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FISCAL IMPACT REPORT

ORIGINAL DATE 02/17/11

SPONSOR Doyle LAST UPDATED 02/21/11 HJM 33/aH AFC

SHORT TITLE Study Tourism Dept. Promotional Budget SB _____

ANALYST Kleats

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY11	FY12	FY13	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		NFI		NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Economic Development Department (EDD)

Responses Not Received From

Tourism Department (TD)

SUMMARY

Synopsis of H AFC Amendment

The House Appropriations and Finance Committee Amendment would strike the paragraph on page 2, lines 17 through 20 and amend page 2, line 16 to strike “and”. The paragraph had asserted the Tourism Department ought to control any bureaucracy resulting from consolidation with the Cultural Affairs Department. Removing the paragraph does not substantively change analysis of the bill.

Synopsis of Original Bill

House Joint Memorial 33 (HJM 33) requests the New Mexico Legislative Council direct the appropriate legislative interim committee to study the potential for a dedicated stream of revenue to fund the promotional budget of the tourism department.

FISCAL IMPLICATIONS

HJM 33 carries no fiscal impact.

SIGNIFICANT ISSUES

EDD claims that New Mexico falls short of most other states when it comes to the size of our promotional/advertising budget. TD continues to rely on funding for promotional activities out of the general budget. A dedicated funding source for the promotional budget would provide consistent levels of funding for NM tourism promotion, which currently fluctuates between \$2 and \$5 million.

EDD fears New Mexico will lose out on competitive tourism dollars to neighboring states if the TD promotional budget falters.

EDD notes the potential stream of revenue for promotion could free money from TD's general budget. The legislature could use these newly available funds to address other key areas within state government.

PERFORMANCE IMPLICATIONS

Nearly all of TD's performance measures are related to increasing visitation to New Mexico. A dedicated stream of revenue for the promotional budget could contribute to those measures.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

HJM 33 relates to HB 418, which would issue special license plates featuring golf tourism for an additional \$35 annual fee. \$25 of each fee would be distributed and appropriated to the Tourism Department for promotion of golf tourism.

OTHER SUBSTANTIVE ISSUES

EDD states tourism is a \$6 billion per year industry in New Mexico and suggests this industry is a staple of urban communities and often times the only industry in rural parts of the state.

IK/mew:bym