

LFC Requester:	Julisa Rodriguez
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**AGENCY BILL ANALYSIS
2024 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:

Analysis.nmlegis.gov

{Analysis must be uploaded as a PDF}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply:

Date 1/23/2024

Original **Amendment**
Correction **Substitute**

Prepared: _____
Bill No: SB 131

Sponsor: Senator Moores and Senator Maestas

Agency Name and Code Number: Tourism - 418

Short Title: NEW MEXICO BOWL ADVERTISING

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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		
	\$900	Recurring	GF

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
 Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

Senate bill 131 appropriates nine hundred thousand dollars (\$900,000) to the tourism department for expenditures in fiscal years 2025 through 2027 to purchase advertisements, commercials and publicity for the Isleta New Mexico Bowl via national television and other platforms.

Three hundred thousand dollars (\$300,000) is to be expended each of the three fiscal years for this purpose, with any unencumbered or unexpended balance reverting to the general fund at the end of fiscal year 2027.

FISCAL IMPLICATIONS

Senate bill 131 appropriates \$900,000 to the tourism department, of which \$300,000 is to be expended in each of fiscal years 2025, 2026, and 2027. The funds are to be used for advertising, commercials, and publicity for the Isleta New Mexico Bowl.

The language of the bill is unclear whether the appropriation allows for a traditional sponsorship agreement (as NMTD has done in previous years), or if the appropriation is to be used to advertise on behalf of the Isleta New Mexico Bowl. Issues with the latter interpretation are discussed in the Significant Issues section below.

SIGNIFICANT ISSUES

Sports tourism can be an important economic driver for communities; however, it is currently unknown the degree to which it contributes to New Mexico's overall economy. Television viewership seems to primarily reflect the media markets of the teams playing in each game. This makes it difficult to construct a national advertising campaign around a Bowl game where the potential markets of highest impact are unknown for much of the year.

Historically, NMTD has provided sponsorship to the New Mexico Bowl, in exchange for deliverables that directly benefit the state and serve the department's mission. In FY21, NMTD was appropriated \$200,000 to sponsor the Bowl; in FY22 this appropriation was \$300,000. In FY23, NMTD sponsored the New Mexico Bowl at \$100,000. As part of the sponsorship agreement with ESPN Events, NMTD receives certain target deliverables including: national television commercials airing during the broadcast, billboards, in-game features, on-field branding, and brand presence on the Bowl's website.

These sponsorship elements provide a return to the department through media and brand impressions of New Mexico True, which provide advertising equivalency. Further, they directly advertise New Mexico as a tourism destination to the attending and television audience.

As written, it is not clear if Senate bill 131 provides for event sponsorship. If it does not, and allows only for advertising on behalf of the Isleta New Mexico Bowl, this limits any potential direct benefit for the New Mexico True brand, and with it the benefit for the state of New Mexico. Prior

sponsorship agreements with ESPN Events provided a benefit to the state through measurable brand impressions for New Mexico True. This lack of clarity may impact the constitutionality of the bill, as advertising on behalf of the Isleta New Mexico Bowl would remove the benefit to the state.

PERFORMANCE IMPLICATIONS

As with any marketing investment, NMTD will determine the relative return of visitor spending to New Mexico. If the bill language allows for sponsorship, NMTD will continue to make use of reporting from the New Mexico Bowl, which has focused on media impressions, exposure time, advertising equivalency and television viewership.