

BILL ANALYSIS

C.S.H.B. 374
By: Pickett
State Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The states of New Mexico, Louisiana, Texas and others are all vying for the millions of dollars brought into states by the film industry. In the past, a large percentage of the money from the film industry was spent in Texas. Unfortunately, the number of commercials, TV and film productions being produced in Texas has dwindled over the past few years because other states are becoming more creative with their film industry incentive packages. Passage of C.S.H.B. 374 would provide an extra incentive to the film industry by providing use of Texas state buildings and grounds for television or film production companies.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 374 amends the Government Code to define "office" and "production company." The bill requires a state agency or other state governmental entity to allow the use of any state building or grounds by a production company whose film, national broadcast, episodic television series, or commercial has been approved by the Music, Film, Television, and Multimedia Office (the office).

The office is required to review each proposal by a production company. The office is authorized to approve the proposal if the use as determined by the office, after consulting with each agency or entity affected, will not significantly interfere with the conduct of state business, the production company provides a certificate of insurance in an amount required by the office and names the state as an insured, and the proposal is to produce a film, national broadcast, or episodic television series with a total production cost of \$250,000 or more or a commercial with the total production cost of \$100,000 or more.

The office is required to supervise each use of a state building or grounds by a production company. The office is required to determine the fee to be charged for each day a production company uses a state building or grounds. The office is authorized to allow use without charge for seven days each fiscal year and determine the allocation of those days. The office is required to deposit the fees collected in the general revenue fund.

The production company is required to reimburse a state agency or governmental entity for any cost the agency or entity incurs as a result of the use of a state building or grounds by the production company. The production company is required to reimburse the agency or entity having charge and control of a state building or grounds for the cost of repairing damage resulting from the use of a state building or grounds by the production company. A state agency or governmental entity is required to notify the production company of any cost subject to reimbursement in writing. The production company is required to reimburse the cost not later than the 21st day after the date on which it receives notice from the agency or entity.

EFFECTIVE DATE

September 1, 2007.

C.S.H.B. 374 80(R)

COMPARISON OF ORIGINAL TO SUBSTITUTE

C.S.H.B. 374 modifies the original bill by transferring responsibility from the commission to the office. The substitute requires a state agency or other state governmental entity to allow a production company which produces a film, national broadcast, episodic television series, or commercial to use any state building or grounds, as long as it is approved through the Music, Film, Television, and Multimedia Office. The substitute requires the production company to provide a certificate of insurance covering the production. In addition, the substitute requires the total production cost for a film, national broadcast, or episodic television series to be a minimum of \$250,000, or a total production cost of \$100,000 or more for a commercial. Although the original bill did not allow the office to charge a fee, the substitute requires the office to determine the fee to be charged for each day that a state building or grounds is used by a production company. In addition, the substitute modifies the original bill by allowing use of a state building or grounds without charge for 7 days during a state fiscal year. The substitute allows the office to determine the allocation of those days. The substitute requires any fees collected to be put in the general revenue fund.