

BILL ANALYSIS

C.S.H.B. 1052
By: Mallory Caraway
Urban Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Texas has experienced a steady decline in its ability to compete with other states, such as New Mexico and Louisiana, in attracting on-location filming projects. The creation of film districts provides another tool for Texas to attract filming opportunities to the state. The purpose of a film district is to focus on developing job opportunities and training in film, video, and the interactive game industry. Designating a special district dedicated to this purpose exhibits a city's commitment to cultivating an environment where this type of business will thrive.

C.S.H.B. 1052 authorizes the creation of a film district within a municipality with a population of 250,000 or more and authorizes the governing body of a film district to enter into public and private partnerships to promote the film industry in the district.

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. 1052 amends the Local Government Code to authorize a municipality with a population of 250,000 or more to create a film district to promote the film industry in a designated area in the municipality. The bill specifies that such a district is a political subdivision of Texas and a special district. The bill requires the governing body of a municipality, before creating a district, to hold a hearing on the purposes and advisability of creating the district and provides that any interested person may speak at the hearing. The bill authorizes the governing body by order to create the district, if, after holding a hearing, the governing body finds that the municipality and the designated area would benefit from the district's creation. The bill requires the order to specify the district's boundaries, which must be wholly in the municipality, the number and qualifications of directors to be appointed, and the initial directors and the terms of those initial directors. The bill requires the initial directors' terms to be staggered, with as near as possible to half of the directors' terms expiring in one year and the remainder expiring in two years.

C.S.H.B. 1052 specifies that a film district is governed by a board of at least seven directors and that directors serve staggered two-year terms. The bill requires the governing body of the municipality that creates a district to appoint the directors as provided by the order creating the district. The bill requires the directors to include two directors who represent the interests of the municipality and reside in the municipality; one director who represents a local or regional film commission located in the municipality and is a member of the Association of Film Commissioners International or the Texas Association of Film Commissions; one director who represents a school district that has the majority of its territory located in the municipality; one director who represents an institution of higher education located in the municipality; one director who represents a public junior college located in the municipality; and any other directors as provided by the order creating the district. The bill specifies that a director is not

entitled to compensation but is entitled to reimbursement for actual and necessary expenses. The bill requires the district's board of directors to elect a presiding officer, secretary, treasurer, and any other officers the board considers necessary. The bill defines "board" and "district."

C.S.H.B. 1052 requires a film district to promote the film industry in the district and to act jointly with the municipality, local businesses, the film industry, and other local communities to promote the film industry in the district. The bill authorizes a district to provide incentives to promote the film industry in the district, accept a donation or grant from any person for any district purpose, hire an executive director and other employees, and borrow money from any person for any district purpose. The bill makes all or any part of a film district eligible for inclusion in a tax increment reinvestment zone and authorizes a district's board of directors to dissolve a district that has no debt.

EFFECTIVE DATE

On passage, or, if the act does not receive the necessary vote, the act takes effect September 1, 2009.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 1052 differs from the original by authorizing creation of a film district in a municipality with a population of 250,000 or more, rather than one million or more as in the original. The substitute adds a provision not in the original to require the representative of a local or regional film commission located in the municipality appointed to serve on the board of directors of the film district to be a member of the Association of Film Commissioners International or the Texas Association of Film Commissions. The substitute adds a provision not in the original to make all or any part of a film district eligible for inclusion in a tax increment reinvestment zone.