

By: Goldman

H.B. No. 4419

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the promotion of the film and television production
3 industry in this state.

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

5 SECTION 1. Section 478.0001(3), Government Code, as amended
6 by Chapters 10 (H.B. 1472), 102 (S.B. 1265), 605 (S.B. 1155), and
7 915 (H.B. 3607), Acts of the 87th Legislature, Regular Session,
8 2021, is reenacted and amended to read as follows:

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

- 11 (A) the Academy of Country Music Awards;
- 12 (B) the Amateur Athletic Union Junior Olympic
13 Games;
- 14 (C) the Breeders' Cup World Championships;
- 15 (D) a game of the College Football Playoff or its
16 successor;
- 17 (E) the Confederation of North, Central America
18 and Caribbean Association Football (Concacaf) Gold Cup;
- 19 (F) an Elite Rodeo Association World
20 Championship;
- 21 (G) a Formula One automobile race;
- 22 (H) the largest event held each year at a sports
23 entertainment venue in this state with a permanent seating
24 capacity, including grandstand and premium seating, of at least

- 1 125,000;
- 2 (I) the Major League Baseball All-Star Game;
- 3 (J) the Major League Soccer All-Star Game or the
4 Major League Soccer Cup;
- 5 (K) a mixed martial arts championship;
- 6 (L) the Moto Grand Prix of the United States;
- 7 (M) the National Association for Stock Car Auto
8 Racing (NASCAR):
- 9 (i) All-Star Race; or
- 10 (ii) season-ending Championship Race;
- 11 (N) the National Basketball Association All-Star
12 Game;
- 13 (O) a National Collegiate Athletic Association
14 Final Four tournament game;
- 15 (P) the National Collegiate Athletic Association
16 men's or women's lacrosse championships;
- 17 (Q) a national collegiate championship of an
18 amateur sport sanctioned by the national governing body of the
19 sport that is recognized by the United States Olympic Committee;
- 20 (R) the National Cutting Horse Association
21 Triple Crown;
- 22 (S) the National Hockey League All-Star Game;
- 23 (T) a national political convention of the
24 Republican National Committee or the Democratic National
25 Committee;
- 26 (U) an Olympic activity, including a Junior or
27 Senior activity, training program, or feeder program sanctioned by

1 the United States Olympic Committee's Community Olympic
2 Development Program;

3 (V) a presidential general election debate;

4 (W) the Professional Rodeo Cowboys Association
5 National Finals Rodeo;

6 (X) a Super Bowl;

7 (Y) the United States Open Championship;

8 (Z) a World Cup soccer game or the World Cup
9 soccer tournament;

10 (AA) the World Games; or

11 (BB) the X Games.

12 (CC) a film or television production.

13 SECTION 2. Subtitle H, Title 3, Education Code, is amended
14 by adding Chapter 157 to read as follows:

15 CHAPTER 157. VIRTUAL FILM PRODUCTION INSTITUTES

16 Sec. 157.001. DEFINITION. In this chapter, "institute"
17 means a virtual film production institute established under this
18 chapter.

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

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

1 any other source.

2 Section 3. Section 480.0052, Government Code, is amended as
3 follows;

4 Sec. 480.0052. LIMITATIONS ON CERTAIN FUNDING REQUESTS.

5 (a) This section applies only to an event for which the office
6 determines under Section 480.0102 that the total incremental
7 increase in tax receipts is less than ~~\$200,000~~ \$2,000,000.

8 (b) Subject to Subsection (c), an endorsing municipality or
9 endorsing county may during any 12-month period submit requests for
10 funding under this chapter for not more than ~~10~~ 20 events to which
11 this section applies.

12 (c) Not more than ~~three~~ ten of the events described by
13 Subsection (b) may be nonsporting events.

14 Added by Acts 2019, 86th Leg., R.S., Ch. 301 (H.B. 4174), Sec. 1.01,
15 eff. April 1, 2021.

16 Section 4. Section 485 A of the Government Code is amended as
17 follows;

18 Sec. 485A.001. SHORT TITLE. This chapter may be cited as
19 the Media Production Development Zone Act.

20 Added by Acts 2009, 81st Leg., R.S., Ch. 1390 (S.B. 1929), Sec. 1,
21 eff. September 1, 2009.

22 Sec. 485A.002. DEFINITIONS. In this chapter:

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

26 (A) a soundstage and scoring stage;

- 1 (B) a production office;
- 2 (C) an editing facility, an animation production
3 facility, and a video game production facility;
- 4 (D) a storage and construction space; and
- 5 (E) a sound recording studio and motion capture
6 studio.
- 7 (F) a virtual production.

8 (2) "Media production development zone" means an area
9 recognized by a nominating body and approved by the office as a
10 media production development zone under this chapter.

11 (3) "Moving image project" means a visual and sound
12 production, including a film, television program, national or
13 multistate commercial, or digital interactive media production.
14 The term does not include a production that is obscene, as defined
15 by Section 43.21, Penal Code.

16 (4) "Nominating body" means the governing body of a
17 municipality or county, or a combination of the governing bodies of
18 municipalities, counties, or a college or university that:

19 (A) recognizes a qualified area as a media
20 production development zone; and

21 (B) nominates and applies for designation of a
22 location in a media production development zone as a qualified
23 media production location.

24 (5) "Office" means the Music, Film, Television, and
25 Multimedia Office within the office of the governor.

26 (6) "Qualified media production location" means a
27 location in a media production development zone that has been

1 designated by the office as a qualified media production location
2 in accordance with this chapter.

3 (7) "Qualified person" means a person certified as a
4 qualified person under Section [485A.201](#).

5 Added by Acts 2009, 81st Leg., R.S., Ch. 1390 (S.B. 1929), Sec. 1,
6 eff. September 1, 2009.

7 Sec. 485A.003. JURISDICTION OF MUNICIPALITY. For the
8 purposes of this chapter, territory in the extraterritorial
9 jurisdiction of a municipality is considered to be in the
10 jurisdiction of the municipality.

11 Added by Acts 2009, 81st Leg., R.S., Ch. 1390 (S.B. 1929), Sec. 1,
12 eff. September 1, 2009.

13 SUBCHAPTER B. OFFICE POWERS AND DUTIES IN GENERAL

14 Sec. 485A.051. GENERAL POWERS AND DUTIES. (a) Except as
15 provided by Subsection (b), the office shall administer and monitor
16 the implementation of this chapter.

17 (b) The office and the comptroller's office shall jointly
18 establish criteria and procedures for:

19 (1) approving a qualified area recognized as a media
20 production development zone by a nominating body;

21 (2) designating a qualified location in a media
22 production development zone as a qualified media production
23 location; and

24 (3) certifying a person as a qualified person under
25 Section [485A.201](#).

1 Added by Acts 2009, 81st Leg., R.S., Ch. 1390 (S.B. 1929), Sec. 1,
2 eff. September 1, 2009.

3 Sec. 485A.052. RULEMAKING AUTHORITY. The office shall
4 adopt rules necessary to implement this chapter.

5 Added by Acts 2009, 81st Leg., R.S., Ch. 1390 (S.B. 1929), Sec. 1,
6 eff. September 1, 2009.

7 Sec. 485A.053. ANNUAL REPORT. On or before December 15 of
8 each year, the office shall submit to the governor, the
9 legislature, and the Legislative Budget Board a report that:

10 (1) evaluates the effectiveness of the media
11 production development zone program; and

12 (2) describes the use of state and local incentives
13 under this chapter and their effect on revenue.

14 Added by Acts 2009, 81st Leg., R.S., Ch. 1390 (S.B. 1929), Sec. 1,
15 eff. September 1, 2009.

16 Sec. 485A.054. ASSISTANCE. The office shall provide to
17 persons desiring to construct, expand, maintain, improve, or
18 renovate a media production facility in a qualified media
19 production location information and appropriate assistance
20 relating to the required legal authorization, including a permit,
21 certificate, approval, and registration, necessary in this state to
22 accomplish that objective.

23 Added by Acts 2009, 81st Leg., R.S., Ch. 1390 (S.B. 1929), Sec. 1,
24 eff. September 1, 2009.

25 SUBCHAPTER C. APPROVAL OF MEDIA PRODUCTION DEVELOPMENT ZONE AND

DESIGNATION OF QUALIFIED MEDIA PRODUCTION LOCATIONS

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

(1) must be in a metropolitan statistical area, the principal municipality of which ~~(A) has a population of more than 250,000, and~~ has the adequate workforce, infrastructure, facilities, or resources to support the production and completion of moving image projects;

(2) must be recognized as a media production development zone by ordinance or order, as appropriate, of a municipality or the commissioners court of a county or resolution of a college or university; and

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

Added by Acts 2009, 81st Leg., R.S., Ch. 1390 (S.B. 1929), Sec. 1, eff. September 1, 2009.

Sec. 485A.102. CRITERIA FOR QUALIFIED MEDIA PRODUCTION LOCATION DESIGNATION. To be designated a qualified media production location, a location must be land or other real property that is in a media production development zone and will:

(1) be used exclusively to build or construct one or more media production facilities;

(2) if the real property is a building or other facility, be renovated solely for the purpose of being converted

1 into one or more media production facilities; or

2 (3) if the real property consists solely of one or more
3 media production facilities, be improved or renovated for that
4 purpose or will be expanded into one or more additional media
5 production facilities.

6 Added by Acts 2009, 81st Leg., R.S., Ch. 1390 (S.B. 1929), Sec. 1,
7 eff. September 1, 2009.

8 ~~Sec. 485A.103. MAXIMUM NUMBER OF ZONES AND LOCATIONS~~
9 ~~THROUGHOUT STATE. (a) There may not be more than 20 media~~
10 ~~production development zone designations under this chapter at any~~
11 ~~one time.~~

12 ~~(b) There may not be more than ten media production~~
13 ~~development zones under this chapter in a region at any one time.~~

14 ~~(c) Each media production development zone may not contain~~
15 ~~more than five media production locations at any one time.~~

16 ~~(d) For purposes of Subsection (b), the office shall divide~~
17 ~~the state into regions consisting of geographical boundaries~~
18 ~~prescribed by office rule.~~

19 ~~Added by Acts 2009, 81st Leg., R.S., Ch. 1390 (S.B. 1929), Sec. 1,~~
20 ~~eff. September 1, 2009.~~

21 Sec. 485A.103. NOMINATION OF QUALIFIED MEDIA PRODUCTION
22 LOCATION. (a) The governing body of a municipality or county,
23 individually or in combination with other municipalities or
24 counties, by ordinance or order, as appropriate, may nominate as a
25 qualified media production location a location within its
26 jurisdiction that meets the criteria under Section [485A.102](#).

1 (b) The governing body of a county may not nominate
2 territory in a municipality, including extraterritorial
3 jurisdiction of a municipality, to be included in a proposed
4 qualified media production location unless the governing body of
5 the municipality also nominates the territory and together with the
6 county files a joint application under Section [485A.106](#).

7 Added by Acts 2009, 81st Leg., R.S., Ch. 1390 (S.B. 1929), Sec. 1,
8 eff. September 1, 2009.

9 Sec. [485A.104](#). NOMINATING ORDINANCE OR ORDER. An ordinance
10 or order nominating a location as a qualified media production
11 location must:

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

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

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

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

26 (5) nominate the location as a qualified media

1 production location; and

2 (6) contain an economic impact analysis from an
3 economic expert.

4 Added by Acts 2009, 81st Leg., R.S., Ch. 1390 (S.B. 1929), Sec. 1,
5 eff. September 1, 2009.

6 Sec. 485A.105. APPLICATION FOR DESIGNATION. (a) For a
7 location in a media production development zone to be designated as
8 a qualified media production location, the nominating body, after
9 nominating the location as a qualified media production location,
10 must send to the office a written application for designation of the
11 location in the zone as a qualified media production location.

12 (b) The application must include:

13 (1) a certified copy of the ordinance or order, as
14 appropriate, nominating the location as a media production
15 location;

16 (2) a certified copy of the ordinance or order, as
17 appropriate, recognizing the zone in which the location is to be
18 included as a media production development zone;

19 (3) appropriate supporting documents demonstrating
20 that the location qualifies for designation as a qualified media
21 production location;

22 (4) an estimate of the economic impact of the
23 designation of the location as a qualified media production
24 location on the revenues of the governmental entity or entities
25 nominating the location as a qualified media production location,
26 considering the financial incentives and benefits contemplated;

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

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

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

8 (C) an estimate of the amount of state taxes to be
9 exempted, as provided by Section 151.3415, Tax Code; and

10 (D) any other information required by the
11 comptroller for purposes of making the certification required by
12 Section 485A.109(b); and

13 (6) any additional information the office requires.

14 (c) Information required by Subsection (b) is for
15 evaluation purposes only.

16 (d) The economic impact analysis required by Subsection
17 (b)(5) must also be submitted to the comptroller.

18 Added by Acts 2009, 81st Leg., R.S., Ch. 1390 (S.B. 1929), Sec. 1,
19 eff. September 1, 2009.

20 Sec. 485A.106. ADVISORY COMMITTEE. (a) The media
21 production advisory committee is composed of the following members:

22 (1) the director of the Texas Film Commission division
23 of the governor's office;

24 (2) one representative of the comptroller's office,
25 appointed by the comptroller; and

26 (3) subject to Subsection (b), nine representatives

1 appointed by the comptroller.

2 (b) In making appointments to the advisory committee under
3 Subsection (a)(3), the comptroller shall provide for a balanced
4 representation of the different geographic regions of this state.
5 Each of the following types of companies or organizations must be
6 represented by at least one member serving on the advisory
7 committee:

- 8 (1) animation production companies;
- 9 (2) film and television production companies;
- 10 (3) labor or workforce organizations;
- 11 (4) equipment vendors;
- 12 (5) the video gaming industry; and
- 13 (6) commercial production companies.

14 (c) The director of the Texas Film Commission division of
15 the office of the governor serves as the presiding officer of the
16 advisory committee. The advisory committee shall meet at the call
17 of the presiding officer.

18 (d) The advisory committee, through review of applications
19 submitted under Section [485A.108](#), shall make recommendations to the
20 office for designation of qualified media production locations
21 under this subchapter. The office may provide administrative
22 support to the advisory committee.

23 (e) Section [2110.008](#) does not apply to the advisory
24 committee.

25 Added by Acts 2009, 81st Leg., R.S., Ch. 1390 (S.B. 1929), Sec. 1,
26 eff. September 1, 2009.

1 Sec. 485A.107. REVIEW OF APPLICATION. (a) On receipt of an
2 application for the designation of a qualified media production
3 location, the office shall review the application to determine
4 whether the nominated location qualifies for designation as a
5 qualified media production location under this chapter.

6 (b) The office shall consider recommendations submitted by
7 the media production advisory committee with respect to
8 applications received by the office.

9 Added by Acts 2009, 81st Leg., R.S., Ch. 1390 (S.B. 1929), Sec. 1,
10 eff. September 1, 2009.

11 Sec. 485A.108. DESIGNATION. (a) If the office determines
12 that a nominated location for which a designation application has
13 been received satisfies the criteria under Section [485A.102](#) and on
14 recommendation of the media production advisory committee, the
15 office may designate the nominated location as a qualified media
16 production location unless the office determines that the
17 designation request should be denied for the reasons specified by
18 Section [485A.110](#).

19 (b) A designation of a qualified media production location
20 may not be made under this section until the comptroller, based on
21 an evaluation of the economic impact analysis submitted under
22 Section [485A.106](#)(b)(5), certifies that the project or activity to
23 be conducted at the designated location will have a positive impact
24 on state revenue.

25 (c) On designation of the first qualified media production
26 location in a media production development zone recognized by the

1 nominating body for that purpose, the office shall simultaneously
2 approve the media production development zone.

3 Added by Acts 2009, 81st Leg., R.S., Ch. 1390 (S.B. 1929), Sec. 1,
4 eff. September 1, 2009.

5 Sec. 485A.109. DENIAL OF APPLICATION; NOTICE. (a) The
6 office shall deny an application for the designation of a qualified
7 media production location if:

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

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

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

17 (b) The office shall inform the nominating body of the
18 specific reasons for denial of an application under this section.

19 Added by Acts 2009, 81st Leg., R.S., Ch. 1390 (S.B. 1929), Sec. 1,
20 eff. September 1, 2009.

21 Sec. 485A.110. PERIOD OF APPROVAL OR DESIGNATION. (a) An
22 area that qualifies under this subchapter may be approved by the
23 office as a media production development zone for a maximum of five
24 years after the date the last qualified media production location
25 was designated within the zone's boundaries.

26 (b) A location may be designated as a qualified media

1 production location, and may be eligible for the sales and use tax
2 exemption as provided by Section [151.3415](#), Tax Code, for a maximum
3 of ~~two~~ four years.

4 (c) Except as provided by Section [485A.112](#), a media
5 production development zone approval and qualified media
6 production location designation remains in effect until September 1
7 of the final year of the approval or designation, as appropriate.

8 Added by Acts 2009, 81st Leg., R.S., Ch. 1390 (S.B. 1929), Sec. 1,
9 eff. September 1, 2009.

10 Sec. [485A.111](#). REMOVAL OF APPROVAL OR DESIGNATION. (a) The
11 office may remove the approval of an area recognized as a media
12 production development zone if the area no longer meets the
13 criteria for that recognition under this chapter or by office rule
14 adopted under this chapter.

15 (b) The office may remove the designation of a location as a
16 qualified media production location if the location no longer meets
17 the criteria for that designation under this chapter or by office
18 rule adopted under this chapter.

19 (c) The removal of a designation or approval does not affect
20 the validity of a tax incentive granted or accrued before the
21 removal.

22 Added by Acts 2009, 81st Leg., R.S., Ch. 1390 (S.B. 1929), Sec. 1,
23 eff. September 1, 2009.

24 SUBCHAPTER D. ADMINISTRATION OF MEDIA PRODUCTION LOCATION

25 Sec. [485A.151](#). ANNUAL REPORT. (a) For purposes of this

1 section, the governing body of a qualified media production
2 location is the governing body of the municipality or county, or the
3 governing bodies of the combination of municipalities or counties,
4 that applied to have the location designated as a qualified media
5 production location.

6 (b) Not later than October 1 of each year, the governing
7 body of a qualified media production location shall submit to the
8 office a report in the form prescribed by the office.

9 (c) The report must include for the year preceding the date
10 of the report:

11 (1) the use of local incentives for which the
12 governing body provided in the ordinance or order nominating the
13 qualified media production location and the effect of those
14 incentives on revenue;

15 (2) the number of qualified persons engaging in a
16 project or activity related to a media production facility at the
17 qualified media production location; and

18 (3) the types of projects or activities engaged or to
19 be engaged in by qualified persons at the qualified media
20 production location.

21 Added by Acts 2009, 81st Leg., R.S., Ch. 1390 (S.B. 1929), Sec. 1,
22 eff. September 1, 2009.

23 SUBCHAPTER E. QUALIFIED PERSON DESIGNATION AND CERTIFICATION

24 Sec. 485A.201. QUALIFIED PERSON. A person is a qualified
25 person if the office, for the purpose of state benefits under this
26 chapter, or the nominating body of a qualified media production

1 location, for the purpose of local benefits, certifies that the
2 person, not later than 18 months after the date of the designation:

3 (1) will build or construct one or more media
4 production facilities at a location;

5 (2) will renovate a building or facility solely for
6 the purpose of being converted into one or more media production
7 facilities at a location; or

8 (3) will renovate or expand one or more media
9 production facilities at a location.

10 Added by Acts 2009, 81st Leg., R.S., Ch. 1390 (S.B. 1929), Sec. 1,
11 eff. September 1, 2009.

12 Sec. 485A.202. PROHIBITION ON QUALIFIED PERSON
13 CERTIFICATION. If the office determines that the nominating body
14 of a qualified media production location is not complying with this
15 chapter, the office shall prohibit the certification of a qualified
16 person at the location until the office determines that the
17 nominating body is complying with this chapter.

18 Added by Acts 2009, 81st Leg., R.S., Ch. 1390 (S.B. 1929), Sec. 1,
19 eff. September 1, 2009.

20 Sec. 485A.203. DURATION OF DESIGNATION. Except as provided
21 by Section 485A.204, the office's certification of a person as a
22 qualified person is effective until the ~~second~~ fifth anniversary of
23 the date the designation is made, regardless of whether the
24 designation of the qualified media production location at which the
25 qualified person is to perform its commitments under this chapter
26 is terminated before that date.

1 Added by Acts 2009, 81st Leg., R.S., Ch. 1390 (S.B. 1929), Sec. 1,
2 eff. September 1, 2009.

3 Sec. 485A.204. REMOVAL OF DESIGNATION. The office shall
4 remove the certification of a qualified person for state benefits
5 under this chapter if the office determines that the construction,
6 renovation, improvement, maintenance, or expansion of a media
7 production facility has not been completed at the qualified media
8 production location for which it has received its certification
9 within the period prescribed by Section [485A.201](#).

10 Added by Acts 2009, 81st Leg., R.S., Ch. 1390 (S.B. 1929), Sec. 1,
11 eff. September 1, 2009.

12 SUBCHAPTER F. MEDIA PRODUCTION LOCATION BENEFITS

13 Sec. 485A.251. EXEMPTION FROM SALES AND USE TAX. Certain
14 items are exempt from the sales and use tax as provided by Section
15 [151.3415](#), Tax Code.

16 Added by Acts 2009, 81st Leg., R.S., Ch. 1390 (S.B. 1929), Sec. 1,
17 eff. September 1, 2009.

18 Sec. 485A.252. MONITORING QUALIFIED PERSON COMMITMENTS.
19 (a) The office may monitor a qualified person to determine whether
20 and to what extent the qualified person has followed through on the
21 commitments made by the qualified person under this chapter.

22 (b) The office may determine that the qualified person is
23 not entitled to a tax exemption under Section [151.3415](#), Tax Code, if
24 the office determines that the qualified person:

25 (1) is not willing to cooperate with the office in

1 providing information needed by the office to make the
2 determination under Subsection (a);

3 (2) has substantially failed to follow through on the
4 commitments made by the person under this chapter before the first
5 anniversary of the date of the qualified media production location
6 designation; or

7 (3) fails to submit the report required by Section
8 [151.3415](#), Tax Code.

9 Added by Acts 2009, 81st Leg., R.S., Ch. 1390 (S.B. 1929), Sec. 1,
10 eff. September 1, 2009.

11 SECTION 6. This Act takes effect immediately if it receives
12 a vote of two-thirds of all the members elected to each house, as
13 provided by Section [39](#), Article III, Texas Constitution. If this
14 Act does not receive the vote necessary for immediate effect, this
15 Act takes effect September 1, 2023.