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HOUSE BILL 19

50TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2011

INTRODUCED BY

Dennis J. Kintigh

AN ACT

RELATING TO TAXATION; REPEALING THE FILM PRODUCTION TAX CREDIT;
LIMITING THE TYPE OF INVESTMENT THAT CAN BE MADE FROM THE
SEVERANCE TAX PERMANENT FUND IN FILM PROJECTS; REPEALING
SECTIONS OF THE NMSA 1978.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. A new section of the Severance Tax Bonding Act
is enacted to read:

"[NEW MATERIAL] INVESTMENT IN FILMS TO BE PRODUCED IN NEW
MEXICO.--Notwithstanding any other provision of the Severance
Tax Bonding Act:

A. no more than three percent of the market value
of the severance tax permanent fund may be invested in film
entities;

B. money in the severance tax permanent fund may be

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1 invested in a film entity only as a market rate investment
2 pursuant to Section 7-27-5 NMSA 1978 in the form of a loan at a
3 market rate of interest;

4 C. the state investment officer shall only make
5 investments pursuant to this section upon approval of the state
6 investment council and after a determination by the New Mexico
7 film division of the economic development department that the
8 film entity is involved in a film project that:

9 (1) is scheduled to be filmed wholly or
10 substantially in New Mexico;

11 (2) has been shown to the satisfaction of the
12 New Mexico film division to have a distribution contract in
13 place with a reputable distribution company; and

14 (3) while being filmed in New Mexico, will use
15 New Mexico residents for a majority of the production crew; and

16 D. as used in this section, "film project" means a
17 single-medium or multimedia program, including advertising
18 messages, fixed on film, videotape, computer disc, laser disc
19 or other similar delivery medium from which the program can be
20 viewed or reproduced and that is intended to be exhibited in
21 theaters; licensed for exhibition by individual television
22 stations, groups of stations, networks, cable television
23 stations or other means; or licensed for the home viewing
24 market."

25 SECTION 2. REPEAL.--Sections 7-2F-1, 7-2F-2 and 7-27-5.26

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1 NMSA 1978 (being Laws 2002, Chapter 36, Section 1, Laws 2003,
2 Chapter 127, Section 2 and Laws 2000 (2nd S.S.), Chapter 6,
3 Section 2, as amended) are repealed.

4 SECTION 3. EFFECTIVE DATE.--The effective date of the
5 provisions of this act is July 1, 2011.

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