



## **FISCAL IMPLICATIONS**

RLD reports the Alcohol and Gaming Commission might see an increase in applications for liquor licenses for small alcohol manufacturers – small brewers, winegrowers, and craft distillers – that could result in an increase in dollars generated by the division for the general fund.

## **SIGNIFICANT ISSUES**

RLD raises the concern the market value of dispenser licenses may decrease with the increase in those who can retail spirituous liquors, currently reserved for those with dispenser licenses. However, the agency notes, small liquor manufacturers would be limited to selling only those liquors made in New Mexico.

NMAG points out winegrowers and small brewers are limited in the amount of the other's products they can sell. Gross receipts for the other's products cannot exceed 30 percent of the total. HB603 maintains that cap.

The national Brewers Association reports New Mexico had 67 craft breweries in 2017, ranking it 27<sup>th</sup> in the nation for number of breweries and 12<sup>th</sup> for craft breweries per capita. That number is double the count from 2013. The association estimates the industry contributes \$333 million to the New Mexico economy per year.

New Mexico Wine, a statewide organization representing more than 50 wineries, reported in 2018 the industry was responsible for almost 8,000 jobs and more than \$260 thousand in wages.

Craft distillers are relatively new to the local small liquor industry but are working on raising public awareness, according to Frank Holloway, owner of Hollow Spirits and coordinator of the second annual New Mexico Distillers Guild Spirits Festival in 2018.

## **ADMINISTRATIVE IMPLICATIONS**

RLD says the bill would create little additional administrative burden and that could be absorbed by existing staff.

## **RELATIONSHIP**

SB413 and its duplicate, HB489, among other provisions, create a craft distiller tax and craft distiller private celebration permit.

SB306 creates a private celebration permit for winegrowers and small brewers.

## **TECHNICAL ISSUES**

NMAG notes the following:

Page 4, line 11; page 8, line 112; page 12, lines 17-18: only applies the proposed 30 percent rule to sales pursuant to this “subparagraph”; should read “section” to also incorporate sales from off-site locations.