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FISCAL IMPACT REPORT

SPONSOR Maes DATE TYPED 2/7/04 HB _____

SHORT TITLE Film Makers Program SB 468

ANALYST Gilbert

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
	\$100.0			Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates Appropriation in the General Appropriations Act

Relates to HB 222; HB 469

SOURCES OF INFORMATION

LFC Files

Response Received From

Economic Development Department Film Division(EDD)
New Mexico Tourism Department (NMTD)

SUMMARY

Synopsis of Bill

Senate Bill 468 appropriates \$100 thousand from the general fund to the Economic Development Department (EDD) for the New Mexico Filmmakers Program.

FISCAL IMPLICATIONS

According to the EDD, \$100.0 has already been approved in the executive budget for the New Mexico Filmmakers Program.

RELATIONSHIP

HB 222 appropriates \$75 thousand to the Economic Development Department (EDD) to finance the operations of the film advisory board.

House Bill 469 allows the State Investment Council (SIC) to intercept the refundable tax credit for film production in New Mexico, or file for such credit on behalf of a New Mexico film project if the SIC has purchased the estimated refundable tax credit from the film project in order to provide additional funding for use in the production of a New Mexico film project. It also expands the film production tax credit eligibility for certain technology expenditures made in New Mexico.

OTHER SUBSTANTIVE ISSUES

According to the Department of Tourism (NMTD), studies have shown that many visitors to New Mexico come because of the State's beautiful scenery. Studies have also shown that people often travel to see the places where films were made. New Mexico enjoyed its highest annual number of visitors in the year following the release of the film *City Slickers II*.

Due to a variety of tax incentives and financing packages recently approved by the state Legislature and endorsed by both the Governor's office and the state's citizenry, New Mexico has made great strides in encouraging the producers of films and motion pictures to shoot their productions within our borders.

While SB 468 would not directly affect the Tourism Department, studies have shown that moviemaking in New Mexico is attracting a new breed of tourist, eager to see where these films were made.

By expanding the film industry in New Mexico, while at the same time enabling the citizens of New Mexico to enjoy in the financial successes offered by a profitable state film industry, SB 468 could eventually benefit all New Mexicans through increased revenues.

RLG/lg:yr