

HOUSE BILL 238

57TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2026

## INTRODUCED BY

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## AN ACT

RELATING TO ECONOMIC DEVELOPMENT; CREATING THE INDEPENDENT THEATER SPONSORSHIP PROGRAM AS A THREE-YEAR PILOT PROJECT TO PROVIDE SPONSORSHIP PAYMENTS TO INDEPENDENT THEATERS; PROVIDING FOR PROGRAM ELIGIBILITY, PROGRAM TERMS AND REPORTING REQUIREMENTS; MAKING AN APPROPRIATION.

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

SECTION 1. [NEW MATERIAL] PILOT PROJECT--INDEPENDENT  
THEATER SPONSORSHIP PROGRAM--ELIGIBILITY--PROGRAM TERMS--  
REPORTING AND EVALUATION.--

A. The "independent theater sponsorship program" is created as a three-year pilot project to provide sponsorship payments to independent theaters and measure the effect of sponsorship payments on the economic development of municipal business districts. The independent theater sponsorship

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1 program is intended to demonstrate that sponsorship payments to  
2 independent theaters help to maintain the viability of  
3 independent theaters and revitalize municipal business  
4 districts. The independent theater sponsorship program shall  
5 be administered by the economic development department.

6                   B. An eligible participant in the independent  
7 theater sponsorship program is a theater that is:

8                   (1) located in a municipal business district  
9 that is:

10                   (a) participating in a main street  
11 program pursuant to the Main Street Act; or

12                   (b) designated as an arts and cultural  
13 district pursuant to the Arts and Cultural District Act; and

14                   (2) owned by a person that owns only one  
15 theater.

16                   C. Subject to appropriation, the economic  
17 development department shall determine which independent  
18 theaters are eligible to participate in the independent theater  
19 sponsorship program and the amount of independent theater  
20 sponsorship payments. The amount of a sponsorship payment  
21 shall be individualized for each participant and adjusted based  
22 on the participant's financial capacity, operating capability  
23 and sponsorship opportunities and the availability of matching  
24 public or private funds; provided that a state sponsorship  
25 shall not exceed two thousand dollars (\$2,000) per month. A

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1 sponsorship payment may be expended on capital improvements or  
2 operating expenses, as provided by rule.

3                   D. The economic development department shall:

4                   (1) promulgate rules for the form and manner  
5 of sponsorship applications, procedures and criteria for  
6 reviewing applications, the methodology for evaluating  
7 potential participants and sponsorship obligations of  
8 participants; and

9                   (2) evaluate the fiscal impact of the  
10 independent theater sponsorship program on municipal business  
11 districts.

12                  E. The economic development department shall report  
13 to the appropriate interim legislative committees by no later  
14 than November 1 of each year the independent theater  
15 sponsorship program is in operation on the number and locations  
16 of participants and the amount of sponsorship payments to  
17 participants and matching funds received from participants. No  
18 later than October 1, 2029, the economic development department  
19 shall provide a final report to the legislative finance  
20 committee and the appropriate interim legislative committee on  
21 the outcomes of the program for the participants, the fiscal  
22 impact of the program on municipal business districts and other  
23 recommendations that the economic development department deems  
24 appropriate.

25                  SECTION 2. APPROPRIATION.--One million dollars

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1       (\$1,000,000) is appropriated from the general fund to the  
2       economic development department for expenditure in fiscal years  
3       2027 through 2029 for the independent theater sponsorship  
4       program. Any unexpended balance remaining at the end of fiscal  
5       year 2029 shall revert to the general fund.

6                   **SECTION 3. EFFECTIVE DATE.**--The effective date of the  
7       provisions of this act is July 1, 2026.

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