

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

ORIGINAL DATE 02/02/11

SPONSOR Chavez, E. LAST UPDATED _____ HJM 15

SHORT TITLE Study Mixing Energy Drinks and Alcohol SB _____

ANALYST Hanika-Ortiz

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY11	FY12		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
Department of Health (DOH)

SUMMARY

Synopsis of Bill

House Joint Memorial 15 requests Department of Health (DOH) to study the effect of combining energy beverages with alcohol and to develop an education and awareness campaign targeted at schools, health care providers, and emergency departments regarding the dangers.

The Joint Memorial provides the following:

- caffeinated alcoholic beverages, often referred to as alcoholic energy drinks, are alcoholic beverages that contain caffeine as an additive and are packaged in combined form;
- alcoholic energy drinks have recently come under public scrutiny due to the widely reported story of nine college freshmen in Washington State who were hospitalized with near-lethal blood alcohol levels after drinking a caffeinated malt beverage known as Four Loko;
- the Federal Food and Drug Administration has issued letters to four companies that make alcoholic energy drinks, warning them that the addition of caffeine to these products "poses a public health concern";
- the Federal Trade Commission has issued similar letters of warning to the same four companies, further urging the companies to review the way in which these products are marketed and to "take swift and appropriate steps to protect consumers";

- several studies reported by such respected entities as the noted journal *Scientific American* and the *American Journal of Preventive Medicine* have suggested that drinking caffeine and alcohol simultaneously can lead to hazardous and life-threatening behavior;
- the Federal Centers for Disease Control and Prevention has found that drinkers who consume alcohol mixed with energy drinks are three times more likely to binge drink than other drinkers;
- Mary Claire O'Brien, M.D, a professor of emergency medicine at Wake Forest University, warned the federal food and drug administration last year that combining alcohol and caffeine is dangerous, resulting in a far more potent product than drinking either separately;
- Thomas J. Gould, Ph.D., associate professor of psychology at Temple University, told *Scientific American* that the combined use of caffeine and alcohol may give a false sense of security, leading individuals to believe that they are less intoxicated than they actually are;
- the popularity of alcoholic energy beverages presents a new and serious problem for college officials, health care professionals and others long accustomed to fighting alcohol abuse among young people and who now are racing to confront the new and less understood threat of combining high amounts of caffeine with alcohol;
- anecdotal evidence obtained through interviews with college-age youths around the country indicates that more truthful marketing and even banning alcoholic energy drinks will not halt the practice of combining caffeine and alcohol, despite reports of serious detriment to health and even death among users;
- in the days following the warnings issued by the federal food and drug administration and the federal trade commission, a new Facebook tribute page was created called "R.I.P. Four Loko", attracting eight thousand five hundred friends within days of its creation, which contained postings encouraging readers to stockpile Four Loko and other alcohol energy drinks; and
- the proliferation of both commercial and self-mixed versions of alcoholic energy beverages constitutes a growing and serious public health problem.

FISCAL IMPLICATIONS

DOH will absorb the cost of conducting the study and disseminating the information within existing resources.

SIGNIFICANT ISSUES

Synopsis of DOH comments:

A study found that consumption of alcoholic energy drinks by college students was associated with binge drinking, heavy episodic drinking, and twice as many episodes of weekly drunkenness. These students were more than twice as likely to take advantage of another person sexually, to ride in a car with an impaired driver, to be physically hurt or injured, and to require medical attention.

Teenagers and young adults consume a higher amount of non-alcoholic energy drinks compared to older adults. A study on teen purchasing behavior found 31% of 12-17 year olds and 34% of 18-24 year olds report regular consumption of energy drinks, compared to 22% of 25-35 year

olds. Energy drinks containing alcohol use similar marketing strategies, artwork, and containers as energy drinks that appeal to youth, which are misleading to consumers and can result in purchase of the wrong product.

PERFORMANCE IMPLICATIONS

The final report and recommendations will be given to the Legislative Health and Human Services Committee by October 2011.

ADMINISTRATIVE IMPLICATIONS

The study would impact DOH staff time but would be within its public health mandate.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Neither a study nor an educational campaign to examine/report on the effects of combining energy drinks with alcohol may take place.

AHO/mew