

By: Gervin-Hawkins, Price

H.B. No. 2417

Substitute the following for H.B. No. 2417:

By: Clardy

C.S.H.B. No. 2417

A BILL TO BE ENTITLED

AN ACT

relating to incentives for media production facilities in this state.

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

SECTION 1. Section 485A.002(3), Government Code, is amended to read as follows:

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

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

SUBCHAPTER G. MEDIA PRODUCTION FACILITY INCENTIVE PROGRAM

Sec. 485A.301. DEFINITIONS. In this subchapter:

(1) "In-state construction spending" means the amount of money spent by a production company on the acquisition, construction, renovation, or lease of a media production facility.

(2) "Production company" has the meaning assigned by Section 485.021.

Sec. 485A.302. MEDIA PRODUCTION FACILITY INCENTIVE PROGRAM. (a) Using gifts, grants, donations, and appropriations made available to the office for that purpose, the office shall

1 administer a grant program for production companies that construct  
2 media production facilities at a qualified media production  
3 location.

4 (b) The office shall develop a procedure for the submission  
5 of grant applications and the awarding of grants under this  
6 subchapter. The procedure must include:

7 (1) requirements for the submission, before facility  
8 construction begins, of an estimate of total in-state construction  
9 spending; and

10 (2) provisions relating to the submission of other  
11 information considered useful and necessary by the office for an  
12 adequate and accurate analysis of a production company's  
13 qualifications for a grant under this subchapter.

14 (c) A production company is not required to reapply for a  
15 grant under this subchapter for each year of the 10-year period  
16 described by Section 485A.303(2).

17 (d) The office may accept gifts, grants, and donations for  
18 the purpose of implementing this subchapter.

19 Sec. 485A.303. QUALIFICATION. To qualify for a media  
20 production facility grant under this subchapter, a production  
21 company must:

22 (1) be a:

23 (A) limited liability company, partnership, or  
24 corporation formed or organized under the laws of this state; or

25 (B) joint venture or other legal entity in which  
26 at least one entity that holds at least a 30 percent ownership  
27 interest is a limited liability company, partnership, or

1 corporation formed or organized under the laws of this state; and

2 (2) commit to constructing a media production facility  
3 and producing moving image projects for a 10-year period.

4 Sec. 485A.304. GRANT. The amount of a media production  
5 facility grant under this subchapter is determined as follows:

6 (1) if the production company spent at least \$2  
7 million but less than \$4 million on the facility, the amount of the  
8 grant is equal to 10 percent of in-state construction spending on  
9 the facility; or

10 (2) if the production company spent at least \$4  
11 million on the facility, the amount of the grant is equal to 20  
12 percent of in-state construction spending on the facility.

13 Sec. 485A.305. ADDITIONAL GRANT FOR UNDERUTILIZED AND  
14 ECONOMICALLY DISTRESSED AREAS. In addition to the grants  
15 calculated under Sections 485A.304 and 485A.306, a production  
16 company that constructs a media production facility in an  
17 underutilized and economically distressed area is eligible for an  
18 additional grant in an amount equal to 7.5 percent of the total  
19 amount of the production company's in-state construction spending  
20 for the facility.

21 Sec. 485A.306. ADDITIONAL GRANT FOR CERTAIN MEDIA  
22 PRODUCTION FACILITIES. (a) In addition to the grants calculated  
23 under Sections 485A.304 and 485A.305, a production company is  
24 eligible for an additional grant in an amount equal to 7.5 percent  
25 of the total amount of the company's in-state construction spending  
26 for a media production facility if:

27 (1) the company constructs the facility to produce

1 projects with a focus on persons from diverse ethnic backgrounds;  
2 and

3 (2) at least 35 percent of the persons employed at the  
4 facility are women or are from diverse ethnic backgrounds.

5 (b) The office shall adopt rules prescribing the method by  
6 which the office will determine whether a production company meets  
7 the requirements for an additional grant under this section.

8 SECTION 3. This Act takes effect September 1, 2021.