F I S C A L   I M P A C T   R E P O R T

SPONSOR	Williams	**ORIGINAL DATE** 2/5/2007 **LAST UPDATED**	**HB**	556
SHORT TITLE	Southeastern New Mexico Visitors Center		**SB**	
			ANALYST	Schuss

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	**FY08**		
	$108.0	Recurring	General

(Parenthesis ( ) Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY07	**FY08**	**FY09**	**3 Year Total Cost**	**Recurring or Non-Rec**	**Fund Affected**
Total		$108.0	$124.2	$232.2	Recurring	General

(Parenthesis ( ) Indicate Expenditure Decreases)

SOURCES OF INFORMATION
LFC Files

Responses Received From
New Mexico Tourism Department (TD)

SUMMARY

Synopsis of Bill

House Bill 556 appropriates $108,000 from the general fund to the Tourism Department for the operation of the Billy the Kid National Scenic Byway Visitors Center as a State Visitors Center in Southeastern New Mexico.

FISCAL IMPLICATIONS

The appropriation of $108,000 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY08 shall revert to the general fund.

According to the Tourism Department, they have no other source of funding for daily operation and FTE expenses of this Visitor Information Center (VIC) and cannot absorb such an increase without this appropriation. An anticipated 15 percent increase in FTE expenses in the out-years is reflected in the FY09 estimate.

SIGNIFICANT ISSUES

The Tourism Department's Visitor Information Center (VIC) Program operates nine VICs in Raton, Santa Fe, Labajada, Texico, Chama, Anthony, Glenrio, Gallup and Lordsburg. The centers are open seven days a week, 362 days per year. The program also operates two mobile VICs which are positioned at events throughout the state and nation on a regular basis. With the exception of the mobile VICs, each center is staffed by three Tourism Department employees whose purpose is to promote tourism in the state by providing literature, historical facts, information on attractions, lodging, dining, weather and roadway conditions, and to entice the traveling public into extending their stay in the state.

There is no VIC in the Ruidoso area. The Billy the Kid Scenic Byway Visitor Center is located on Highway 70 and accessible to those traveling through Ruidoso and the Ruidoso Downs area.

The Tourism Department also notes that the area has the traffic counts to justify a staff of three FTE to run this VIC. The center, by federal law, will remain a Scenic Byway Center and the VIC will co-exist with it. The structure is sound and in excellent condition.

PERFORMANCE IMPLICATIONS

HB 556 enables the department to make contact with traveling public in the Ruidoso area. The center gives the department another location to track visitors and their place of origin. This is consistent with the following Tourism Department's performance measures: number of visits to visitor information centers and percent change in tourists visiting New Mexico visitor information centers. The current methodologies for measuring the number of visitors at the VICs are door counts, visitor logs, and surveys.

ADMINISTRATIVE IMPLICATIONS

The Tourism Department will need an increase of three FTE to run the Billy the Kid Scenic Byway Visitor Center. There will also be additional duties and responsibilities for upper management.

ALTERNATIVES

The Tourism Department suggests rolling this appropriation into the base budget in the General Appropriation Act to make the expense recurring.

BS/csd