

Department of Planning and Budget 2024 Session Fiscal Impact Statement

1. **Bill Number:** HB1495

House of Origin Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. **Patron:** Cousins

3. **Committee:** Appropriations

4. **Title:** Television and Film Production Development Grant Program and Fund established; report.

5. **Summary:** Establishes the Television and Film Production Development Grant Program and Fund that allows the Virginia Tourism Authority, with assistance from the Virginia Film Office, to award competitive grants to businesses in the television or film industry for filming or investing in television or film production or television or film production-related infrastructure projects in the Commonwealth. The bill provides that the Office and the Authority shall submit a report every two years detailing television and film industries and related infrastructure spending in the Commonwealth and information related to the issuance of such grants through the Program from the Fund.

6. **Budget Amendment Necessary:** Yes, to capitalize the Fund Item 101 of HB30 as Introduced. See item 8.

7. **Fiscal Impact Estimates:** Preliminary. See item 8.

8. **Fiscal Implications:** The bill establishes the Television and Film Production Development Grant Fund and Program. A budget amendment is needed to operationalize the Program and capitalize the Fund. The Virginia Tourism Authority (VTA) is to oversee the Fund. Moneys in the Fund are to be used for competitive grants to businesses in the television and film industries, as eligible.

The bill allows VTA to use moneys in the Fund to facilitate registered apprenticeships in the film industry. HB30/SB30 implements Chapter 624, 2023 Acts of Assembly, which transfers registered apprenticeship programs to the newly established Department of Workforce Development and Advancement (DWDA). VTA is also required to submit a biennial program report.

VTA anticipates that an infusion of \$750,000 into the Fund will be sufficient for this purpose, and that the Authority can absorb the cost of developing and operating the program as described. VTA states that a higher amount of funding may bring the Authority's administrative costs beyond its capacity to absorb them.

As an Authority, VTA is not part of the state's financial system, Cardinal. The provisions of this bill require the establishment of the Fund in the state treasury. As such, the Authority will require a fiscal agent. Similar to the Motion Picture Opportunity Fund, any moneys appropriated to the Fund need to be appropriated in Item 101, Economic Development Incentive Payments, and the Division of Executive Administrative Services within the Secretary of Administration to serve as the fiscal agent.

If a registered apprenticeship component is included in the program, DWDA anticipates that costs tied to consultation with VTA can be absorbed within existing resources.

According to the bill, the program guidelines are to give preference to a recipient television or film production company that hires Virginia workers for such project and that provides copies of employer quarterly payroll reports provided to the Virginia Employment Commission (VEC) to verify the employment status of any position. Information from VEC is not available at this time.

- 9. Specific Agency or Political Subdivisions Affected:** Virginia Tourism Authority; Department of Treasury; Department of Workforce Development and Advancement; Virginia Employment Commission; Division of Executive Administrative Services within the Secretary of Administration.
- 10. Technical Amendment Necessary:** Line 25: Supplant "Labor and Industry" with "Workforce Development and Advancement."
- 11. Other Comments:** None.