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Landscape Changing - but Still Good - for New Mexico's Film Industry

By Eric Witt, former Deputy Chief of Staff and Film Advisor for Gov. Richardson, 2003-2010

Elliott Location Equipment of Albuquerque is one of many New Mexico businesses that expanded dramatically after 2001, when the state initiated a successful program of tax incentives to attract film and television production here.

Owner Wayne Elliott had one water truck in 1988 when he hauled water to locations for *The Milagro Beanfield War*. A look at his website in 2011 (<http://elliottlocationequipment.com>) shows a full-service provider of trucks, trailers, drivers and special-effects equipment for productions throughout the western and Gulf Coast states. The film incentives program made that expansion possible, said Elliott, who added to his fleet of water trucks and other portable services over the years as he attracted five times the work — and five times the revenue — as he had before the state launched a program that offered 25 percent rebates for in-state film-related expenses.

Historically, rebate payouts varied between \$20 million and \$70 million per year, depending on the level of production, while bringing in over \$1.5 billion in direct new spending and generating over \$4 billion in economic activity in the state. The 2011 Legislature, while still allowing unlimited earning of credits in any given year, limited annual payout to \$50 million, with any earned excess being paid in subsequent fiscal years. “We haven’t really seen the effects yet,” Elliott said of the incentive adjustments, which took effect in July. “We expect it to be slower,” he said.

On the positive side, Keith Gardner, chief of staff to Gov. Susana Martinez, indicated that the administration firmly supports the film industry. Speaking to an industry gathering at Albuquerque Studios on Nov. 17, Gardner said the governor would veto any new legislation that seeks to further limit incentives.

Before the incentives program, about 65 New Mexicans made their living in film and TV production — and most had to travel to Los Angeles to work. After incentives were implemented — and over the course of just five years — New Mexico became home to the largest base of skilled

film crew outside of Los Angeles and New York. The boom yielded over 150 feature movies as well as several highly successful TV series, world-class soundstage and studio facilities, pre- and postproduction facilities, and special programs at state colleges and universities teaching industry-related trade and creative talents. Today, more than 3,000 New Mexicans are directly employed as film crew workers, cinematographers, writers, actors, directors and independent producers and workers. Thousands of local businesses across the spectrum — from hotels and restaurants to fuel suppliers, delivery services and childcare providers — have directly benefited from the film industry.

While industry insiders and supporters warn that collaring the incentives may make production companies turn to states with more favorable offerings, there is optimism that New Mexicans will continue to find opportunities to work in the film, TV and commercial production industry, even if it sometimes means traveling to other locations. Still, it is highly preferable that the work remains here, injecting new money and jobs into the local economy.

For information about how to get involved in the film industry, visit www.nmfilm.com or contact the New Mexico Film Office at 800-545-9871.

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