

A MEMORIAL

REQUESTING AN APPROPRIATE INTERIM LEGISLATIVE COMMITTEE TO REVIEW THE LIQUOR CONTROL ACT AND THE IMPACT ON ECONOMIC DEVELOPMENT OF THE UNDERLYING POLICY OF THAT ACT THAT LIMITS THE NUMBER OF FULL-SERVICE LIQUOR LICENSES IN EACH MUNICIPALITY AND IN THE UNINCORPORATED PORTIONS OF EACH COUNTY TO ONE LICENSE FOR EACH TWO THOUSAND INHABITANTS.

WHEREAS, pursuant to the Liquor Control Act, a municipality with a population over five thousand and a county may, by election, become a local option district where the sale, service and public consumption of alcoholic beverages are allowed; and

WHEREAS, the number of full-service licenses for the sale and service of alcoholic beverages, which include beer, wine and spirituous liquors, in a local option district is limited to a quota of no more than one license for each two thousand inhabitants of that local option district; and

WHEREAS, because of the quota limitation on the issuance of new full-service licenses and the current population in the state, together with the historical fact that certain licenses were issued even though their issuance meant more licenses existing than the quota system would otherwise permit, there are few if any new full-service licenses available in any local option district; and

WHEREAS, certain existing full-service licenses may be transferred as to ownership and may be transferred from one local option district to another if the receiving local option district has not prohibited transfers and the losing local option district does not go below the number of licenses permitted by the quota system; and

WHEREAS, because of the limitation on new licenses caused by the quota system and because of the transferability of certain existing full-service licenses, those licenses that can be transferred have gained a private market value that in some cases may be several hundred thousand dollars; and

WHEREAS, in many local option districts there is a demand for full-service liquor licenses that cannot be met under the current limitations in the Liquor Control Act or because the market value price of a full-service license that can be sold and transferred as to location is beyond the means of all but the largest retail businesses that sell alcoholic beverages; and

WHEREAS, small retail businesses in the restaurant, entertainment and leisure-time industries are dependent on full-service liquor licenses and the sale and service of alcoholic beverages to enjoy long-term financial success; and

WHEREAS, the only current way for a new restaurant, entertainment or leisure-time business to develop in this state is to purchase and transfer an existing full-service

liquor license; and

WHEREAS, local option districts, especially those in smaller municipal markets and unincorporated areas of counties, have the potential to enhance economic development if additional full-service licenses are available at a more reasonable cost from the state to those businesses that depend on the sale and service of alcoholic beverages for economic viability;

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE STATE OF NEW MEXICO that the appropriate interim legislative committee be requested to review the Liquor Control Act, the quota on new full-service liquor licenses and the limitations that allow a full-service liquor license issued by the state to gain private market value in order to determine the feasibility of revising the Liquor Control Act to provide for additional full-service liquor licenses, especially in smaller market local option districts, and in order to enhance the opportunities for economic development where the availability of more reasonably priced full-service liquor licenses could promote those opportunities; and

BE IT FURTHER RESOLVED that copies of this resolution be transmitted to the New Mexico legislative council, to the superintendent of regulation and licensing and to the director of the alcohol and gaming division of the regulation and

licensing department.