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FISCAL IMPACT REPORT

ORIGINAL DATE 02/01/11

SPONSOR Neville LAST UPDATED _____ HB _____

SHORT TITLE Sunday Drinking Sales SB 28

ANALYST C. Sanchez

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY11	FY12		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY11	FY12	FY13		
	(\$10.0)	(\$10.0)	Recurring	General Fund

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Health (DOH)

Department of Public Safety (DPS)

Regulation and Licensing Department (RLD)

SUMMARY

Synopsis of Bill

Senate Bill 28 proposes that the governing body of a local option district, upon certification of a petition, call an election on the question of continuing to allow the sale, service or consumption of alcoholic beverages by the drink on Sundays. As it stands, no election is required for this, only the submission of a \$100 fee.

More specifically, SB 28 would change the existing statute to allow an election on the question of continuing Sunday sales by the drink if at least ten (10) percent of the registered voters in that local option district file a petition with the clerk of the governing body. Once certified by the

clerk, an election would need to be held within sixty (60) days of that certification. The election may be held in conjunction with a regular election of the governing body and shall be called, conducted and canvassed in substantially the same manner as general elections within a county or special elections within a municipality. If the majority of voters vote to allow Sunday sales by the drink, then sales will continue to be allowed. If the majority of voters vote to discontinue Sunday sales by the drink, then sales would be discontinued on the first Sunday after the results are certified. The question shall not be resubmitted to voters within two (2) years of the date of the last election.

FISCAL IMPLICATIONS

According to the Alcohol and Gaming Division (AGD), each Sunday sales permit carries an annual fee of \$100.00. If the number of permits drops, revenue could drop. It is unknown how many local option districts would conduct such an election or the number of permits that would be affected within those local option districts.

SIGNIFICANT ISSUES

According to the Regulation and Licensing Department, the language in SB 28 refers only to an election on the question of continuing to allow the sale, service and consumption of alcohol on Sundays. Currently, there are 49 local option districts that have voted to disallow Sunday sales by the drink. This bill does not appear to permit an election to be held to allow Sunday sales in a local option district that has previously voted to disallow them.

According to AGD, the language is similar to the language contained in subsection I of Section 60-7A-1 enacted in 1995 allowing elections on the question of Sunday package sales. The difference is that prior to the 1995 change, no Sunday package sales were permitted anywhere in the state. All local option districts were the same. In the current situation many local options have already voted to disapprove Sunday sales by the drink and have no opportunity to change that decision.

The existing statute allows an election on the question of whether to allow Sunday sales or not to be determined by the voters of each local option district.

ADMINISTRATIVE IMPLICATIONS

The number of Sunday sales by the drink permits may be reduced, but would not significantly impact the operation of the agency.

OTHER SUBSTANTIVE ISSUES

According to the Department of Health (DOH), maintaining limits on days and hours of sale of alcohol has been recommended as an effective strategy for the prevention of excessive alcohol consumption and related harms by a number of recent expert reviews (Babor et al, 2010; [Community Guide, 2010](#)), the latter of which characterized the evidence of effectiveness as “strong”. One of the studies included in the latter review was based on New Mexico results, and showed that local repeal of the state-wide allowance of Sunday sales (based on the type of negative referendum addressed in this bill) was associated with relative declines in motor vehicle fatalities in those communities that banned Sunday sales.

The current statute stipulates that a referendum shall be placed on the ballot if at least one year has passed since the previous referendum; and if a petition requesting the referendum is submitted, signed by registered voters of the local option district “equal in number to ten percent of the number of votes cast and counted in the last preceding general election”. SB28 would change these conditions to stipulate that a referendum shall be placed on the ballot if at least two years has passed since the previous referendum; and if a petition requesting the referendum is submitted, “signed by at least ten percent of the number of registered voters of that local option district”.

According to DOH, SB28 doubles the current waiting period required between negative referenda (in the advent of a failed negative referendum); and increases the number of voters required to sign a petition calling for a referendum and thus may delay the process of calling for negative referenda.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo. Issuance of Sunday sales by the drink permits would continue in the manner they are currently handled.

CS/bym