

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

SPONSOR Silva DATE TYPED 3/07/05 HB 580/aHBIC/aHJC

SHORT TITLE NM Exposition Authority Act SB _____

ANALYST Ford

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
			See Narrative		

(Parenthesis () Indicate Expenditure Decreases)

Duplicates
SB619

SOURCES OF INFORMATION

LFC Files

Responses Received From

Attorney General (AGO)
Employment Development Department (EDD)
Department of Finance and Administration (DFA)
Taxation and Revenue Department (TRD)
Tourism Department (TD)

SUMMARY

Synopsis of HJC Amendment

The House Judiciary Committee Amendment makes several changes. It changes the reference to “middle Rio Grande” council of governments to “mid regional” council of governments (NOTE: the correct name is “mid region” council of governments). The amendment requires that 3 of the 4 authority members appointed by the governor be appointed from outside the counties of Bernalillo and Santa Fe.

The amendment replaces references to “the center” with “centers”, thereby clarifying that the authority shall have the power to develop more than one exposition center. Finally, the amendment strikes the section that provides immunity from liability for members of the authority.

Synopsis of HBIC Amendment

The House Business and Industry Committee amendment deletes the legislative findings.

Synopsis of Original Bill

House Bill 580 enacts the New Mexico Exposition Center Authority Act for the purpose of creating, constructing, developing, operating and managing exposition centers. The bill creates the New Mexico exposition authority and provides for the authority's membership, powers, procedures and financing, including the authority to issue revenue bonds and collect rents and charges. The bill creates the interim legislative New Mexico exposition center authority oversight committee and requires yearly reports and audits from the authority.

Significant Issues

The authority will consist of 15 members including the secretaries of finance and administration, economic development, tourism, and transportation, the chair of the state transportation commission, the executive director of the New Mexico finance authority, the mayor of Albuquerque, the chair of the Bernalillo county board of commissioners, the mayor of Santa Fe, chair of the Santa Fe county board of commissioners, executive director of the mid-region council of governments and four residents of the state to be appointed by the Governor. The governor shall designate a chair from among the appointed members. Designees may act on behalf of ex-officio members.

House Bill 580 establishes the powers of the authority. Among other powers, the authority will be authorized to operate and manage exposition centers, lease facilities to private enterprises, make grants to participating jurisdictions for the development of an exposition center, and issue tax exempt revenue bonds. The bill establishes the procedures for issuing revenue bonds and provides that bonds issued by the authority shall not create any liability for the state or any political subdivision.

The bill creates a joint interim legislative committee known as the New Mexico exposition center authority oversight committee. Legislative council shall determine the membership, appoint the members, designate the chair and provide staff.

The bill requires the authority to have an audit completed once a year, which shall be submitted to the governor and the oversight committee. The authority must also submit an annual report on its activities to the governor and the legislature.

FISCAL IMPLICATIONS

House Bill 580 provides the authority the means to raise its own revenue and the responsibility to pay for its operating costs from that revenue. While there is no direct impact to the state, the TRD notes that the property, income and operations of the Authority would be tax exempt. To the extent that these operations have the effect of displacing other taxable operations, the proposal could have an indeterminate negative impact on state and local tax revenues.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

House Bill 580 duplicates Senate Bill 619

TECHNICAL ISSUES

House Bill 580 incorrectly references the “middle Rio Grande council of governments.” The name was changed to the “mid-region council of governments.”

The bill is unclear whether the authority is established to operate a single exposition center or many centers. For example, on page 8, line 2, the bill reads “The authority may operate the exposition center in the participating jurisdictions...” This seems to imply that each jurisdiction is limited to one exposition center. However, the definition of “participating jurisdictions” is fairly broad and does not make any geographic limitations.

On page 9, line 20, reads “...make grants to participating jurisdictions for a project for the exposition center...” which, again implies a single center.

On the other hand, the definition of “exposition center” (page 3, lines 6-19) lists several types of facilities, many of which could conceivably be located in one jurisdiction. For purposes of clarification, amendments should be made to create consistency throughout the bill regarding the number of exposition centers authorized.

OTHER SUBSTANTIVE ISSUES

While the bill does not target the authority’s activities to a specific part of the state, the membership of the authority is largely focused on the Albuquerque and Santa Fe regions. If the authority is meant to develop exposition facilities throughout the state, the membership should be expanded to be more geographically representative.

ALTERNATIVES

The AGO notes that this bill is similar to the Statewide Economic Development Act which allows the Economic Development Department and New Mexico Finance Authority (NMFA) to develop similar projects. It is also similar to the New Mexico Finance Authority Act which allows NMFA to fund similar projects. Finally, the state has a funding mechanism for projects authorized by the legislature through the Capital Projects Fund, which could include an exposition center.

POSSIBLE QUESTIONS

Is the legislative intent of House Bill 580 to develop a specific, multi-purpose exposition center in the Albuquerque/Santa Fe region? Or is its purpose to generally promote the development of facilities statewide?

Should there be more geographic representation on the authority’s membership?

How would the mechanisms created by House Bill 580 be an improvement on existing project funding mechanisms?

EF/lg:yr