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## FISCAL IMPACT REPORT

ORIGINAL DATE 03/03/09

SPONSOR Griego LAST UPDATED \_\_\_\_\_ HM \_\_\_\_\_

SHORT TITLE Licensing of New Mexico-Style Furniture SM 20

ANALYST Varela

### APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	NFI		

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates HM 35

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Department of Cultural Affairs (DCA)

### SUMMARY

#### Synopsis of Bill

This memorial requests that the Department of Cultural Affairs (DCA) review and revisit its practices regarding the licensing of New Mexico-style furniture with out-of-state manufacturers. Furthermore, the memorial asks that DCA consider giving priority for such projects to New Mexico producers and craftspeople.

### FISCAL IMPLICATIONS

There is no appropriation associated with this memorial.

### SIGNIFICANT ISSUES

According to DCA, the licensing of New Mexico-style furniture as it relates to pieces in the permanent collections of the state museums located in Santa Fe is handled by the Museum of New Mexico Foundation, a private organization that supports the state-run museums in Santa Fe. Specifically, the Foundation extends the license under an MOU with the DCA and the Museum of New Mexico Board of Regents.

DCA reports that the Foundation has found that there are not any manufacturers in New Mexico that have the manufacturing, national marketing and product development capacity to be successful licensees. National marketing and production capacity to reach major retailers and participate at the national trade show level are not present locally.

DCA notes that the Foundation does have a program called “New Mexico Creates” that has purchased more than \$4 million in products directly from New Mexico artists over the past five years. The Foundation is the leading internet site for products made in the state, representing more than 800 New Mexico artists.

In December 2008, the Santa Fe City Council approved a resolution to work with the Foundation to develop seminars for potential licensees. The seminars will be done in partnership with the city and the Foundation. The Foundation also works closely with the city to build markets for local artists.

### **DUPLICATION**

HM 35 is a duplicate memorial in the House.

### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

The Museum of New Mexico Foundation will continue with its successful initiatives that represent and support New Mexico artists and craftspeople, as well as its efforts to develop potential licensees for future participation.

PV/mt