

LFC Requester:	Anderson, Ginger
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**AGENCY BILL ANALYSIS
2024 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:

AgencyAnalysis.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 1/30/24
Bill No: HB 276

Sponsor: Rep. Joshua Hernandez
Short Title: Cannabis & Liquor Establishment Activities

Agency Name and Code AOC 218
Number: _____
Person Writing Kathleen Sabo
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		
None	None	Rec.	General

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY24	FY25	FY26		
Unknown	Unknown	Unknown	Rec.	General

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	Unknown	Unknown	Unknown	Unknown	Rec.	General

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: Conflicts with HB 128 and the Senate Judiciary Committee Substitute (SJC) for SB 6, also amending Section 26-2C-6 NMSA 1978.

Duplicates/Relates to Appropriation in the General Appropriation Act: None.

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: HB 276 amends Section 26-2C-6 NMSA 1978, within the Cannabis Regulation Act (CRA), to permit a licensee under the CRA to conduct any combination of lawful activities at a licensed premises, including activities under the Liquor Control Act (LCA), except for the retail sale of alcoholic beverages.

The effective date of the Act is July 1, 2024.

FISCAL IMPLICATIONS

There will be a minimal administrative cost for statewide update, distribution and documentation of statutory changes. Any additional fiscal impact on the judiciary would be proportional to the enforcement of this law and any increase or decrease in commenced prosecutions and convictions pursuant to the CRA, and appeals from convictions. New laws, amendments to existing laws and new hearings have the potential to increase caseloads in the courts, thus requiring additional resources to handle the increase.

SIGNIFICANT ISSUES

- 1) Both HB 128 and the SJC Substitute for SB 6 amend Section 26-2C-6 NMSA 1978 to provide that a licensee may conduct any lawful activity or any combination of lawful activities at a licensed premises,

...except that a cannabis licensee shall not occupy any premises that also houses a business holding a license under the Liquor Control Act that allows the sale or giving away of alcoholic beverages by the glass or package, including growlers, to the public or to members of a private club or otherwise allows consumption of alcohol on the premises.

While HB 128 and the SJC Substitute for SB 6 amend Section 26-2C-6 NMSA 1978 differently than HB 276, the net effect is the same: cannabis and liquor still can't be served at the same establishment.

It is difficult to gauge whether the HB 276 amendment will lead to an increase or decrease in prosecutions under the CRA – on the one hand, licensees will now be able to hold both a cannabis and a liquor license and to conduct some activities involving both

licenses on the same premises, but, on the other hand, allowing some activities on the same premises may lead to more instances of people pushing the envelope and conducting unlawful activities involving both cannabis and liquor.

PERFORMANCE IMPLICATIONS

The courts are participating in performance-based budgeting. This bill may have an impact on the measures of the district courts in the following areas:

- Cases disposed of as a percent of cases filed
- Percent change in case filings by case type

ADMINISTRATIVE IMPLICATIONS

See “Fiscal Implications,” above.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Conflicts with HB 128 and the Senate Judiciary Committee Substitute (SJC) for SB 6, also amending Section 26-2C-6 NMSA 1978.

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS