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FISCAL IMPACT REPORT

ORIGINAL DATE 02/05/13

SPONSOR Gonzales LAST UPDATED 02/09/13 HB 73/aHHGAC

SHORT TITLE Convention Center Financing Act to All Cities SB _____

ANALYST Boerner

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

| | FY13 | FY14 | FY15 | 3 Year Total Cost | Recurring or Nonrecurring | Fund Affected |
|--------------|------|-------|-------|----------------------|------------------------------|------------------|
| Total | | \$0.0 | \$0.0 | \$0.0 | | None |

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Finance and Administration (DFA)

Attorney General's Office (AGO)

New Mexico Municipal League (NMML)

SUMMARY

Synopsis of HHGAC Amendment

The House Health, Government & Indian Affairs Committee amendment to House Bill 73 clarifies "convention center" to include "a civic center or convention center and any facility that includes space for rent by the public for the primary purpose of increasing tourism."

Synopsis of Original Bill

In Section 1 the Convention Center Financing Act (CCFA) is amended to allow any incorporated municipality (or county) impose convention center fees subject to the provisions in Section 5-13-3 (A).

The bill defines "qualified municipality" as an incorporated municipality including an H class county (Los Alamos is the only H class county, defined as any county which covers an area of not more than 200 square miles). The bill also strikes the term "additional municipality" and its definition throughout the bill. In sum, the bill eliminates previous population restrictions on a "qualified" municipality.

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In Section 2 the bill adds a new Subsection B that allows two qualified municipalities to enter into a joint powers agreement to collect revenue from a convention center fee and to expend the revenue as required by the CCFA if, 1) the municipalities are in the same county within 20 miles of the corporate limits of each other, and 2) have each enacted an ordinance to impose a convention center fee.

“Convention Center” is defined to include a civic center or similar facility intended for public use.

FISCAL IMPLICATIONS

The Department of Finance and Administration (DFA) noted (on the original bill) that there is an indeterminate revenue impact; local governmental entities authorized by the CCFA may impose a lodging tax of no more than \$2.50 per room for each day the room is occupied.

The New Mexico Municipal League (NMML) reports the bill and the HHGAC amendment; however, it did not provide an analysis of potential impact.

CEB/bm:svb