

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the Legislature. LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

## FISCAL IMPACT REPORT

SPONSOR Moore/Maestas LAST UPDATED \_\_\_\_\_  
ORIGINAL DATE 1/29/2024  
SHORT TITLE New Mexico Bowl Advertising BILL NUMBER Senate Bill 131  
ANALYST Rodriguez

### APPROPRIATION\* (dollars in thousands)

FY24	FY25	Recurring or Nonrecurring	Fund Affected
	\$900.0	Nonrecurring	General Fund

Parentheses ( ) indicate expenditure decreases.

\*Amounts reflect most recent analysis of this legislation.

### Sources of Information

LFC Files

Agency Analysis Received From  
Tourism Department (NMTD)

## SUMMARY

### Synopsis of Senate Bill 131

Senate Bill 131 appropriates \$900 thousand from the general fund to Tourism Department for expenditure in fiscal years 2025 through 2027 to purchase advertisements, commercials, and publicity for the Isleta New Mexico Bowl on national television and other platforms. The bill outlines that the Tourism Department (TD) can spend up to \$300 thousand per fiscal year.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns, or May 15, 2024, if enacted.

## FISCAL IMPLICATIONS

The appropriation of \$900 thousand contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY27 shall revert to the general fund.

## SIGNIFICANT ISSUES

The Tourism Department has received funding in FY21, FY22, and FY23 to provide sponsorship to the New Mexico Bowl. Regarding recent sponsorships and the appropriation included in this bill, the Tourism Department writes:

Historically, NMTD has provided sponsorship to the New Mexico Bowl, in exchange for deliverables that directly benefit the state and serve the department’s mission. . . As part of the sponsorship agreement with ESPN Events, NMTD receives certain target deliverables including: national television commercials airing during the broadcast, billboards, in-game features, on-field branding, and brand presence on the Bowl’s website.

These sponsorship elements provide a return to the department through media and brand impressions of New Mexico True, which provide advertising equivalency. Further, they directly advertise New Mexico as a tourism destination to the attending and television audience.

As written, it is not clear if Senate Bill 131 provides for event sponsorship. If it does not, and allows only for advertising on behalf of the Isleta New Mexico Bowl, this limits any potential direct benefit for the New Mexico True brand, and with it the benefit for the state of New Mexico. Prior sponsorship agreements with ESPN Events provided a benefit to the state through measurable brand impressions for New Mexico True. This lack of clarity may impact the constitutionality of the bill, as advertising on behalf of the Isleta New Mexico Bowl would remove the benefit to the state.

The department receives funding in its recurring and nonrecurring budget that could potentially fund the intent outlined in this bill. The 2024 HAFC substitute for House Bill 2 appropriates \$16 million in one-time funding to the agency for national marketing and advertising. The agency also manages the tourism event growth and sustainability (TEGS) program that provides technical assistance, marketing, and sponsorship to tourism events in New Mexico to support their growth and sustainability. The program consists of three different tiers—with the highest providing \$50 thousand in sponsorship and the opportunity to participate in national sponsorships sales program. The program will award \$492 thousand in FY24.

JR/al/ne