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FISCAL IMPACT REPORT

SPONSOR: Thompson DATE TYPED: 02/24/01 HB 739
 SHORT TITLE: Inc. 500 Conference SB _____
 ANALYST: Padilla

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY01	FY02	FY01	FY02		
	\$ 300.0			Non-recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files
 Department of Tourism

No Response Received:

Department of Finance and Administration
 Economic Development Department

SUMMARY

Synopsis of Bill

House Bill 739 appropriates \$300.0 from the general fund to DFA's Local Government Division for the purpose of financing the hosting expenses for Inc. Magazine's "Inc. 500" Conference in Albuquerque.

Significant Issues

According to information from the Albuquerque city council, Inc. Magazine is interested in having Albuquerque host the magazine's "Inc. 500" conference in 2002. The council says that the conference typically generates attendance of at least 1,000 persons and has over \$2 million direct financial impact to the host city. The council has said that hosting the conference would provide a significant marketing opportunity for future business location and job creation.

The city council is considering a resolution to commit up to \$300.0 to host the conference contingent upon the financial participation of the state of New Mexico and the private sector for any amount required in excess of this commitment.

FISCAL IMPLICATIONS

The appropriation of \$300.0 contained in this bill is a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2002 shall revert to the general fund.

The city of Albuquerque can use its lodger's tax revenues on activities to promote the city, which could possibly include the hosting of this conference. In FY 1999, Albuquerque had \$8.1 million of revenue from lodger's tax.

ADMINISTRATIVE IMPLICATIONS

Although the appropriation in this bill is to DFA's Local Government Division, the funding for the conference would presumably be administered by the city of Albuquerque.

From a performance and program standpoint, the appropriation in the bill might be better made to the either the Economic Development Department or the Department of Tourism, which could integrate the conference into its ongoing activities. The Local Government Division's activities are primarily concerned with the financial management of local governments.

OTHER SUBSTANTIVE ISSUES

The Department of Tourism notes that visitation to New Mexico from conferences and conventions has positive impacts on the state's economy, but is unable to estimate the possible impact of the Inc. 500 conference due to lack of information.

The Department of Tourism believes the conference could affect its fulfillment program, due to increased demand for information about New Mexico from conference attendees. Similarly, visitation could increase at visitor information centers.

LP/njw