

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 FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

## FISCAL IMPACT REPORT

SPONSOR Campos DATE TYPED 2/2/05 HB \_\_\_\_\_

SHORT TITLE Heritage Area Study in Northeast New Mexico SB 412

ANALYST Rosen

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$100.0		Indeterminate	Non-recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

Responses Received From  
 Tourism Department (TD)  
 Economic Development Department (EDD)  
 Department of Cultural Affairs (DCA)

### SUMMARY

#### Synopsis of Bill

Senate Bill 412 appropriates \$100.0 from the general fund to EDD for expenditure in FY06 to conduct a feasibility study for the creation of a heritage area in northeast New Mexico.

#### Significant Issues

“National Heritage Areas” are designated areas where natural, cultural, historic and recreational resources combine to form a cohesive, nationally distinctive landscape arising from patterns of human activity shaped by geography. These patterns make National Heritage Areas representative of the national experience through the physical features that remain and the traditions that have evolved in the areas.

According to DCA, designation of a heritage area can occur at the state or federal level. Currently no such program exists under New Mexico statutes and New Mexico has no National Heritage Areas under the federal program (although one has been introduced for the northern Rio Grande). DCA notes other states, including Utah and Maryland, have very successful state-level

heritage area programs upon which New Mexico could model its own.

According to TD, National Heritage Areas are part of a strategy that encourages residents, government agencies, non-profit groups and private partners to collaboratively plan and implement programs and projects that recognize, preserve and celebrate many of America's defining landscapes.

### **PERFORMANCE IMPLICATIONS**

DCA notes development of heritage areas will substantially enhance New Mexico's communities' capacity to plan and implement preservation projects and promote heritage tourism. In addition, these activities will positively impact HPD's preservation performance measures.

### **FISCAL IMPLICATIONS**

The appropriation of \$100.0 contained in this bill is a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund.

### **ADMINISTRATIVE IMPLICATIONS**

Indeterminate

### **TECHNICAL ISSUES**

TD indicates the term "heritage area" may not be commonly used or understood in the economic development realm and, therefore, it is critical for definitions and expectations to be agreed upon by study group members to avoid gathering results not relevant to common goals.

### **OTHER SUBSTANTIVE ISSUES**

According to DCA, designation as a heritage area requires public involvement, outreach and governmental support for the concept to work. Communities within an area develop a heritage area management plan that sets forth the strategies, projects, programs, actions, and partnerships that will be necessary for an area to achieve its goals.

DCA indicates the study will not influence designation under the federal program but may provide the necessary information to proceed with an application to the federal program. The study could also provide information on the feasibility of a "heritage enterprise zone" eligible for certain benefits such as special project grants and loan assistance for acquisition, development, public interpretation, and programming, as well as tax incentives for the rehabilitation of non-designated historic buildings and non-historic buildings in active tourism use.

### **ALTERNATIVES**

DCA indicates its Historic Preservation Division (HPD) should be included in the group conducting the study as the study is consistent with its statutory responsibilities. In addition, DCA indicates HPD has an ongoing partnership with the National Park Service, which administers the federal National Heritage Area program. DCA notes heritage areas include natural sites and,

therefore, Energy, Minerals and Natural Resources' State Parks Division (SPD) might also be included in the group conducting the study.

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?**

DCA indicates northeastern New Mexico's cultural patrimony, which includes archaeological sites, historic ranches, historic buildings, churches, schools, plazas and parks will continue to suffer from inadequate interpretation and planning for their preservation and continued use.

JR/yr