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SENATE MEMORIAL 89

54TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2019

INTRODUCED BY

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A MEMORIAL

CELEBRATING THE SUCCESS OF THE FILM INDUSTRY IN NEW MEXICO.

WHEREAS, in 2018, New Mexico commemorated one hundred twenty years of film production in the state, beginning with the Thomas A. Edison company's 1898 filming of *Indian Day School* in the New Mexico territory; and

WHEREAS, also in 2018, the New Mexico film division of the economic development department, also known as the New Mexico film office, celebrated the fiftieth anniversary of its founding by then-Governor David Cargo; and

WHEREAS, New Mexico established the first state film office in the United States; and

WHEREAS, film and television production continue to flourish in New Mexico; and

WHEREAS, New Mexico has experienced an unprecedented boom

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1 in film and television production because of the state's
2 competitive incentives, talented crew both behind and in front
3 of the camera and robust infrastructure; and

4 WHEREAS, New Mexico also boasts unique architecture,
5 varied landscapes, breathtaking vistas and mystical skies and
6 more than three hundred days a year of sunshine; and

7 WHEREAS, the New Mexico film industry has made a
8 significant impact on the economic vitality of New Mexico; and

9 WHEREAS, the film industry has created high-wage jobs for
10 skilled technical crew, business opportunities for local
11 vendors and investment opportunities; and

12 WHEREAS, New Mexico boasts the largest film crew base
13 between the east and west coasts; and

14 WHEREAS, New Mexico's current film and television
15 production incentive offers a refundable tax credit of up to
16 thirty percent on qualified in-state expenditures, making it
17 competitive with other popular film hubs such as Georgia and
18 Louisiana; and

19 WHEREAS, New Mexico's incentive program has a fifty
20 million dollar (\$50,000,000) annual rolling cap, and if a
21 production has a credit approved after the program exceeds the
22 annual cap, the payment rolls over to the next fiscal year; and

23 WHEREAS, the incentive program has been credited for
24 attracting big-budget films such as *The Avengers*, *Thor* and
25 academy-award winning *No Country for Old Men*, as well as

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1 popular television series *Breaking Bad*, *Longmire* and *Better*
2 *Call Saul*; and

3 WHEREAS, the New Mexico film office serves the film and
4 television industry locally, nationally and internationally;
5 and

6 WHEREAS, the purpose of the New Mexico film office is to
7 market the state to the film industry, service New Mexico
8 productions and promote jobs for New Mexicans; and

9 WHEREAS, a New Mexico film office report produced by the
10 economic development department, dated February 4, 2019, states
11 that the New Mexico tax credit has brought three billion forty-
12 four million dollars (\$3,044,000,000) into the state, and that
13 is money that would not have been in New Mexico's economy
14 otherwise; and

15 WHEREAS, the New Mexico film office report states that,
16 after deducting qualified expenditures from funds directly
17 spent, the amount not qualifying for a rebate for fiscal year
18 2015 through fiscal year 2017 was almost three hundred eighty-
19 three million dollars (\$383,000,000); and

20 WHEREAS, for fiscal year 2015 through fiscal year 2017,
21 state and local governments received almost ninety-four million
22 dollars (\$94,000,000) in personal income taxes and gross
23 receipts taxes, according to the New Mexico film office report;
24 and

25 WHEREAS, the New Mexico film office estimates that for

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1 every dollar spent, sixty nine and eight-tenths cents (\$.698)
2 actually qualifies for a rebate; and

3 WHEREAS, from 2014 to 2017, the state went from eighteen
4 projects with budgets of one million dollars (\$1,000,000) or
5 more to fifty-two projects; and

6 WHEREAS, in October 2018, Netflix purchased Albuquerque
7 studios, which provides additional opportunities for expansion
8 of film industry options; and

9 WHEREAS, *MovieMaker* magazine showcased Albuquerque in its
10 January 2019 issue as a marquee player, hosting the Nicole
11 Kidman drama *The Goldfinch* as well as the Amazon series *Too Old*
12 *to Die Young*; and

13 WHEREAS, Santa Fe studios provides world-class soundstages
14 where the Joel and Ethan Coen film *The Ballad of Buster Scruggs*
15 and the television series *Roswell* were filmed; and

16 WHEREAS, Albuquerque and Santa Fe are the premier locales
17 for production with their film studios, but rural and native
18 communities throughout the state have seen substantial
19 production spending; and

20 WHEREAS, the New Mexico film office report states that in
21 2017, forty rural communities had film or television production
22 in their vicinities and millions of dollars were spent in local
23 economies; and

24 WHEREAS, an additional benefit New Mexico reaps from film
25 and television production is increased tourism; and

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1 WHEREAS, the New Mexico film office report cites
2 statistics that the New Mexico tourism industry is one of the
3 state's largest employers and employs over one hundred thousand
4 people, bringing in six billion six hundred million dollars
5 (\$6,600,000,000) in revenue annually and paying six hundred
6 sixty million dollars (\$660,000,000) in state and local taxes;
7 and

8 WHEREAS, the film industry in New Mexico also presents an
9 opportunity for students to find high-wage jobs without leaving
10 the state, and there are twenty-three film, television and
11 media programs offered in New Mexico; and

12 WHEREAS, the film industry also diversifies New Mexico's
13 economy and is immune to economic downturn; and

14 WHEREAS, in her January 1, 2019 inaugural address,
15 Governor Michelle Lujan Grisham expressed strong support for
16 the film industry and promised to "take the shackles" from New
17 Mexico's film industry; and

18 WHEREAS, one of the issues legislators will be debating
19 this session is whether or not to remove the rebate incentive
20 cap; and

21 WHEREAS, studies under New Mexico's previous two governors
22 measuring the economic impact of the film industry in New
23 Mexico found that the film industry was tremendously beneficial
24 to the state, according to Eric Witt, executive director of the
25 Santa Fe film office;

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