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## FISCAL IMPACT REPORT

SPONSOR Robinson ORIGINAL DATE 1/30/06  
LAST UPDATED \_\_\_\_\_ HB \_\_\_\_\_  
SHORT TITLE Indian Gaming Revenue to Tourism Department SB 492  
ANALYST Schardin

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	2,195.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Gaming Control Board (GCB)

Department of Finance and Administration (DFA)

### SUMMARY

#### Synopsis of Bill

Senate Bill 492 would appropriate 5 percent of revenue from tribal revenue sharing agreements to the tourism department for marketing tourism in New Mexico. Any unencumbered balance at the end of a fiscal year would revert to the general fund.

The effective date of these provisions is July 1, 2006.

### FISCAL IMPLICATIONS

The January 2006 consensus revenue estimate projects that tribal revenue sharing will total \$43.9 million in FY07 and grow by 2 percent each year thereafter. Five percent of this total, or \$2.2 million in FY07, would be appropriated to the tourism department.

### SIGNIFICANT ISSUES

The Tourism Department reports that the earmarked funds would be used to promote tribal activities including gaming, hospitality, sports, and other activities. The department believes that

economic activity resulting from their marketing efforts could offset the \$2.2 million appropriation.

**ADMINISTRATIVE IMPLICATIONS**

The distribution to the Tourism Department created by this bill would be administered by the Gaming Control Board. GCB reports no administrative implications.

**ALTERNATIVES**

It is unclear whether earmarking a portion of this revenue stream to the Tourism Department is warranted, since the department could alternatively request an increase in its operating budget through the normal appropriations process.

SS/mt