

By: Hamric, Wong, Hunter, Keffer of Eastland,
Dukes

H.B. No. 2954

Substitute the following for H.B. No. 2954:

By: Hilderbran

C.S.H.B. No. 2954

A BILL TO BE ENTITLED

AN ACT

relating to the creation of a film industry incentive program.

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

SECTION 1. Sections 485.001-485.007, Government Code, are designated as Subchapter A, Chapter 485, Government Code, and a subchapter heading is added to read as follows:

SUBCHAPTER A. GENERAL PROVISIONS

SECTION 2. Chapter 485, Government Code, is amended by adding Subchapter B to read as follows:

SUBCHAPTER B. FILM INDUSTRY INCENTIVE PROGRAM

Sec. 485.021. DEFINITIONS. In this subchapter:

(1) "Filmed entertainment" means a visual and sound production, including a:

(A) film;

(B) television program; or

(C) national or multistate commercial.

(2) "Production company" includes a film production company, television production company, or film and television production company.

(3) "Texas resident" means an individual who has resided in Texas since the 60th day before the first day of principal photography on a filmed entertainment.

(4) "Underused area" includes any area of this state other than the metropolitan areas of Austin, Houston, or

1 Dallas-Fort Worth.

2 Sec. 485.022. FILM INDUSTRY INCENTIVE PROGRAM. (a) The
3 office shall administer a grant program for production companies
4 that produce filmed entertainments in this state.

5 (b) The office shall develop a procedure for the submission
6 of grant applications and the awarding of grants under this
7 subchapter. The procedure must include provisions relating to:

8 (1) methods by which an individual's Texas residency
9 as described by Section 485.021(3) can be proved; and

10 (2) requirements for the submission, before
11 production of a filmed entertainment begins, of an estimate of
12 total wages that will be paid to Texas residents.

13 Sec. 485.023. QUALIFICATION. To qualify for a grant under
14 this subchapter, a production company must pay a minimum of:

15 (1) \$500,000 in wages to Texas residents for a film or
16 television program; or

17 (2) \$50,000 in wages to Texas residents for a
18 commercial or series of commercials.

19 Sec. 485.024. GRANT. (a) Except as provided by Section
20 485.025, a grant under this subchapter may not exceed the lesser of:

21 (1) 20 percent of the wages paid to Texas residents for
22 a filmed entertainment; or

23 (2) \$750,000.

24 (b) In calculating a grant amount under Subsection (a), the
25 office may not include wages of persons, including an actor or
26 director, employed in the production of a filmed entertainment that
27 are:

1 (1) a major part of the production costs of the
2 entertainment, as determined by the office; and

3 (2) negotiated or spent before production begins.

4 Sec. 485.025. ADDITIONAL GRANT FOR UNDERUSED AREAS. In
5 addition to the grant calculated under Section 485.024, a
6 production company that spends at least 25 percent of a filmed
7 entertainment's filming days in an underused area is eligible for
8 an additional grant in an amount equal to five percent of the wages
9 paid to Texas residents for the filmed entertainment.

10 Sec. 485.026. STATE DEBT. If a production company owes
11 money to the state at the time the production company is awarded a
12 grant under this subchapter, the office shall offset the amount
13 owed to the state from the amount awarded.

14 SECTION 3. Section 156.251, Tax Code, is amended by adding
15 Subsections (e) and (f) to read as follows:

16 (e) In addition to the revenue allocated under Subsection
17 (d), an amount equal to the amount of revenue derived from the
18 collection of taxes imposed by this chapter at a rate of one-half of
19 one percent shall be allocated in the general revenue fund as
20 follows:

21 (1) an amount not to exceed \$10 million may be used
22 only for the activities of the tourism division of the Texas
23 Economic Development and Tourism Office; and

24 (2) an amount not to exceed \$20 million may be used
25 only for the promotion and funding of the film industry incentive
26 program by the Music, Film, Television, and Multimedia Office.

27 (f) This subsection and Subsection (e) expire August 31,

1 2007.

2 SECTION 4. This Act takes effect September 1, 2005.