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## FISCAL IMPACT REPORT

ORIGINAL DATE 2-10-09

SPONSOR Chasey LAST UPDATED \_\_\_\_\_ HB 491

SHORT TITLE Albuquerque and Santa Fe Jazz Festivals SB \_\_\_\_\_

ANALYST Aubel

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$50.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Department of Cultural Affairs (DCA)

#### Not Responding

Department of Finance and Administration

Tourism Department

### SUMMARY

#### Synopsis of Bill

House Bill 491 appropriates \$50 thousand from the general fund to the Local Government Division of the Department of Finance and Administration to support a jazz festival in Albuquerque and Santa Fe.

### FISCAL IMPLICATIONS

The appropriation of \$50 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY10 shall revert to the general fund.

According to the December 2008 revenue estimate, FY10 recurring revenue will only support a base expenditure level that is \$293 million, or 2.6 percent, less than the FY09 appropriation. All appropriations outside of the general appropriation act will be viewed in this declining revenue context.

**SIGNIFICANT ISSUES**

According to DCA, arts and cultural programming such as the initiatives supported through this legislation have broad economic and quality of life impact on New Mexico's people and communities. Support for a music festival in two of the state's largest cities with their large audience bases would have sizeable tourism and economic impacts.

Communities may apply with the Tourism Department for access to the cooperative advertising for special events.

**ADMINISTRATIVE IMPLICATIONS**

The Local Government Division would need to establish a contract to provide the services that does not violate the anti-donation clause.

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

Other funding sources to support the jazz festivals would need to be found.

**POSSIBLE QUESTIONS**

1. Does the Department of Cultural Affairs current sponsor musical festivals in New Mexico?
2. Would the funding be better appropriated to DCA directly?

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