

LFC Requester: \_\_\_\_\_

**AGENCY BILL ANALYSIS  
2024 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:**

**Analysis.nmlegis.gov**

*{Analysis must be uploaded as a PDF}*

**SECTION I: GENERAL INFORMATION**

*{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*

Check all that apply:

Original  Amendment \_\_\_\_\_  
Correction \_\_\_\_\_ Substitute \_\_\_\_\_

Date 1/16/2024

Bill No: HB 112

Sponsor: D. Hochman-Vigil  
Short Title: LIQUOR TAX DISTRIBUTION FOR TREATMENT

Agency Name and Code: DFA-341  
Number: \_\_\_\_\_  
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**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

| Appropriation |      | Recurring or Nonrecurring | Fund Affected |
|---------------|------|---------------------------|---------------|
| FY24          | FY25 |                           |               |
|               |      |                           |               |
|               |      |                           |               |

(Parenthesis ( ) Indicate Expenditure Decreases)

**REVENUE (dollars in thousands)**

| Estimated Revenue |          |          |          |          | Recurring or Nonrecurring | Fund Affected               |
|-------------------|----------|----------|----------|----------|---------------------------|-----------------------------|
| FY24              | FY25     | FY26     | FY27     | FY28     |                           |                             |
|                   | \$1      | \$3      | \$6      | \$8      | R                         | Class A county (Farmington) |
|                   | \$12,020 | \$12,120 | \$12,222 | \$12,323 | R                         | All Counties                |

|  |            |            |            |            |   |   |
|--|------------|------------|------------|------------|---|---|
|  | \$12,020   | \$12,120   | \$12,222   | \$12,323   | R | County Alcohol and Substance Use Disorder Prevention and Treatment Fund |
|  | (\$24,290) | (\$24,492) | (\$24,698) | (\$24,903) | R | General Fund  |

(Parenthesis ( ) Indicate Expenditure Decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

|              | FY24 | FY25 | FY26 | 3 Year Total Cost | Recurring or Nonrecurring | Fund Affected |
|--------------|------|------|------|-------------------|---------------------------|---------------|
| <b>Total</b> |      |      |      |                   |                           |               |

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:  
 Duplicates/Relates to Appropriation in the General Appropriation Act

**SECTION III: NARRATIVE**

**BILL SUMMARY**

House Bill 112 (HB 112) amends the distribution of the Liquor Excise Tax to a municipality located in a class A county and creates a new fund that will receive distribution under section 7-1-6.1 NMSA 1978.

The proposed legislation adds a new subsection outlining how a new distribution will be calculated of the net receipts attributed to the liquor excise tax and creates the county alcohol and substance use disorder prevention and treatment fund.

**FISCAL IMPLICATIONS**

HB112 reduces the general fund distribution from the liquor excise tax revenue from 50 percent to 1.5 percent. The proposed legislation redistributes half of the general fund distribution to the newly created County Alcohol and Substance Use Disorder Prevention and Treatment Fund. The fund will be administered by the Health Care Authority Department to provide grants to counties outlined in section 2 of HB 112.

The current statute stipulates the liquor excise be distributed in the following percentages

combined with a distribution of \$249 thousand to a class A county—the City of Farmington is the only municipality qualifying under this condition.

|   | Current Statute | HB-112  |
|---|-----------------|---------|
| Distribution to Local DWI Grant Fund                                    | 45.00%          | 45.00%  |
| Municipality  |                 | 0.50%   |
| Distribution to Drug Court  | 5.00%           | 5.00%   |
| County alcohol and substance use disorder prevention and treatment fund |                 | 24.00%  |
| Counties  |                 | 24.00%  |
| General Fund Distribution   | 50.00%          | 1.50%   |
| Total   | 100.00%         | 100.00% |

Estimating the general fund impact of HB 112 begins with the December 2023 CREG Estimate of the Liquor Excise Tax general fund revenues. Under HB 112, the general fund would experience a decrease of \$24,300 in FY25 to \$24,900 by FY28. The proposed legislation would make new distributions to the county alcohol and substance use disorder prevention and treatment fund and New Mexico counties in the amount of \$12,019 thousand in FY25 and increase to \$12, 323 thousand in FY28.

## **SIGNIFICANT ISSUES**

### **PERFORMANCE IMPLICATIONS**

### **ADMINISTRATIVE IMPLICATIONS**

### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

### **TECHNICAL ISSUES**

### **OTHER SUBSTANTIVE ISSUES**

### **ALTERNATIVES**

### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

In the event HB 112 is not enacted, the additional revenue used to combat substance and alcohol abuse issues at the county level.

### **AMENDMENTS**