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FISCAL IMPACT REPORT

ORIGINAL DATE 1/28/08

SPONSOR Lundstrom LAST UPDATED _____ HB 383

SHORT TITLE McKinley County Tourism & Outdoor Recreation SB _____

ANALYST Earnest

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	\$25.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

House Bill 383 duplicates House Bill 29.

SOURCES OF INFORMATION

LFC Files

Responses Received From
 Economic Development Department (EDD)
 Indian Affairs Department (IAD)

SUMMARY

Synopsis of Bill

House Bill 383 appropriates \$25,000 from the general fund to the Tourism Department to promote outdoor adventure recreation and tourism in McKinley County.

The bill has an emergency clause.

FISCAL IMPLICATIONS

The appropriation of \$25,000 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2009 shall revert to the general fund.

SIGNIFICANT ISSUES

IAD states that the adventure travel tourism market is a rapidly growing segment within the tourism industry. For several years, McKinley County and the City of Gallup have taken the

initiative to promote the “community’s outdoor potential,” as well as to promote more of a “cultural adventure” experience. The 2003 McKinley County Comprehensive Plan supports prospects for adventure opportunities in lands surrounding Gallup and rural Native American communities. Through a Community Development Block Grant (“CDBG”), feasibility studies have addressed the potential of “a Moab-style” adventure sport tourism program, as well as, facilities and activities in the Gallup area.

Since 2003, McKinley County and the City of Gallup have continued to take the initiative to promote the community’s outdoor potential. An example is the City of Gallup’s development of trail systems around its city limits, as well as, the promotion of a more “cultural adventure experience that would lead visitors on a tour of the area’s museums and trading posts.”

Adventure Gallup and Beyond, a community funded agency to promote adventure travel and recreation has been promoting adventure outdoor recreation targeting Moab-destination cyclists, hikers, and campers. The Economic Development Department (EDD) has provided initial funding through its Administrative Services Division for data and economic impact analysis while Tourism Department has managed the advertising and promotion.

According to EDD, the inaugural tour of Nations Bike race this past summer attracted more than 150 participants and had positive economic impact on sponsors: Isleta Pueblo, Laguna Pueblo, Acoma Pueblo, Zuni Pueblo and other businesses located in Bernalillo, Cibola, and McKinley counties. This Regional, Public and Tribal event brought together Tribal leaders in cooperative participation.

ADMINISTRATIVE IMPLICATIONS

The Tourism Department can handle the provisions of this bill as part of their ongoing responsibilities.

BE/bb