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FISCAL IMPACT REPORT

ORIGINAL DATE 2/07/07

SPONSOR Foley LAST UPDATED _____ HB 512

SHORT TITLE New Mexico Bowl Promotion and Support SB _____

ANALYST Earnest

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	\$1,500.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
 Tourism Department (TD)
 NM Sports Authority (NMSA)

SUMMARY

Synopsis of Bill

House Bill 512 appropriates \$1.5 million from the general fund to the NM Sports Authority to support and promote the New Mexico Bowl.

FISCAL IMPLICATIONS

The appropriation of \$1.5 million 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 New Mexico Bowl is owned by ESPN/Disney and is sanctioned by the National Collegiate Athletic Association (NCAA). The Tourism Department has signed a four-year, approximately \$1.3 million contract with ESPN to be the title sponsor of the bowl, thus giving it the name, "New Mexico Bowl." As title sponsor, the state receives a share of the television advertising

during the broadcast of the game. According to the Tourism Department, the New Mexico Bowl exposes the state to a national television market via ESPN. This sponsorship allows the department to expand its agency mission of marketing New Mexico as an enchanting destination to the world. NMTD supports any initiative that encourages visitation to the state.

This bill would put \$1.5 million dollars into promoting the bowl game owned and operated by the ESPN/Disney Corporation.

PERFORMANCE IMPLICATIONS

The Tourism Department notes that this initiative positively affects three key performance measures: domestic market share, percent increase in lodger's tax, and the impact of tourism in the state of New Mexico.

OTHER SUBSTANTIVE ISSUES

The event was originated by the New Mexico Sports Authority in conjunction with the Albuquerque Convention and Visitors Bureau. It is now under the control of the Tourism Department, which takes advantage of advertising, promotion and media exposure opportunities.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The ESPN/Disney Corporation would continue to promote the bowl game, but without the assistance of additional state funding.

BE/sb