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## FISCAL IMPACT REPORT

SPONSOR Wallace ORIGINAL DATE 2/12/07  
LAST UPDATED \_\_\_\_\_ HB 408  
SHORT TITLE Scenic Byways Program SB \_\_\_\_\_  
ANALYST Earnest

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$300.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

NM Tourism Department (NMTD)

State Parks Division, Energy, Minerals, and Natural Resources Department (EMNRD)

NM Department of Transportation (NMDOT)

### SUMMARY

#### Synopsis of Bill

House Bill 408 appropriates \$300 thousand from the general fund to the Tourism Department for the Scenic Byways Program. The appropriation is for two purposes:

1. \$30 thousand to produce a brochure and map for the statewide network of scenic byways;  
and
2. \$270 thousand to award grants for scenic byway projects.

### FISCAL IMPLICATIONS

The appropriation of \$300 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2009 shall revert to the general fund.

## **SIGNIFICANT ISSUES**

There are 26 federal or state designated scenic byways in the state. The Scenic Byways Program is federally funded through the Federal Highway Administration using federal transportation (SAFETEA-LU) funds. NMTD promotes and administers the program. NMDOT is the fiscal agent for the federal transportation funds, which are designated solely for project grants. Grants are awarded to eligible applicants on an annual basis through a competitive process administered by NMTD in cooperation with NMDOT's regional and metropolitan planning process. The program received \$374,503 in FY04; \$507,637 in FY05; and \$478,028 in FY06.

Annual funding requests are generally much higher than the funding awards. Over the past five years the program has received an average of 26 applications per year and funded an average of 8 projects per year. In FY05, NMTD received \$80,000 in federal Scenic Byway funds for a drive-market penetration campaign. A \$20,000 match was required.

NMTD notes that this bill provides, for the first time, a budget to create a marketing tool for the statewide system of Scenic Byways. It will have a positive impact on tourism in New Mexico by providing funds for marketing, interpretation, and capital projects around the state. The Scenic Byways program is governed by New Mexico Administrative Code (NMAC) and administered through NMTD. The additional funds would be managed in the same manner.

The State Parks Division (SPD) indicates that numerous New Mexico State Parks are located on or near designated scenic byways. SPD, local park support groups and organizations, and park "gateway communities" may seek to apply for the grant funding made available by HB 408. Projects along the byways near state parks could help to advertise and beautify these routes, increase educational information along the byways, and benefit state parks in other ways.

## **PERFORMANCE IMPLICATIONS**

NMTD indicates that additional funds will enable the program to award more projects and significantly impact New Mexico's 26 Scenic Byways. HB 408 also supports the NMTD performance measure for the Scenic Byways Program to increase the number of active New Mexico community Scenic Byway organizations.

According to SPD, HB 408 would have positive impacts on two of the performance measures for the division: visitation and revenue. Additional publicity and exposure for the scenic byways in New Mexico could help increase visitation at the parks located along or near those scenic byways, which would also help SPD generate revenue and meet the statutory requirement for SPD to be as financially self-sufficient as possible.

## **ADMINISTRATIVE IMPLICATIONS**

There is no significant administrative impact. The additional grants could be awarded and administered with existing resources.

BE/mt