

HOUSE BILL 634

48TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2008

INTRODUCED BY

Ben Lujan

AN ACT

RELATING TO ECONOMIC DEVELOPMENT; CREATING THE NEW MEXICO
FILMMAKERS PRODUCTION FUND TO PROVIDE LOANS TO ELIGIBLE
FILMMAKERS FOR THE PURPOSE OF ECONOMIC DEVELOPMENT; MAKING
APPROPRIATIONS.

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

Section 1. NEW MEXICO FILMMAKERS PRODUCTION FUND

CREATED--ECONOMIC DEVELOPMENT PURPOSE--LOANS--CONDITIONS.--

A. The purpose of this act is to create new job
opportunities by providing zero interest loans for production
funding for local filmmakers and underrepresented minority
filmmakers for films in New Mexico.

B. The "New Mexico filmmakers production fund" is
created in the state treasury. Money in the fund may be used
by the department to make zero interest loans to local

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1 filmmakers and underrepresented minority filmmakers for films
2 in New Mexico.

3 C. The secretary shall employ a professional film
4 advisor knowledgeable about the New Mexico independent and
5 minority filmmaking community, financing and distribution to
6 advise the secretary on the selection of projects.

7 D. Earnings on the balance in the fund shall be
8 credited to the fund. Balances in the fund at the end of any
9 fiscal year shall not revert to the general fund.

10 E. The department shall administer the fund and
11 shall make loan disbursements pursuant to this section. The
12 secretary shall adopt rules to govern the application procedure
13 and requirements for disbursing loans, including the
14 requirements pursuant to this section for determining the
15 eligibility and priority of film productions.

16 F. Receipts from the repayment of loans shall be
17 deposited in the fund by the department.

18 G. Money in the fund is appropriated to the
19 department to carry out the provisions of this section.

20 H. Eligibility criteria adopted by the secretary
21 for loans issued from the fund shall:

22 (1) be based on a point system to prioritize
23 productions;

24 (2) be subject to yearly review by the
25 governor's council on film and media industries;

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1 (3) allow producers the option to select a
2 pre-approved agreement for the state's post break-even revenue
3 participation in the project of a contingent deferral of one
4 hundred basis points per year of the outstanding loan amount
5 until repayment to be paid prior to any net profits to third
6 parties and five percent of post break-even revenue or to
7 negotiate an agreement with the state;

8 (4) require a full guaranteed repayment of one
9 hundred percent of the principal, pursuant to a letter of
10 credit from a banking institution rated A- or better, by
11 entities with a BBB credit rating or better or by cash-
12 equivalent instruments held in an interest-bearing secure
13 account;

14 (5) include default provisions that are
15 limited to fraud and material representation, nondelivery of
16 film, nonpayment of loan when due and nonpayment of profit
17 participation when collected, earned and due;

18 (6) require completion bonding; and

19 (7) require that at least:

20 (a) eighty percent of the principal
21 photography be made in New Mexico;

22 (b) sixty percent of the payroll be New
23 Mexico payroll; and

24 (c) two of the three principal
25 above-the-line participants be New Mexico residents or

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1 underrepresented minorities.

2 I. As used in this section:

3 (1) "department" means the economic
4 development department; and

5 (2) "secretary" means the secretary of
6 economic development.

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