

LFC Requester:	Dick-Peddie
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**AGENCY BILL ANALYSIS
2023 REGULAR SESSION**

SECTION I: GENERAL INFORMATION

Check all that apply:

Original **Amendment**
Correction **Substitute**

Date Prepared: 02/16/23
Bill No: HB8a

Sponsor: Szczepanski
Short Title: CREATIVE INDUSTRIES
DIVISION IN EDD

Agency Name and Code Number: PED - 924
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY23	FY24		
None	\$65,000.0	Nonrecurring	General Fund
None	\$2,000.0	Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY23	FY24	FY25		
None	None	None	N/A	NFA

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	None	\$110.0	\$110.0	\$330.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis of HCEDC Amendment: House Bill 8 as amended by the House Commerce and Economic Development Committee (HB8/aHCEDC) specifies that the film industry is not

included in the definition of “creative industry” and that “film” is supported by the New Mexico Film Division of the Economic Development Department (EDD).

The HCEDC amendment further clarifies that the proposed Creative Industry Division is to advance creative-industry-based economic development but strikes the requirement that it also advance creative-industry-based tourism in the state.

Synopsis: House Bill 8 (HB8) would create the Creative Industries Division in EDD, establish the non-reverting Creative Industries Fund in the state treasury, and, among other provisions, would require the Creative Industries Division to support educational and workforce training initiatives.

The effective date of the legislation is July 1, 2023.

FISCAL IMPLICATIONS

HB8 would appropriate \$65 million from the General Fund to the Creative Industries Fund for expenditure in FY24 and subsequent fiscal years for the purposes of the Creative Industries Division of EDD.

HB8 would appropriate \$2 million from the General Fund to the Creative Industries Division of EDD for expenditure in FY24 for staffing and other operational expenses; unexpended funds would revert at the end of FY24.

SIGNIFICANT ISSUES

HB8 would require the Creative Industries Division to work with various state departments, including the Public Education Department (PED) and the Higher Education Department to support the division’s duties to support educational and workforce training initiatives that facilitate creative industry growth and success.

The bill defines "creative industry" as a business, organization or person engaged in creative enterprises, including:

- performing, visual and literary arts;
- entertainment, media, information and broadcasting;
- applied arts and design, including architecture, landscape architecture, museum and gallery professions;
- promotion, marketing, graphics and industrial design;
- technology and computer system design, software design, coding and digital media; and
- crafts and artisan professions, including metal, wood, glass, ceramics, paper, printing, textile and culinary arts.

Various programs in the public schools currently support creative industries, including the New Mexico School for the Arts, New Mexico’s only residential statewide charter school, the purpose of which is to offer intensive preprofessional instruction in the performing and visual arts to students in grades nine through twelve.

PERFORMANCE IMPLICATIONS

N/A

ADMINISTRATIVE IMPLICATIONS

PED would need to add an additional FTE in the College and Career Readiness Bureau at an annual cost of \$110,000 to accommodate the provisions of the bill.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Relates to [HB199, Increase School At-Risk Index](#), which would increase the fine arts program unit cost differential factor from 0.05 to 0.055 in the Public School Finance Act.

TECHNICAL ISSUES

N/A

OTHER SUBSTANTIVE ISSUES

N/A

ALTERNATIVES

N/A

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

N/A

AMENDMENTS

N/A