

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 17, 2007

TO: Honorable Tom Craddick, Speaker of the House, House of Representatives

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

IN RE: HB1634 by Dukes (Relating to incentives for the film, television, and multimedia production industries.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated.

The bill specifies that in order for a production company to receive a grant through the Moving Image Industry Incentive Program it must generate a minimum of \$1 million in in-state spending for a film or television program or \$100,000 in in-state spending for a commercial, series of commercials, or digital interactive media production. For a moving image project to be eligible for a grant at least 70 percent of the production crew, actors, and extras must be Texas residents and at least 80 percent of the project must be filmed in Texas.

The bill requires that a Moving Image Industry Incentive Program grant may not exceed the lesser of 5 percent of the wages paid to Texas residents for a moving image project or \$2 million for a film; \$2.5 million for a television program, \$200,000 for a commercial or series of commercials, or \$250,000 for a digital interactive media production company.

Currently, there are no amounts appropriated for Moving Image Industry Incentive Program grants and the agency is not performing this function. However, the changes to the program in the bill would have no significant fiscal impact to the state.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 301 Office of the Governor

LBB Staff: JOB, CT, WK, MS, SMi