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FISCAL IMPACT REPORT

SPONSOR Padilla ORIGINAL DATE 01/19/18
LAST UPDATED _____ HB _____

SHORT TITLE Retire-In-New Mexico Marketing Campaign SB 21

ANALYST Martinez

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY18	FY19		
	\$250.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From
New Mexico Tourism Department

SUMMARY

Synopsis of Bill

This bill appropriates \$250 thousand to the New Mexico Tourism Department from the general fund to develop and implement a marketing campaign to attract retirees to New Mexico.

FISCAL IMPLICATIONS

This bill will appropriate \$250 thousand from the general fund to the New Mexico Tourism Department for expenditure in FY19. Any funds that are not expended or encumbered during FY19 will revert to the general fund.

SIGNIFICANT ISSUES

The New Mexico Tourism Department indicates they have been unable to identify any state-sponsored marketing campaigns directed at retirees specifically. Research shows that this appears to be a function of local governments and private-sector retirement communities.

The Department states, a third-party image study conducted in 2015 demonstrated that non-resident respondents who had an awareness of New Mexico True brand advertising were 76

percent more likely to strongly agree that New Mexico is a good place to retire than those who were unaware. This phenomenon, known as the Halo Effect, shows that New Mexico True brand advertising is successfully making the state attractive to retirees without a segmented advertising campaign.

The Department also states that New Mexico does not currently have in place the “information infrastructure” necessary to market New Mexico as an ideal location for retirement. Such infrastructure includes but is not limited to a certified retirement communities program, an office of retirement or individuals to contact regarding relocation, databases or extension information available to consumers. Investing in a segmented marketing campaign without having the desired information available would not align with best practices for brand marketing.

ADMINISTRATIVE IMPLICATIONS

The Department will need to increase current contractual services to administer the \$250 thousand appropriation. Developing a specific plan to market to retirees would be an addition to the existing strategic marketing contract, increasing contractual services. The remaining appropriation could be added to the amount contracted with NMTD’s advertising agency. However, after production expenses the amount that would remain for media buys would be greatly diminished.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

There will be no consequences of not enacting this bill as the New Mexico True marketing brand as it exists is currently making New Mexico a more attractive place to retire.

JM/sb/jle