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FISCAL IMPACT REPORT

ORIGINAL DATE 2/06/06

SPONSOR Varela LAST UPDATED _____ HB 692

SHORT TITLE Santa Fe Cultural Tourism Conference SB _____

ANALYST Earnest

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	\$65.0	Non-recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Tourism Department

Department of Cultural Affairs

SUMMARY

Synopsis of Bill

House Bill 692 appropriates \$65 thousand from the general fund to the Tourism Department to plan a United Nations Education, Scientific and Cultural Organization (UNESCO) conference in Santa Fe.

FISCAL IMPLICATIONS

The appropriation of \$65 thousand contained in this bill is a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year shall revert to the general fund.

SIGNIFICANT ISSUES

Santa Fe was recently selected as a creative city by UNESCO, joining only five other cities worldwide in this designation. It is the understanding of TD that Santa Fe recently won a bid to host the 2007 UNESCO International Conference on Cultural Tourism. The event is expected to draw 850 delegates and others to Santa Fe in the fall of 2007, generating a significant impact for the tourism industry.

TR reports that conference protocol calls for a planning meeting in the host city one year prior to the actual conference. Approximately 21 delegates, representing the other five creative cities, will attend the meeting in fall 2006. The appropriation in HB 692 would fund this planning meeting.

DCA suggests that the Historic Preservation Division (HPD) be included in the language of this bill. The activities are consistent with State Historic Preservation Office's responsibilities described in Section 18-6-7 of the Cultural Properties Act (18-6-1 through 23, NMSA 1978). In addition, the HPD has an ongoing partnership with the National Park Service, Bureau of Land Management and the National Forest Service, administering federal programs that may be of interest to the conference planners.

PERFORMANCE IMPLICATIONS

TD strongly supports the funding for the conference planning meeting in New Mexico. Cultural tourism is a very important market for the state and Santa Fe is the logical site for the conference as it has so many of the state's cultural attractions. Increasing visitation to New Mexico is a key performance measure of TD.

ADMINISTRATIVE IMPLICATIONS

The Department of Cultural Affairs and would expect to be involved in providing to the Tourism Department information, venues and content.

OTHER SUBSTANTIVE ISSUES

DCA reports the United Nations' World Tourism Organization (UNWTO) shows the number of international tourists recorded worldwide grew by 5.5 percent last year and topped 800 million for the first time. It appears the United States is losing market share to key rivals in the competition for international visitors. To be competitive, the tourism industry is connecting the various aspects of the tourism experience – heritage tourism, ecotourism, geotourism, and other approaches that position a community's sense of place as the main tourism product.

The Historic Preservation Division works with educational, scientific and cultural organizations regularly to create greater understanding for the general and traveling public. Providing a means for a conference guided by an organization connected with the United Nations will greatly broaden the prominence and importance of relating education, science and culture in the tourism experience.

HPD is also an institutional member of the United States Committee of the International Committee on Monuments and Sites, a UNESCO affiliated organization that encourages cultural exchanges.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Money will have to be raised from other sources.

BE/nt