

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**May 18, 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 the creation, powers, and duties of film districts.),  
**Committee Report 2nd House, Substituted**

**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 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.

**Source Agencies:**

**LBB Staff:** JOB, JRO, DB