

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 9, 2007

TO: Honorable Rodney Ellis, Chair, Senate Committee on Government Organization

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB374 by Pickett (Relating to use of state buildings and grounds by a television or film production company.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB374, As Engrossed: a positive impact of \$150,000 through the biennium ending August 31, 2009.
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General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2008	\$75,000
2009	\$75,000
2010	\$75,000
2011	\$75,000
2012	\$75,000

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>GENERAL REVENUE FUND</i> 1
2008	\$75,000
2009	\$75,000
2010	\$75,000
2011	\$75,000
2012	\$75,000

Fiscal Analysis

The bill would allow temporary use of state buildings or grounds by television or film production companies as determined by the Music, Film, Television, and Multimedia Office (the office) in the Trusted Programs within the Office of the Governor. The bill identifies eligible production projects as a film, national broadcast, or episodic television series with a production budget of \$250,000 or more and a commercial with a production budget of \$100,000 or more. The bill would require the office to consult with each state agency or other state governmental entity that occupies the building or uses the grounds in making that determination.

Methodology

The bill would require that television and film production companies reimburse a state agency or other state governmental entity for any costs incurred by the agency or other state governmental entity as a result of the use of a state building or grounds by the company. This would result in no significant fiscal impact to the state.

The bill would require the office to determine a daily fee to be charged to a production company; however the office may allow each state building or grounds to be used without charge for seven days per fiscal year. The bill would require fees collected from production companies be deposited to the General Revenue Fund.

This analysis assumes a \$1,000 per day fee for commercials and a \$500 per day fee for films and episodic television. Based on film, television, and commercial production projects in Texas in fiscal year 2006, it is estimated that total film and television projects will use state buildings and grounds for 50 days annually and total commercial projects will use state buildings and grounds for 50 days annually. This would result in an annual revenue gain to General Revenue of \$50,000 for film and television projects and \$25,000 for commercial projects.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies:

LBB Staff: JOB, MN, KJG, MS, SMi