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# State of New Mexico

OFFICE OF  
SECRETARY OF STATE

Susana Martinez  
*Governor*

April 8, 2011

## HOUSE EXECUTIVE MESSAGE NO. 29

The Honorable Ben Luján and  
Members of the House of Representatives  
State Capitol Building  
Santa Fe, NM 87501

Honorable Speaker Luján and Members of the House:

I have this day SIGNED:

### HOUSE TAXATION AND REVENUE COMMITTEE SUBSTITUTE FOR HOUSE BILLS 607 AND 622,

as amended, enacted by the Fiftieth Legislature, First Session, 2011.

I have been a strong advocate for increasing transparency of the State's film subsidy program. New Mexico taxpayers deserve to know where their money is being spent and on what. I also support making public all production and post-production expenditures and all expenses for which a film company is seeking reimbursement. The public has a right to know the identity of the ultimate beneficiary of a particular expenditure, which is why I believe we should not allow out-of-state corporations to hide behind New Mexico pass-through-entities and instead should require their disclosure. So, while SENATE BILL 44 did not include this and other provisions that I believe would further strengthen accountability and increase transparency, it does take the first step toward serious reform that needs to occur in this process.

Provisions contained in HOUSE BILL 607, which I consider much stronger than SENATE BILL 44, include necessary changes to existing law. This includes limiting certain expenditures, requiring an audit of expenditures over a certain threshold, and capping the film production subsidy at \$50 million per year. Up until this point, there has been an unlimited expenditure potential regardless of the State's budget situation. Also absent from the process has been any objective evaluation concerning the program's effectiveness to recruit new business.

Although these measures add greater predictability to the State budgeting process and

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take us closer to the goal of controlling State expenditure and increasing transparency, there is still much to be done. I look forward to continuing to work with the legislature to improve upon the provisions of these measures in order to accurately assess the economic benefits of this subsidy program, improve transparency and determine whether its cost provides the intended benefit to New Mexico taxpayers.

Respectfully yours,



Susana Martinez  
Governor

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Time: 8:13 a.m. p.m.  
Date: April 8 2011

By Billy Lu  
Secretary of State

Time: \_\_\_\_\_ a.m. p.m.  
Date: \_\_\_\_\_ 2011

By \_\_\_\_\_  
Chief Clerk of the House