

AN ACT

relating to incentives for the film, television, and multimedia production industries.

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

SECTION 1. The heading to Subchapter B, Chapter 485, Government Code, is amended to read as follows:

SUBCHAPTER B. MOVING IMAGE [~~FILM~~] INDUSTRY INCENTIVE PROGRAM

SECTION 2. Section 485.021, Government Code, is amended to read as follows:

Sec. 485.021. DEFINITIONS. In this subchapter:

(1) "In-state spending" means the amount of money spent in Texas by a production company during the production and completion of a moving image project, including the amount spent on wages to Texas residents. The term does not include wages described by Section 485.024(b).

(2) "Moving image project" ["~~Filmed entertainment~~"] means a visual and sound production, including a

~~(A)~~ film,

~~(B)~~ television program,

~~(C)~~ national or multistate commercial, or digital interactive media production. The term does not include a production that is obscene, as defined by Section 43.21, Penal Code.

(3) [~~(2)~~] "Production company" includes a film

1 production company, television production company, digital
2 interactive media production company, or film and television
3 production company.

4 (4) [~~(3)~~] "Texas resident" means an individual who has
5 resided in Texas since the 120th [~~60th~~] day before the first day of
6 principal photography on a moving image project [~~a filmed~~
7 ~~entertainment~~].

8 (5) [~~(4)~~] "Underused area" includes any area of this
9 state other than the metropolitan areas of Austin[~~, Houston,~~] or
10 Dallas [~~Dallas-Fort Worth~~].

11 SECTION 3. The heading to Section 485.022, Government Code,
12 is amended to read as follows:

13 Sec. 485.022. MOVING IMAGE [~~FILM~~] INDUSTRY INCENTIVE
14 PROGRAM.

15 SECTION 4. Section 485.022, Government Code, is amended by
16 amending Subsections (a) and (b) and adding Subsections (d), (e),
17 and (f) to read as follows:

18 (a) The office shall administer a grant program for
19 production companies that produce moving image projects [~~filmed~~
20 ~~entertainments~~] in this state, to the extent that gifts, grants,
21 donations, or other money, including appropriations, are made
22 available to the office for that purpose.

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

26 (1) methods by which an individual's Texas residency
27 as described by Section 485.021(4) [~~485.021(3)~~] can be proved; and

1 (2) requirements for the submission, before
2 production of a moving image project [~~filmed entertainment~~] begins,
3 of:

4 (A) an estimate of total in-state spending;

5 (B) the shooting script or story board, as
6 applicable;

7 (C) the estimated number of jobs for cast and
8 production crew during the production and completion of a moving
9 image project; and

10 (D) any other information considered useful and
11 necessary by the office for an adequate and accurate analysis of a
12 production company's in-state spending [~~wages that will be paid to~~
13 ~~Texas residents~~].

14 (d) The office may award a grant to a production company
15 only based on a production company's in-state spending that the
16 office verifies as having been completed.

17 (e) The office is not required to act on any grant
18 application and may deny an application because of inappropriate
19 content or content that portrays Texas or Texans in a negative
20 fashion, as determined by the office, in a moving image project. In
21 determining whether to act on or deny a grant application, the
22 office shall consider general standards of decency and respect for
23 the diverse beliefs and values of the citizens of Texas.

24 (f) Before a grant is awarded under this subchapter, the
25 office shall:

26 (1) require a copy of the final script; and

27 (2) determine if any substantial changes occurred

1 during production on a moving image project to include content
2 described by Subsection (e).

3 SECTION 5. Section 485.023, Government Code, is amended to
4 read as follows:

5 Sec. 485.023. QUALIFICATION. To qualify for a grant under
6 this subchapter:

7 (1) [7] a production company must have spent [pay] a
8 minimum of:

9 (A) \$1 million in in-state spending
10 [~~(1) \$500,000 in wages to Texas residents~~] for a film or
11 television program; or

12 (B) \$100,000 in in-state spending [~~(2) \$50,000~~
13 in wages to Texas residents] for a commercial or series of
14 commercials;

15 (2) at least 70 percent of the production crew,
16 actors, and extras for a moving image project must be Texas
17 residents;

18 (3) at least 80 percent of the moving image project
19 must be filmed in Texas; and

20 (4) a production company must submit to the office an
21 expended budget, in a format prescribed by the office, that
22 reflects all in-state spending and includes all receipts, invoices,
23 pay orders, and other documentation considered necessary by the
24 office to accurately determine the amount of a production company's
25 in-state spending that has occurred.

26 SECTION 6. Sections 485.024 and 485.025, Government Code,
27 are amended to read as follows:

1 Sec. 485.024. GRANT. (a) Except as provided by Section
2 485.025, a grant under this subchapter may not exceed the lesser of
3 five~~+~~

4 ~~[(1) 20]~~ percent of the total amount of a production
5 company's in-state spending ~~[wages paid to Texas residents]~~ for a
6 moving image project ~~[filmed entertainment,]~~ or:

7 (1) \$2 million for a film;

8 (2) \$2.5 million for a television program;

9 (3) \$200,000 for a commercial or series of
10 commercials; or

11 (4) \$250,000 for a digital interactive media
12 production ~~[(2) \$750,000]~~.

13 (b) In calculating a grant amount under Section 485.025 or
14 the amount of in-state spending for purposes of Subsection (a), the
15 office may not include wages of persons, including an actor or
16 director, employed in the production of a moving image project
17 ~~[filmed entertainment]~~ that are:

18 (1) a major part of the production costs of the project
19 ~~[entertainment]~~, as determined by the office; and

20 (2) negotiated or spent before production begins.

21 Sec. 485.025. ADDITIONAL GRANT FOR UNDERUSED AREAS. In
22 addition to the grant calculated under Section 485.024, a
23 production company that spends at least 25 percent of a moving image
24 project's ~~[filmed entertainment's]~~ filming days in an underused
25 area is eligible for an additional grant in an amount equal to 1.25
26 ~~[five]~~ percent of the total amount of the production company's
27 in-state spending for the moving image project ~~[wages paid to Texas~~

1 ~~residents for the filmed entertainment].~~

2 SECTION 7. Subchapter B, Chapter 485, Government Code, is
3 amended by adding Sections 485.027 and 485.028 to read as follows:

4 Sec. 485.027. WORKFORCE TRAINING AND PERFORMANCE MEASURES.

5 (a) The office may contract with public junior colleges, as defined
6 by Section 61.003, Education Code, or Texas nonprofit organizations
7 to create a moving image industry personnel training program for
8 developing and expanding the workforce for moving image projects in
9 Texas.

10 (b) The office shall develop appropriate performance
11 measures for training programs created under this section.

12 (c) The office and the Texas Higher Education Coordinating
13 Board shall cooperate to develop performance measures that are
14 appropriate for classroom instruction before the office may spend
15 money to implement this section.

16 (d) The office shall consult with the Texas Workforce
17 Commission to collect and compile data on the status of the moving
18 image industry employment base in Texas.

19 Sec. 485.028. FILM ARCHIVE PROGRAM. (a) The office may
20 contract with an organization that is exempt from taxation under
21 Section 501(c)(3), Internal Revenue Code of 1986, to provide
22 technical resources regarding archiving moving image projects,
23 improving public access to the moving image heritage of Texas,
24 including campaign material, and discovering, preserving, and
25 collecting digital copies of the moving image heritage of Texas. A
26 contract entered into under this section must require an
27 organization to:

- 1 (1) provide service to the public;
2 (2) assist private organizations statewide; and
3 (3) provide technical assistance with archiving and
4 preserving moving images and digitization work.

5 (b) The office by rule may develop policies and procedures
6 for coordinating with state agencies to implement this section.

7 (c) The office shall establish performance measures for
8 contractors that enter into a contract under this section.

9 SECTION 8. This Act takes effect immediately if it receives
10 a vote of two-thirds of all the members elected to each house, as
11 provided by Section 39, Article III, Texas Constitution. If this
12 Act does not receive the vote necessary for immediate effect, this
13 Act takes effect September 1, 2007.

President of the Senate

Speaker of the House

I certify that H.B. No. 1634 was passed by the House on April 12, 2007, by the following vote: Yeas 138, Nays 2, 1 present, not voting; and that the House concurred in Senate amendments to H.B. No. 1634 on May 21, 2007, by the following vote: Yeas 141, Nays 1, 1 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 1634 was passed by the Senate, with amendments, on May 17, 2007, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor