigil DATE TYPED: 3/3/03 HB 794

SHORT TITLE: Liquor Tax Revenue to Local DWI Grant Fund SB _____

ANALYST: Neel

REVENUE

Estimate d Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY03	FY04			
	(\$611.0)		Recurring	State General Fund
	\$11.0		Recurring	Shared Among All Counties
	\$600.0		Recurring	San Miguel County

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC files

Responses Received From:

Taxation and Revenue Department (TRD)

SUMMARY

Synopsis of Bill

House Bill 794 increases the percentage of state liquor excise tax revenue distributed to the Local DWI Grant und administered by the Local Government Division of the Department of Finance and Administration. The current percentage is 34.57% of net liquor excise tax revenue. For fiscal year 2004, the percent distributed would increase to 36.15%.

Under provisions in HB 794, an additional \$600,000 in FY 2004 and in subsequent years would be appropriated from the DWI Grant Fund for distribution to San Miguel County for funding of alcohol education, prevention and intervention programs.

Amounts for other beneficiaries of the fund, the \$2 million reserved for grants to local governments, the formula distribution to all counties, and the \$2.8 million distribution to certain counties for alcohol detoxification and treatment facilities would be mostly unchanged from current amounts.

FISCAL IMPLICATIONS

The relatively small amount of excess money, \$11,000 in FY 04 and subsequent years, would be distributed to all counties by the formula distribution specified in Section 11-6A-6 NMSA 1978.

ADMINISTRATIVE IMPACT

TRD does not anticipate significant administrative impact.

OTHER SUBSTANTIVE ISSUES

TRD provides the following background information:

The DWI Grant Fund was originally created by Laws 1993, Chapter 65, Section 3 (Chapter 11, Article 6A NMSA 1978) as part of a major liquor tax increase and DWI prevention effort. From 1993 through 1997 the fund was financed by state General Fund appropriation. The 1993 legislation appropriated \$5.5 million for the 1993-94 fiscal year to the newly created Local DWI Grant Fund for use in grants to local communities to fund innovative programs and services dealing with DWI, alcoholism and alcohol abuse. Appropriations to the fund for fiscal years 1994 through 1997 were roughly \$5 million per year. Also in fiscal year 1993-94, an additional \$5.1 million was appropriated to the newly created DWI Program Fund administered by DFA for use in new state agency programs meeting the guidelines of the Alcoholism and Alcohol Abuse Prevention, Screening and Treatment Act. The Community DWI Fund was appropriated \$9.2 million, replacing the old earmarked tax to the Community Alcoholism Treatment and Detoxification Fund.

1997 legislation (Laws 1997, Chapter 182 – 1997 HB-107) directed 27.2% (\$9.7 million) of state Liquor Excise Tax revenue from the State General Fund to the Local DWI Grant Fund, and created a new quarterly distribution by formula to counties amounting to available money in the fund less \$2 million reserved for local government grants.

2000 legislation (Laws 2000, Chapter 83 – 2000 SWMC Substitute for SB-96) increased the DWI Grant Fund distribution to 32.7% (an additional \$2.0 million) of liquor excise tax revenue for fiscal year 2002 only, and appropriated the additional amount to Bernalillo County (\$1.7 million) and San Juan County (\$0.3 million) to fund alcohol detoxification and treatment facilities.

2001 legislation (Laws 2001, Chapter 112 – HB-103) permanently directed 34.57% of state liquor excise tax revenue to the Local DWI Grant Fund, beginning in fiscal year 2002. An additional \$0.5 million was appropriated from the DWI Grant Fund for distribution to Santa Fe County (\$0.3 million) and Rio Arriba County (\$0.2 million) to fund alcohol detoxification and treatment facilities.

The one-time distributions to Bernalillo County (\$1.7 million) and San Juan County (\$0.3 million) formerly specified for fiscal year 2002 to fund alcohol detoxification and treatment facilities was made permanent.

SN/ls