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SENATE BILL 431

57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025

INTRODUCED BY

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AN ACT

RELATING TO TAXATION; AMENDING THE DISTRIBUTIONS OF THE LIQUOR
EXCISE TAX; AMENDING DEFINITIONS IN THE LIQUOR EXCISE TAX ACT;
IMPOSING A LIQUOR EXCISE SURTAX ON RETAILERS; DISTRIBUTING THE
REVENUE FROM THE SURTAX TO A NEW TRIBAL ALCOHOL HARMS
ALLEVIATION FUND; CHANGING THE LOCAL DWI GRANT PROGRAM ACT TO
THE LOCAL ALCOHOL HARMS ALLEVIATION PROGRAM ACT AND MAKING
AMENDMENTS TO THE ACT; CREATING THE TRIBAL ALCOHOL HARMS
ALLEVIATION PROGRAM ACT; EXCLUDING THE TAXES IMPOSED BY THE
LIQUOR EXCISE TAX FROM THE DEFINITION OF "GROSS RECEIPTS" IN
THE GROSS RECEIPTS AND COMPENSATING TAX ACT; REQUIRING CERTAIN
LEGISLATIVE COMMITTEES TO REVIEW THE RATES OF THE LIQUOR EXCISE
TAX AND LIQUOR EXCISE SURTAX AND THE DISTRIBUTIONS FROM THOSE
TAXES; MAKING APPROPRIATIONS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

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1 SECTION 1. Section 7-1-6.40 NMSA 1978 (being Laws 1997,
2 Chapter 182, Section 1, as amended) is amended to read:

3 "7-1-6.40. ~~[DISTRIBUTION OF]~~ DISTRIBUTIONS--LIQUOR EXCISE
4 TAX TO LOCAL [DWI GRANT] ALCOHOL HARMS ALLEVIATION FUND
5 [CERTAIN MUNICIPALITIES] AND DRUG COURT FUND--LIQUOR EXCISE
6 SURTAX TO TRIBAL ALCOHOL HARMS ALLEVIATION FUND.--

7 ~~[A. A distribution pursuant to Section 7-1-6.1 NMSA~~
8 ~~1978 in an amount equal to forty five percent of the net~~
9 ~~receipts attributable to the liquor excise tax shall be made to~~
10 ~~the local DWI grant fund.~~

11 ~~B. A distribution pursuant to Section 7-1-6.1 NMSA~~
12 ~~1978 of twenty thousand seven hundred fifty dollars (\$20,750)~~
13 ~~monthly from the net receipts attributable to the liquor excise~~
14 ~~tax shall be made to a municipality that is located in a class~~
15 ~~A county and that has a population according to the most recent~~
16 ~~federal decennial census of more than thirty thousand but less~~
17 ~~than sixty thousand and shall be used by the municipality only~~
18 ~~for the provision of alcohol treatment and rehabilitation~~
19 ~~services for street inebriates.~~

20 ~~C. Beginning July 1, 2019 A distribution pursuant~~
21 ~~to Section 7-1-6.1 NMSA 1978 in an amount equal to five percent~~
22 ~~of the net receipts attributable to the liquor excise tax shall~~
23 ~~be made to the drug court fund.]~~

24 A. A distribution pursuant to Section 7-1-6.1 NMSA
25 1978 shall be made in the following percentages of the net

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1 receipts attributable to the liquor excise tax:

2 (1) ninety-four percent to the local alcohol
3 harms alleviation fund; and

4 (2) six percent to the drug court fund.

5 B. A distribution pursuant to Section 7-1-6.1 NMSA
6 1978 shall be made to the tribal alcohol harms alleviation fund
7 in an amount equal to the net receipts attributable to the
8 liquor excise surtax."

9 SECTION 2. Section 7-9-3.5 NMSA 1978 (being Laws 2003,
10 Chapter 272, Section 3, as amended) is amended to read:

11 "7-9-3.5. DEFINITION--GROSS RECEIPTS.--

12 A. As used in the Gross Receipts and Compensating
13 Tax Act:

14 (1) "gross receipts" means the total amount of
15 money or the value of other consideration received from selling
16 property in New Mexico, from leasing or licensing property
17 employed in New Mexico, from granting a right to use a
18 franchise employed in New Mexico, from selling services
19 performed outside New Mexico, the product of which is initially
20 used in New Mexico, or from performing services in New Mexico.
21 In an exchange in which the money or other consideration
22 received does not represent the value of the property or
23 service exchanged, "gross receipts" means the reasonable value
24 of the property or service exchanged;

25 (2) "gross receipts" includes:

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1 (a) any receipts from sales of tangible
2 personal property handled on consignment;

3 (b) the total commissions or fees
4 derived from the business of buying, selling or promoting the
5 purchase, sale or lease, as an agent or broker on a commission
6 or fee basis, of any property, service, stock, bond or
7 security;

8 (c) amounts paid by members of any
9 cooperative association or similar organization for sales or
10 leases of personal property or performance of services by such
11 organization;

12 (d) amounts received from transmitting
13 messages or conversations by persons providing telephone or
14 telegraph services;

15 (e) amounts received by a New Mexico
16 florist from the sale of flowers, plants or other products that
17 are customarily sold by florists where the sale is made
18 pursuant to orders placed with the New Mexico florist that are
19 filled and delivered outside New Mexico by an out-of-state
20 florist;

21 (f) the receipts of a home service
22 provider from providing mobile telecommunications services to
23 customers whose place of primary use is in New Mexico if: 1)
24 the mobile telecommunications services originate and terminate
25 in the same state, regardless of where the services originate,

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1 terminate or pass through; and 2) the charges for mobile
2 telecommunications services are billed by or for a customer's
3 home service provider and are deemed provided by the home
4 service provider. For the purposes of this section, "home
5 service provider", "mobile telecommunications services",
6 "customer" and "place of primary use" have the meanings given
7 in the federal Mobile Telecommunications Sourcing Act; and

8 (g) receipts collected by a marketplace
9 provider engaging in business in the state from sales, leases
10 and licenses of tangible personal property, sales of licenses
11 and sales of services or licenses for use of real property that
12 are sourced to this state and are facilitated by the
13 marketplace provider on behalf of marketplace sellers,
14 regardless of whether the marketplace sellers are engaging in
15 business in the state; and

16 (3) "gross receipts" excludes:

17 (a) cash discounts allowed and taken;
18 (b) New Mexico gross receipts tax,
19 governmental gross receipts tax, leased vehicle gross receipts
20 tax, ~~[and]~~ cannabis excise tax and taxes imposed pursuant to
21 the Liquor Excise Tax Act payable on transactions for the
22 reporting period;

23 (c) taxes imposed pursuant to the
24 provisions of any local option gross receipts tax that is
25 payable on transactions for the reporting period;

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1 (d) any gross receipts or sales taxes
2 imposed by an Indian nation, tribe or pueblo; provided that the
3 tax is approved, if approval is required by federal law or
4 regulation, by the secretary of the interior of the United
5 States; and provided further that the gross receipts or sales
6 tax imposed by the Indian nation, tribe or pueblo provides a
7 reciprocal exclusion for gross receipts, sales or gross
8 receipts-based excise taxes imposed by the state or its
9 political subdivisions;

10 (e) any type of time-price differential;

11 (f) amounts received solely on behalf of
12 another in a disclosed agency capacity; and

13 (g) amounts received by a New Mexico
14 florist from the sale of flowers, plants or other products that
15 are customarily sold by florists where the sale is made
16 pursuant to orders placed with an out-of-state florist for
17 filling and delivery in New Mexico by a New Mexico florist.

18 B. When the sale of property or service is made
19 under any type of charge, conditional or time-sales contract or
20 the leasing of property is made under a leasing contract, the
21 seller or lessor may elect to treat all receipts, excluding any
22 type of time-price differential, under such contracts as gross
23 receipts as and when the payments are actually received. If
24 the seller or lessor transfers the seller's or lessor's
25 interest in any such contract to a third person, the seller or

1 lessor shall pay the gross receipts tax upon the full sale or
2 leasing contract amount, excluding any type of time-price
3 differential."

4 SECTION 3. Section 7-17-2 NMSA 1978 (being Laws 1966,
5 Chapter 49, Section 2, as amended) is amended to read:

6 "7-17-2. DEFINITIONS.--As used in the Liquor Excise
7 Tax Act:

8 A. "alcoholic beverages" means distilled or
9 rectified spirits, potable alcohol, brandy, whiskey, rum, gin,
10 aromatic bitters or any similar beverage, including blended or
11 fermented beverages, dilutions or mixtures of one or more of
12 the foregoing containing more than one-half of one percent
13 alcohol by volume, but "alcoholic beverages" does not include
14 medicinal bitters;

15 B. "barrel" means the equivalent of thirty-one
16 gallons;

17 [~~B.~~] C. "beer" means an alcoholic beverage obtained
18 by the fermentation of any infusion or decoction of barley,
19 malt and hops or other cereals in water and includes porter,
20 beer, ale and stout;

21 [~~C.~~] D. "cider" means an alcoholic beverage made
22 from the normal alcoholic fermentation of the juice of sound,
23 ripe apples or pears that contains not less than one-half of
24 one percent of alcohol by volume and not more than eight and
25 one-half percent of alcohol by volume;

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1 ~~[D.]~~ E. "department" means the taxation and revenue
2 department, the secretary of taxation and revenue or any
3 employee of the department exercising authority lawfully
4 delegated to that employee by the secretary;

5 ~~[E.]~~ F. "fortified wine" means wine containing more
6 than fourteen percent alcohol by volume when bottled or
7 packaged by the manufacturer, but "fortified wine" does not
8 include:

9 (1) wine that is sealed or capped by cork
10 closure and aged two years or more;

11 (2) wine that contains more than fourteen
12 percent alcohol by volume solely as a result of the natural
13 fermentation process and that has not been produced with the
14 addition of wine spirits, brandy or alcohol; or

15 (3) vermouth and sherry;

16 ~~[F.]~~ G. "microbrewer" means a person who produces
17 less than two hundred thousand barrels of beer per year;

18 ~~[G.]~~ H. "person" includes, to the extent permitted
19 by law, a federal, state or other governmental unit or
20 subdivision or an agency, department, institution or
21 instrumentality thereof;

22 I. "retailer" means a person having a place of
23 business in New Mexico who sells, offers for sale or possesses
24 for the purpose of selling alcoholic beverages in New Mexico;

25 ~~[H.]~~ J. "small winegrower" means a winegrower who

1 produces less than one million five hundred thousand liters of
2 wine in a year;

3 ~~[I.]~~ K. "spirituous liquors" means alcoholic
4 beverages, except fermented beverages such as wine, beer, cider
5 and ale;

6 ~~[J.]~~ L. "wholesaler" means a person holding a
7 license issued under Section 60-6A-1 NMSA 1978 or a person
8 selling alcoholic beverages that were not purchased from a
9 person holding a license issued under Section 60-6A-1 NMSA
10 1978;

11 ~~[K.]~~ M. "wine" means an alcoholic beverage other
12 than cider that is obtained by the fermentation of the natural
13 sugar contained in fruit or other agricultural products, with
14 or without the addition of sugar or other products, and that
15 does not contain more than twenty-one percent alcohol by
16 volume; and

17 ~~[L.]~~ N. "winegrower" means a person licensed
18 pursuant to Section 60-6A-11 NMSA 1978."

19 SECTION 4. A new section of the Liquor Excise Tax Act,
20 Section 7-17-5.2 NMSA 1978, is enacted to read:

21 "7-17-5.2. [NEW MATERIAL] IMPOSITION AND RATE OF LIQUOR
22 EXCISE SURTAX.--Beginning July 1, 2026, there is imposed on a
23 retailer who sells alcoholic beverages not for resale on which
24 the surtax imposed by this section has not been paid an excise
25 surtax, to be referred to as the "liquor excise surtax", at the
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1 rate of six percent of the price paid for alcoholic beverages
2 sold by the retailer."

3 SECTION 5. Section 7-17-6 NMSA 1978 (being Laws 1984,
4 Chapter 85, Section 4, as amended) is amended to read:

5 "7-17-6. DEDUCTION--INTERSTATE SALES--WINEGROWER-TO-
6 WINEGROWER TRANSFERS.--

7 A. A wholesaler may deduct the liters of spirituous
8 liquors, gallons of beer and liters of wine sold and shipped to
9 a person in another state from the units of alcoholic beverages
10 subject to the ~~[tax]~~ taxes imposed by the Liquor Excise Tax
11 Act; provided that the department may require the wholesaler to
12 submit evidence satisfactory to the department that the units
13 have been sold and shipped to a person in another state.

14 B. A winegrower may deduct the liters of wine
15 transferred to the winegrower from another winegrower for
16 processing, bottling or storage and subsequent return to the
17 transferor from the units of wine subject to the ~~[liquor excise~~
18 ~~tax]~~ taxes imposed by the Liquor Excise Tax Act on the licensed
19 premises of the winegrower."

20 SECTION 6. Section 7-17-9 NMSA 1978 (being Laws 1966,
21 Chapter 49, Section 7, as amended) is amended to read:

22 "7-17-9. EXEMPTION--CERTAIN SALES TO OR BY
23 INSTRUMENTALITIES OF ARMED FORCES.--Exempted from the ~~[tax~~
24 ~~imposed by Section 7-17-5 NMSA 1978]~~ taxes imposed by the
25 Liquor Excise Tax Act are alcoholic beverages sold to or by any

1 instrumentality of the armed forces of the United States
2 engaged in resale activities."

3 SECTION 7. Section 7-17-10 NMSA 1978 (being Laws 1966,
4 Chapter 49, Section 8, as amended) is amended to read:

5 "7-17-10. DATE PAYMENT DUE.--The [~~tax~~] taxes imposed by
6 the Liquor Excise Tax Act [~~is~~] are to be paid on or before the
7 twenty-fifth day of the month following the month in which the
8 taxable event occurs."

9 SECTION 8. Section 7-17-11 NMSA 1978 (being Laws 1969,
10 Chapter 80, Section 1, as amended) is amended to read:

11 "7-17-11. REFUND OR CREDIT OF [~~TAX~~] TAXES.--The
12 department shall allow a claim for refund or credit as provided
13 in Sections 7-1-26 and 7-1-29 NMSA 1978 for the [~~tax imposed by~~
14 ~~Section 7-17-5 NMSA 1978~~] taxes imposed by the Liquor Excise
15 Tax Act and paid on alcoholic beverages destroyed in shipment,
16 spoiled or otherwise damaged as to be unfit for sale or
17 consumption upon submission of proof satisfactory to the
18 department of such destruction, spoilage or damage."

19 SECTION 9. Section 7-17-12 NMSA 1978 (being Laws 1984,
20 Chapter 85, Section 8, as amended) is amended to read:

21 "7-17-12. INTERPRETATION OF ACT--ADMINISTRATION AND
22 ENFORCEMENT OF [~~TAX~~] TAXES.--

23 A. The department shall interpret the provisions of
24 the Liquor Excise Tax Act.

25 B. The department shall administer and enforce the

1 collection of the [~~liquor excise tax~~] taxes imposed by the
2 Liquor Excise Tax Act, and the Tax Administration Act applies
3 to the administration and enforcement of the [~~tax~~] taxes."

4 SECTION 10. Section 11-6A-1 NMSA 1978 (being Laws 1993,
5 Chapter 65, Section 1) is amended to read:

6 "11-6A-1. SHORT TITLE.--[~~Sections 1 through 5 of this~~
7 ~~act~~] Chapter 11, Article 6A NMSA 1978 may be cited as the
8 "Local [~~DWI Grant~~] Alcohol Harms Alleviation Program Act".

9 SECTION 11. Section 11-6A-2 NMSA 1978 (being Laws 1993,
10 Chapter 65, Section 2) is amended to read:

11 "11-6A-2. DEFINITIONS.--As used in the Local [~~DWI Grant~~]
12 Alcohol Harms Alleviation Program Act:

13 A. "council" means the [~~DWI grant~~] local alcohol
14 harms alleviation council; and

15 B. "division" means the local government division
16 of the department of finance and administration."

17 SECTION 12. Section 11-6A-3 NMSA 1978 (being Laws 1993,
18 Chapter 65, Section 3, as amended) is amended to read:

19 "11-6A-3. LOCAL [~~DWI GRANT~~] ALCOHOL HARMS ALLEVIATION
20 PROGRAM--[~~FUND~~] ELIGIBILITY FOR GRANTS---

21 A. The division shall establish a "local [~~DWI~~
22 ~~grant~~] alcohol harms alleviation program" to make grants from
23 the local alcohol harms alleviation fund to [~~municipalities or~~]
24 counties upon council approval for [~~(1) new~~] innovative or
25 model programs [~~services or activities~~] that include awareness

1 and recovery approaches to ~~[prevent]~~ promote prevention or
2 facilitate interventions, provide court-ordered supervision
3 services and reduce harms and risks associated with substance
4 misuse, including the incidence of ~~[DWI, alcoholism, alcohol~~
5 ~~abuse, drug addiction or drug abuse; and (2) programs, services~~
6 ~~or activities to prevent or reduce the incidence of domestic~~
7 ~~abuse related to DWI, alcoholism, alcohol abuse, drug addiction~~
8 ~~or drug abuse.~~

9 B. ~~Grants shall be awarded by the council pursuant~~
10 ~~to the advice and recommendations of the division.~~

11 C. ~~The "local DWI grant fund" is created in the~~
12 ~~state treasury and shall be administered by the division. Two~~
13 ~~million five hundred thousand dollars (\$2,500,000) of liquor~~
14 ~~excise tax revenues distributed to the fund and all other money~~
15 ~~in the fund, other than money appropriated for distribution~~
16 ~~pursuant to Subsections D and E of this section and money~~
17 ~~appropriated for DWI program distributions, are appropriated to~~
18 ~~the division to make grants to municipalities and counties upon~~
19 ~~council approval in accordance with the program established~~
20 ~~under the Local DWI Grant Program Act and to evaluate DWI~~
21 ~~grantees and the local DWI grant program. Money in the fund~~
22 ~~may be used for drug courts. An amount equal to the liquor~~
23 ~~excise tax revenues distributed annually to the fund, less five~~
24 ~~million six hundred thousand dollars (\$5,600,000), is~~
25 ~~appropriated to the division to make DWI program distributions~~

1 ~~to counties upon council approval of programs in accordance~~
2 ~~with the provisions of the Local DWI Grant Program Act. No~~
3 ~~more than six hundred thousand dollars (\$600,000) of liquor~~
4 ~~excise tax revenues distributed to the fund in any fiscal year~~
5 ~~shall be expended for administration of the grant program.~~
6 ~~Balances in the fund at the end of any fiscal year shall not~~
7 ~~revert to the general fund.~~

8 ~~D. Two million eight hundred thousand dollars~~
9 ~~(\$2,800,000) of the liquor excise tax revenues distributed to~~
10 ~~the local DWI grant fund is appropriated to the division for~~
11 ~~distribution to the following counties in the following amounts~~
12 ~~for funding of alcohol detoxification and treatment facilities:~~

13 ~~(1) one million seven hundred thousand dollars~~
14 ~~(\$1,700,000) to class A counties with a population of over~~
15 ~~three hundred thousand persons according to the 1990 federal~~
16 ~~decennial census;~~

17 ~~(2) three hundred thousand dollars (\$300,000)~~
18 ~~each to counties reclassified in 2002 as class A counties with~~
19 ~~a population of more than ninety thousand but less than one~~
20 ~~hundred thousand persons according to the 1990 federal~~
21 ~~decennial census;~~

22 ~~(3) two hundred thousand dollars (\$200,000) to~~
23 ~~class B counties with a population of more than thirty thousand~~
24 ~~but less than forty thousand persons according to the 1990~~
25 ~~federal decennial census;~~

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1 ~~(4) one hundred fifty thousand dollars~~
2 ~~(\$150,000) to class B counties with a population of more than~~
3 ~~sixty-two thousand but less than sixty-five thousand persons~~
4 ~~according to the 1990 federal decennial census; and~~

5 ~~(5) one hundred fifty thousand dollars~~
6 ~~(\$150,000) to class B counties with a population of more than~~
7 ~~thirteen thousand but less than fifteen thousand persons~~
8 ~~according to the 1990 federal decennial census.~~

9 ~~E. three hundred thousand dollars (\$300,000) of the~~
10 ~~liquor excise tax revenues distributed to the local DWI grant~~
11 ~~fund is appropriated to the division for the interlock device~~
12 ~~fund.~~

13 ~~F. In awarding DWI grants to local communities, the~~
14 ~~council:~~

15 ~~(1) may fund new or existing innovative or~~
16 ~~model programs, services or activities designed to prevent or~~
17 ~~reduce the incidence of DWI, alcoholism or alcohol abuse;~~

18 ~~(2) may fund existing community-based~~
19 ~~programs, services or facilities for prevention, screening and~~
20 ~~treatment of alcoholism and alcohol abuse;~~

21 ~~(3) may fund new or existing innovative or~~
22 ~~model programs, services or activities of any kind designed to~~
23 ~~prevent or reduce the incidence of domestic abuse related to~~
24 ~~DWI, alcoholism or alcohol abuse;~~

25 ~~(4) may fund existing community-based~~

1 ~~programs, services or facilities for prevention and treatment~~
2 ~~of domestic abuse related to DWI, alcoholism or alcohol abuse;~~

3 ~~(5) shall give consideration to a broad range~~
4 ~~of approaches to prevention, education, screening, treatment or~~
5 ~~alternative sentencing, including programs that combine~~
6 ~~incarceration, treatment and aftercare, to address the problem~~
7 ~~of DWI, alcoholism or alcohol abuse; and~~

8 ~~(6) shall make grants only to counties or~~
9 ~~municipalities in counties that have established a DWI planning~~
10 ~~council and adopted a county DWI plan or are parties to a~~
11 ~~multicounty DWI plan that has been approved by the council and~~
12 ~~approved pursuant to Chapter 43, Article 3 NMSA 1978 and only~~
13 ~~for programs, services or activities consistent with that plan.~~
14 ~~A DWI plan shall also comply with local DWI grant program rules~~
15 ~~and guidelines.~~

16 ~~G. The council shall use the criteria in Subsection~~
17 ~~F of this section to approve DWI programs, services or~~
18 ~~activities for funding through the county DWI program~~
19 ~~distribution. Sixty-five percent of the DWI grants awarded to~~
20 ~~local communities shall be used for alcohol-related treatment~~
21 ~~and detoxification programs] impaired driving. The division~~
22 ~~shall administer the program and shall serve as staff to the~~
23 ~~council.~~

24 ~~B. A county shall be eligible to receive a grant if~~
25 ~~the board of county commissioners of the county has submitted~~

1 to the council a request to use the grant for one or more
2 programs in the county and the program is approved by the
3 council and complies with county program guidelines and the
4 Local Alcohol Harms Alleviation Program Act.

5 C. No later than April 1 each year, each board of
6 county commissioners seeking a grant shall make application to
7 the division for review and approval by the council.
8 Application shall be made on a form and in a manner determined
9 by the division. The council shall approve programs eligible
10 for a grant no later than July 1 of each year. The division
11 shall provide the grant to each county in quarterly
12 installments on or before each September 10, December 10, March
13 10 and June 10."

14 **SECTION 13.** Section 11-6A-4 NMSA 1978 (being Laws 1993,
15 Chapter 65, Section 4, as amended) is amended to read:

16 "11-6A-4. ~~[DWI GRANT]~~ LOCAL ALCOHOL HARMS ALLEVIATION
17 PROGRAM COUNCIL--MEMBERSHIP--DUTIES.--

18 A. The "~~[DWI grant]~~ local alcohol harms alleviation
19 program council" is created and shall consist of:

20 (1) the president of the New Mexico municipal
21 league or ~~[his]~~ the president's designee;

22 (2) the president of the New Mexico
23 association of counties or ~~[his]~~ the president's designee;

24 (3) the secretary of health or the secretary's
25 designee;

1 (4) the secretary of finance and
2 administration or the secretary's designee;

3 (5) the secretary of public education or the
4 secretary's designee;

5 (6) the secretary of Indian affairs or the
6 secretary's designee;

7 (7) the chief of the traffic safety bureau of
8 the ~~[state highway and transportation]~~ department of
9 transportation; and

10 (8) two representatives of local governing
11 bodies who shall be appointed by the governor so as to provide
12 geographic diversity.

13 B. Appointed members shall be appointed to a two-
14 year term. In the event of a vacancy, the governor shall
15 appoint a member for the remainder of the term.

16 C. The council shall meet as necessary to receive
17 applications, consider grant requests and ~~[award DWI grants]~~
18 advise the division to make grants to counties pursuant to the
19 Local ~~[DWI Grant]~~ Alcohol Harms Alleviation Program Act. All
20 actions of the council require the affirmative vote of a
21 majority of the members of the council.

22 D. Members of the council shall be reimbursed for
23 per diem and mileage in accordance with the Per Diem and
24 Mileage Act."

25 SECTION 14. Section 11-6A-5 NMSA 1978 (being Laws 1993,
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Chapter 65, Section 5, as amended) is amended to read:

"11-6A-5. ~~[ADMINISTRATION OF LOCAL DWI GRANT PROGRAM AND COUNTY DWI PROGRAM DISTRIBUTION--REGULATIONS]~~ PROMULGATION OF RULES.--

~~[A. The division shall administer and evaluate the local DWI grant program and the county DWI program distribution and shall serve as staff to the council.~~

~~B.]~~ The division, with the advice and approval of the council, shall ~~[adopt regulations]~~ promulgate rules necessary for ~~[operation]~~ administration of the local ~~[DWI grant]~~ alcohol harms alleviation program and ~~[the county DWI program distribution]~~ grants from the local alcohol harms alleviation fund, including rules for:

~~[1]~~ A. forms and procedures for the application process for ~~[the local DWI grant program and the county DWI program distribution]~~ a grant;

~~[2]~~ B. documentation to be provided by the applicant to assure compliance with the ~~[grant and the]~~ county ~~[DWI] program [distribution]~~ guidelines and ~~[other]~~ the provisions of the Local ~~[DWI Grant]~~ Alcohol Harms Alleviation Program Act;

~~[3]~~ C. procedures and guidelines for review, evaluation and approval of ~~[grant awards and for review and approval of]~~ programs; ~~[to be funded by the county DWI program distribution;~~

1 ~~(4) procedures and guidelines for oversight,~~
2 ~~evaluation and audit of DWI grantees to assure that grants are~~
3 ~~being administered in the manner and for the purposes that the~~
4 ~~grants were awarded; and~~

5 ~~(5)]~~ D. design of an evaluation mechanism for [DWI
6 grant] county programs [~~distributions and services~~]; and

7 E. submission by each [DWI grantee] county of an
8 annual report or other data on each [~~local DWI grant program,~~
9 ~~distribution or service~~] of the county's programs and [its] the
10 effectiveness and outcomes of the programs."

11 SECTION 15. Section 11-6A-6 NMSA 1978 (being Laws 1997,
12 Chapter 182, Section 2, as amended) is amended to read:

13 "11-6A-6. [~~DISTRIBUTION OF CERTAIN LOCAL DWI GRANT~~
14 ~~PROGRAM FUNDS--APPROVAL OF PROGRAMS~~] EXPENDITURES FROM THE
15 LOCAL ALCOHOL HARMS ALLEVIATION FUND.--

16 ~~[A. An amount equal to the liquor excise tax~~
17 ~~revenues distributed to the local DWI grant fund for the fiscal~~
18 ~~year less five million six hundred thousand dollars~~
19 ~~(\$5,600,000) shall be available for distribution in accordance~~
20 ~~with the formula in Subsection B of this section to each county~~
21 ~~for council-approved DWI programs, services or activities;~~
22 ~~provided that each county shall receive a minimum distribution~~
23 ~~of at least one-half percent of the money available for~~
24 ~~distribution.~~

25 ~~B. Each county shall be eligible for a DWI program~~

1 ~~distribution in an amount derived by multiplying the total~~
2 ~~amount of money available for distribution by a percentage that~~
3 ~~is the average of the following two percentages;~~

4 ~~(1) a percentage equal to a fraction, the~~
5 ~~numerator of which is the retail trade gross receipts in the~~
6 ~~county and the denominator of which is the total retail trade~~
7 ~~gross receipts in the state; and~~

8 ~~(2) a percentage equal to a fraction, the~~
9 ~~numerator of which is the number of alcohol-related injury~~
10 ~~crashes in the county and the denominator of which is the total~~
11 ~~alcohol-related injury crashes in the state.~~

12 ~~G. A county shall be eligible to receive the~~
13 ~~distribution determined pursuant to Subsection B of this~~
14 ~~section if the board of county commissioners has submitted to~~
15 ~~the council a request to use the distribution for the operation~~
16 ~~of one or more DWI programs, services or activities in the~~
17 ~~county and the request has been approved by the council. The~~
18 ~~request shall also comply with local DWI grant program rules~~
19 ~~and guidelines.~~

20 ~~D. No later than April 1 each year, each board of~~
21 ~~county commissioners seeking approval for the DWI program~~
22 ~~distribution pursuant to this section shall make application to~~
23 ~~the division for review and approval by the council for one or~~
24 ~~more local DWI programs, services or activities in the county.~~
25 ~~Application shall be made on a form and in a manner determined~~

1 ~~by the division. The council shall approve the programs~~
2 ~~eligible for a distribution no later than July 1 of each year.~~
3 ~~The division shall make the annual distribution to each county~~
4 ~~in quarterly installments on or before each September 10,~~
5 ~~December 10, March 10 and June 10, beginning in September 2004.~~
6 ~~The amount available for distribution quarterly to each county~~
7 ~~shall be the amount determined by applying the formula in~~
8 ~~Subsection B of this section to the amount of liquor excise tax~~
9 ~~revenues in the local DWI grant fund at the end of the month~~
10 ~~prior to the quarterly installment due date and after one~~
11 ~~million three hundred twenty-five thousand dollars (\$1,325,000)~~
12 ~~has been set aside for the DWI grant program and after the~~
13 ~~appropriations and distributions pursuant to Subsections D and~~
14 ~~E of Section 11-6A-3 NMSA 1978.]~~

15 A. The "local alcohol harms alleviation fund" is
16 created as a nonreverting fund in the state treasury. The fund
17 consists of distributions, appropriations, gifts, grants,
18 donations and income from investment of the fund. The fund
19 shall be administered by the division, and, except as provided
20 in Subsection B of this section, money in the fund is
21 appropriated to the division to make grants to counties for
22 programs approved by the council and pursuant to the Local
23 Alcohol Harms Alleviation Program Act. Expenditures from the
24 fund shall be by warrant of the secretary of finance and
25 administration pursuant to vouchers signed by the director of

1 the division or the director's authorized representative.

2 B. On July 1 of each year, three hundred thousand
3 dollars (\$300,000) shall be transferred from the local alcohol
4 harms alleviation fund to the interlock device fund.

5 C. Each county shall be eligible for a grant in an
6 amount derived by multiplying the balance of the local alcohol
7 harms alleviation fund after the transfer is made pursuant to
8 Subsection B of this section by a percentage that is the sum of
9 the following two amounts; provided that each county shall
10 receive a minimum distribution of at least one-half percent of
11 the remaining balance of the fund:

12 (1) one-tenth multiplied by a fraction, the
13 numerator of which is an amount equal to the population of the
14 county as determined each year by the department of health and
15 the denominator of which is the population of the entire state
16 as determined each year by the department of health; and

17 (2) nine-tenths multiplied by a fraction, the
18 numerator of which is an amount equal to the number of
19 alcohol-related deaths for the county and the denominator of
20 which is the total alcohol-related deaths for the state.

21 [E.] D. Grants made to counties pursuant to this
22 section shall not revert to any fund; provided that if a county
23 does not have a council-approved [DWI] program [service or
24 activity] or does not need the full amount of the available
25 distribution, the unused money shall revert to the local [DWI]

1 ~~grant]~~ alcohol harms alleviation fund ~~[and may be used by the~~
2 ~~council for the local DWI grant program]~~.

3 E. The division may expend up to one million
4 dollars (\$1,000,000) each year for reasonable costs necessary
5 to administer the local alcohol harms alleviation program and
6 make grants from the local alcohol harms alleviation fund.

7 F. As used in this section, ~~[(1) "alcohol-related~~
8 ~~injury crashes" means the average annual number of alcohol-~~
9 ~~related injury crashes during the period from January 1, 2000~~
10 ~~through December 31, 2002, as determined by the traffic safety~~
11 ~~bureau of the state highway and transportation department; and~~
12 ~~(2) "retail trade gross receipts" means the total reported~~
13 ~~gross receipts attributable to taxpayers reporting under the~~
14 ~~retail trade industry sector of the state for the most recent~~
15 ~~fiscal year as determined by the taxation and revenue~~
16 ~~department]~~ "alcohol-related deaths" means the total number of
17 deaths over the most recently available period of five full
18 calendar years attributed to alcohol, as calculated by the
19 department of health."

20 SECTION 16. [NEW MATERIAL] SHORT TITLE.--Sections 16
21 through 19 of this act may be cited as the "Tribal Alcohol
22 Harms Alleviation Program Act".

23 SECTION 17. [NEW MATERIAL] DEFINITIONS.--As used in the
24 Tribal Alcohol Harms Alleviation Program Act:

25 A. "council" means the tribal alcohol harms

1 alleviation council; and

2 B. "department" means the Indian affairs
3 department.

4 SECTION 18. [NEW MATERIAL] TRIBAL ALCOHOL HARMS
5 ALLEVIATION PROGRAM--FUND.--

6 A. The department shall establish a "tribal alcohol
7 harms alleviation program" to make grants, upon council
8 approval pursuant to Section 19 of this 2025 act, to Indian
9 nations, tribes and pueblos in New Mexico and to local
10 governments and entities serving tribal nations, tribal
11 communities, indigenous peoples and urban Indian populations in
12 New Mexico.

13 B. The "tribal alcohol harms alleviation fund" is
14 created as a nonreverting fund in the state treasury. The fund
15 consists of distributions, appropriations, gifts, grants,
16 donations and income from investment of the fund. The fund
17 shall be administered by the department, and, except as
18 provided in Subsections C and D of this section, money in the
19 fund is appropriated to the department to make grants pursuant
20 to the Tribal Alcohol Harms Alleviation Program Act. Any
21 unexpended or unencumbered balance of a distribution remaining
22 at the end of a fiscal year shall not revert to any fund.

23 C. The department may expend up to the following
24 amounts from the balance of the fund each year, subject to the
25 availability of money in the fund, and any unexpended or

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1 unencumbered amounts remaining at the end of a fiscal year
2 shall revert to the fund:

3 (1) two million dollars (\$2,000,000) for
4 reasonable costs necessary to administer the fund and to make
5 grants from the fund; and

6 (2) three million dollars (\$3,000,000) to
7 conduct culturally appropriate research and evaluation on the
8 harms and risks of alcohol and substance misuse.

9 D. On July 1 of 2027 through 2036, subject to the
10 availability of money in the fund, three million dollars
11 (\$3,000,000) shall be appropriated from the fund to the board
12 of regents of the university of New Mexico for the university's
13 center on alcohol, substance abuse and addictions and division
14 of community behavioral health with the department of
15 psychiatry and behavioral sciences to perform interdisciplinary
16 cross-campus research on alcohol policy and prevention efforts
17 and conduct community-engaged studies to assess the public
18 health and economic impacts of the liquor excise tax and liquor
19 excise surtax. If, after the amounts pursuant to Subsection C
20 of this section are deducted, the balance of the fund is less
21 than three million dollars (\$3,000,000), then the balance of
22 the fund may be appropriated as provided in this subsection.
23 Any unexpended or unencumbered balance of the appropriated
24 amount remaining at the end of a fiscal year shall revert to
25 the fund.

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1 E. On or before December 1 of each year, the
2 secretary of Indian affairs, the director of the university of
3 New Mexico's center on alcohol, substance abuse and addictions
4 and the division chief of the university of New Mexico's
5 division of community behavioral health shall report the
6 results and findings from the research and evaluation performed
7 pursuant to this section to the legislative finance committee
8 and the revenue stabilization and tax policy committee.

9 F. Expenditures from the fund shall be by warrant
10 of the secretary of finance and administration pursuant to
11 vouchers signed by the secretary of Indian affairs or the
12 secretary's authorized representative.

13 SECTION 19. [NEW MATERIAL] TRIBAL ALCOHOL HARMS
14 ALLEVIATION COUNCIL--MEMBERSHIP--DUTIES.--

15 A. The department shall establish a "tribal alcohol
16 harms alleviation council" that consists of representatives
17 from Indian nations, tribes and pueblos located in New Mexico,
18 four representatives serving urban Indian populations in New
19 Mexico and tribal behavioral health regions identified by the
20 department.

21 B. The council shall meet as necessary to receive
22 applications, consider funding requests and approve grants to
23 be made by the department to Indian nations, tribes and pueblos
24 and local governments and entities serving tribal nations,
25 tribal communities, indigenous peoples and urban Indian

1 populations for preventing or reducing harms and risks
2 associated with substance misuse among tribal nations, tribal
3 communities, indigenous peoples and urban Indian populations.

4 C. Once the council has approved a grant, the
5 council shall notify the department, and the department shall
6 promptly make the grant from the tribal alcohol harms
7 alleviation fund to the recipient approved by the council,
8 subject to availability of money in the fund.

9 SECTION 20. Section 60-6A-11.1 NMSA 1978 (being Laws
10 2011, Chapter 109, Section 1) is amended to read:

11 "60-6A-11.1. DIRECT WINE SHIPMENT PERMIT--AUTHORIZATION--
12 RESTRICTIONS.--

13 A. A licensee with a winegrower's license or a
14 person licensed in a state other than New Mexico that holds a
15 winery license may apply to the director for and the director
16 may issue to the applicant a direct wine shipment permit. An
17 application for a direct wine shipment permit shall include:

18 (1) contact information for the applicant in a
19 form required by the department;

20 (2) an annual application fee of fifty dollars
21 (\$50.00) if the applicant does not hold a winegrower's license;

22 (3) the number of the applicant's winegrower's
23 license if the applicant is located in New Mexico or a copy of
24 the applicant's winery license if the applicant is located in a
25 state other than New Mexico; and

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1 (4) any other information or documents
2 required by the director. Upon approval of an applicant for a
3 permit, the director shall forward to the taxation and revenue
4 department the name of each permittee and the contact
5 information for the permittee.

6 B. A direct wine shipment permit shall be valid for
7 a permit year. A permittee shall renew a direct wine shipment
8 permit annually as required by the department to continue
9 making direct shipments of wine to New Mexico residents.

10 C. A permittee may ship:

11 (1) not more than two nine-liter cases of wine
12 monthly to a New Mexico resident who is twenty-one years of age
13 or older for the recipient's personal consumption or use, but
14 not for resale; and

15 (2) wine directly to a New Mexico resident
16 only in containers that are conspicuously labeled with the
17 words:

18 "CONTAINS ALCOHOL

19 SIGNATURE OF PERSON 21 YEARS OR OLDER REQUIRED
20 FOR DELIVERY".

21 D. A permittee shall:

22 (1) register with the taxation and revenue
23 department for the payment of the liquor excise tax, liquor
24 excise surtax and gross receipts taxes due on the sales of wine
25 pursuant to the permittee's activities in New Mexico;

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1 (2) submit to the jurisdiction of New Mexico
2 courts to resolve legal actions that arise from the shipping by
3 the permittee of wine into New Mexico to New Mexico residents;

4 (3) monthly, by the twenty-fifth day of each
5 month following the month in which the permittee was issued a
6 direct wine shipment permit, pay to the taxation and revenue
7 department the liquor excise tax, ~~[due]~~ liquor excise surtax
8 and ~~[the]~~ gross receipts tax due; and

9 (4) submit to an audit by an agent of the
10 taxation and revenue department of the permittee's records of
11 the wine shipped pursuant to this section to New Mexico
12 residents upon notice and during usual business hours.

13 E. As used in this section:

14 (1) "permit year" means the period between
15 July 1 and June 30 of a year; and

16 (2) "permittee" means a person that is the
17 holder of a direct wine shipment permit."

18 SECTION 21. TEMPORARY PROVISION--LOCAL DWI GRANT FUND
19 DEEMED LOCAL ALCOHOL HARMS ALLEVIATION FUND.--References to the
20 local DWI grant fund shall be deemed as references to the local
21 alcohol harms alleviation fund.

22 SECTION 22. TEMPORARY PROVISION--REVIEW OF LIQUOR EXCISE
23 TAXES AND DISTRIBUTIONS.--By December 1, 2032, the legislative
24 finance committee and the revenue stabilization and tax policy
25 committee shall review the rates of the liquor excise tax and

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1 liquor excise surtax and the distributions from those taxes to
2 determine if any changes should be made to the rates of the
3 taxes or the distributions.

4 **SECTION 23. APPROPRIATIONS.--**

5 A. Two million dollars (\$2,000,000) is appropriated
6 from the local alcohol harms alleviation fund to the Indian
7 affairs department for expenditure in fiscal year 2026 and
8 subsequent fiscal years to prepare for the administration of
9 the Tribal Alcohol Harms Alleviation Program Act and begin to
10 conduct the research and evaluation required pursuant to that
11 act. Any unexpended or unencumbered balance remaining at the
12 end of a fiscal year shall not revert to the local alcohol
13 harms alleviation fund.

14 B. One million dollars (\$1,000,000) is appropriated
15 from the local alcohol harms alleviation fund to the board of
16 regents of the university of New Mexico to be divided equally
17 among the university's center on alcohol, substance abuse and
18 addictions and division of community behavioral health with the
19 department of psychiatry and behavioral sciences for
20 expenditure in fiscal year 2026 and subsequent fiscal years to
21 begin to conduct the research and studies required pursuant to
22 the Tribal Alcohol Harms Alleviation Program Act. Any
23 unexpended or unencumbered balance remaining at the end of a
24 fiscal year shall not revert to the local alcohol harms
25 alleviation fund.

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underscored material = new
[bracketed material] = delete

1 SECTION 24. EFFECTIVE DATE.--The effective date of the
2 provisions of this act is July 1, 2025.

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