

## **BILL ANALYSIS**

C.S.H.B. 2951  
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Culture, Recreation, & Tourism  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Texas has experienced a steady decline in its ability to compete with other states in attracting on-location filming projects, mainly to New Mexico and Louisiana. C.S.H.B. No. 2951 creates another tool for Texas to attract filming opportunities to our state.

C.S.H.B. No. 2951 enables the creation of a film district within a municipality with a population of one million or more. The purpose of the district would be to focus on developing job opportunities and training in film, video, and the interactive game industry. Designating a specific district dedicated to this purpose exhibits the city's commitment to cultivate an environment where this type of business could thrive. The entity that governs the district would also be allowed to partner with public and private partnerships to financially support the district and its potential projects.

### **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**

SECTION 1. Would amend Subtitle A, Title 10, Local Government Code, by adding Chapter 309 as follows:

#### CHAPTER 309. FILM DISTRICTS

##### SUBCHAPTER A. GENERAL PROVISIONS

Section 309.001. DEFINITIONS. Defines "Board" as a district's board of directors, and "District" as a film district created under this chapter.

Section 309.002. NATURE OF DISTRICT. States that a district is a political subdivision of the state and a special district.

Sections 309.003- 309.050 are reserved for expansion.

##### SUBCHAPTER B. CREATION

Section 309.051. CREATION BY POPULOUS MUNICIPALITY. Authorizes a municipality with a population of one million or more to create a district to promote the film industry in a designated area in the municipality.

Section 309.052. HEARING. Provides that, before creating a district, the governing body of a municipality must hold a hearing on the purposes and advisability of creating the district at which any person may speak.

##### Section 309.053. ORDER CREATING DISTRICT; INITIAL DIRECTORS.

Authorizes the governing body, after the hearing and determination of the benefit of the district to the municipality and designated area, to create the district by order, requiring the order to specify the district's boundaries within the municipality, the number and qualifications of the appointed directors, and the initial directors and their terms. Provides that the initial directors' term expiration dates be staggered over the first two years.

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Sections 309.054 - 309.100 are reserved for expansion.

#### SUBCHAPTER C. BOARD OF DIRECTORS

Section 309.101. GOVERNING BODY. States that a district be governed by a board of at least seven directors.

Section 309.102. TERMS. States that directors serve staggered two-year terms.

Section 309.103. APPOINTMENT BY MUNICIPALITY. Requires the governing body of a municipality that created the district to appoint the director. This section provides the requirements for the makeup of the board.

Section 309.104. COMPENSATION; EXPENSES. States that a director is not entitled to compensation but is entitled to be reimbursed for specified expenses.

Section 309.105. OFFICERS. Requires a board to elect a presiding officer, secretary, treasurer, and other officers as considered necessary by the board.

Sections 309.106 - 309.150 are reserved for expansion.

#### SUBCHAPTER D. POWERS AND DUTIES

Section 309.151. PROMOTION OF FILM INDUSTRY. Requires the district to promote the film industry in the district.

Section 309.152. PARTNERSHIP WITH LOCAL COMMUNITIES. Requires a district to act jointly with the municipality, local businesses, the film industry, and other local communities to promote the film industry in the district.

Section 309.153. INCENTIVES. Allows the district to provide incentives to promote the film industry in the district.

Section 309.154. DONATIONS; GRANTS. Allows the district to accept donations and grants for any district purpose.

Section 309.155. EXECUTIVE DIRECTOR; EMPLOYEES. Allows a district to hire an executive director and other employees.

Sections 309.156 - 309.200 are reserved for expansion.

#### SUBCHAPTER E. FINANCIAL PROVISIONS

Section 309.201. BORROWING. Allows a district to borrow money for any district purpose from any person.

Sections 309.202 - 309.250 are reserved for expansion.

#### SUBCHAPTER F. DISSOLUTION.

Section 309.251. DISSOLUTION. Authorizes a board to dissolve if it does not have any debt.

SECTION 2. Effective date: Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2007.

#### **EFFECTIVE DATE**

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2007.

## **COMPARISON OF ORIGINAL TO SUBSTITUTE**

The Committee Substitute changed half of the directors' terms to expiring on the same date in not more than one year and the remainder expiring on the same date in not more than two years, as opposed to the original that stated half of the directors' terms expiring in one year and the remainder expiring in two years.

The Committee Substitute added to one director who represents a local or regional film commission that: (A) is part of an international professional and educational organization for film commissions; and (B) has an office located in the municipality, if a film commission described by Paragraph (A) has an office located in the municipality.