

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 16, 2007

TO: Honorable Troy Fraser, Chair, Senate Committee on Business & Commerce

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

IN RE: HB3706 by Laubenberg (Relating to certain county or municipal districts that promote tourism or the film industry.), **As Engrossed**

No fiscal implication to the State is anticipated.

The bill would add Chapter 309 to the Local Government Code to authorize a municipality with a population of one million or more to create a district to promote the film industry in a designated area in the municipality. The bill specifies the process for establishing a district and appointing district directors, who would be unpaid, although they would be reimbursed for actual and necessary expenses. The district would be allowed to accept donations or grants and to borrow money. The district could offer incentives to promote the film industry in the district. The district could hire an executive director and other employees.

The bill would add Section 383.067 to Subchapter D of Chapter 383, Local Government Code, to authorize a county development district to establish and administer a program to promote tourism. The district would be authorized to use taxes collected under Subchapter F (sales and use tax) for a program created under Section 383.067 or to make a loan or grant for a public purpose under Section 52-a, Article III, Texas Constitution (economic development).

The bill would take effect immediately if it were to receive the required two-thirds vote in each house; otherwise, it would take effect September 1, 2007.

Local Government Impact

Based on the 2000 U.S. Census, Chapter 309 would apply only to the cities of Dallas, Houston, and San Antonio. The fiscal impact would depend on funding raised for use in the district to cover costs of the district's activities as well as revenue generated within the district as a result of activities promoting the film industry.

The bill provides for funding mechanisms of programs under the proposed Section 383.067, which would therefore offset costs of implementing a program. In addition, it is anticipated that the programs would result in increased tourism, which would improve the economy within the district; therefore, the fiscal impact would vary based on the success of a program.

Source Agencies:

LBB Staff: JOB, JRO, DB