

By: Springer

H.B. No. 2786

A BILL TO BE ENTITLED

AN ACT

relating to incentives for the production of video games.

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. VIDEO GAME [~~MOVING IMAGE~~] 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 video game [~~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) "Permanent job" means an employment position that has provided at least 1,820 hours of employment to an employee [~~"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~~].

(3) "Production company" means a [~~includes a film production company, television production company,~~] digital

1 interactive media production company[, ~~or film and television~~
2 ~~production company~~].

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

7 (5) "Underutilized and economically distressed area"
8 includes any area of this state that:

9 (A) the office determines receives less than 15
10 percent of the total digital interactive media [~~film and~~
11 ~~television~~] production in this state during a fiscal year; or

12 (B) has a median household income that does not
13 exceed 75 percent of the median state household income.

14 (6) "Video game project" means a digital interactive
15 media production. The term does not include a production that is
16 obscene, as defined by Section 43.21, Penal Code.

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

19 Sec. 485.022. VIDEO GAME [~~MOVING IMAGE~~] INDUSTRY INCENTIVE
20 PROGRAM.

21 SECTION 4. Sections 485.022(a), (b), (e), and (f),
22 Government Code, are amended to read as follows:

23 (a) The office shall administer a grant program for
24 production companies that produce video game [~~moving image~~]
25 projects in this state, to the extent that gifts, grants,
26 donations, or other money, including appropriations, are made
27 available to the office for that purpose.

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

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

6 (2) requirements for the submission, before
7 production of a video game [~~moving image~~] project begins, of:

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

9 (B) the [~~shooting~~] script or story board, as
10 applicable;

11 (C) the estimated number of jobs for cast and
12 production crew during the production and completion of a video
13 game [~~moving image~~] project; and

14 (D) any other information considered useful and
15 necessary by the office for an adequate and accurate analysis of a
16 production company's in-state spending.

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 video game [~~moving image~~]
21 project. In determining whether to act on or deny a grant
22 application, the office shall consider general standards of decency
23 and respect for the diverse beliefs and values of the citizens of
24 Texas.

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

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

1 (2) determine if any substantial changes occurred
2 during production on a video game [~~moving image~~] project to include
3 content described by Subsection (e).

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

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

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

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

11 [~~(B)~~] \$100,000 in in-state spending for a
12 [~~commercial or series of commercials, an educational or~~
13 ~~instructional video or series of educational or instructional~~
14 ~~videos, or a~~] digital interactive media production for a grant
15 equal to 2.5 percent of the total amount of the production company's
16 in-state spending for the video game project;

17 (B) \$1 million in in-state spending for a digital
18 interactive media production for a grant equal to 5 percent of the
19 total amount of the production company's in-state spending for the
20 video game project; or

21 (C) \$3.5 million in in-state spending for a
22 digital interactive media production for a grant equal to 10
23 percent of the total amount of the production company's in-state
24 spending for the video game project;

25 (2) at least 70 percent of the production crew and[~~7~~]
26 actors[~~, and extras~~] for a video game [~~moving image~~] project must be
27 Texas residents unless the office determines and certifies in

1 writing that a sufficient number of qualified crew and [7] actors[~~7~~
2 ~~and extras~~] are not available to the company at the time production
3 [~~principal photography~~] begins;

4 (3) at least 60 percent of the video game [~~moving~~
5 ~~image~~] project must be produced [~~filmed~~] in Texas; and

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

12 SECTION 6. Sections 485.024(a) and (b), Government Code,
13 are amended to read as follows:

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

21 (1) the current and likely future effect a video game
22 [~~moving image~~] project will have on employment, tourism, and
23 economic activity in this state; and

24 (2) the amount of a production company's in-state
25 spending for a video game [~~moving image~~] project.

26 (b) In calculating a grant amount under Section 485.025 or
27 the amount of in-state spending for purposes of rules adopted under

1 Subsection (a), the office may not include wages of persons,
2 including an actor or director, employed in the production of a
3 video game [~~moving image~~] project that exceed \$1 million.

4 SECTION 7. Section 485.025, Government Code, is amended to
5 read as follows:

6 Sec. 485.025. ADDITIONAL GRANT FOR UNDERUTILIZED AND
7 ECONOMICALLY DISTRESSED AREAS. In addition to the grant calculated
8 under Section 485.024, a production company that spends at least 25
9 percent of a video game [~~moving image~~] project's production
10 [~~filming~~] days in an underutilized and economically distressed area
11 is eligible for an additional grant in an amount equal to 2.5
12 percent of the total amount of the production company's in-state
13 spending for the video game [~~moving image~~] project.

14 SECTION 8. Sections 485.027(a) and (d), Government Code,
15 are amended to read as follows:

16 (a) The office may contract with public junior colleges, as
17 defined by Section 61.003, Education Code, or Texas nonprofit
18 organizations to create a video game [~~moving image~~] industry
19 personnel training program for developing and expanding the
20 workforce for video game [~~moving image~~] projects in Texas.

21 (d) The office shall consult with the Texas Workforce
22 Commission to collect and compile data on the status of the video
23 game [~~moving image~~] industry employment base in Texas.

24 SECTION 9. Subchapter B, Chapter 485, Government Code, is
25 amended by adding Sections 485.029 and 485.030 to read as follows:

26 Sec. 485.029. REPORT TO LEGISLATURE. (a) Before each
27 regular session of the legislature, the comptroller shall report to

1 the legislature and the governor, for the preceding two state
2 fiscal years, the net number of permanent jobs in the industry. The
3 report may be included in any other report made by the comptroller.

4 (b) The comptroller shall publish the report required by
5 Subsection (a) on the comptroller's Internet website not later than
6 the 20th day after the date the report is provided to the
7 legislature and the governor.

8 Sec. 485.030. EXPIRATION. This subchapter expires August
9 31, 2019.

10 SECTION 10. Section [485.028](#), Government Code, is repealed.

11 SECTION 11. This Act takes effect September 1, 2015.