

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

FISCAL IMPACT REPORT

ORIGINAL DATE 2/24/07

SPONSOR Beffort LAST UPDATED _____ HB _____

SHORT TITLE Smoking in Films and Tax Credits SB 1078

ANALYST Francis

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY07	FY08	FY09		
	Indeterminate		Recurring	General Fund

(Parenthesis () Indicate Revenue Decreases)

Relates to HB757, SB802

SOURCES OF INFORMATION

LFC Files

Responses Received From
NM Film Office

SUMMARY

Synopsis of Bill

Senate Bill 1078 amends the film production credit to disallow the credit for G or PG rated films that depicts or includes persons smoking. The bill also requires the film production company to submit in writing their intent to refrain from depicting or including persons smoking for G or PG rated films.

There is no effective date so the default effective date is June 15, 2007.

FISCAL IMPLICATIONS

The fiscal implications are difficult to determine. Many of the films produced in New Mexico are R-rated or PG-13. Of 17 films that received the credit that information about ratings could be found, only 2 were PG and none were G-rated.

SIGNIFICANT ISSUES

According to an article in New Scientist, seeing stars in movies smoking is a factor in 52 percent of adolescents who begin smoking, making it a significant health issue. The authors and others think that movies with smoking should be automatically rated R for mature audiences.

(<http://www.newscientist.com/article.ns?id=dn3812>)

Mississippi State University developed a survey of attitudes and perceptions about smoking and has released a study “Attitudes About Smoking in the Movies.” From the executive summary:

More than a decade of research has established that U.S. movies are a major recruiter of new teen smokers in the United States: about 390,000 each year, of whom 120,000 will ultimately die from tobacco-related diseases unless current trends are altered. This national survey of adults demonstrates substantial and growing public and parental support for voluntary policy changes by Hollywood to reduce this toll, including an R-rating for almost all future tobacco scenes.

http://smokefreemovies.ucsf.edu/pdf/SocialClimate_movie_0205.pdf

NM Film Office:

- 1) There is no way of knowing what rating a film will be issued until after the film has been completed – well after a film has applied for the New Mexico Film Production Tax Rebate.
- 2) Utilizing the voluntary Motion Picture Association of America (MPAA)–administered rating system is an unlawful delegation of legislative authority to private entities, which is supported by a large body of federal and state case law. The MPAA Rating System is voluntary and strictly advisory with no force of local, state or federal law and cannot legally be mandated or enforced by government or an agency of government, be it federal, state or local.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to HB757 and SB802, which change features of the tax credit.

NF/mt