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FISCAL IMPACT REPORT

SPONSOR Gonzales **ORIGINAL DATE** 02/03/14
LAST UPDATED _____ **HB** 223
SHORT TITLE Convention Center Financing Act Definitions **SB** _____
ANALYST Boerner

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY14	FY15	FY16	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		See Fiscal Implication	See Fiscal Implications			

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Municipal League (NMML)

New Mexico Tourism Department (TD)

SUMMARY

Synopsis of Bill

House Bill 223 strikes “and any facility” from the definition of convention center to define convention center as a civic center or convention center that includes space for rent by the public for the primary purpose of increasing tourism.

FISCAL IMPLICATIONS

By narrowing the definition of convention center, this bill limits the collection of convention center fees and the use of those fees for the allowable costs (see applicable statute below) to convention centers and civic centers.

SIGNIFICANT ISSUES

Section 5-13-4 E NMSA 1978 states:

A local governmental entity shall dedicate the revenue from the convention center fee as provided in this subsection at the time that the ordinance imposing the fee is enacted. A local

governmental entity that is a party to a joint powers agreement regarding the imposition of a convention center fee shall enact an ordinance that includes the provisions stated in the joint powers agreement and limit the use of the revenue to the following:

- (1) costs of acquisition of land for and the design, construction, equipping, furnishing, landscaping, operation and maintenance of a convention center located within the qualified municipality;
- (2) payments of principal, interest or prior redemption premiums due in connection with and any other charges pertaining to revenue bonds authorized by the Convention Center Financing Act; and
- (3) costs of collecting and otherwise administering the convention center fee; provided that administration costs shall not be paid until all required payments on the revenue bonds issued pursuant to the Convention Center Financing Act are made and that no more than five percent of the revenue collected in any fiscal year shall be used to pay administration costs.

The Municipal League supports this legislation.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

“Any facility” that includes space for rent by the public for the primary purpose of increasing tourism will continue to qualify as a convention center and may collect convention center fees and use the revenue from those fees as per Section 5-13-4 E NMSA 1978.

NMTD notes that purchases funded through convention center fees may not reflect the intent of Convention Center Financing Act

CB/ds