

underscored material = new
[bracketed material] = delete

HOUSE BILL 238

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

INTRODUCED BY

Tara L. Lujan

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

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

.233034.1

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

.233034.1

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.

8 - 4 -
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25