

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 27, 2025

TO: Honorable Dan Patrick, Lieutenant Governor, Senate

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB22 by Huffman (Relating to the Texas moving image industry incentive program and the establishment and funding of the Texas moving image industry incentive fund.), As Passed 2nd House

Estimated Two-year Net Impact to General Revenue Related Funds for SB22, As Passed 2nd House: a negative impact of (\$301,509,969) through the biennium ending August 31, 2027.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five- Year Impact:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2026	(\$300,766,406)
2027	(\$743,563)
2028	(\$300,767,909)
2029	(\$743,563)
2030	(\$300,767,909)

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable (Cost) from General Revenue Fund 1</i>	<i>Probable Revenue (Loss) from General Revenue Fund 1</i>	<i>Probable Revenue Gain from Texas Moving Image Industry Incentive Fund</i>	<i>Change in Number of State Employees from FY 2025</i>
2026	(\$766,406)	(\$300,000,000)	\$300,000,000	7.0
2027	(\$743,563)	\$0	\$0	7.0
2028	(\$767,909)	(\$300,000,000)	\$300,000,000	7.0
2029	(\$743,563)	\$0	\$0	7.0
2030	(\$767,909)	(\$300,000,000)	\$300,000,000	7.0

Fiscal Analysis

The bill would amend the Government and Tax Codes related to the Texas moving image industry incentive program and establish the Texas Moving Image Industry Incentive Fund. The fund would be established outside the state treasury and held and invested by the Texas Treasury Safekeeping Trust. The Office of the Governor would administer the fund.

The bill would establish the criteria an applicant must meet to qualify for a grant and the types of moving image projects that could qualify for a grant and allow the office to review the proposed content of a moving image project and advise the prospective applicant whether the content will preclude the project from receiving a grant

under this subchapter. The bill would also allow the office to review the final content before issuing the grant payment.

The bill would direct the Texas Comptroller of Public Accounts (CPA) to deposit \$300 million of Sales and Use tax to the fund not later than the 30th day of each state fiscal biennium.

Under the provisions of the bill, the fund would be abolished, and all unencumbered and unspent funds would be transferred to the General Revenue Fund on August 31, 2035. Grants awarded prior to that date would be governed by the law in effect at the time the grant was awarded.

The bill would take effect September 1, 2025.

### **Methodology**

The bill would direct the CPA to deposit \$300 million to the fund in the first month of each biennium from the receipts of sales and use taxes received under Chapter 151 of the Tax Code until the fund's abolishment on August 31, 2035. As payments of grants would lag, in uncertain size and frequency, the deposit of sales tax revenue at the start of each biennium, the average fund balance and derivative interest or investment earnings cannot be estimated.

According the Office of the Governor they would need an additional 7 FTEs to implement the provisions of the bill. The General Revenue cost estimates include funds necessary to hire one Accountant/CPA, two Program Specialists IIIs, two Program Specialists IIs, one General Counsel II, and one Manager III.

This legislation would create or recreate a dedicated account in the General Revenue Fund, create or recreate a fund either in, with, or outside of the Treasury, or dedicate or rededicate a revenue source. The dedication included in this bill, unless created by a constitutional amendment, would be subject to funds consolidation review by the current Legislature.

### **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 300 Trusteed Programs Within the Office of the Governor, 304 Comptroller of Public Accounts

**LBB Staff:** JMc, KK, SD, TUF