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FISCAL IMPACT REPORT

ORIGINAL DATE 02/17/09

SPONSOR Griego, P. LAST UPDATED _____ HB _____

SHORT TITLE Santa Fe 400th Anniversary Celebration SB 427

ANALYST Aubel

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	\$500.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Finance and Administration (DFA)
Department of Cultural Affairs (DCA)

Responses Not Received From

Tourism Department (TD)

SUMMARY

Synopsis of Bill

Senate Bill 427 appropriates \$500 thousand from the general fund to the Local Government Division of the Department of Finance and Administration for the City Santa Fe to plan and promote a celebration recognizing the 400th anniversary of the founding of Santa Fe.

FISCAL IMPLICATIONS

The appropriation of \$500 thousand contained in this bill is a non-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

The Department of Cultural Affairs provides the following background information:

The DCA is a partner in the city of Santa Fe's efforts to commemorate/celebrate its 400-year anniversary. The commemoration is an enterprise comprised of city, state and private funds, in-kind contributions and volunteer efforts geared to showcasing Santa Fe's rich culture to the nation and world. Beyond calling attention to the fact that Santa Fe is the oldest continuous capital in the United States, the city and Santa Fe 400 Inc. have been working to create and promote four signature events aimed at attracting visitors from across the nation and the world. The events are also slated to focus on the citizenry of Santa Fe and the state, with plans to leave some lasting legacies in the area of education. Among the commemorative events are a book on the long and rich history of the city, and educational web-cast, and performances and outreach to schools. In short, the effort to plan and promote Santa Fe's 400th is a valuable, once-in-a-lifetime opportunity to showcase one of the nation's most important and culturally rich cities, while attracting much needed economic stimulus to the state's economy.

DFA adds the following details:

The appropriation contained in this bill will be used to fund the legacy events for these ceremonies which include: Opening ceremonies, a national classroom web-cast, a symphonic evening, Santa Fe Arts and lectures series, and Gala Finale. The ceremony dates are tentative and will possibly take place on October 8, 9 & 10, 2010.

PERFORMANCE IMPLICATIONS

DFA suggests that the success associated with this appropriation will be measured by the City of Santa Fe in several ways, including increases in gross receipts and tourism.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Funding for the celebration will not be provided by the state. Whether the event can proceed without this appropriation is unclear.

POSSIBLE QUESTIONS

1. What is the projected cost of the event?
2. How was the \$500 thousand appropriation request determined?
3. What other sources are committed to funding the event?
4. What are the anticipated economic returns to the City of Santa Fe and the state in terms of increased gross receipts tax?
5. Why does the appropriation go to DFA rather than to DCA?

MA/svb