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FISCAL IMPACT REPORT

ORIGINAL DATE 02/13/13

SPONSOR Irwin LAST UPDATED _____ HB 506

SHORT TITLE Bed & Breakfast Beer & Wine License SB _____

ANALYST Weber

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY13	FY14	FY15		
	\$2.0	\$2.0	Recurring	General Fund

(Parenthesis () Indicate Revenue Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY13	FY14	FY15	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		NFI				

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Regulation and Licensing Department (RLD)

Department of Public Safety (DPS)

SUMMARY

Synopsis of Bill

House Bill 506 creates a new liquor license, the Special Bed and Breakfast Dispensing License.

A special bed and breakfast dispensing license may be issued to an owner or operator of a bed and breakfast. The license is limited to the serving of wine and beer in conjunction with food to the guests of the bed and breakfast.

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The fee for the special bed and breakfast dispensing license is of one hundred dollars (\$100). A license shall be valid for one year from the date that it is issued and may be renewed for a fee of one hundred dollars (\$100).

The bill permits bed and breakfast staff who hold a server permit to dispense only wine or beer to guests of the bed and breakfast in conjunction with the serving of food in a common area of the bed and breakfast.

The issuance of a license is contingent on the approval of the local public governing body or local option district of the jurisdiction in which the business is domiciled.

Service of beer or wine with food to guests at a bed and breakfast is limited to two twelve-ounce servings of beer or two six-ounce servings of wine per guest.

The license is not transferable from person to person or from one location to another.

The provisions of the Alcohol Server Education Article of the Liquor Control Act must be adhered to.

For the purposes of this bill, "bed and breakfast" means a business establishment that offers temporary lodging with meals included and has a guest capacity of twenty or fewer persons.

FISCAL IMPLICATIONS

With a fee of only \$100 the bill will not generate significant revenue for the general fund.

The RLD anticipates existing staff can accommodate any workload increase associated with the bill.

The DPS notes that there are over 3000 licensed premises currently being monitored by the limited manpower resources of the Special Investigations Division. Should a significant number of new licenses come into being, these resources could be further stretched. However, if new licenses come into existence as old licenses are terminated, the impact could be negligible.

SIGNIFICANT ISSUES

This license appears to be exempt from the provisions of 60-6A-18 NMSA 1978, Limitations on Number of Licenses. This section sets quotas on the number of licenses in certain areas based on population density.

Also, it is not clear if patrons not staying at the bed and breakfast can be served beer or wine in the same manner as in-house guests. Some B&B's offer meal service to outside patrons and there will be outside guests of persons staying at the facility. The bill does not comment on these situations.

MW/svb:blm