

Council hears details on liquor reform bill

Written by By Kevin Opsahl Sun Correspondent
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A new law which will take effect July 1 contains a number of reforms to the state's liquor laws since 1981. Rep. Antonio "Moe" Maestas, D-Bernalillo, sponsor of HB 255, took questions about the new law from local liquor license holders at a special City Council meeting May 19.

HB 255 gives restaurants a new kind of license to sell spirits and one that is less expensive than in the past; the ability to deliver specific types of alcohol to homes; prohibition of small amounts of hard liquor away from licensed establishments; and assistance, like tax breaks and the waiver of license renewal fees, to liquor license holders due to the pandemic.

McKinley County is exempt from a number of provisions in the law.

Marie Chioda and her husband own two establishments that sell liquor in Gallup, Sammy C's Rock N' Sports Pub and Grille, and Rocket Cafe Liquor and Lounge. Both places are restaurants, but Rocket is also a liquor store and bar.

Chioda has held a liquor license for years and was particularly involved in this past legislative session, in which HB 255 was passed.

In an interview, Chioda who attended the special Gallup City Council meeting May 19, said HB

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255 may offer some benefits. She also expressed uncertainty about how the new regulations will affect her business.

“It’s just hard to say, because we do not know what the impact of all these changes is going to be until after July 1,” Chioda said, “Hopefully, it works out in a positive way.”

SUNDAY SALES

On May 25, the council amended an ordinance on Sunday alcohol sales in order to be consistent with HB 255. The legislation removed time restrictions on Sundays and Christmas Day, but not McKinley County’s ability to regulate and restrict hours for package sales.

The Gallup City Council changed its ordinance to extend the prohibition on selling packaged liquor on Sundays to the hours between 7 am and 9:59 am.

Gallup City Attorney Curtis Hayes told councilors, Gallup has no control over the issue. Liquor is being sold on Sundays now.

Councilwoman Fran Palochak, Dist. 4, considered it a burden on public safety officers.

“I don’t know how the representatives could have allowed this to happen in McKinley County,” she said at the meeting. “This is such a taxing thing on our police department because now they have to be out there on Sunday.

“They don’t get one day of rest. They’re going to have to be out there — our community service officers working to keep folks safe.”

She suggested that Gallup keep the best data it can on “how taxing this is to the city.”

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Hayes said there was a plan to keep data so that they can show legislators how the city is impacted.

City Manager Maryann Ustick said Gallup asked its detox center as well as its police officers to keep data on the increase in the number of calls for service and admissions to detox.

GAS STATION CONVENIENCE STORE LIMITS

Sen. George Muñoz, D-Gallup, said the city's alcohol challenges are among the reasons he added an amendment to HB255, which keeps anyone who sells retail gasoline from selling alcoholic beverages other than beer with less than 10 percent alcohol.

"Then you solve a big issue for us — a really big issue," he said, "Because convenience is the way people like to shop.

"If you make the problem that you have inconvenient, then it makes it harder for it [the problem — crime] to happen."

Muñoz called this provision a big victory for Gallup residents.

"To the consumer and the people that know we have an alcohol problem in Gallup — by God, that amendment ought to work," Muñoz said.

When Palochak heard Maestas say it would be up to state police to monitor convenience stores to be sure they followed the new liquor law, she did not mince words.

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“I’ve never seen any police officer at any location,” she said. “Restaurants are fine — they don’t do anything wrong. But some of these convenience stores, some of these package liquor stores, we’re seeing a lot, a lot of problems.”

Palochak recommended the legislature “dedicate an officer” in Gallup to “cite those people that are not following the law.”

“We have a very, very bad alcohol problem here and things need to be monitored,” she said.

Maestas responded by saying any police officer is authorized to enforce the Liquor Control Act, but the state also has a division specifically tasked with training people to enforce the act.

In an interview with the *Sun*, Chioda seemed to disagree with Palochak’s comments. She believes Gallup residents who are drinking also do drugs at night to “stay awake so they don’t get beat up.”

“I think this is going to be a good time for the liquor stores in Gallup to actually show maybe this isn’t such a bad thing anymore — Because I don’t think, as liquor stores, we’re all that bad,” Chioda said, “Because right now, a lot of the problem we see with people on the street has nothing to do with alcohol.”

SPIRITS

Restaurants’ licenses are currently limited to selling beer and wine, but Maestas’ bill creates a new license which adds spirits — also known as hard liquor, which have a higher alcohol content.

Previously, restaurants wanting to serve hard liquor had to obtain another license, costing them between \$300,000 and \$500,000 on the secondary resale market.

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At just \$10,000 annually, restaurants that want to sell spirits will have to get a Restaurant B license The Alcohol and Beverage Control Division is considering allowing current restaurant license holders to transfer their licenses without submitting a new application.

But restaurants must adhere to certain conditions. They must be restaurants, not bars. They can't serve customers more than three hard liquor drinks per visit. They must have current food service permits, with sales that are 60 percent food and 40 percent drinks; and they must continue the same hours of operation (close at 11 pm or when food service stops, whichever is sooner).

Hayes told the *Sun* that in order for restaurants to serve spirits, the city council would pass an ordinance to "opt-in" to the provision of the state law that allows Restaurant B licenses to be issued.

Hayes added there isn't anything in the city code now regarding restaurant licenses and Gallup is already a local option district that has approved restaurant licenses for beer and wine, as a result of a special election.

TRANSFER OF LICENSE

Another major provision in the new law is the ability for a licensee to transfer their liquor license out of McKinley County.

"To sell is a private business decision and yields a lot of money," Maestas told the *Sun*.

Liquor licenses have different names, allowing license holders to do different things, he wrote. But the types of sales are simple and distinct: one is liquor by the drink (sold in a bar, tavern, or restaurant) or liquor by the package (sold in a liquor store). Although some establishments can make both types of sales available to customers, he noted.

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“If one transfers their license to a different ‘local option district,’ then the licensee can no longer sell (by) repackaged; it can only be used to sell liquor (by the) drink,” Maestas wrote in an email. He was referring to districts in counties and/or cities that voted to approve the sale, serving, or public consumption of alcohol, according to HB 255.

“This [provision] will allow McKinley County license holders to transfer their licenses without losing their package — the ability to sell liquor for off-site consumption,” Maestas wrote in an email. “The policy goal is to incentivize licensees to move out of McKinley County.”

He wrote that McKinley County license holders benefit the most because their licenses are the only ones in the entire state that maintain their ability to sell packages if they’re ever transferred out of McKinley County.

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