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FISCAL IMPACT REPORT

ORIGINAL DATE 2/01/06

SPONSOR Lundstrom LAST UPDATED _____ HB 319

SHORT TITLE Indian Tourism Program SB _____

ANALYST Earnest

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	\$300.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Tourism Department (TD)

Department of Indian Affairs (DIA)

SUMMARY

Synopsis of Bill

House Bill 319 appropriates \$300 thousand from the general fund to the Tourism Department for the Indian tourism program.

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 2007 shall revert to the general fund.

SIGNIFICANT ISSUES

TD supports legislation that promotes tourism and educates visitors about the state. Given the Tourism Department's priorities for the use of money in the operating budget, the Indian tourism program only meets these objectives with the help of supplemental funding. The current base budget for Indian Tourism covers only operating expenses; supplemental money from prior year special appropriations funds the marketing and promotional costs.

PERFORMANCE IMPLICATIONS

TD indicates that increased tourism promotion and greater education resources for visitors may result in more tourist visits in New Mexico, a key performance measure for the department.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The Indian Tourism Program will not be capable of expanding current marketing and advertising efforts to promote the 22 tribes, nations and pueblos of New Mexico. Areas most affected would be: the NM Indian Tourism Marketing Collaborative effort to advertising in more media publications; the potential to conduct a statewide NM Indian Tourism conference with a customer service training component; and expansion of the annual Native New Mexico guide that currently educates visitors about NM tribal communities.

BE/nt