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FISCAL IMPACT REPORT

ORIGINAL DATE 2/16/07

SPONSOR Sanchez, M. LAST UPDATED _____ HB _____

SHORT TITLE Relocating the NM State Fair to Valencia County SB 1153

ANALYST Leger

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY07	FY08		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico State Fair Commission/Expo New Mexico

No Responses Received From

Economic Development Department (EDD)

SUMMARY

Synopsis of Bill

Senate Bill 1153 seeks to relocate the New Mexico State Fair to Valencia County and repeal sections of the law pertaining to appropriations for the state fair from the state and Albuquerque.

FISCAL IMPLICATIONS

The state fair commission shall sell the property owned by the state fair upon approval of the legislature. The property shall sell for no less than fair market value and money received from the sale shall be used to make improvements to the state fair property in Valencia county.

In 2005 Governor Richardson formed a State Fair Task Force to conduct an analysis of the fair, its core mission, and the fairgrounds in order to develop a plan that would reflect all of New Mexico's traditions, while positioning the fair to be strong and relevant in the 21st century. The

task force estimated that the land value of the 236 acre fairgrounds is between \$30 and \$40 million. Estimates by the task force show it would cost about \$330 million to move the state fair and create the new one to 21st century standards. This is assuming no cost for land acquisition.

SIGNIFICANT ISSUES

The task force commissioned a statewide public opinion poll on issues related to the State Fair. The poll found that 71 percent of New Mexicans surveyed said to keep the fair at its current location.

According to the state fair, studies conducted nationally have found that established fair events are continuing to prosper in areas of high population density, while those properties that have moved see a decline in attendance and popularity. According to the state fair 60 percent of Albuquerque households attend the fair; characterizing it as an urban fair.

A fair property cannot survive on a one-time annual event. Experience is showing that multiple uses of facilities on a year-round basis is necessary for financial viability. Movement to a non-metro location could have a significant impact on the popularity of use and the ability to rent facilities for weekly shows such as home improvement shows, art and car exhibits, concerts, festivals and the like.

JL/nt