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FISCAL IMPACT REPORT

ORIGINAL DATE 02/16/09

SPONSOR Munoz LAST UPDATED _____ HB _____

SHORT TITLE Create New Mexico Rodeo Council SB 471

ANALYST Lucero

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY09	FY10	FY11	3 Year Total Cost	Recurring or Non- Rec	Fund Affected
Total		Minor	Minor	Minor	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From

Attorney General's Office (AGO)
 Taxation and Revenue Department (TRD)
 Department of Finance and Administration (DFA)
 New Mexico Environment Department (NMED)
 Economic Development Department (EDD)
 State Fair Commission
 New Mexico Higher Education Department (NMHED)
 Tourism Department (TD)

SUMMARY

Synopsis of Bill

Senate Bill 471 creates a New Mexico Rodeo Council (NMRC), whose purpose is to advise the Economic Development Department (EDD), the governor, and the Legislature regarding rodeo, equestrian and livestock education, events, facilities, and citizen participation in rodeo, equestrian and livestock activities and to establish policy regarding economic development related to rodeo and equestrian and livestock activities and operations.

The council consists of seven members each serving six-year terms, appointed by the governor, no more than four of whom shall be of the same political party. Each member must have experience in rodeo, equestrian or livestock activities, as a contestant or business owner. There must be two members appointed from each congressional district and one at-large member. Members must be confirmed by the Senate. The chair and vice-chair are designated by the governor.

Members of the council shall receive per diem and mileage. Members are prohibited from voting by proxy. Meetings are subject to the Open Meeting Act and at a minimum meet once a quarter. Members shall invite representatives of appropriate Legislative committees, state agencies, interested parties to meetings to facilitate the exchange of information and coordination.

The duties of the council are to study and advise how the state can best develop and support rodeo, equestrian sports and livestock enterprises at the junior, high school, college and professional levels; promote competitive rodeo, equestrian and livestock events for the state; provide information to rodeo, equestrian and livestock event participants, fans and promoters regarding rodeo, equestrian and livestock events and programs throughout the state; have monetary approval authority regarding expenditures related to the operation of state-owned rodeo, equestrian or livestock facilities and support for state-operated rodeo, equestrian or livestock activities; and enter into grant and joint power agreements with other state agencies or local public bodies for purposes such as support for local rodeo, equestrian and livestock events and improvements to publicly owned rodeo, equestrian and livestock facilities.

The council must also adopt rules for specified purposes related to its mission and procure service.

FISCAL IMPLICATIONS

Although there is no appropriation, the bill provides that the council will meet at the call of the chair, but not less than once per quarter, for which its members shall receive per diem and mileage as provided in the Per Diem and Mileage Act. The bill provides that the NMRC would be administratively attached to EDD; however, it is unclear whether EDD would be responsible to pay the expenses of NMRC.

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.

The fiscal impact on the State Fair Commission and its year round events and the State Fair annual event is indeterminable at this time. The State Fair Commission is an enterprise fund and a year round entertainment venue. The only general fund revenue received by the State Fair Commission is for educational programs at the African American Performing Arts Center. All other funds required for operation and staffing are acquired through booking entertainment at the various facilities on the grounds.

A major component of SB471 is to emphasize how the state can best develop and support rodeo, equestrian sports, and livestock enterprises in junior, high school, and college. However, the bill does not provide additional funding to develop and support the activities.

SIGNIFICANT ISSUES

The purpose of the New Mexico Sports Authority, a program of the Tourism Department (TD), is to recruit and retain all forms of professional and amateur sporting events; identify existing infrastructure for sporting activities, identify and propose future infrastructure and locations and identify opportunities for private and public partnerships on infrastructure; foster relationships

between sporting event organizers and event sponsors; foster relationships among state and local agencies; may develop and recommend legislation to the governor; and may adopt rules necessary to further the purpose of the authority. The New Mexico Sports Authority reports that it would offer its services to the NMRC as it pursues spectator and participation events to create new avenues to enhance the image of New Mexico as a visitor destination.

The State Fair Commission is statutorily empowered with the stewardship responsibility of the state fairgrounds. However, approval of the proposed bill would place approval authority with the NMRC of state appropriated funds for the planning, design, construction and operation of state-owned rodeo, equestrian or livestock facilities, including making final decisions in procurement actions for the planning, design, construction and operation of those facilities.

The bill does not expressly identify the state fair grounds as the location for construction of state-owned rodeo, equestrian, or livestock facilities; however, \$5 million of capital outlay funding has been identified with the fair grounds as the location for a state-owned facility.

PERFORMANCE IMPLICATIONS

According to 6-3A-2 NMSA 1978, the Accountability in Government Act, the Legislature finds that agencies should be held accountable for services and products they deliver in accordance with clearly defined missions, goals, and objectives and develop performance measures for evaluating performance and assessing progress in achieving those goals and objectives. It is unclear if the goal of NMRC is job creation, increased tourism, or educational attainment.

Increased tourism promotion, specifically geared to the travel visitors in search of western heritage, should result in increased visitation to New Mexico, a key performance measure for TD.

ADMINISTRATIVE IMPLICATIONS

The NM Rodeo Council is administratively attached to the Economic Development Department. EDD will staff the NMRC, including budgeting, legal counsel, recordkeeping, and administrative and clerical assistance. Additional staffing may be required.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Senate Bill 562 appropriates \$2,000,000 to the Economic Development Department to encourage the National Junior and High School Rodeo Finals be held in New Mexico.

The General Appropriations Act contains recommendations for funding for the rodeo initiative.

TECHNICAL ISSUES

The bill appears to overlap duties, purpose, and statutory authority of the New Mexico Sports Authority, State Fair Commission, and New Mexico Higher Education Department.

According to Section 9-15A-10, the New Mexico Sports Authority is responsible for developing all forms amateur and professional sports in New Mexico. By statute, the State Fair Commission is entrusted to have the care of its property and be entrusted with the entire direction of its business and its financial affairs consistent with the provisions identified in Sections 16-6-15 and 16-6-16 NMSA 1978. The NMHED is currently given authority by statute to oversee financial reporting of higher education departments in New Mexico. As a result, there appear to be overlapping administrative and fiscal responsibilities delegated to NMRC and NMHED. This proposed legislation may be an opportunity to streamline fiscal and administrative state appropriations for rodeo, equestrian and livestock programs under the NMRC. Otherwise, there is a potential duplication of efforts in the oversight of these programs at higher education institutions.

OTHER SUBSTANTIVE ISSUES

TD supports legislation that promotes tourism to the state and the western tourism market - cattle drives, rodeos, gold and silver mining and horseback and stagecoach rides, etc. - is a valuable segment within the state's \$5+ billion a year tourism industry.

ALTERNATIVES

The cooperative marketing grant program administered by the Tourism Department provides matching grant funds through a competitive application process to statewide non-profit organizations and local and tribal governments that have demonstrated their ability and commitment to carry out tourism marketing plans. NMRC activities and promotions may qualify for tourism marketing.

AMMENDMENTS

According to Section 12-9-12 NMSA 1978, the:

“Legislature finds that state government actions have produced a substantial increase in numbers of programs and a proliferation of rules and regulations and that the whole process has developed in a haphazard, piecemeal fashion resulting in overlapping and duplication without regulatory accountability or a system of checks and balances. The legislature further finds that by establishing a system for periodic review of certain separate administratively attached and adjunct agencies, it will be in a better position to evaluate the need for the continued existence of the regulatory agencies covered by the Sunset Act”

Consideration should be given to apply a “sunset” date for the NMRC as the bill provides for it to be an administratively attached entity to improve accountability.

DL/mt