

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

Current and previously issued FIRs are available on the NM Legislative Website (www.nmlegis.gov) and may also be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

SPONSOR O'Neill ORIGINAL DATE 1/23/18
 LAST UPDATED _____ HB _____

SHORT TITLE Cultural Affairs Dept. Ticket Sales SB 78

ANALYST Martinez

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY18	FY19	FY20	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		See Fiscal Implications	See Fiscal Implications			

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
 Cultural Affairs Department

SUMMARY

Synopsis of Bill

This bill amends Section 9-4A-6 NMSA 1978 in order to authorize the Secretary of the Department of Cultural Affairs (DCA) to contract with third party vendors to sell tickets, passes and other DCA products on behalf of the DCA, and allows authorized vendors to retain a portion of the sales price before remitting to the State the remainder of the fees collected.

FISCAL IMPLICATIONS

There is no direct fiscal impact to the Department of Cultural Affairs. However, it will improve efficiencies and increases vendor options for services.

SIGNIFICANT ISSUES

The following significant issues were provided by the Department of Cultural Affairs:

1. This bill will allow DCA to pay ticketing vendors with whom we contract to sell tickets by allowing them to keep a portion of the proceeds as payment for their services, rather than first transferring the receipts to DCA and then DCA transferring the payment back to the vendor. The proposed payment method is the same method used by State Parks

Division, and will open the door to more possible vendors who might be interested in handling DCA's ticket sales.

2. DCA's ticketing needs are complex and include online ticket sales to museum facilities and programs, the need for a sophisticated ticketing system that is capable of syncing online ticket sales with tickets sold on site at DCA museums, accommodating ticket sales for single museums and multiple museums within the DCA's system, and tracking attendance data for marketing and other outreach purposes, among other things.
3. Section 16-2-9.1 NMSA 1978 authorizes the Energy, Minerals and Natural Resources Department (NMEMNRD) Secretary to contract with vendors to sell state park passes, permits and other state park products in compliance with rules adopted by the Secretary, and allows the vendors to retain a portion of the sales price. The DCA's operations are in many ways similar to NMEMNRD's, as both are visitor-serving agencies that depend on earned revenues to support a significant part of their operations.
4. Allowing ticketing vendors to retain a portion of the ticket sales price before remitting the remainder of the ticket fees to the state is in line with the business practices of ticketing vendors, as vendors commonly collect a service fee from customers before remitting the remainder of revenues to event sponsors.

ADMINISTRATIVE IMPLICATIONS

Allowing vendors to deduct service fees from ticket revenues will reduce the administrative burden of the invoicing and disbursement process used by contractors.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Providing up-to-date ticketing services via third party vendors helps the Department remain competitive with private venues offering similar attractions and services.

JM/al/jle