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HOUSE BILL 8

**56TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2023**

INTRODUCED BY

Reena Szczepanski and Jeff Steinborn

AN ACT

RELATING TO ECONOMIC DEVELOPMENT; CREATING THE CREATIVE INDUSTRIES DIVISION IN THE ECONOMIC DEVELOPMENT DEPARTMENT; CREATING THE CREATIVE INDUSTRIES FUND; MAKING APPROPRIATIONS.

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

SECTION 1. Section 9-15-3 NMSA 1978 (being Laws 1983, Chapter 297, Section 3, as amended) is amended to read:

"9-15-3. DEFINITIONS.--As used in the Economic Development Department Act:

A. "commission" means the economic development commission;

B. "creative industry" means a business, organization or person engaged in creative enterprises, including performing, visual and literary arts; entertainment, media, information and broadcasting; applied arts and design,

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1 including architecture, landscape architecture, museum and  
2 gallery professions; promotion, marketing, graphics and  
3 industrial design; technology and computer system design,  
4 software design, coding and digital media; and crafts and  
5 artisan professions, including metal, wood, glass, ceramics,  
6 paper, printing, textile and culinary arts;

7 [B-] C. "department" means the economic development  
8 department; and

9 [G-] D. "secretary" means the secretary of economic  
10 development."

11 SECTION 2. Section 9-15-4 NMSA 1978 (being Laws 1983,  
12 Chapter 297, Section 4, as amended) is amended to read:

13 "9-15-4. DEPARTMENT ESTABLISHED.--~~[There is created in~~  
14 ~~the executive branch]~~ The "economic development department" is  
15 created in the executive branch. The department shall be a  
16 cabinet department and shall consist of, but not be limited to,  
17 [~~six~~] seven divisions as follows:

- 18 A. the administrative services division;
- 19 B. the economic development division;
- 20 C. the New Mexico film division;
- 21 D. the technology enterprise division;
- 22 E. the trade and Mexican affairs division; [~~and~~]
- 23 F. the New Mexico outdoor recreation division; and
- 24 G. the creative industries division."

25 SECTION 3. A new section of the Economic Development

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1 Department Act is enacted to read:

2 "[NEW MATERIAL] CREATIVE INDUSTRIES DIVISION-- PURPOSE--  
3 DUTIES.--

4 A. The creative industries division shall:

5 (1) increase and promote creative industry-  
6 based economic development and tourism in New Mexico;

7 (2) support entrepreneurs and small businesses  
8 in creative industries;

9 (3) assist organizations that support creative  
10 industry companies and workers;

11 (4) support educational and workforce training  
12 initiatives that facilitate creative industry growth and  
13 success;

14 (5) identify and help establish public  
15 infrastructure to support creative industries;

16 (6) serve as an information clearinghouse by  
17 providing resources and opportunities to creative industry  
18 stakeholders; and

19 (7) act as a liaison between creative-  
20 industries-related businesses and organizations.

21 B. The creative industries division shall work with  
22 the department, the cultural affairs department, the Indian  
23 affairs department, the higher education department, the public  
24 education department, the tourism department and the workforce  
25 solutions department to support the division's duties as they

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1 relate to the purposes of the respective departments."

2 SECTION 4. A new section of the Economic Development  
3 Department Act is enacted to read:

4 "[NEW MATERIAL] CREATIVE INDUSTRIES FUND--CREATED.--

5 A. The "creative industries fund" is created in the  
6 state treasury. The fund consists of appropriations, gifts,  
7 grants, donations, income from investment of the fund and money  
8 otherwise accruing to the fund. Money in the fund at the end  
9 of a fiscal year shall not revert to any other fund. The fund  
10 shall be administered by the department, and expenditures from  
11 the fund shall be by warrants signed by the secretary of  
12 finance and administration pursuant to vouchers signed by the  
13 secretary of economic development.

14 B. Money in the creative industries fund is  
15 appropriated to the department for administration by the  
16 creative industries division to provide for grants for projects  
17 or programs that promote the growth of creative industries  
18 pursuant to the criteria listed in Subsection C of this  
19 section; provided that fifty percent of the money from the fund  
20 shall be awarded to projects or programs in rural or  
21 underserved communities as defined by the division by rule.

22 C. Grants from the creative industries fund shall  
23 be awarded through a competitive process in which the project  
24 or program demonstrates the potential to stimulate community or  
25 economic development through creative industries and

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1 demonstrates or supports one or more of the following:

2 (1) broad local support, including in-kind or  
3 financial support from local governments and surrounding  
4 communities or neighborhoods;

5 (2) assistance to small businesses with fewer  
6 than ten employees;

7 (3) expansion of existing creative industries;  
8 or

9 (4) the promotion of inclusion and diversity.

10 D. Grants may be awarded to a county, municipality  
11 or other political subdivision of the state; an Indian nation,  
12 tribe or pueblo; and for-profit and nonprofit organizations."

13 SECTION 5. APPROPRIATIONS.--

14 A. Sixty-five million dollars (\$65,000,000) is  
15 appropriated from the general fund to the creative industries  
16 fund for expenditure in fiscal year 2024 and subsequent fiscal  
17 years for the purposes of the creative industries division of  
18 the economic development department. Any unexpended or  
19 unencumbered balance remaining at the end of a fiscal year  
20 shall not revert to the general fund.

21 B. Two million dollars (\$2,000,000) is appropriated  
22 from the general fund to the creative industries division of  
23 the economic development department for expenditure in fiscal  
24 year 2024 for staffing and other operational expenses. Any  
25 unexpended or unencumbered balance remaining at the end of

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1 fiscal year 2024 shall revert to the general fund.

2 SECTION 6. EFFECTIVE DATE.--The effective date of the  
3 provisions of this act is July 1, 2023.

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