

By: Dukes

H.B. No. 873

A BILL TO BE ENTITLED

AN ACT

relating to incentives for the film, television, video, and digital interactive media production industries.

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

SECTION 1. Section 485.021(2), Government Code, is amended to read as follows:

(2) "Moving image project" means a visual and sound production, including a film, television program, national or multistate commercial, educational or instructional video, or digital interactive media production. The term does not include a production that is obscene, as defined by Section 43.21, Penal Code.

SECTION 2. Section 485.023, Government Code, is amended to read as follows:

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

(1) a production company must have spent a minimum of:

(A) \$250,000 [~~\$1 million~~] in in-state spending for a film or television program; or

(B) \$100,000 in in-state spending for a commercial or series of commercials, an educational or instructional video or series of educational or instructional videos, or a digital interactive media production;

(2) at least 70 percent of the production crew,

1 actors, and extras for a moving image project must be Texas
2 residents unless the office determines and certifies in writing
3 that a sufficient number of qualified crew, actors, and extras are
4 not available to the company at the time principal photography
5 begins;

6 (3) at least 60 [~~80~~] percent of the moving image
7 project must be filmed in Texas; and

8 (4) a production company must submit to the office an
9 expended budget, in a format prescribed by the office, that
10 reflects all in-state spending and includes all receipts, invoices,
11 pay orders, and other documentation considered necessary by the
12 office to accurately determine the amount of a production company's
13 in-state spending that has occurred.

14 SECTION 3. Sections 485.024 and 485.025, Government Code,
15 are amended to read as follows:

16 Sec. 485.024. GRANT. (a) Except as provided by Section
17 485.025, a grant under this subchapter may not exceed the amount
18 established by office rule. The office shall adopt rules
19 prescribing the method the office will use to calculate the amount
20 of a grant under this subsection. The office shall publish a
21 written summary of the method for determining grants before
22 awarding a grant under this section. The method must consider at a
23 minimum:

24 (1) the current and likely future effect a moving
25 image project will have on employment, tourism, and economic
26 activity in this state; and

27 (2) the amount of a production company's in-state

1 spending for a moving image project [~~lesser of five percent of the~~
2 ~~total amount of a production company's in-state spending for a~~
3 ~~moving image project or:~~

4 [~~(1) \$2 million for a film,~~

5 [~~(2) \$2.5 million for a television program,~~

6 [~~(3) \$200,000 for a commercial or series of~~
7 ~~commercials, or~~

8 [~~(4) \$250,000 for a digital interactive media~~
9 ~~production]~~.

10 (b) In calculating a grant amount under Section 485.025 or
11 the amount of in-state spending for purposes of rules adopted under
12 Subsection (a), the office may not include wages of persons,
13 including an actor or director, employed in the production of a
14 moving image project that exceed \$1 million [~~are:~~

15 [~~(1) a major part of the production costs of the~~
16 ~~project, as determined by the office, and~~

17 [~~(2) negotiated or spent before production begins]~~.

18 Sec. 485.025. ADDITIONAL GRANT FOR UNDERUSED AREAS. In
19 addition to the grant calculated under Section 485.024, a
20 production company that spends at least 25 percent of a moving image
21 project's filming days in an underused area is eligible for an
22 additional grant in an amount equal to 2.5 [~~1.25~~] percent of the
23 total amount of the production company's in-state spending for the
24 moving image project.

25 SECTION 4. (a) The Music, Film, Television, and Multimedia
26 Office in the office of the governor shall adopt the rules required
27 by Section 485.024, Government Code, as amended by this Act, not

1 later than November 1, 2009.

2 (b) The Music, Film, Television, and Multimedia Office in
3 the office of the governor may not award a grant under Section
4 485.024, Government Code, as amended by this Act, before the rules
5 described by Subsection (a) of this section are adopted.

6 SECTION 5. This Act takes effect immediately if it receives
7 a vote of two-thirds of all the members elected to each house, as
8 provided by Section 39, Article III, Texas Constitution. If this
9 Act does not receive the vote necessary for immediate effect, this
10 Act takes effect September 1, 2009.