

By: Alvarado

S.B. No. 1832

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Texas music incubator rebate program to provide for rebates of a portion of the mixed beverage gross receipts taxes collected from certain music venues.

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

SECTION 1. Chapter 485, Government Code, is amended by adding Subchapter C to read as follows:

SUBCHAPTER C. TEXAS MUSIC INCUBATOR REBATE PROGRAM

Sec. 485.041. DEFINITIONS. In this subchapter:

(1) "Mixed beverage gross receipts tax" means the tax imposed by Subchapter B, Chapter 183, Tax Code.

(2) "Permittee" has the meaning assigned by Section 183.001(b), Tax Code.

(3) "Program" means the Texas music incubator rebate program.

Sec. 485.042. TEXAS MUSIC INCUBATOR REBATE PROGRAM. (a) The office shall administer the Texas music incubator rebate program under which the office shall provide to eligible music venues from money appropriated from the Texas music incubator account a full or partial rebate of the mixed beverage gross receipts taxes remitted annually by those venues and deposited into that account as required by Section 183.023(c), Tax Code. The rebates are to assist eligible music venues in their efforts to support and continue to bring to the community live musical

1 performances, including the recruitment of musical performance  
2 artists.

3 (b) The office may not provide a rebate under the program to  
4 any music venue that exceeds the lesser of:

5 (1) the amount of mixed beverage gross receipts tax  
6 remitted in the preceding fiscal year to the comptroller by the  
7 music venue as a permittee; or

8 (2) \$100,000.

9 Sec. 485.043. ELIGIBILITY FOR REBATE. To qualify for a  
10 rebate under the program, a music venue, for at least the two years  
11 preceding the date on which the music venue submits an application  
12 under Section 485.044, must have:

13 (1) been a permittee subject to Subchapter B, Chapter  
14 183, Tax Code;

15 (2) been a for-profit retail establishment with a  
16 dedicated audience capacity of not more than 3,000;

17 (3) entered into a written contract with a musical  
18 performance artist to conduct a live performance at the venue under  
19 which the artist received as compensation a specified percentage of  
20 ticket sales for or other sales during the performance, or a  
21 guaranteed amount in advance of the performance; and

22 (4) met at least five of the following criteria, one of  
23 which must be described by Paragraph (A) or (B):

24 (A) the marketing of live music performances  
25 through listings in printed or electronic publications;

26 (B) the provision of live music performances five  
27 or more nights per week;

1                   (C) the employment of one or more people who are  
2 tasked with two or more of the following positions:

3                   (i) sound engineer;

4                   (ii) booker;

5                   (iii) promoter;

6                   (iv) stage manager; or

7                   (v) security personnel;

8                   (D) having live performance and audience space;

9                   (E) having a mixing desk, public address system,  
10 and lighting rig;

11                   (F) having a space dedicated to audio  
12 amplification and the on-site storage of audio equipment or musical  
13 instruments;

14                   (G) the application of cover charges to one or  
15 more live music performances through ticketing or the imposition of  
16 a front door entrance fee; or

17                   (H) the maintenance of hours of operation that  
18 coincide with live music performance show times.

19                   Sec. 485.044. REBATE APPLICATION. (a) The office shall:

20                   (1) subject to Subsection (b), prescribe the  
21 application form for obtaining a rebate under the program; and

22                   (2) establish an online portal on the office's public  
23 Internet website that allows a music venue to submit the  
24 application to the office for consideration.

25                   (b) The application must:

26                   (1) state the amount of mixed beverage gross receipts  
27 tax that was remitted to the comptroller by the music venue in the

1 preceding fiscal year;

2 (2) include sufficient evidence for the office to  
3 determine that the music venue qualifies for a rebate; and

4 (3) any other information the office determines  
5 necessary to administer the program.

6 (c) The office shall accept rebate applications beginning  
7 September 1 of each year and may provide rebates until all the money  
8 in the Texas music incubator account is exhausted.

9 Sec. 485.045. REVIEW OF APPLICATIONS; REBATES. (a) After  
10 reviewing applications for a rebate under the program, the office  
11 shall grant rebates to eligible music venue applicants that the  
12 office determines provide or have committed to provide the most  
13 economic benefit to the communities in which the music venues are  
14 located and to the Texas music industry, including live music  
15 performers.

16 (b) As directed by the office, the comptroller shall issue a  
17 warrant for a rebate granted by the office under this section drawn  
18 on the Texas music incubator account.

19 Sec. 485.046. TEXAS MUSIC INCUBATOR ACCOUNT. (a) The Texas  
20 music incubator account is a dedicated account in the general  
21 revenue fund. The account is composed of:

22 (1) money deposited to the credit of the account under  
23 Section 183.023(c), Tax Code;

24 (2) gifts, grants, and other money received by the  
25 office for the program; and

26 (3) other amounts deposited to the credit of the  
27 account.

1       (b) Money in the account may be appropriated only to the  
2 office for the purpose of paying rebates to music venues under the  
3 program.

4       (c) Interest and other earnings from money in the account  
5 shall be credited to the account.

6       Sec. 485.047. RULES. The office shall adopt rules  
7 necessary to implement and administer this subchapter.

8       SECTION 2. Section 183.023, Tax Code, is amended by adding  
9 Subsection (c) to read as follows:

10       (c) Notwithstanding Subsection (b), the comptroller shall  
11 deposit four percent of the revenue received under this section to  
12 the credit of the Texas music incubator account under Section  
13 485.046, Government Code.

14       SECTION 3. (a) Not later than September 1, 2020, the Music,  
15 Film, Television, and Multimedia Office within the office of the  
16 governor shall establish the Texas music incubator rebate program  
17 as required under Subchapter C, Chapter 485, Government Code, as  
18 added by this Act.

19       (b) Notwithstanding Section 485.044(c), Government Code, as  
20 added by this Act, the Music, Film, Television, and Multimedia  
21 Office shall begin accepting rebate applications as authorized  
22 under that section beginning September 1, 2020.

23       SECTION 4. This Act takes effect September 1, 2019.