



**Senate Fiscal Agency**  
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BILL



ANALYSIS

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House Bill 4122 (Substitute S-4 as reported by the Committee of the Whole)

Sponsor: Representative Dan Lauwers

House Committee: Tax Policy

Senate Committee: Government Operations

### **CONTENT**

The bill would amend Chapter 2A of the Michigan Strategic Fund Act, which establishes the Michigan Film Office and provides for the Michigan film incentive program, to do the following:

- Prohibit the Michigan Film Office and the Michigan Strategic Fund, beginning on the bill's effective date, from providing funding under any agreement, or increasing funding through an amendment to an existing agreement, for direct production expenditures, Michigan personnel expenditures, crew personnel expenditures, or qualified personal expenditures.
- Require the balance of the Michigan Film Promotion Fund after September 30, 2016, to revert to the General Fund after required payments and obligations had been satisfied.
- Delete the requirement that a certain number of Michigan residents be hired for every nonresident hired to work on qualified productions after September 30, 2020.

MCL 125.2029h

Legislative Analyst: Suzanne Lowe

### **FISCAL IMPACT**

The bill could have a positive impact on the State General Fund. The fiscal year (FY) 2015-16 budget appropriates \$25.0 million for the film incentive program, with boilerplate requiring \$19,050,000 to be deposited into the State pension system to retire debt obligations from a previous bond agreement used to build a film production studio. The bill would require the remainder of the appropriation to revert to the General Fund at the end of FY 2015-16. This could result in an increase to the General Fund of at least \$5,950,000, minus the funds used to support the Michigan Film Office with its remaining reporting requirements and administrative duties.

Date Completed: 6-17-15

Fiscal Analyst: Cory Savino