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## FISCAL IMPACT REPORT



SPONSOR: Garcia DATE TYPED: 1/30/02 HB

SHORT TITLE: Convention Center Financing Act SB 114

ANALYST: J. Sandoval

### REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY02	FY03			
	\$0.1 Indeterminate	\$0.1 Indeterminate	Recurring	Local Communities

(Parenthesis ( ) Indicate Revenue Decreases)

### SOURCES OF INFORMATION

LFC files

#### Responses Received From

Economic Development Department

New Mexico Department of Tourism

#### No Response

The Department of Finance and Administration

### SUMMARY

Senate Bill 114 authorizes “convention center fee” that amounts to a daily surcharge of up to \$2.50 for lodging within certain municipalities. The proceeds can only be used for land, construction, design, furnishing, equipping, operating and maintaining a convention center within the municipality. The bill pertains only to a municipality located in a class A county with a population between 70,000 and 100,000 according to the 2000 Census.

This bill also authorizes securing revenue bonds with the proceeds to only be used for convention facilities.

**FISCAL IMPLICATIONS**

This bill provides authorization for certain municipalities to levy a lodging surcharge of up to \$2.50. All revenue generated from this surcharge will remain within the jurisdiction of the municipality. The potential revenue from this surcharge is unknown at this time.

**RELATIONSHIP**

The bill appears to resemble an existing statute pertaining to lodging taxes (the Lodgers Tax Act).

**OTHER SUBSTANTIVE ISSUES**

Some exemptions from the convention center fee include lodging accommodations at institutions of the federal government, the state or any political subdivision thereof; religious, charitable, educational or philanthropic institutions and privately owned and operated convalescent homes or homes for the aged, infirm, indigent or chronically ill.

**POSSIBLE QUESTIONS**

1. Are there not other sources of revenue currently in existence to pay for the projects described in this bill?
2. What counties have a population between 70,000 and 100,000?

**JFS/njw**