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FISCAL IMPACT REPORT

ORIGINAL DATE 02/21/13

SPONSOR Gentry LAST UPDATED _____ HB 530

SHORT TITLE New Mexico Bowl SB _____

ANALYST Roberts

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY13	FY14		
	\$1,500.00	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY13	FY14	FY15		
	\$10.0 to \$15.0	\$10.0 to \$15.0	Nonrecurring	UNM Athletics

(Parenthesis () Indicate Revenue Decreases)

Duplicates Appropriation in the General Appropriation Act, Tourism Department

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)

University of New Mexico (UNM)

Tourism Department (TD)

SUMMARY

Synopsis of Bill

House Bill 530 (HB 530) appropriates \$1.5 million dollars from the general fund in fiscal year 2014 to the Board of Regents of the University of New Mexico for expenditure of \$500 thousand dollars in each of fiscal years 2014, 2015 and 2016 to fund the state's annual college football bowl game, the New Mexico Bowl.

FISCAL IMPLICATIONS

The appropriation of \$1.5 million, for expenditure of \$500 thousand dollars in each of fiscal years 2014, 2015 and 2016, contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of fiscal year 2016 shall revert to the general fund.

SIGNIFICANT ISSUES

The Gildan New Mexico Bowl reports that the proposed appropriation will be used towards operating expenses, attracting and securing potential representatives, event promotional costs, and community involvement costs. The appropriation is for three years to ensure the stability of the event and the name “New Mexico” in the event. Negotiations have begun with the conferences on new agreements moving forward and the landscape of college football dictates that pay-outs to the participating institutions will increase requiring additional revenue for the bowl. The intent of everyone involved is to keep this event in New Mexico as our state’s premier sports event, and to keep “New Mexico” in the name as it has provided tremendous exposure and economic impact over the past seven years.

In the 2012 event, the exposure the state received from the Gildan New Mexico Bowl was valued at over \$15 million dollars. In addition, the millions of dollars in direct spending create thousands of dollars in additional gross receipt tax revenue annually.

Through a study commissioned by the University of New Mexico Athletic Department, the direct annual economic impact of the New Mexico Bowl to the region is over \$2.5 million with a boost in spending over \$5.7 million in and around Bernalillo County.

Going into eighth year, the Gildan New Mexico Bowl remains the state’s only annual nationally televised event. The national telecast on the Entertainment and Sports Programming Network (ESPN) annually is viewed in roughly 2.2 to 2.7 million households. The Gildan New Mexico Bowl was recognized by CBS Sports and the Bleacher Report as one of the top 3 bowl games in 2012.

The Tourism Department (TD) cites that the New Mexico Bowl is an ESPN sanctioned event to whom the Department pays a sponsorship fee. It is unclear what the need is on the part of ESPN Regional Television for the success of the event. For its sponsorship, the TD receives advertising opportunities including, but not limited to, the presence of the New Mexico True logo in appropriate New Mexico Bowl television and newspaper advertising, and a one-page advertisement in the official game-day program.

The TD supports the New Mexico Bowl through a sponsorship of \$50,000. The appropriation made through HB 530 is outside of and is not related to the appropriation to the TD pursuant to the General Appropriations Act.

ADMINISTRATIVE IMPLICATIONS

The Board of Regents of the UNM will be responsible for administering the appropriation to fund the state’s annual college football bowl game, the New Mexico Bowl.