F I S C A L   I M P A C T   R E P O R T

SPONSOR	Cisneros	**ORIGINAL DATE** 02/19/09 **LAST UPDATED**	**HB**	
SHORT TITLE	Expand Mainstreet Art & Cultural Districts		**SB**	527
			ANALYST	Haug

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	**FY10**		
	$250.0	Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Relates to HB 283, HB 476, SB393

SOURCES OF INFORMATION
LFC Files

Responses Received From
Department of Finance and Administration (DFA)
Economic Development Department (EDD)

SUMMARY

Synopsis of Bill

Senate Bill 527 appropriates $250.0 thousand from the general fund to the Economic Development Department for the New Mexico Main Street Program to expand the number of arts and cultural districts in Raton, Los Alamos, Taos and Albuquerque.

FISCAL IMPLICATIONS

The appropriation of $250.0 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 2010 shall revert to the general fund.

According to the February 2009 revenue estimate, FY10 recurring revenue will only support a base expenditure level that is $575 million less than the FY09 appropriations before the 2009 solvency reductions. All appropriations outside of the general appropriation act will be viewed in this declining revenue context.

SIGNIFICANT ISSUES

The EDD states:

> This bill specifically designates 4 communities as recipients of potential funds. They are all applicants but have not been authorized by the New Mexico Arts Commission. There are 17 communities currently interested in becoming a state-authorized district.

> Enabling Legislation for the creation of Arts and Cultural Districts in New Mexico was passed without funding by the New Mexico State Legislature in 2007. Three state agencies (Department of Cultural Affairs, Economic Development and Tourism) re-positioned existing funding to launch the first two successful pilot Arts and Cultural District Programs: Las Vegas and Silver City. No further resources are available to expand the program without infusion of new funds. The Arts and Cultural District initiative is a "place-based" and asset driven economic development strategy utilizing a strong public private partner relationship at the local level; the municipality, a community development program (Main Street) and the local Arts Council.

> The technical support to authorized districts is for two years to meet eligibility criteria established in the state enabling legislation. Funds would permit up to 5 new Districts being authorized statewide annually.

> The Arts and Cultural District Program was created to solidify and enhance cultural and heritage tourism in New Mexico to increase GRT, Lodgers Tax receipts, bed nights in local economies. While there is administrative know how and skills to provide technical assistance and support from collaborating state agencies there is not enough funding to bring new districts into the program.

RELATIONSHIP

Senate Bill 527 is related to:

House Bill 283 which clarifies definitions
House Bill 476 as amended which appropriates the same amount for the same purpose but no longer names specific communities.
Senate Bill 393 appropriates the same amount to expand the number of participating communities in both the Main Street and Arts and Cultural District Programs.

ALTERNATIVES

DFA suggest an amendment for Lines 20 and 21:
Strikeout "in Raton, Los Alamos, Taos and Albuquerque".

GH/mc