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## FISCAL IMPACT REPORT

SPONSOR Szczepanski/Lujan LAST UPDATED \_\_\_\_\_  
ORIGINAL DATE 2/07/25  
SHORT TITLE Creative Industries Fund BILL NUMBER House Bill 265  
ANALYST Fischer

### APPROPRIATION\* (dollars in thousands)

FY25	FY26	Recurring or Nonrecurring	Fund Affected
	\$4,000.0	Nonrecurring	General Fund

Parentheses ( ) indicate expenditure decreases.

\*Amounts reflect most recent analysis of this legislation.

Relates to Senate Bill 49

### Sources of Information

LFC Files

Agency Analysis Received From  
Economic Development Department (EDD)  
Cultural Affairs Department (DCA)

## SUMMARY

### Synopsis of House Bill 265

House Bill 265 (HB265) appropriates \$4 million from the general fund to the Economic Development Department (EDD) for grantmaking in FY26 by the department's Creative Industries Division.

This bill does not contain an effective date and, as a result, would go into effect 90 days after the Legislature adjourns if enacted, or June 20, 2025.

## FISCAL IMPLICATIONS

The appropriation of \$4 million contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY26 shall not revert to the general fund. Although HB265 does not specify future appropriations, establishing a new grant program could create an expectation the program will continue in future fiscal years; therefore, this cost is assumed to be recurring, although likely not annually.

## **SIGNIFICANT ISSUES**

The Creative Industries Division at EDD received \$476.1 thousand in recurring funding for FY25, and the LFC recommended level funding for the division for FY26. The appropriation in SB265 would not be for division operational costs, but instead to provide grants to support creative industries.

EDD noted the grants funded in HB265 will be used across creative industry areas to support the growth and development of businesses, the development and establishment of public infrastructure to support creative industries, and position the state as a leader in creative economy efforts.

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

HB265 is related to SB49 which names creative industries as one of ten diversification areas for economic development in the state of New Mexico as part of a proposed appropriation.

MF/hj/SL2