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FISCAL IMPACT REPORT

ORIGINAL DATE 2/1/06

SPONSOR Park LAST UPDATED _____ HB 404

SHORT TITLE National Guard Annual Conference SB _____

ANALYST Earnest

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY06	FY07		
	\$200.0	Non-recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to Senate Bill 306, appropriating \$100 thousand for the same purpose.

SOURCES OF INFORMATION

LFC Files

Responses Received From

Tourism Department (TD)
Department of Military Affairs (DMA)

SUMMARY

Synopsis of Bill

House Bill 404 appropriates \$200 thousand from the general fund to the Tourism Department to support the New Mexico National Guard in hosting the US National Guard Association annual conference in Albuquerque.

FISCAL IMPLICATIONS

The appropriation of \$200 thousand contained in this bill is a non-recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2007 shall revert to the general fund.

This appropriation is recognized as a non-recurring expense because it is tied to a one-time, annual event.

SIGNIFICANT ISSUES

The annual conference of the National Guard Association of the United States (NGAUS) will be held in Albuquerque in September 2006. The conference is expected to cost between \$900 thousand and \$1 million dollars to put on, of which \$400 thousand must be generated by the host state. The New Mexico National Guard is seeking assistance through the Tourism Department to promote the conference.

The Department of Military Affairs indicates that this conference was originally to be held in New Orleans, LA. After the devastation caused by Hurricane Katrina, the NGAUS asked New Mexico to host the event primarily because the New Mexico Guard hosted the conference in 1997 and had the experience to organize the event in a short time frame.

The conference is attended by 3500-5000 participants and includes 700 or more defense industry and related vendors. The event is scheduled to be conducted at the Albuquerque Convention Center and other venues throughout the city. The conferees will occupy 2800 hotel rooms in 10 area hotels, generating 11,200 room occupancy nights over a four day period. The conference has the potential to generate significant economic impact for Albuquerque and the surrounding area.

The Tourism Department supports all efforts to bring visitors to New Mexico, particularly ones with significant economic impact on communities and the state in general. NGAUS indicates the 2006 National Guard Association Conference is expected to bring between 4,000 and 4,500 visitors to the Albuquerque area with an estimated \$14 million impact on the local economy. NGAUS indicates 2,200 hotel rooms are already contracted for and \$75 thousand will be spent on transportation for conference attendees.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

House Bill 404 relates to Senate Bill 306, which appropriates \$100 thousand to the Tourism Department for the same purpose.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

According to DMA, failure to pass this legislation will have an adverse effect on conducting the conference and will constrain the event.

BE/yr