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- the convention center fee
- that portion of the proceeds of the Occupancy Tax available for payment of revenue bonds (pursuant to 3-38-23(1)(B))
- any other legal revenues available to the city

Las Cruces must dedicate the revenue derived from the convention center fee to the acquisition of land for and the design, construction, equipping, furnishing, operation and maintenance of a convention center, or to payments of principal, interest or early redemption premiums due in connection with the bonds issued or refunded.

The convention center fee must be reviewed by the Las Cruces city council about every five years after the convention center fee imposition. If no bonds remain outstanding, the convention center fee must be adjusted so the revenue is equal to no more than 120 percent of the operating and maintenance costs of the convention center in the preceding fiscal year.

Las Cruces may to deduct up to 10 percent of the revenue for administration costs.

FISCAL IMPLICATIONS

The New Mexico Finance Authority (NMFA) has conducted a preliminary analysis on the proposed convention center fee. The Las Cruces Lodgers Association reported to the NMFA that in 1999/2000, there were 384 thousand room-nights per year. This level of occupancy would produce a revenue stream of \$960 thousand per year. Because Las Cruces may deduct up to 10 percent of this for administration costs, the net revenue stream available to pay bonds would be \$864 thousand per year. Assuming debt service coverage of 1 ½ -1, the annual debt service would be \$576 thousand per year.

ADMINISTRATIVE IMPLICATIONS

Minimal.

JBE/sb