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HOUSE MEMORIAL 54

50TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2011

INTRODUCED BY

Zachary J. Cook

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

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1 to a quota of no more than one license for each two thousand
2 inhabitants of that local option district; and

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

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

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

21 WHEREAS, in many local option districts there is a demand
22 for full-service liquor licenses that cannot be met under the
23 current limitations in the Liquor Control Act or because the
24 market value price of a full-service license that can be sold
25 and transferred as to location is beyond the means of all but

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1 the largest retail businesses that sell alcoholic beverages;
2 and

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

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

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

18 NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF
19 REPRESENTATIVES OF THE STATE OF NEW MEXICO that the appropriate
20 interim legislative committee be requested to review the Liquor
21 Control Act, the quota on new full-service liquor licenses and
22 the limitations that allow a full-service liquor license issued
23 by the state to gain private market value in order to determine
24 the feasibility of revising the Liquor Control Act to provide
25 for additional full-service liquor licenses, especially in

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1 smaller market local option districts, and in order to enhance
2 the opportunities for economic development where the
3 availability of more reasonably priced full-service liquor
4 licenses could promote those opportunities; and

5 BE IT FURTHER RESOLVED that copies of this resolution be
6 transmitted to the New Mexico legislative council, to the
7 superintendent of regulation and licensing and to the director
8 of the alcohol and gaming division of the regulation and
9 licensing department.