NOTE: As provided in LFC policy, this report is intended only for use by the standing finance committees of the legislature. The Legislative Finance Committee does not assume responsibility for the accuracy of the information in this report when used in any other situation.

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FISCAL IMPACT REPORT

SPONSOR:	Robinson	DATE TYPED:	01/31/02	HB	_
SHORT TITLE	E: STPF Investment in	New Mexico Film I	Projects	SB	280
ANALYST:				Smith	

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY02	FY03			
		NFI		

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

State Investment Council (SIC)

SUMMARY

This bill allows the state investment officer to make direct investments in New Mexico film projects. Currently, the investments are limited to film private equity funds. This additional investment would be guaranteed by an investment grade entity or its substantial subsidiary.

FISCAL IMPLICATIONS

Income from the severance tax permanent fund is deposited to the general fund. The FY03 estimate for this revenue is \$169 million.

OTHER SUBSTANTIVE ISSUES

The SIC notes that the new investment will have a lower risk of loss than the original investments contemplated under the statute, while providing a significant incentive to promote film production in New Mexico.

SS/ar