

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

ORIGINAL DATE 1/25/07

SPONSOR Lundstrom LAST UPDATED _____ HB 158

SHORT TITLE Cooperative Advertising Program SB _____

ANALYST Earnest

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$600.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to appropriation in the General Appropriation Act.
 Duplicates Senate Bill 58.

SOURCES OF INFORMATION

LFC Files

Responses Not Received From
 Economic Development Department (EDD)

SUMMARY

Synopsis of Bill

House Bill 158 appropriates \$600 thousand from the general fund to the Economic Development Department to support the cooperative advertising program.

FISCAL IMPLICATIONS

The appropriation of \$600 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2008 shall revert to the general fund.

SIGNIFICANT ISSUES

The cooperative advertising program at EDD provides matching funds to local economic development organizations to support marketing and advertising needs in communities across the state. In FY07, EDD awarded \$200 thousand to about 45 communities.

EDD requested an additional \$300 thousand for this program in FY08, bringing total funding to \$500 thousand. The LFC recommendation (House Bill 7) includes an additional \$150 thousand, for a total of \$350 thousand.

PERFORMANCE IMPLICATIONS

With an additional \$300 thousand, the department estimated an increase of 15 to 25 participants with average awards of \$8 to \$10 thousand. With a \$600 thousand increase, these figures might double.

ADMINISTRATIVE IMPLICATIONS

EDD should be able to manage an increase in funding for this program with existing resources.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

This appropriation relates to an appropriation in the General Appropriation Act, but at a higher funding level. House Bill 158 duplicates Senate Bill 58.

OTHER SUBSTANTIVE ISSUES

The Tourism Department also runs a cooperative advertising program, funded at about \$1 million in FY07.

BE/csd