

1 AN ACT

2 relating to the creation of a film industry incentive program.

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

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

7 SUBCHAPTER A. GENERAL PROVISIONS

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

10 SUBCHAPTER B. FILM INDUSTRY INCENTIVE PROGRAM

11 Sec. 485.021. DEFINITIONS. In this subchapter:

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

14 (A) film;

15 (B) television program; or

16 (C) national or multistate commercial.

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

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

23 (4) "Underused area" includes any area of this state
24 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, to the extent
5 that gifts, grants, donations, or other money, including
6 appropriations, are made available to the office for that purpose.

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

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

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

15 (c) The office may accept gifts, grants, and donations for
16 the purpose of implementing this subchapter.

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

19 (1) \$500,000 in wages to Texas residents for a film or
20 television program; or

21 (2) \$50,000 in wages to Texas residents for a
22 commercial or series of commercials.

23 Sec. 485.024. GRANT. (a) Except as provided by Section
24 485.025, a grant under this subchapter may not exceed the lesser of:

25 (1) 20 percent of the wages paid to Texas residents for
26 a filmed entertainment; or

27 (2) \$750,000.

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

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

7 (2) negotiated or spent before production begins.

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

14 Sec. 485.026. STATE DEBT. If a production company owes
15 money to the state at the time the production company is awarded a
16 grant under this subchapter, the office shall offset the amount
17 owed to the state from the amount awarded.

18 SECTION 3. This Act takes effect September 1, 2005.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 1142 passed the Senate on May 13, 2005, by the following vote: Yeas 30, Nays 0; May 26, 2005, Senate refused to concur in House amendments and requested appointment of Conference Committee; May 26, 2005, House granted request of the Senate; May 29, 2005, Senate adopted Conference Committee Report by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 1142 passed the House, with amendments, on May 25, 2005, by a non-record vote; May 26, 2005, House granted request of the Senate for appointment of Conference Committee; May 29, 2005, House adopted Conference Committee Report by a non-record vote.

Chief Clerk of the House

Approved:

Date

Governor