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## FISCAL IMPACT REPORT

SPONSOR Park DATE TYPED 2/2/05 HB 437

SHORT TITLE Raise State Fair Concession Contract Amount SB \_\_\_\_\_

ANALYST Wilson

### REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY05	FY06			
		See Narrative		

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Attorney General's Office (AGO)

EXPO NM (EXPO NM)

General Services Department (GSD)

### SUMMARY

#### Synopsis of Bill

House Bill 437 amends NMSA Section 13-1-30 of the Procurement Code to raise the State Fair (EXPO NM) concession contracts revenue limit to which the Code applies from contracts in excess of \$10 thousand to those contracts in excess of \$20 thousand. The new limit would apply to concession contracts in which EXPO NM receives revenue, and also to those in which it expends public funds.

#### Significant Issues

The AGO states EXPO NM concession contracts include those in which the EXPO NM authorizes concessionaires to conduct business on the fairgrounds, and EXPO NM then receives revenue from that license. The Procurement Code provision amended by this bill is unusual in that it applies the Code to those revenue generating contracts. This application requires competitive procurement for those contracts in which the EXPO NM *receives* revenue in excess of the statutory limit. Most of the Code's provisions apply to procurement by state agencies requiring the *expenditure* of public funds. It is possible that the EXPO NM also enters into concession contracts requiring the expenditure of public funds. Presumably this amendment will assist EXPO

NM in procuring small concession contracts without competitive procurement, whether they generate revenue to EXPO NM or require the expenditure of funds by the EXPO NM.

**FISCAL IMPLICATIONS**

EXPO NM states that the increased exemption from the Procurement Code will allow them the ability to offer increased concession vendor booth space valued between \$10 thousand and \$20 thousand. This exemption will allow for timely processing of contracts for the “Annual Event” in September.

The value of concession vendor booth spaces is determined by front foot basis. EXPO NM currently has six spaces valued between \$10 thousand and \$20 thousand, which have been rented for the maximum contract amount of \$10 thousand. The increase in the contract amount will allow EXPO NM to charge market value for these spaces increasing revenue by \$22,575.

**ADMINISTRATIVE IMPLICATIONS**

Contracts valued between \$10 thousand and \$20 thousand will be exempt from the Procurement Code and can be processed internally.

DW/yr