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H.B. No. 4419

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to the promotion of film and television production in this  
3 state, including the eligibility of film or television productions  
4 for funding under the major events reimbursement program, the  
5 creation of a film events trust fund and a film production tax  
6 rebate trust fund, the establishment of virtual film production  
7 institutes, and the designation of media production development  
8 zones.

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

10 SECTION 1. Subtitle H, Title 3, Education Code, is amended  
11 by adding Chapter 157 to read as follows:

12 CHAPTER 157. VIRTUAL FILM PRODUCTION INSTITUTES

13 Sec. 157.001. DEFINITION. In this chapter, "institute"  
14 means a virtual film production institute established under this  
15 chapter.

16 Sec. 157.002. ESTABLISHMENT; PURPOSE. Texas A&M University  
17 at College Station and Texas State University may each establish a  
18 virtual film production institute to provide educational  
19 opportunities for students interested in studying virtual film  
20 production and promote student engagement in the development of a  
21 virtual film production industry in this state.

22 Sec. 157.003. FUNDING. In addition to any amount  
23 appropriated by the legislature, each institute may apply for and  
24 accept gifts, grants, and donations from the federal government or

1 any other source.

2 SECTION 2. Section 475.0001, Government Code, is amended by  
3 adding Subdivisions (3-a) and (3-b) to read as follows:

4 (3-a) "Film or television production" means the  
5 activities necessary to prepare, produce, perform, or present in  
6 this state a television program, movie, virtual film, or any  
7 combination of multimedia program.

8 (3-b) "Film or television production organization"  
9 means an organization that produces a television program, movie,  
10 virtual film, or multimedia program, regardless of the manner in  
11 which the organization is formed or legally organized. The term  
12 includes a production company, a studio, or a production team for a  
13 television program, movie, virtual film, or multimedia program.

14 SECTION 3. Section 478.0001(3), Government Code, as amended  
15 by Chapters 10 (H.B. 1472), 102 (S.B. 1265), 605 (S.B. 1155), and  
16 915 (H.B. 3607), Acts of the 87th Legislature, Regular Session,  
17 2021, is reenacted and amended to read as follows:

18 (3) "Event" means any of the following and includes  
19 any activity related to or associated with the following:

20 (A) the Academy of Country Music Awards;

21 (B) the Amateur Athletic Union Junior Olympic  
22 Games;

23 (C) a Big 12 Football Conference Championship  
24 game;

25 (D) the Breeders' Cup World Championships;

26 (E) a game of the College Football Playoff or its  
27 successor;

1 (F) the Confederation of North, Central America  
2 and Caribbean Association Football (Concacaf) Gold Cup;

3 (G) [~~(F)~~] a CONVRG conference;

4 (H) [~~(G)~~] an Elite Rodeo Association World  
5 Championship;

6 (I) a film or television production;

7 (J) [~~(H)~~] a Formula One automobile race;

8 (K) [~~(I)~~] the largest event held each year at a  
9 sports entertainment venue in this state with a permanent seating  
10 capacity, including grandstand and premium seating, of at least  
11 125,000 on September 1, 2021;

12 (L) [~~(J)~~] the Major League Baseball All-Star  
13 Game;

14 (M) [~~(K)~~] the Major League Soccer All-Star Game  
15 or the Major League Soccer Cup;

16 (N) [~~(L)~~] a mixed martial arts championship;

17 (O) [~~(M)~~] the Moto Grand Prix of the United  
18 States;

19 (P) [~~(N)~~] the National Association for Stock Car  
20 Auto Racing (NASCAR):

21 (i) All-Star Race;

22 (ii) season-ending Championship Race; or

23 (iii) Texas Grand Prix race;

24 (Q) [~~(O)~~] the National Basketball Association  
25 All-Star Game;

26 (R) [~~(P)~~] a National Collegiate Athletic  
27 Association Final Four tournament game;

1            (S) [~~(Q)~~] the National Collegiate Athletic  
2 Association men's or women's lacrosse championships;

3            (T) [~~(R)~~] a national collegiate championship of  
4 an amateur sport sanctioned by the national governing body of the  
5 sport that is recognized by the United States Olympic Committee;

6            (U) [~~(S)~~] the National Cutting Horse Association  
7 Triple Crown;

8            (V) [~~(T)~~] the National Hockey League All-Star  
9 Game;

10           (W) the National Hot Rod Association Fall  
11 Nationals at the Texas Motorplex;

12           (X) [~~(U)~~] a national political convention of the  
13 Republican National Committee or the Democratic National  
14 Committee;

15           (Y) [~~(V)~~] a championship event in the National  
16 Reined Cow Horse Association (NRCHA) Championship Series;

17           (Z) [~~(W)~~] an Olympic activity, including a  
18 Junior or Senior activity, training program, or feeder program  
19 sanctioned by the United States Olympic Committee's Community  
20 Olympic Development Program;

21           (AA) [~~(X)~~] a presidential general election  
22 debate;

23           (BB) [~~(Y)~~] the Professional Rodeo Cowboys  
24 Association National Finals Rodeo;

25           (CC) [~~(Z)~~] a Super Bowl;

26           (DD) [~~(AA)~~] the United States Open Championship;

27           (EE) [~~(BB)~~] a World Cup soccer game or the World

1 Cup soccer tournament;

2 (FF) [~~(CC)~~] the World Games;

3 (GG) [~~(DD)~~] a World Wrestling Entertainment  
4 WrestleMania event; or

5 (HH) [~~(EE)~~] the X Games.

6 SECTION 4. Section 478.0001(7), Government Code, as amended  
7 by Chapters 10 (H.B. 1472), 102 (S.B. 1265), and 915 (H.B. 3607),  
8 Acts of the 87th Legislature, Regular Session, 2021, is reenacted  
9 and amended to read as follows:

10 (7) "Site selection organization" means:

11 (A) the Academy of Country Music;

12 (B) the Amateur Athletic Union;

13 (C) the Big 12 Conference;

14 (D) the College Football Playoff Administration,  
15 LLC, or its successor;

16 (E) the Commission on Presidential Debates;

17 (F) the Confederation of North, Central America  
18 and Caribbean Association Football (Concacaf);

19 (G) [~~(F)~~] the Democratic National Committee;

20 (H) [~~(G)~~] Dorna Sports;

21 (I) [~~(H)~~] the Elite Rodeo Association;

22 (J) [~~(I)~~] Encore Live;

23 (K) [~~(J)~~] ESPN or an affiliate;

24 (L) [~~(K)~~] the Federation Internationale de  
25 Football Association (FIFA);

26 (M) a film or television production  
27 organization;

1                    (N) [~~(L)~~] the International World Games  
2 Association;  
3                    (O) [~~(M)~~] Major League Baseball;  
4                    (P) [~~(N)~~] Major League Soccer;  
5                    (Q) [~~(O)~~] the National Association for Stock Car  
6 Auto Racing (NASCAR);  
7                    (R) [~~(P)~~] the National Basketball Association;  
8                    (S) [~~(Q)~~] the National Collegiate Athletic  
9 Association;  
10                   (T) [~~(R)~~] the National Cutting Horse  
11 Association;  
12                   (U) [~~(S)~~] the National Football League;  
13                   (V) [~~(T)~~] the National Hockey League;  
14                   (W) the National Hot Rod Association;  
15                   (X) [~~(U)~~] the National Reined Cow Horse  
16 Association (NRCHA);  
17                   (Y) [~~(V)~~] the Professional Rodeo Cowboys  
18 Association;  
19                   (Z) [~~(W)~~] the Republican National Committee;  
20                   (AA) [~~(X)~~] the Ultimate Fighting Championship;  
21                   (BB) [~~(Y)~~] the United States Golf Association;  
22                   (CC) [~~(Z)~~] the United States Olympic Committee;  
23                   (DD) [~~(AA)~~] World Wrestling Entertainment; or  
24                   (EE) [~~(BB)~~] the national governing body of a  
25 sport that is recognized by:  
26                   (i) the Federation Internationale de  
27 l'Automobile;

- 1 (ii) Formula One Management Limited;  
2 (iii) the National Thoroughbred Racing  
3 Association; or  
4 (iv) the United States Olympic Committee.

5 SECTION 5. Section 478.0051, Government Code, is amended by  
6 adding Subsection (c) to read as follows:

7 (c) Notwithstanding Subsection (b), an event described by  
8 Section 478.0001(3)(I) may receive funding through the program if a  
9 site selection organization selects:

10 (1) a site in this state as the sole site for the  
11 event;

12 (2) two or more predetermined locations as the sites  
13 in this state for the event; or

14 (3) a site in this state as the sole site for the event  
15 in a region composed of this state and one or more adjoining states.

16 SECTION 6. Subtitle E-1, Title 4, Government Code, is  
17 amended by adding Chapter 480A to read as follows:

18 CHAPTER 480A. FILM EVENTS TRUST FUND

19 SUBCHAPTER A. GENERAL PROVISIONS

20 Sec. 480A.0001. PURPOSE. The purpose of this chapter is to  
21 establish a film events trust fund to maximize the preparation,  
22 production, performance, or presentation of television programs,  
23 movies, virtual films, and multimedia productions in this state and  
24 for successful competition with other states for those programs,  
25 movies, films, and productions.

26 Sec. 480A.0002. DEFINITIONS. In this chapter:

27 (1) "Endorsing county" means a county that contains a

1 site selected by a site selection organization for a film event.

2 (2) "Endorsing entity" means a local organizing  
3 committee, endorsing county, or endorsing municipality.

4 (3) "Endorsing municipality" means a municipality  
5 that contains a site selected by a site selection organization for a  
6 film event.

7 (4) "Event support contract" means a joinder  
8 undertaking, a joinder agreement, or a similar contract executed by  
9 a site selection organization and a local organizing committee, an  
10 endorsing municipality, or an endorsing county for a film event.

11 (5) "Film event" includes the activities necessary to  
12 prepare, produce, perform, or present in this state a television  
13 program, movie, virtual film, or any combination of multimedia  
14 programs or a series of television programs, movies, virtual films,  
15 or multimedia programs, for which an endorsing entity seeks  
16 approval from a site selection organization to conduct those  
17 activities at a site in this state. The term includes any activity  
18 related to or associated with the preparation, production,  
19 performance, or presentation.

20 (6) "Local organizing committee" means a nonprofit  
21 corporation or the corporation's successor in interest that is  
22 authorized by an endorsing municipality or endorsing county to:

23 (A) pursue an application and bid on the  
24 applicant's behalf to a site selection organization for selection  
25 as the site of a film event; or

26 (B) execute an agreement with a site selection  
27 organization regarding a bid to host a film event.



1           (7) "Office" means the Texas Economic Development and  
2 Tourism Office.

3           (8) "Site" includes one or more sites in this state at  
4 which a film event is held.

5           (9) "Site selection organization" means a film or  
6 television organization that conducts or considers conducting in  
7 this state a film event eligible under Section 480A.0051.

8           Sec. 480A.0003. RULES. (a) The office may adopt rules  
9 necessary to implement this chapter.

10           (b) The rules adopted under this section must be prescribed  
11 and applied to promote the purpose of this chapter, as provided by  
12 Section 480A.0001.

13           (c) The office may adopt rules necessary to accommodate a  
14 film event that occurs over multiple days, weeks, or years, and in  
15 multiple locations across this state. Notwithstanding any other  
16 law, to the extent of a conflict between a rule adopted by the  
17 office to accomplish the purposes of this subsection and another  
18 provision of this chapter, the rule controls.

19           Sec. 480A.0004. CONSTRUCTION OF CHAPTER. (a) This chapter  
20 may not be construed as creating or requiring a state guarantee of  
21 an obligation imposed on an endorsing municipality, an endorsing  
22 county, or this state under an event support contract or another  
23 agreement relating to hosting a film event in this state.

24           (b) This chapter shall be construed and applied to  
25 effectuate the purpose of this chapter.

26                           SUBCHAPTER B. ELIGIBILITY

27           Sec. 480A.0051. FILM EVENTS ELIGIBLE FOR FUNDING. (a) A

1 film event is eligible for funding under this chapter only if:

2 (1) a site selection organization, after conducting a  
3 highly competitive selection process of one or more sites not in  
4 this state, selects a site in this state for the film event to be  
5 held:

6 (A) one time; or

7 (B) if the film event is scheduled under an event  
8 contract or event support contract to be held each year for a period  
9 of years, one time in each year; and

10 (2) a site selection organization selects:

11 (A) a site in this state as the sole site for the  
12 film event;

13 (B) two or more locations as the sites in this  
14 state for the film event; or

15 (C) a site in this state as the sole site for the  
16 film event in a region composed of this state and one or more  
17 adjoining states.

18 (b) During the period in which a film event eligible under  
19 this section is held in this state, a site selection organization  
20 may select additional sites for the film event.

21 Sec. 480A.0052. LIMITATIONS ON CERTAIN FUNDING REQUESTS.

22 (a) This section applies only to a film event for which the office  
23 determines under Section 480A.0102 that the total incremental  
24 increase in tax receipts is less than \$5 million.

25 (b) An endorsing municipality or endorsing county may  
26 during any 12-month period submit requests for funding under this  
27 chapter for not more than 30 film events to which this section

1 applies.

2 SUBCHAPTER C. STATE ACTIONS RELATING TO FILM EVENTS

3 Sec. 480A.0101. PREREQUISITES FOR OFFICE ACTION. The  
4 office may not undertake any duty imposed by this chapter unless:

5 (1) an endorsing entity submits a request for funding  
6 under this chapter; and

7 (2) the request is accompanied by documentation from a  
8 site selection organization selecting the site for the film event.

9 Sec. 480A.0102. DETERMINATION OF INCREMENTAL INCREASE IN  
10 CERTAIN TAX RECEIPTS. (a) After a site selection organization  
11 selects a site for a film event in this state in accordance with an  
12 application by an endorsing entity, the office shall determine the  
13 incremental increases in the following tax receipts that the office  
14 determines are directly attributable to the film event for the  
15 30-day period that ends at the end of the day after the date on which  
16 the film event activities in this state are completed or, if the  
17 film event will be presented on more than one day, after the last  
18 date on which the film event will be presented:

19 (1) the receipts to this state from taxes imposed  
20 under Chapters 151, 152, 156, and 183, Tax Code, and under Title 5,  
21 Alcoholic Beverage Code, in the market areas designated under  
22 Section 480A.0104;

23 (2) the receipts collected by this state for each  
24 endorsing municipality in the market area from the sales and use tax  
25 imposed by each endorsing municipality under Section 321.101(a),  
26 Tax Code, and the mixed beverage tax revenue to be received by each  
27 endorsing municipality under Section 183.051(b), Tax Code;

1           (3) the receipts collected by this state for each  
2 endorsing county in the market area from the sales and use tax  
3 imposed by each endorsing county under Section 323.101(a), Tax  
4 Code, and the mixed beverage tax revenue to be received by each  
5 endorsing county under Section 183.051(b), Tax Code;

6           (4) the receipts collected by each endorsing  
7 municipality in the market area from the hotel occupancy tax  
8 imposed under Chapter 351, Tax Code; and

9           (5) the receipts collected by each endorsing county in  
10 the market area from the hotel occupancy tax imposed under Chapter  
11 352, Tax Code.

12           (b) The office shall make the determination required by  
13 Subsection (a) in accordance with procedures the office develops  
14 and shall base that determination on information submitted by an  
15 endorsing entity.

16           Sec. 480A.0103. TIME FOR DETERMINATION. The office shall  
17 determine the incremental increase in tax receipts under Section  
18 480A.0102 not later than the earlier of:

19           (1) the 30th day after the date the office receives the  
20 information for a film event submitted by an endorsing entity on  
21 which the office bases the determination as provided by Section  
22 480A.0102(b); or

23           (2) one month before the date scheduled for  
24 commencement of preparation, production, performance, or  
25 presentation of the film event.

26           Sec. 480A.0104. DESIGNATION OF MARKET AREA. (a) For  
27 purposes of Section 480A.0102(a)(1), the office shall designate as

1 a market area for a film event each area in which the office  
2 determines there is a reasonable likelihood of measurable economic  
3 impact directly attributable to the preparation, production,  
4 performance, or presentation of the film event. The office shall  
5 include areas likely to provide venues, accommodations, and  
6 services in connection with the film event based on the proposal the  
7 endorsing entity provides to the office.

8 (b) The office shall determine the geographic boundaries of  
9 each market area.

10 (c) An endorsing municipality or endorsing county selected  
11 as the site for the film event must be included in a market area for  
12 the film event.

13 (d) The office may amend the market area for a film event  
14 eligible under this section during the period in which the film  
15 event is held.

16 Sec. 480A.0105. ESTIMATE OF TAX REVENUE CREDITED TO FUND.

17 (a) Not later than one month before the first date scheduled for  
18 commencement of preparation, production, performance, or  
19 presentation of a film event, the office shall provide an estimate  
20 of the total amount of tax revenue that would be transferred or  
21 deposited to the film events trust fund under this chapter in  
22 connection with that film event if the film event were prepared,  
23 produced, performed, or presented in this state at a site selected  
24 in accordance with an application by an endorsing entity. The  
25 office may revise the office's estimate under this subsection  
26 during the period in which the film event is held.

27 (b) The office shall provide the estimate on request to an

1 endorsing entity.

2 (c) An endorsing entity may submit the office's estimate to  
3 a site selection organization.

4 Sec. 480A.0106. MODEL FILM EVENT SUPPORT CONTRACT AND MODEL  
5 APPLICATION FORM. (a) The office may adopt a model film event  
6 support contract and a model application form. If the office adopts  
7 a contract or form under this subsection, the office shall make the  
8 documents available on the office's Internet website.

9 (b) The office's adoption of a model film event support  
10 contract and model application form under this section does not  
11 require the use of those documents for purposes of this chapter.

12 SUBCHAPTER D. FUND ESTABLISHMENT AND CONTRIBUTIONS

13 Sec. 480A.0151. FILM EVENTS TRUST FUND. The film events  
14 trust fund is established outside the state treasury and is held in  
15 trust by the comptroller for administration of this chapter.

16 Sec. 480A.0152. DEPOSIT OF MUNICIPAL AND COUNTY TAX  
17 REVENUE. (a) Each endorsing municipality or endorsing county  
18 shall remit to the comptroller and the comptroller shall deposit  
19 into a trust fund created by the comptroller, at the direction of  
20 the office, and designated as the film events trust fund the amount  
21 of the municipality's or county's hotel occupancy tax revenue  
22 determined under Section 480A.0102(a)(4) or (5), less any amount of  
23 the revenue that the municipality or county determines is necessary  
24 to meet the obligations of the municipality or county.

25 (b) The comptroller, at the direction of the office, shall  
26 retain the amount of sales and use tax revenue and mixed beverage  
27 tax revenue determined under Section 480A.0102(a)(2) or (3) from

1 the amounts otherwise required to be sent to the municipality under  
2 Sections 321.502 and 183.051(b), Tax Code, or to the county under  
3 Sections 323.502 and 183.051(b), Tax Code, less any amount of the  
4 revenue that the municipality or county determines is necessary to  
5 meet the obligations of the municipality or county, and shall  
6 deposit the retained tax revenue to the film events trust fund.

7 (c) The comptroller shall begin retaining and depositing  
8 the municipal and county tax revenue:

9 (1) with the first distribution of that tax revenue  
10 that occurs after the first day of the period described by Section  
11 480A.0102(a); or

12 (2) at a time the office otherwise determines to be  
13 practicable.

14 (d) The comptroller shall discontinue retaining the  
15 municipal and county tax revenue when the amount of the applicable  
16 tax revenue determined under Section 480A.0102(a)(2) or (3) has  
17 been retained.

18 Sec. 480A.0153. OTHER LOCAL MONEY. (a) In lieu of the  
19 municipal and county tax revenues remitted or retained under  
20 Section 480A.0152, an endorsing municipality or endorsing county  
21 may remit to the office for deposit to the film events trust fund  
22 other local money in an amount equal to the total amount of  
23 municipal and county tax revenue determined under Sections  
24 480A.0102(a)(2)-(5).

25 (b) An endorsing municipality or endorsing county must  
26 remit the other local money not later than the 90th day after the  
27 last day of the period scheduled for the film event.

1        (c) For purposes of Section 480A.0155, the amount deposited  
2 under this section is considered remitted municipal and county tax  
3 revenue.

4        Sec. 480A.0154. SURCHARGES AND USER FEES. An endorsing  
5 municipality or endorsing county may collect and remit to the  
6 office any applicable surcharges and user fees attributable to a  
7 film event for deposit to the film events trust fund.

8        Sec. 480A.0155. STATE TAX REVENUE. (a) The comptroller, at  
9 the direction of the office, shall transfer to the film events trust  
10 fund a portion of the state tax revenue in an amount equal to 6.25  
11 multiplied by the amount of the municipal and county tax revenue  
12 retained or remitted under this chapter, including:

- 13            (1) local sales and use tax revenue;
- 14            (2) mixed beverage tax revenue;
- 15            (3) hotel occupancy tax revenue; and
- 16            (4) any applicable surcharge and user fee revenue.

17        (b) The amount transferred under Subsection (a) may not  
18 exceed the incremental increase in tax receipts determined under  
19 Section 480A.0102(a)(1).

20        SUBCHAPTER E. DISBURSEMENTS FROM FILM EVENTS TRUST FUND

21        Sec. 480A.0201. DISBURSEMENT WITHOUT APPROPRIATION. Money  
22 in the film events trust fund may be disbursed by the office without  
23 appropriation only as provided by this chapter.

24        Sec. 480A.0202. DISBURSEMENT FROM FILM EVENTS TRUST FUND.  
25 (a) After approval of each contributing endorsing municipality and  
26 endorsing county, if any, the office may make a disbursement from  
27 the film events trust fund for a purpose for which an endorsing



1 entity or this state is obligated under an event support contract,  
2 including any obligation to pay costs incurred in preparing,  
3 producing, performing, or presenting the film event.

4 (b) In considering whether to make a disbursement from the  
5 film events trust fund, the office may not consider a contingency  
6 clause in an event support contract as relieving an endorsing  
7 entity's obligation to pay a cost under the contract.

8 (c) If the office makes a disbursement from the film events  
9 trust fund, the office shall satisfy the obligation proportionately  
10 from the local and state revenue in the fund.

11 Sec. 480A.0203. REDUCTION OF DISBURSEMENT AMOUNT. (a)  
12 After the conclusion of the film event, the office shall compare  
13 information on the number of persons who participated in the film  
14 event as provided under Section 480A.0251 with any estimated number  
15 of persons participating in the film event used to determine the  
16 incremental increase in tax receipts under Section 480A.0102. If  
17 the actual number of persons who participated in the film event is  
18 significantly lower than the estimated number of persons  
19 participating in the film event, the office may reduce the amount of  
20 a disbursement from the film events trust fund for an endorsing  
21 entity:

22 (1) in proportion to the discrepancy between the  
23 actual and estimated number of persons participating in the film  
24 event; and

25 (2) in proportion to the amount the entity contributed  
26 to the fund.

27 (b) The office by rule shall:

1           (1) define "significantly lower" for purposes of this  
2 section; and

3           (2) provide the manner in which the office may  
4 proportionately reduce a disbursement.

5           (c) This section does not affect the remittance under  
6 Section 480A.0207 of any money remaining in the film events trust  
7 fund.

8           Sec. 480A.0204. ALLOWABLE EXPENSES. (a) Money in the film  
9 events trust fund may be used to:

10           (1) pay the principal of and interest on notes issued  
11 under Section 480A.0252; and

12           (2) fulfill obligations of an endorsing municipality,  
13 an endorsing county, or this state to a site selection organization  
14 under an event support contract.

15           (b) Subject to Sections 480A.0202 and 480A.0205, the  
16 obligations described by Subsection (a)(2) may include the payment  
17 of:

18           (1) the costs relating to the preparation of the film  
19 event; and

20           (2) the costs of producing, performing, or presenting  
21 the film event, including costs of an improvement or renovation to  
22 an existing facility and costs of acquisition or construction of a  
23 new facility or other facility that could be used to prepare,  
24 produce, perform, or present film events.

25           Sec. 480A.0205. LIMITATION ON CERTAIN DISBURSEMENTS. (a)  
26 A disbursement from the film events trust fund is limited to 25  
27 percent of the cost of a structural improvement if an obligation is

1 incurred under an event support contract to make the improvement or  
2 add the fixture to a site for a film event.

3 (b) The remainder of an obligation described by Subsection  
4 (a) is not eligible for a disbursement from the film events trust  
5 fund, unless the obligation is for an improvement or fixture for a:

6 (1) publicly owned facility; or

7 (2) facility that could be used for future film  
8 events.

9 Sec. 480A.0206. PROHIBITED DISBURSEMENTS. (a) Subject to  
10 Subsection (b), the office may not make a disbursement from the film  
11 events trust fund that the office determines would be used to:

12 (1) construct an arena, stadium, or convention center;

13 or

14 (2) conduct usual and customary maintenance of a  
15 facility.

16 (b) Subsection (a) does not prohibit a disbursement from the  
17 film events trust fund for the construction of temporary structures  
18 within an arena, stadium, or convention center that are necessary  
19 for the preparation, production, performance, and presentation of a  
20 film event or temporary maintenance of a facility that is necessary  
21 for the preparation, production, performance, and presentation of a  
22 film event.

23 Sec. 480A.0207. REMITTANCE OF REMAINING FUND MONEY. On  
24 payment of all municipal, county, or state obligations under an  
25 event support contract related to the location of a film event in  
26 this state, the office shall remit to each endorsing entity, in  
27 proportion to the amount contributed by the entity, any money

1 remaining in the film events trust fund.

2 SUBCHAPTER F. LOCAL POWERS AND DUTIES RELATING TO FILM EVENTS

3 Sec. 480A.0251. REQUIRED INFORMATION. (a) An endorsing  
4 entity shall provide information required by the office to fulfill  
5 the office's duties under this chapter, including:

6 (1) annual audited statements of any financial records  
7 required by a site selection organization; and

8 (2) data obtained by the endorsing entity relating to:

9 (A) the number of persons hired, contracted,  
10 volunteering, or otherwise directly participating in the  
11 preparation, production, performance, or presentation of the film  
12 event, including an estimate of the number of persons expected to  
13 participate in the film event who are not residents of this state;

14 (B) the economic impact of the film event; and

15 (C) any other information the office considers  
16 necessary.

17 (b) An endorsing entity must provide any annual audited  
18 financial statement required by the office not later than the end of  
19 the fourth month after the last day of the period covered by the  
20 financial statement.

21 Sec. 480A.0252. ISSUANCE OF NOTES. (a) To meet its  
22 obligations under an event support contract to improve, construct,  
23 renovate, or acquire facilities or to acquire equipment, an  
24 endorsing municipality by ordinance or an endorsing county by order  
25 may authorize the issuance of notes.

26 (b) An endorsing municipality or endorsing county may  
27 provide that the notes be paid from and secured by:

1           (1) amounts on deposit or amounts to be transferred or  
2 deposited to the film events trust fund; or

3           (2) surcharges from user fees charged in connection  
4 with the film event, including parking or ticket fees, if the film  
5 event is premiered, performed, or otherwise presented exclusively  
6 at a venue in this state for which parking or ticket fees may be  
7 collected.

8           (c) A note issued must mature not later than the seventh  
9 anniversary of the date of issuance.

10           Sec. 480A.0253. PLEDGE OF SURCHARGES TO GUARANTEE  
11 OBLIGATIONS. An endorsing municipality or endorsing county may  
12 guarantee its obligations under an event support contract and this  
13 chapter by pledging, in addition to the tax revenue deposited under  
14 Section 480A.0152, surcharges from user fees charged in connection  
15 with the film event, including parking or ticket fees, if the film  
16 event is premiered, performed, or otherwise presented exclusively  
17 at a venue in this state for which parking or ticket fees may be  
18 collected.

19           SECTION 7. Subtitle F, Title 4, Government Code, is amended  
20 by adding Chapter 482 to read as follows:

21           CHAPTER 482. FILM OR TELEVISION PRODUCTION TAX REBATE TRUST FUND

22                           SUBCHAPTER A. GENERAL PROVISIONS

23           Sec. 482.0001. DEFINITIONS. In this chapter:

24           (1) "Competitive selection process" means the  
25 competitive selection process established by rule of the office for  
26 a film or television production organization to use in considering  
27 sites for film or television productions.

1           (2) "Film or television production" means a television  
2 program, movie, virtual film, or any combination of multimedia  
3 programming produced, filmed, performed, or presented wholly or  
4 partly in this state.

5           (3) "Film or television production organization" has  
6 the meaning assigned by Section 475.0001.

7           (4) "Office" means the music, film, television, and  
8 multimedia office within the office of the governor.

9           (5) "Trust fund" means the film production tax rebate  
10 trust fund established under this chapter.

11           Sec. 482.0002. RULES. (a) The office shall adopt rules  
12 necessary to implement this chapter.

13           (b) Any rules adopted under this section must be designed  
14 and applied to encourage and incentivize organizations to select a  
15 site in this state to conduct film or television productions.

16           (c) The office has broad discretion in implementing this  
17 chapter and in adopting rules necessary for that implementation to  
18 allow for the creation of an outstanding and competitive rebate  
19 program to attract film or television productions to this state.

20           (d) The office may adopt rules necessary to accommodate a  
21 film or television production that occurs over multiple days,  
22 weeks, or years, and in multiple locations across this state.  
23 Notwithstanding any other law, to the extent of a conflict between a  
24 rule adopted by the office to accomplish the purposes of this  
25 subsection and another provision of this chapter, the rule  
26 controls.

1                   SUBCHAPTER B. ELIGIBILITY

2           Sec. 482.0051. FILM OR TELEVISION PRODUCTIONS ELIGIBLE FOR  
3 FUNDING. A film or television production is eligible for funding  
4 under this chapter only if a film or television production  
5 organization, after conducting a highly competitive selection  
6 process of one or more sites not in this state, selects one or more  
7 sites in this state for all or part of the production.

8                   SUBCHAPTER C. STATE ACTIONS RELATING TO PRODUCTIONS

9           Sec. 482.0101. DETERMINATION OF INCREMENTAL INCREASE IN  
10 CERTAIN TAX RECEIPTS. After a film or television production  
11 organization selects a site or sites for a film or television  
12 production, the organization shall file an application with the  
13 office and supply information the office considers necessary to  
14 determine the incremental increases in the receipts to this state  
15 from taxes imposed under Chapters 151, 152, 156, and 183, Tax Code,  
16 and under Title 5, Alcoholic Beverage Code, in the market area  
17 designated under Section 482.0103 that the office determines are  
18 directly attributable to the preparation, production, performance,  
19 and presentation of the film or television production.

20           Sec. 482.0102. TIME FOR DETERMINATION. The office shall  
21 calculate the incremental increase in tax receipts under Section  
22 482.0101 not later than the 60th day after the date the film or  
23 television production organization or its designated agent or  
24 representative submits the necessary documentation to the office to  
25 determine the rebate amount.

26           Sec. 482.0103. DESIGNATION OF MARKET AREA. For purposes of  
27 Section 482.0101, the office shall designate for the film or

1 television production a market area where there is a reasonable  
2 likelihood of measurable economic impact directly attributable to  
3 the preparation, production, performance, or presentation of the  
4 production. The office shall include market areas likely to  
5 provide venues, accommodations, and services in connection with the  
6 production based on the application provided to the office.

7 Sec. 482.0104. MODEL FILM OR TELEVISION PRODUCTION TAX  
8 REBATE APPLICATION. (a) The office may adopt a model film or  
9 television production tax rebate application form. If the office  
10 adopts a model form under this section, the office shall make the  
11 form available on the office's Internet website.

12 (b) The office's adoption of a model film or television  
13 production tax rebate application form under this section does not  
14 require the use of that form for purposes of this chapter.

15 SUBCHAPTER D. TRUST FUND ESTABLISHMENT AND CONTRIBUTIONS

16 Sec. 482.0151. FILM PRODUCTION TAX REBATE TRUST FUND. The  
17 film production tax rebate trust fund is established outside the  
18 state treasury and is held in trust by the comptroller for  
19 administration of this chapter.

20 Sec. 482.0152. STATE TAX REVENUE. Not later than the 30th  
21 day after notice from the office, the comptroller, at the direction  
22 of the office, shall transfer to the trust fund a portion of the  
23 state tax revenue in an amount equal to 25 percent of the amount of  
24 incremental increases in tax receipts determined under Section  
25 482.0101.

26 Sec. 482.0153. INTEREST. Any interest accumulated over  
27 time shall remain in the trust fund for use by the office in paying



1 the costs of administering the trust fund. The office may disburse  
2 all or part of the retained interest in the trust fund to the office  
3 for that purpose.

4 SUBCHAPTER E. DISBURSEMENTS FROM TRUST FUND

5 Sec. 482.0201. DISBURSEMENT WITHOUT APPROPRIATION. Money  
6 in the trust fund may be disbursed by the office without  
7 appropriation only as provided by this chapter.

8 Sec. 482.0202. REBATE DISBURSEMENT FROM TRUST FUND. In  
9 accordance with procedures adopted by the office, the office shall  
10 make a disbursement from the trust fund to a film or television  
11 production organization in an amount equal to 25 percent of the  
12 incremental increase in the tax receipts determined under Section  
13 482.0101 for the applicable film or television production.

14 SUBCHAPTER F. MULTIPLE FUNDING REQUESTS

15 Sec. 482.0251. APPLICABILITY OF LAW TO MULTIPLE FUNDING  
16 REQUESTS. (a) The provisions within this chapter are cumulative of  
17 all other existing incentive programs or any program created in the  
18 future. Subject to Subsection (b), a person may receive a  
19 reimbursement, disbursement, or rebate under one or more incentive  
20 programs.

21 (b) Notwithstanding Subsection (a), a person may not  
22 receive a reimbursement, disbursement, or rebate under Chapters  
23 478, 480A, or this chapter that exceeds the highest incremental  
24 increase in receipts to this state from taxes imposed under  
25 Chapters 151, 152, 156, and 183, Tax Code, and under Title 5,  
26 Alcoholic Beverage Code, as determined by the office, in the market  
27 area designated by the office.

1        (c) A person may receive one or more reimbursements,  
2 disbursements, and rebates under Chapters 478 and 480A and this  
3 chapter in addition to a grant awarded under Chapter 485.

4        SECTION 8. Section 485A.002, Government Code, is amended by  
5 amending Subdivisions (1) and (4) and adding Subdivision (1-a) to  
6 read as follows:

7            (1) "Institution of higher education" has the meaning  
8 assigned by Section 61.003, Education Code.

9            (1-a) "Media production facility" means a structure,  
10 building, or room used for the specific purpose of creating a moving  
11 image project. The term includes but is not limited to:

12                    (A) a soundstage and scoring stage;

13                    (B) a production office;

14                    (C) an editing facility, an animation production  
15 facility, and a video game production facility;

16                    (D) a storage and construction space; ~~and~~

17                    (E) a sound recording studio and motion capture  
18 studio; and

19                    (F) a virtual production facility.

20            (4) "Nominating body" means the governing body of a  
21 municipality, ~~or~~ county, or institution of higher education, or a  
22 combination of the governing bodies of municipalities, ~~or~~  
23 counties, or institutions of higher education that:

24                    (A) recognizes a qualified area as a media  
25 production development zone; and

26                    (B) nominates and applies for designation of a  
27 location in a media production development zone as a qualified

1 media production location.

2 SECTION 9. Section 485A.101, Government Code, is amended to  
3 read as follows:

4 Sec. 485A.101. CRITERIA FOR MEDIA PRODUCTION DEVELOPMENT  
5 ZONE RECOGNITION. To be approved as a media production development  
6 zone, an area:

7 (1) must be in a metropolitan statistical area, the  
8 principal municipality of which~~+~~

9 ~~[(A) has a population of more than 250,000; and~~

10 ~~[(B)]~~ has the adequate workforce,  
11 infrastructure, facilities, or resources to support the production  
12 and completion of moving image projects;

13 (2) must be recognized as a media production  
14 development zone by:

15 (A) ordinance or order, as appropriate, of the  
16 governing body of a municipality or the commissioners court of a  
17 county; or

18 (B) resolution or order of an institution of  
19 higher education; and

20 (3) will contain a qualified media production location  
21 within its geographical boundaries that meets the criteria under  
22 Section 485A.102.

23 SECTION 10. Section 485A.104(a), Government Code, is  
24 amended to read as follows:

25 (a) The governing body of a municipality, ~~[or]~~ county, or  
26 institution of higher education individually or in combination with  
27 other municipalities, ~~[or]~~ counties, or institutions of higher

1 education, by ordinance, resolution, or order, as appropriate, may  
2 nominate as a qualified media production location a location within  
3 its jurisdiction that meets the criteria under Section 485A.102.

4 SECTION 11. Section 485A.105, Government Code, is amended  
5 to read as follows:

6 Sec. 485A.105. NOMINATING ORDINANCE, RESOLUTION, OR ORDER.  
7 An ordinance, resolution, or order nominating a location as a  
8 qualified media production location must:

9 (1) describe precisely both the media production  
10 development zone in which the location is to be included and the  
11 proposed location by a legal description or reference to municipal  
12 or county boundaries;

13 (2) state a finding that the location meets the  
14 requirements of this chapter and that the media production  
15 development zone in which the location is to be included has been  
16 recognized as a zone by ordinance, resolution, or order, as  
17 appropriate, by the nominating body;

18 (3) summarize briefly the local financial incentives,  
19 including tax incentives, that, at the election of the nominating  
20 body, will apply to a qualified person;

21 (4) contain a brief description of the project or  
22 activity to be conducted by a qualified person at the location;

23 (5) nominate the location as a qualified media  
24 production location; and

25 (6) contain an economic impact analysis from an  
26 economic expert.

27 SECTION 12. Section 485A.106(b), Government Code, is

1 amended to read as follows:

2 (b) The application must include:

3 (1) a certified copy of the ordinance, resolution, or  
4 order, as appropriate, nominating the location as a media  
5 production location;

6 (2) a certified copy of the ordinance, resolution, or  
7 order, as appropriate, recognizing the zone in which the location  
8 is to be included as a media production development zone;

9 (3) appropriate supporting documents demonstrating  
10 that the location qualifies for designation as a qualified media  
11 production location;

12 (4) an estimate of the economic impact of the  
13 designation of the location as a qualified media production  
14 location on the revenues of the governmental entity or entities  
15 nominating the location as a qualified media production location,  
16 considering the financial incentives and benefits contemplated;

17 (5) an economic impact analysis of the proposed  
18 project or activities to be conducted at the proposed qualified  
19 media production location, which must include:

20 (A) an estimate of the amount of revenue to be  
21 generated to the state by the project or activity;

22 (B) an estimate of any secondary economic  
23 benefits to be generated by the project or activity;

24 (C) an estimate of the amount of state taxes to be  
25 exempted, as provided by Section [151.3415](#), Tax Code; and

26 (D) any other information required by the  
27 comptroller for purposes of making the certification required by

1 Section 485A.109(b); and

2 (6) any additional information the office requires.

3 SECTION 13. Section 485A.110(a), Government Code, is  
4 amended to read as follows:

5 (a) The office shall deny an application for the designation  
6 of a qualified media production location if:

7 (1) the office determines that the nominated  
8 location does not satisfy the criteria under Section 485A.102; or

9 ~~(2) [the office determines that the number of media  
10 production location designations or number of approved media  
11 production development zones at the time of the application are at  
12 the maximum limit prescribed by Section 485A.103; or~~

13 ~~(3)~~ the comptroller has not certified that the  
14 proposed project or activity to be conducted at the location will  
15 have a positive impact on state revenue.

16 SECTION 14. Section 485A.111(b), Government Code, is  
17 amended to read as follows:

18 (b) A location may be designated as a qualified media  
19 production location, and may be eligible for the sales and use tax  
20 exemption as provided by Section 151.3415, Tax Code, for a maximum  
21 of four ~~two~~ years, notwithstanding Section 151.3415, Tax Code.

22 SECTION 15. Section 485A.203, Government Code, is amended  
23 to read as follows:

24 Sec. 485A.203. DURATION OF DESIGNATION. Except as  
25 provided by Section 485A.204, the office's certification of a  
26 person as a qualified person is effective until the fourth ~~second~~  
27 anniversary of the date the designation is made, regardless of

1 whether the designation of the qualified media production location  
2 at which the qualified person is to perform its commitments under  
3 this chapter is terminated before that date.

4 SECTION 16. Subchapter F, Chapter 485A, Government Code, is  
5 amended by adding Section 485A.253 to read as follows:

6 Sec. 485A.253. ENTITLEMENT BENEFITS FOR MEDIA PRODUCTION  
7 FACILITY CONSTRUCTION. Notwithstanding any other provision of this  
8 chapter, a media production facility or any qualified person is  
9 entitled to the benefits under this chapter for construction of a  
10 media production facility that begins on or after January 1, 2023.

11 SECTION 17. Section 485A.103, Government Code, is repealed.

12 SECTION 18. To the extent of any conflict, this Act prevails  
13 over another Act of the 88th Legislature, Regular Session, 2023,  
14 relating to nonsubstantive additions to and corrections in enacted  
15 codes.

16 SECTION 19. This Act takes effect September 1, 2023.