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FISCAL IMPACT REPORT

ORIGINAL DATE 02/15/11

SPONSOR Morales LAST UPDATED _____ HB _____

SHORT TITLE Liquor License Transfers & Minimum Number SB 464

ANALYST Sanchez, C.

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

Regulation and Licensing Department (RLD)
 Attorney General's Office (AGO)
 Department of Corrections (DOC)

SUMMARY

Synopsis of Bill

Senate Bill 464 would amend section 60-6B-12 to remove language that would prohibit a location transfer of a liquor license within the state if such transfer would lower the number of allowed licenses within the local option district from which the license is transferred. SB 464 would further amend that section to substitute "same privileges" for "sell ... by the drink on the licensed premises," in describing the permitted use that may be made of a transferred dispenser's license.

FISCAL IMPLICATIONS

No significant fiscal impact is identified.

SIGNIFICANT ISSUES

The removal of the prohibition on licenses leaving areas that are at or below quota may result in the absence of licenses in less populated areas, as licenses migrate to the population centers

around New Mexico. Additionally, numerous licenses that have already undergone an inter-local option district transfer have already lost the package privilege. The provision that licenses newly undergoing an inter-local option district transfer keep the package privilege may result in an inequity.

ADMINISTRATIVE IMPLICATIONS

Alcohol and Gaming staff may be required to review and process the additional applications. The Division could incur some additional costs for staff time, paper, postage and license certificates.

OTHER SUBSTANTIVE ISSUES

According to the Attorney General’s Office (AGO), the Liquor Control Act defines a “dispenser” as a person licensed to sell by the drink for consumption on the licensed premises and in unbroken packages for consumption off the premises. See section 60-3A-3 (H). Thus, the effect of substituting “same privileges” may be to allow a broader use of a transferred dispenser’s license than is currently allowed, because the “retailer” privilege attendant a dispenser’s license, if existing before the transfer, could be continued after the transfer.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status Quo

CS/mew