

By: Longoria

H.B. No. 3346

A BILL TO BE ENTITLED

AN ACT

relating to the music, film, television, and multimedia production industry.

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

SECTION 1. Section 485.003, Government Code, is amended to read as follows:

Sec. 485.003. COMMISSIONER [~~DIRECTOR~~]; STAFF. The governor may employ a commissioner [~~director~~] who may employ other employees necessary to carry out the office's duties.

SECTION 2. Subchapter A, Chapter 485, Government Code, is amended by adding Section 485.008 to read as follows:

Sec. 485.008. AUDITS OF MUSIC, FILM, TELEVISION, AND MULTIMEDIA FUND. (a) The state auditor may conduct effectiveness, compliance, and economy or efficiency audits of the music, film, television, and multimedia fund. As part of the audits, the state auditor may determine whether:

(1) money is disbursed in compliance with the requirements and purpose of this chapter; and

(2) the office monitors grant recipients to determine whether the recipients comply with the terms of any applicable agreement and with the requirements of this chapter.

(b) The office shall cooperate with the state auditor and provide the state auditor with access to all records, confidential or nonconfidential, necessary to conduct the audits under this

1 section.

2 SECTION 3. Section 485.021, Government Code, is amended by  
3 amending Subdivision (2) and adding Subdivision (6) to read as  
4 follows:

5 (2) "Moving image project" means a visual and sound  
6 production, including a film, television program, national or  
7 multistate commercial, educational or instructional video, or  
8 digital interactive media production. The term does not include a  
9 production that:

10 (A) is obscene, as defined by Section 43.21, Penal Code; or  
11 (B) the office determines will probably on completion meet  
12 the qualifications for:

13 (i) an "R" or "NC-17" rating issued by the Motion Picture  
14 Association of America, as those qualifications existed on  
15 September 1, 2017; or

16 (ii) an "M" or "A" rating issued by the Entertainment  
17 Software Rating Board, as those qualifications existed on September  
18 1, 2017.

19 (6) "Day of production activity" includes any day during  
20 which a production company incurs an expense that qualifies as  
21 in-state spending.

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

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

26 (1) a production company must have spent a minimum of:  
27 (A) \$250,000 in in-state spending for a film or

1 television program; or

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

6 (2) at least 70 percent of the production crew,  
7 actors, and extras for a moving image project must be Texas  
8 residents unless the office determines and certifies in writing  
9 that a sufficient number of qualified crew, actors, and extras are  
10 not available to the company at the time principal photography  
11 begins;

12 (3) at least 60 percent of the moving image project  
13 must be filmed in Texas; ~~and~~

14 (4) a production company must submit to the office an  
15 expended budget, in a format prescribed by the office, that  
16 reflects all in-state spending and includes all receipts, invoices,  
17 pay orders, and other documentation considered necessary by the  
18 office to accurately determine the amount and duration of a  
19 production company's in-state spending that has occurred; and

20 (5) a production company must have engaged in no fewer  
21 than 120 days of production activity in Texas.

22 SECTION 5. The change in law made by SECTION 4 of this Act  
23 applies only to an application for a grant under Section  
24 485.022(b), Government Code, submitted on or after the effective  
25 date of this Act. An application submitted before the effective  
26 date of this Act is governed by the law in effect when the  
27 application was submitted, and the former law is continued in

1 effect for that purpose.

2 SECTION 6. This Act takes effect September 1, 2017.