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FISCAL IMPACT REPORT

ORIGINAL DATE 2/12/07
 LAST UPDATED 2/22/07 HB 776

SPONSOR Lujan, B.

SHORT TITLE Underwrite Champions Tour Golf Tournament SB _____

ANALYST Earnest

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$6,500.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

House Bill 776 duplicates Senate Bill 945.

SOURCES OF INFORMATION

LFC Files

Responses Received From

NM Tourism Department (NMTD)

NM Sports Authority (NMSA)

SUMMARY

Synopsis of Bill

House Bill 776 appropriates \$6.5 million from the general fund to New Mexico Tourism Department (NMTD) for expenditure in FY08 and subsequent fiscal years to promote New Mexico by providing funding to underwrite a professional golfers' association (PGA) champions tour golf tournament in New Mexico.

FISCAL IMPLICATIONS

The appropriation of \$6.5 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the general fund.

SIGNIFICANT ISSUES

This appropriation would sponsor an annual PGA Champions Tour event in New Mexico for

three years. The PGA requires a 3-5 year commitment from a title sponsor, and this appropriation would help event organizers meet the three-year requirement. Event organizers have identified some corporate sponsorship but are in need of a title sponsor.

NMTD notes that promoting New Mexico as a golf destination allows NMTD to expand upon its agency mission of marketing New Mexico as an enchanting destination to the world. NMTD supports any initiative that encourages visitation to the state.

According to NMSA, a PGA Champions event would be televised by the Golf Channel and there would be some national media exposure. A Ladies Professional Golf Association (LPGA) Tour event, however, might fit New Mexico better. Several New Mexicans play on the women's tour, including Nancy Lopez (Roswell), Kathy Whitworth (Jal), Rosie Jones (Albuquerque) and Kristi Albers (UNM graduate).

NMTD indicates that an economic impact study, conducted by New Mexico State University's Office of Policy Analysis (December 2006), predicted that a PGA Champions Tour event will lead to an increase in local spending between \$6.2 million and \$7.6 million, and out-of-state spending ranging between \$1.9 million and \$2.5 million. Additionally, according to the PGA, a typical PGA Champions golf tournament will provide the title sponsor with nearly \$5.7 million worth of media exposure.

PERFORMANCE IMPLICATIONS

NMTD finds that if this initiative increases tourism to the state, it will positively affect three key performance measures: domestic tourism market share, the percent increase in lodger's tax, and the impact of tourism in the state of New Mexico.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

House Bill 776 duplicates Senate Bill 945.

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