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FISCAL IMPACT REPORT

SPONSOR Meastas ORIGINAL DATE 2/26/19
LAST UPDATED _____ HB 646
SHORT TITLE Tourism Dept. To Sponsor NM True Bowl SB _____
ANALYST Martinez

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY19	FY20		
	\$2,300.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
Tourism Department (TD)

SUMMARY

Synopsis of Bill

House Bill 646 appropriates \$2.3 million to the tourism department to use from FY2020 to FY2023 to become the title sponsor of the New Mexico Bowl.

FISCAL IMPLICATIONS

The appropriation of \$2.3 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY23 shall revert to the general fund.

SIGNIFICANT ISSUES

The following was provided by the Tourism Department:

The appropriation of \$2.3 million amounts to \$575,000 per year from FY2020 to FY2023, based on the appropriation years and the amount spent annually. These funds would most likely be allocated entirely to title sponsorship of the New Mexico True Bowl.

Because of the significant amount of the appropriation, and in order to make the most responsible use of it, the tourism department would need to develop a model for sports event title sponsorship marketing and promotion. Additionally, the department would need to perform an analysis to identify a marketing strategy for the New Mexico Bowl which would benefit the state of New Mexico as whole. This includes an analysis to identify how sports event title sponsorship works within the overall brand image.

ADMINISTRATIVE IMPLICATIONS

Tourism Department staff time and marketing and research resources would need to be allocated to determine the most beneficial strategy for marketing and promotion of the New Mexico True Bowl.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

A private enterprise or public entity outside of the tourism department would have the opportunity to become the title sponsor for the New Mexico Bowl.

JM/gb