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## FISCAL IMPACT REPORT

ORIGINAL DATE 2-7-2006

SPONSOR Vigil LAST UPDATED \_\_\_\_\_ HB 645

SHORT TITLE Liquor License Transfer Conditions SB \_\_\_\_\_

ANALYST Dearing

### REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY06	FY07	FY08		
*Unknown	*Unknown	*Unknown	Non-Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates Senate Bill 712.

### SOURCES OF INFORMATION

LFC Files

Responses Received From

Regulation and Licensing Department (RLD)

### SUMMARY

#### Synopsis of Bill

House Bill 645 amends Section 60-6B-12 of the Liquor Control Act to permit dispensers and retailers licenses issued before July 1, 1981 to transfer out of their existing local option district except for:

- Class A counties having a population of between one hundred thirteen thousand and one hundred fourteen thousand;
- Class B counties having a population of between seventy-four thousand and seventy-five thousand according to the 2000 decennial census.

### FISCAL IMPLICATIONS

Enactment of this legislation carries minimal positive fiscal impact. \*A transfer fee of \$500 for each license would be paid to the Alcohol and Gaming Division.

**SIGNIFICANT ISSUES**

According to the Regulation and Licensing Department, it appears that any local option district, with the exception of Bernalillo County and Dona Ana County, that are currently under quota would be affected by this bill thereby permitting several local option districts that are currently “under quota”, and, based on population are therefore currently prohibited from transferring liquor licenses out of the local option district in which they are currently located.

Under current law, not more than ten dispenser or retailer licenses can be transferred to any local option district in each calendar year provided that the local option district is not “under quota”. The amendment provides that beginning on July 1, 2006, five of the ten licenses described may be transferred not subject to the limitation of ten dispenser or retailer licenses currently provided for. This means that a total of five licenses from local governing bodies could be transferred each calendar year despite the fact that these local option districts are under quota.

**PERFORMANCE IMPLICATIONS**

The language in the bill requires the Alcohol and Gaming Division to promulgate rules to address the process in which the five licenses can be transferred. Because the rule making process requires publication and public hearings, the effective date of July 1, 2006 proposed under the bill may be unrealistic.

**ADMINISTRATIVE IMPLICATIONS**

If enacted, rules would need to be promulgated and regulated.

**OTHER SUBSTANTIVE ISSUES**

Currently, there are approximately 20 local governing bodies that could be affected by this bill. Each of the 20 governing bodies have numerous licenses ranging from 1 – 20 that could be transferred into another local option district if the bill is enacted.

Because the rule making process requires publication and public hearings, the effective date of July 1, 2006 proposed under the bill may be unrealistic.

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

Local governing bodies except for Dona Ana County and Bernalillo County that are under quota would be permitted to transfer a dispenser or retailer liquor license out of their local governing body.

PD/yr