

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

ORIGINAL DATE 02/19/11

SPONSOR Espinoza LAST UPDATED _____ HB 433

SHORT TITLE Expand Convention Center Financing act SB _____

ANALYST Aubel

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY11	FY12	FY13		
	Indeterminate	Indeterminate	Recurring	Lodger's Tax

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Municipal League (NMML)

SUMMARY

Synopsis of Bill

House Bill 433 amends the Convention Center Financing Act by expanding its scope to include all municipalities, adding “civic centers or similar facilities” to the definition of “convention center,” and authorizing two qualified municipalities to enter into joint powers agreement under certain conditions for the purposes specified.

FISCAL IMPLICATIONS

Presumably this bill will allow more municipalities to collect additional revenue from lodging taxes subject to the act and expend the revenue for capital outlay projects as defined for convention centers. The amount is indeterminate.

SIGNIFICANT ISSUES

According to the MML:

Municipalities of various sizes in the state operate or wish to operate convention centers and arenas as an economic development tool. These municipalities may desire to construct new or expand existing centers and areas but do not meet the current population

limitations for imposition of the Conventions Center Financing Fee.

The New Mexico Municipal League supports this legislation and has adopted a resolution, being Resolution 2010-24, in support of the legislation.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Only an incorporated municipality or a qualified municipality, as defined in current statute as one “that has a population of more than seventy thousand but less than one hundred thousand according to the 2000 federal decennial census located in a class A county” will be able to impose the fee to construct convention centers.

POSSIBLE QUESTIONS

1. What are the typical lodger’s fees implemented for convention centers?
2. Would the economic impact extend to the hospitality industry that would most likely have to raise lodger’s prices to pay the fees?
3. Does NMML have any data on how past projects completed for convention centers have improved economic development?

MA/bym