

By: Capriglione

H.B. No. 1452

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 the
23 legislature appropriates, each institute may apply for and accept
24 gifts, grants, and donations from the federal government or any

1 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. Sections 478.0001(3) and (7), Government Code,
15 are amended to read as follows:

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

- 18 (A) the Academy of Country Music Awards;
19 (B) the Amateur Athletic Union Junior Olympic
20 Games;
21 (C) the Bassmaster Classic;
22 (D) a Big 12 Football Conference Championship
23 game;
24 (E) the Breeders' Cup World Championships;
25 (F) the CMT (Country Music Television) Music
26 Awards;
27 (G) a game of the College Football Playoff or its

- 1 successor;
- 2 (H) the Confederation of North, Central America
3 and Caribbean Association Football (Concacaf) Gold Cup;
- 4 (I) a CONVRG conference;
- 5 (J) an Elite Rodeo Association World
6 Championship;
- 7 (K) a Federation Equestre Internationale World
8 Cup Final;
- 9 (L) a Federation Internationale de Motocyclisme
10 (FIM) World Supercross Championship race;
- 11 (L-1) a film or television production;
- 12 (M) the Formula One United States Grand Prix;
- 13 (N) the largest event held each year at a sports
14 entertainment venue in this state with a permanent seating
15 capacity, including grandstand and premium seating, of at least
16 125,000 on September 1, 2021;
- 17 (O) the Major League Baseball All-Star Game;
- 18 (P) the Major League Soccer All-Star Game or the
19 Major League Soccer Cup;
- 20 (Q) a mixed martial arts championship;
- 21 (R) the Moto Grand Prix of the United States;
- 22 (S) the National Association for Stock Car Auto
23 Racing (NASCAR):
- 24 (i) All-Star Race;
- 25 (ii) season-ending Championship Race; or
- 26 (iii) Texas Grand Prix race;
- 27 (T) the National Basketball Association All-Star

1 Game;

2 (U) a National Collegiate Athletic Association
3 Final Four tournament game;

4 (V) the National Collegiate Athletic Association
5 men's or women's lacrosse championships;

6 (W) a national collegiate championship of an
7 amateur sport sanctioned by the national governing body of the
8 sport that is recognized by the United States Olympic Committee;

9 (X) the National Cutting Horse Association
10 Triple Crown;

11 (Y) the National Hockey League All-Star Game;

12 (Z) the National Hot Rod Association Fall
13 Nationals at the Texas Motorplex;

14 (AA) a national political convention of the
15 Republican National Committee or the Democratic National
16 Committee;

17 (BB) the National Reined Cow Horse Association
18 (NRCHA) Championship Series;

19 (CC) an Olympic activity, including a Junior or
20 Senior activity, training program, or feeder program sanctioned by
21 the United States Olympic Committee's Community Olympic
22 Development Program;

23 (DD) a presidential general election debate;

24 (EE) the Professional Bull Riders World Finals;

25 (FF) the Professional Rodeo Cowboys Association
26 National Finals Rodeo;

27 (GG) a series of cricket matches or competitions

1 within the T20 World Cup;

2 (HH) a Super Bowl;

3 (II) the United States Open Championship;

4 (JJ) a World Cup soccer game or the World Cup
5 soccer tournament;

6 (KK) the World Games;

7 (LL) a World Wrestling Entertainment
8 WrestleMania event; or

9 (MM) the X Games.

10 (7) "Site selection organization" means:

11 (A) the Academy of Country Music;

12 (B) the Amateur Athletic Union;

13 (C) Bass Anglers Sportsman Society, LLC;

14 (D) the Big 12 Conference;

15 (E) CMT (Country Music Television) Productions
16 Inc.;

17 (F) the College Football Playoff Administration,
18 LLC, or its successor;

19 (G) the Commission on Presidential Debates;

20 (H) the Confederation of North, Central America
21 and Caribbean Association Football (Concacaf);

22 (I) the Democratic National Committee;

23 (J) Dorna Sports;

24 (K) the Elite Rodeo Association;

25 (L) Encore Live;

26 (M) ESPN or an affiliate;

27 (N) the Federation Equestre Internationale

- 1 (FEI);
- 2 (O) the Federation Internationale de Football
- 3 Association (FIFA);
- 4 (O-1) a film or television production
- 5 organization;
- 6 (P) the International Cricket Council;
- 7 (Q) the International World Games Association;
- 8 (R) Major League Baseball;
- 9 (S) Major League Soccer;
- 10 (T) the National Association for Stock Car Auto
- 11 Racing (NASCAR);
- 12 (U) the National Basketball Association;
- 13 (V) the National Collegiate Athletic
- 14 Association;
- 15 (W) the National Cutting Horse Association;
- 16 (X) the National Football League;
- 17 (Y) the National Hockey League;
- 18 (Z) the National Hot Rod Association;
- 19 (AA) the National Reined Cow Horse Association
- 20 (NRCHA);
- 21 (BB) Professional Bull Riders, LLC;
- 22 (CC) the Professional Rodeo Cowboys Association;
- 23 (DD) the Republican National Committee;
- 24 (EE) SX Global;
- 25 (FF) the Ultimate Fighting Championship;
- 26 (GG) the United States Golf Association;
- 27 (HH) the United States Olympic Committee;

- 1 (II) World Wrestling Entertainment; or
2 (JJ) the national governing body of a sport that
3 is recognized by:
4 (i) the Federation Internationale de
5 l'Automobile;
6 (ii) Formula One Management Limited or its
7 successor;
8 (iii) the National Thoroughbred Racing
9 Association; or
10 (iv) the United States Olympic Committee.

11 SECTION 4. Section 478.0051, Government Code, is amended by
12 adding Subsection (d) to read as follows:

13 (d) Notwithstanding Subsection (b), an event described by
14 Section 478.0001(3)(L-1) may receive funding through the program if
15 a site selection organization selects:

16 (1) a site in this state as the sole site for the
17 event;

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

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

22 SECTION 5. Subtitle E-1, Title 4, Government Code, is
23 amended by adding Chapter 480A to read as follows:

24 CHAPTER 480A. FILM EVENTS TRUST FUND

25 SUBCHAPTER A. GENERAL PROVISIONS

26 Sec. 480A.0001. PURPOSE. The purpose of this chapter is to
27 establish a film events trust fund to maximize the preparation,

1 production, performance, or presentation of television programs,
2 movies, virtual films, and multimedia productions in this state and
3 for successful competition with other states for those programs,
4 movies, films, and productions.

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

6 (1) "Endorsing county" means a county that contains a
7 site selected by a site selection organization for a film event.

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

10 (3) "Endorsing municipality" means a municipality
11 that contains a site selected by a site selection organization for a
12 film event.

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

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

26 (6) "Local organizing committee" means a nonprofit
27 corporation or the corporation's successor in interest that an

1 endorsing municipality or endorsing county authorizes to:

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

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

7 (7) "Office" means the Texas Economic Development and
8 Tourism Office within the office of the governor.

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

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

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

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

19 (c) The office may adopt rules necessary to accommodate a
20 film event occurring over multiple days, weeks, or years, and in
21 multiple locations across this state. Notwithstanding any other
22 law, to the extent of a conflict between an office rule adopted to
23 accomplish the purposes of this subsection and another provision of
24 this chapter, the rule controls.

25 Sec. 480A.0004. CONSTRUCTION OF CHAPTER. (a) This chapter
26 may not be construed as creating or requiring a state guarantee of
27 an obligation imposed on an endorsing municipality, an endorsing

1 county, or this state under an event support contract or another
2 agreement relating to hosting a film event in this state.

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

5 SUBCHAPTER B. ELIGIBILITY

6 Sec. 480A.0051. FILM EVENTS ELIGIBLE FOR FUNDING. (a) A
7 film event is eligible for funding under this chapter only if:

8 (1) a site selection organization, after conducting a
9 highly competitive selection process of one or more sites not in
10 this state, selects a site in this state for the film event to be
11 held:

12 (A) one time; or

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

16 (2) a site selection organization selects:

17 (A) a site in this state as the sole site for the
18 film event;

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

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

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

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

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

4 (b) An endorsing municipality or endorsing county may
5 during any 12-month period submit requests for funding under this
6 chapter for not more than 30 film events to which this section
7 applies.

8 SUBCHAPTER C. STATE ACTIONS RELATING TO FILM EVENTS

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

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

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

15 Sec. 480A.0102. DETERMINATION OF INCREMENTAL INCREASE IN
16 CERTAIN TAX RECEIPTS. (a) After a site selection organization
17 selects a site for a film event in this state in accordance with an
18 application by an endorsing entity, the office shall determine the
19 incremental increases in the following tax receipts that the office
20 determines are directly attributable to the film event for the
21 30-day period concluding at the end of the day after the date on
22 which the film event activities in this state are completed or, if
23 the film event will be presented on more than one day, after the
24 last date on which the film event will be presented:

25 (1) the receipts to this state from taxes imposed
26 under Chapters 151, 152, 156, and 183, Tax Code, and under Title 5,
27 Alcoholic Beverage Code, in the market areas designated under

1 Section 480A.0104;

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

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

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

15 (5) the receipts collected by each endorsing county in
16 the market area from the hotel occupancy tax imposed under Chapter
17 352, Tax Code.

18 (b) The office shall make the determination required by
19 Subsection (a) in accordance with procedures the office develops
20 and shall base that determination on information submitted by an
21 endorsing entity.

22 Sec. 480A.0103. TIME FOR DETERMINATION. The office shall
23 determine the incremental increase in tax receipts under Section
24 480A.0102 not later than the earlier of:

25 (1) the 30th day after the date the office receives the
26 information for a film event submitted by an endorsing entity on
27 which the office bases the determination as provided by Section

1 480A.0102(b); or

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

5 Sec. 480A.0104. DESIGNATION OF MARKET AREA. (a) For
6 purposes of Section 480A.0102(a)(1), the office shall designate as
7 a market area for a film event each area in which the office
8 determines there is a reasonable likelihood of measurable economic
9 impact directly attributable to the preparation, production,
10 performance, or presentation of the film event. The office shall
11 include areas likely to provide venues, accommodations, and
12 services in connection with the film event based on the proposal the
13 endorsing entity provides to the office.

14 (b) The office shall determine the geographic boundaries of
15 each market area.

16 (c) An endorsing municipality or endorsing county selected
17 as the site for the film event must be included in a market area for
18 the film event.

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

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

23 (a) Not later than one month before the first date scheduled for
24 commencement of preparation, production, performance, or
25 presentation of a film event, the office shall provide an estimate
26 of the total amount of tax revenue that would be transferred or
27 deposited to the film events trust fund under this chapter in

1 connection with that film event if the film event were prepared,
2 produced, performed, or presented in this state at a site selected
3 in accordance with an application by an endorsing entity. The
4 office may revise the office's estimate under this subsection
5 during the period in which the film event is held.

6 (b) The office shall provide the estimate on request to an
7 endorsing entity.

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

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

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

18 SUBCHAPTER D. FUND ESTABLISHMENT AND CONTRIBUTIONS

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

22 Sec. 480A.0152. DEPOSIT OF MUNICIPAL AND COUNTY TAX
23 REVENUE. (a) Each endorsing municipality or endorsing county
24 shall remit to the comptroller and the comptroller shall deposit
25 into a trust fund created by the comptroller, at the direction of
26 the office, and designated as the film events trust fund the amount
27 of the municipality's or county's hotel occupancy tax revenue

1 determined under Section 480A.0102(a)(4) or (5), less any amount of
2 the revenue the municipality or county determines is necessary to
3 meet the obligations of the municipality or county.

4 (b) The comptroller, at the direction of the office, shall
5 retain the amount of sales and use tax revenue and mixed beverage
6 tax revenue determined under Section 480A.0102(a)(2) or (3) from
7 the amounts otherwise required to be sent to the municipality under
8 Sections 321.502 and 183.051(b), Tax Code, or to the county under
9 Sections 323.502 and 183.051(b), Tax Code, less any amount of the
10 revenue the municipality or county determines is necessary to meet
11 the obligations of the municipality or county, and shall deposit
12 the retained tax revenue to the film events trust fund.

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

15 (1) with the first distribution of that tax revenue
16 that occurs after the first day of the period described by Section
17 480A.0102(a); or

18 (2) at a time the office otherwise determines
19 practicable.

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

24 Sec. 480A.0153. OTHER LOCAL MONEY. (a) In lieu of the
25 municipal and county tax revenues remitted or retained under
26 Section 480A.0152, an endorsing municipality or endorsing county
27 may remit to the office for deposit to the film events trust fund

1 other local money in an amount equal to the total amount of
2 municipal and county tax revenue determined under Sections
3 480A.0102(a)(2)-(5).

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

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

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

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

- 19 (1) local sales and use tax revenue;
20 (2) mixed beverage tax revenue;
21 (3) hotel occupancy tax revenue; and
22 (4) any applicable surcharge and user fee revenue.

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

26 SUBCHAPTER E. DISBURSEMENTS FROM FILM EVENTS TRUST FUND

27 Sec. 480A.0201. DISBURSEMENT WITHOUT APPROPRIATION. The

1 office may disburse money in the film events trust fund without
2 appropriation only as provided by this chapter.

3 Sec. 480A.0202. DISBURSEMENT FROM FILM EVENTS TRUST FUND.

4 (a) After approval of each contributing endorsing municipality and
5 endorsing county, the office may disburse money from the film
6 events trust fund for a purpose for which an endorsing entity or
7 this state is obligated under an event support contract, including
8 any obligation to pay costs incurred in preparing, producing,
9 performing, or presenting the film event.

10 (b) In considering whether to disburse money from the film
11 events trust fund, the office may not consider a contingency clause
12 in an event support contract as relieving an endorsing entity's
13 obligation to pay a cost under the contract.

14 (c) If the office disburses money from the film events trust
15 fund, the office shall satisfy the obligation proportionately from
16 the local and state revenue in the fund.

17 Sec. 480A.0203. REDUCTION OF DISBURSEMENT AMOUNT. (a)

18 After the conclusion of the film event, the office shall compare
19 information on the number of persons who participated in the film
20 event as provided under Section 480A.0251 with any estimated number
21 of persons participating in the film event used to determine the
22 incremental increase in tax receipts under Section 480A.0102. If
23 the actual number of persons who participated in the film event is
24 significantly lower than the estimated number of persons
25 participating in the film event, the office may reduce the amount of
26 a disbursement from the film events trust fund for an endorsing
27 entity:

1 (1) in proportion to the discrepancy between the
2 actual and estimated number of persons participating in the film
3 event; and

4 (2) in proportion to the amount the entity contributed
5 to the fund.

6 (b) The office by rule shall:

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

9 (2) provide the manner in which the office may
10 proportionately reduce a disbursement.

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

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

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

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

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

24 (1) the costs relating to the preparation of the film
25 event; and

26 (2) the costs of producing, performing, or presenting
27 the film event, including costs of an improvement or renovation to

1 an existing facility and costs of acquisition or construction of a
2 new facility or other facility that could be used to prepare,
3 produce, perform, or present film events.

4 Sec. 480A.0205. LIMITATION ON CERTAIN DISBURSEMENTS. (a)
5 A disbursement from the film events trust fund is limited to 25
6 percent of the cost of a structural improvement or a fixture if an
7 obligation is incurred under an event support contract to make the
8 improvement or add the fixture to a site for a film event.

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

- 12 (1) publicly owned facility; or
13 (2) facility that could be used for future film
14 events.

15 Sec. 480A.0206. PROHIBITED DISBURSEMENTS. (a) Subject to
16 Subsection (b), the office may not disburse money from the film
17 events trust fund to be used to:

- 18 (1) construct an arena, stadium, or convention center;
19 or
20 (2) conduct usual and customary maintenance of a
21 facility.

22 (b) Subsection (a) does not prohibit a disbursement from the
23 film events trust fund for the construction of temporary structures
24 within an arena, stadium, or convention center that are necessary
25 for the preparation, production, performance, and presentation of a
26 film event or temporary maintenance of a facility that is necessary
27 for the preparation, production, performance, and presentation of a

1 film event.

2 Sec. 480A.0207. REMITTANCE OF REMAINING FUND MONEY. On
3 payment of all municipal, county, or state obligations under an
4 event support contract related to the location of a film event in
5 this state, the office shall remit to each endorsing entity, in
6 proportion to the amount contributed by the entity, any money
7 remaining in the film events trust fund.

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

9 Sec. 480A.0251. REQUIRED INFORMATION. (a) An endorsing
10 entity shall provide information the office requires to fulfill the
11 office's duties under this chapter, including:

12 (1) annual audited statements of any financial records
13 a site selection organization requires; and

14 (2) data the endorsing entity obtains relating to:

15 (A) the number of persons hired, contracted,
16 volunteering, or otherwise directly participating in the
17 preparation, production, performance, or presentation of the film
18 event, including an estimate of the number of persons expected to
19 participate in the film event who are not residents of this state;

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

21 (C) any other information the office considers
22 necessary.

23 (b) An endorsing entity must provide any annual audited
24 financial statement the office requires not later than the end of
25 the fourth month after the last day of the period covered by the
26 financial statement.

27 Sec. 480A.0252. ISSUANCE OF NOTES. (a) To meet its

1 obligations under an event support contract to improve, construct,
2 renovate, or acquire facilities or to acquire equipment, an
3 endorsing municipality by ordinance or an endorsing county by order
4 may authorize the issuance of notes.

5 (b) An endorsing municipality or endorsing county may
6 provide for the notes to be paid from and secured by:

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

9 (2) surcharges from user fees charged in connection
10 with the film event, including parking or ticket fees, if the film
11 event is premiered, performed, or otherwise presented exclusively
12 at a venue in this state for which parking or ticket fees may be
13 collected.

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

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

25 SECTION 6. Subtitle F, Title 4, Government Code, is amended
26 by adding Chapter 483 to read as follows:

27 CHAPTER 483. FILM OR TELEVISION PRODUCTION TAX REBATE TRUST FUND

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 483.0001. DEFINITIONS. In this chapter:

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

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

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

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

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

Sec. 483.0002. RULES. (a) The office shall adopt rules necessary to implement this chapter.

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

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

(d) The office may adopt rules necessary to accommodate a film or television production occurring over multiple days, weeks,

1 or years, and in multiple locations across this state.
2 Notwithstanding any other law, to the extent of a conflict between
3 an office rule adopted to accomplish the purposes of this
4 subsection and another provision of this chapter, the rule
5 controls.

6 SUBCHAPTER B. ELIGIBILITY

7 Sec. 483.0051. FILM OR TELEVISION PRODUCTIONS ELIGIBLE FOR
8 FUNDING. A film or television production is eligible for funding
9 under this chapter only if a film or television production
10 organization, after conducting a highly competitive selection
11 process of one or more sites not in this state, selects one or more
12 sites in this state for all or part of the production.

13 SUBCHAPTER C. STATE ACTIONS RELATING TO PRODUCTIONS

14 Sec. 483.0101. DETERMINATION OF INCREMENTAL INCREASE IN
15 CERTAIN TAX RECEIPTS. After a film or television production
16 organization selects a site or sites for a film or television
17 production, the organization shall file an application with the
18 office and supply information the office considers necessary to
19 determine the incremental increases in the receipts to this state
20 from taxes imposed under Chapters 151, 152, 156, and 183, Tax Code,
21 and under Title 5, Alcoholic Beverage Code, in the market area
22 designated under Section 483.0103 that the office determines are
23 directly attributable to the preparation, production, performance,
24 and presentation of the film or television production.

25 Sec. 483.0102. TIME FOR DETERMINATION. The office shall
26 calculate the incremental increase in tax receipts under Section
27 483.0101 not later than the 60th day after the date the film or

1 television production organization or its designated agent or
2 representative submits the necessary documentation to the office to
3 determine the rebate amount.

4 Sec. 483.0103. DESIGNATION OF MARKET AREA. For purposes of
5 Section 483.0101, the office shall designate for the film or
6 television production a market area where there is a reasonable
7 likelihood of measurable economic impact directly attributable to
8 the preparation, production, performance, or presentation of the
9 production. The office shall include market areas likely to
10 provide venues, accommodations, and services in connection with the
11 production based on the application provided to the office.

12 Sec. 483.0104. MODEL FILM OR TELEVISION PRODUCTION TAX
13 REBATE APPLICATION. (a) The office may adopt a model film or
14 television production tax rebate application form. If the office
15 adopts a model form under this section, the office shall make the
16 form available on the office's Internet website.

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

20 SUBCHAPTER D. TRUST FUND ESTABLISHMENT AND CONTRIBUTIONS

21 Sec. 483.0151. FILM PRODUCTION TAX REBATE TRUST FUND. The
22 film production tax rebate trust fund is established outside the
23 state treasury and is held in trust by the comptroller for
24 administration of this chapter.

25 Sec. 483.0152. STATE TAX REVENUE. Not later than the 30th
26 day after notice from the office, the comptroller, at the direction
27 of the office, shall transfer to the trust fund a portion of the

1 state tax revenue in an amount equal to 25 percent of the amount of
2 incremental increases in tax receipts determined under Section
3 483.0101.

4 Sec. 483.0153. INTEREST. Any interest accumulated over
5 time shall remain in the trust fund for use by the office in paying
6 the costs of administering the trust fund. The office may disburse
7 all or part of the retained interest in the trust fund to the office
8 for that purpose.

9 SUBCHAPTER E. DISBURSEMENTS FROM TRUST FUND

10 Sec. 483.0201. DISBURSEMENT WITHOUT APPROPRIATION. The
11 office may disburse money in the trust fund without appropriation
12 only as provided by this chapter.

13 Sec. 483.0202. REBATE DISBURSEMENT FROM TRUST FUND. In
14 accordance with procedures adopted by the office, the office shall
15 disburse money from the trust fund to a film or television
16 production organization in an amount equal to 25 percent of the
17 incremental increase in the tax receipts determined under Section
18 483.0101 for the applicable film or television production.

19 SUBCHAPTER F. MULTIPLE FUNDING REQUESTS

20 Sec. 483.0251. APPLICABILITY OF LAW TO MULTIPLE FUNDING
21 REQUESTS. (a) The provisions within this chapter are cumulative of
22 all other existing incentive programs or any program created in the
23 future. Subject to Subsection (b), a person may receive a
24 reimbursement, disbursement, or rebate under one or more incentive
25 programs.

26 (b) Notwithstanding Subsection (a), a person may not
27 receive a reimbursement, disbursement, or rebate under Chapter [478](#)

1 or 480A or this chapter that exceeds the highest incremental
2 increase in receipts to this state from taxes imposed under
3 Chapters 151, 152, 156, and 183, Tax Code, and under Title 5,
4 Alcoholic Beverage Code, as the office determines, in the market
5 area the office designates.

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

9 SECTION 7. Section 485A.002, Government Code, is amended by
10 amending Subdivisions (1) and (4) and adding Subdivision (1-a) to
11 read as follows:

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

14 (1-a) "Media production facility" means a structure,
15 building, or room used for the specific purpose of creating a moving
16 image project. The term includes but is not limited to:

17 (A) a soundstage and scoring stage;

18 (B) a production office;

19 (C) an editing facility, an animation production
20 facility, and a video game production facility;

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

22 (E) a sound recording studio and motion capture
23 studio; and

24 (F) a virtual production facility.

25 (4) "Nominating body" means the governing body of a
26 municipality, ~~or~~ county, or institution of higher education, or a
27 combination of the governing bodies of municipalities, ~~or~~

1 counties, or institutions of higher education that:

2 (A) recognizes a qualified area as a media
3 production development zone; and

4 (B) nominates and applies for designation of a
5 location in a media production development zone as a qualified
6 media production location.

7 SECTION 8. Section 485A.101, Government Code, is amended to
8 read as follows:

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

12 (1) must be in a metropolitan statistical area, the
13 principal municipality of which has the adequate workforce,
14 infrastructure, facilities, or resources to support the production
15 and completion of moving image projects;

16 (2) must be recognized as a media production
17 development zone by:

18 (A) ordinance or order, as appropriate, of the
19 governing body of a municipality or the commissioners court of a
20 county; or

21 (B) resolution or order of an institution of
22 higher education; and

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

26 SECTION 9. Section 485A.104(a), Government Code, is amended
27 to read as follows:

1 (a) The governing body of a municipality, ~~or~~ county, or
2 institution of higher education individually or in combination with
3 other municipalities, ~~or~~ counties, or institutions of higher
4 education, by ordinance, resolution, or order, as appropriate, may
5 nominate as a qualified media production location a location within
6 its jurisdiction that meets the criteria under Section 485A.102.

7 SECTION 10. Section 485A.105, Government Code, is amended
8 to read as follows:

9 Sec. 485A.105. NOMINATING ORDINANCE, RESOLUTION, OR ORDER.
10 An ordinance, resolution, or order nominating a location as a
11 qualified media production 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, resolution, or order, as
20 appropriate, by the 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
27 production location; and

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

3 SECTION 11. Section 485A.106(b), Government Code, is
4 amended to read as follows:

5 (b) The application must include:

6 (1) a certified copy of the ordinance, resolution, or
7 order, as appropriate, nominating the location as a media
8 production location;

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

12 (3) appropriate supporting documents demonstrating
13 that the location qualifies for designation as a qualified media
14 production location;

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

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

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

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

27 (C) an estimate of the amount of state taxes to be

1 exempted, as provided by Section 151.3415, Tax Code; and

2 (D) any other information required by the
3 comptroller for purposes of making the certification required by
4 Section 485A.109(b); and

5 (6) any additional information the office requires.

6 SECTION 12. Section 485A.110(a), Government Code, is
7 amended to read as follows:

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

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

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

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

19 SECTION 13. Section 485A.111(b), Government Code, is
20 amended to read as follows:

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

25 SECTION 14. Section 485A.203, Government Code, is amended
26 to read as follows:

27 Sec. 485A.203. DURATION OF DESIGNATION. Except as

1 provided by Section 485A.204, the office's certification of a
2 person as a qualified person is effective until the fourth [~~second~~]
3 anniversary of the date the designation is made, regardless of
4 whether the designation of the qualified media production location
5 at which the qualified person is to perform its commitments under
6 this chapter is terminated before that date.

7 SECTION 15. Subchapter F, Chapter 485A, Government Code, is
8 amended by adding Section 485A.253 to read as follows:

9 Sec. 485A.253. ENTITLEMENT BENEFITS FOR MEDIA PRODUCTION
10 FACILITY CONSTRUCTION. Notwithstanding any other provision of this
11 chapter, a media production facility or any qualified person is
12 entitled to the benefits under this chapter for construction of a
13 media production facility that begins on or after January 1, 2025.

14 SECTION 16. Section 485A.103, Government Code, is repealed.

15 SECTION 17. This Act takes effect September 1, 2025.