

By: Price

H.B. No. 2854

A BILL TO BE ENTITLED

AN ACT

relating to the creation of a Texas film and entertainment industry incentive program.

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 FILM AND ENTERTAINMENT INDUSTRY INCENTIVE PROGRAM

Sec. 485.041. DEFINITIONS. In this subchapter:

(1) "In-state construction spending" means the amount of money spent by a production company on the construction of a production facility in this state.

(2) "In-state spending" means the amount of money spent in this state by a production company during the production and completion of a project.

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

(4) "Production facility" means a facility that produces films, television programs including reality-based television programs, digital interactive media, commercials, or educational or instructional videos.

(5) "Project" means a film, television program including a reality-based television program, digital interactive media, commercial, or educational or instructional video

1 production. The term includes a visual effects project.

2 (6) "Underutilized and economically distressed area"
3 has the meaning assigned by Section 485.021.

4 Sec. 485.042. TEXAS FILM AND ENTERTAINMENT INDUSTRY
5 INCENTIVE PROGRAM. (a) Using gifts, grants, donations, and
6 appropriations made available to the office for that purpose, the
7 office shall administer a grant program for production companies
8 that:

9 (1) produce projects in this state; or

10 (2) construct production facilities in this state.

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

14 (1) requirements for the submission, before project
15 production or facility construction begins, of:

16 (A) an estimate of total in-state spending or
17 in-state construction spending, as applicable; and

18 (B) the estimated number of jobs for cast and
19 production crew during the production and completion of the
20 project, if applicable; and

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

25 (c) The office may accept gifts, grants, and donations for
26 the purpose of implementing this subchapter.

27 Sec. 485.043. QUALIFICATION. (a) To qualify for a

1 production facility or project production grant under this
2 subchapter, a production company must be a:

3 (1) limited liability company, partnership, or
4 corporation formed or organized under the laws of this state; or

5 (2) joint venture or other legal entity in which at
6 least one entity that holds at least a 30 percent ownership interest
7 is a limited liability company, partnership, or corporation formed
8 or organized under the laws of this state.

9 (b) To qualify for a production facility grant under this
10 subchapter, a production company must:

11 (1) have spent a minimum of \$2.5 million in
12 constructing a production facility in this state;

13 (2) employ at least 15 full-time employees who are
14 residents of this state; and

15 (3) show that at least 80 percent of all services used
16 in the design and construction of the production facility are
17 provided by businesses that have their principal place of business
18 in this state.

19 (c) To qualify for a project production grant under this
20 subchapter, a production company must meet the qualifications for a
21 grant under Subchapter B as provided by Section [485.023](#).

22 Sec. 485.044. GRANT. (a) The amount of a production
23 facility grant under this subchapter is determined as follows:

24 (1) if the production company spent at least \$2.5
25 million but less than \$5 million on the facility, the amount of the
26 grant is equal to 10 percent of in-state construction spending on
27 the facility;

1 (2) if the production company spent at least \$5
2 million but less than \$10 million on the facility, the amount of the
3 grant is equal to 20 percent of in-state construction spending on
4 the facility; or

5 (3) if the production company spent at least \$10
6 million on the facility, the amount of the grant is equal to 25
7 percent of in-state construction spending on the facility.

8 (b) The amount of a project production grant under this
9 subchapter is determined as follows:

10 (1) for a film or television program project the
11 amount of the grant is equal to:

12 (A) 10 percent of in-state spending on the
13 project if the production company spent at least \$250,000 but less
14 than \$1 million on the project;

15 (B) 20 percent of in-state spending on the
16 project if the production company spent at least \$1 million but less
17 than \$3.5 million on the project; or

18 (C) 30 percent of in-state spending on the
19 project if the production company spent at least \$3.5 million on the
20 project;

21 (2) for a digital interactive media project the amount
22 of the grant is equal to:

23 (A) 10 percent of in-state spending on the
24 project if the production company spent at least \$100,000 but less
25 than \$1 million on the project;

26 (B) 20 percent of in-state spending on the
27 project if the production company spent at least \$1 million but less

1 than \$3.5 million on the project; or

2 (C) 30 percent of in-state spending on the
3 project if the production company spent at least \$3.5 million on the
4 project;

5 (3) notwithstanding Subdivision (1), for a
6 reality-based television program project the amount of the grant is
7 equal to:

8 (A) 10 percent of in-state spending on the
9 project if the production company spent at least \$250,000 but less
10 than \$1 million on the project; or

11 (B) 20 percent of in-state spending on the
12 project if the production company spent at least \$1 million on the
13 project; and

14 (4) for a commercial, educational or instructional
15 video, or visual effects project the amount of the grant is equal
16 to:

17 (A) 10 percent of in-state spending on the
18 project if the production company spent at least \$100,000 but less
19 than \$1 million on the project; or

20 (B) 20 percent of in-state spending on the
21 project if the production company spent at least \$1 million on the
22 project.

23 Sec. 485.045. ADDITIONAL GRANT FOR UNDERUTILIZED AND
24 ECONOMICALLY DISTRESSED AREAS. (a) In addition to a grant
25 calculated under Section 485.044(a), a production company that
26 constructs a production facility in an underutilized and
27 economically distressed area is eligible for an additional grant in

1 an amount equal to five percent of the total amount of the
2 production company's in-state construction spending for the
3 facility.

4 (b) In addition to a grant calculated under Section
5 485.044(b), a production company that produces a project in an
6 underutilized and economically distressed area is eligible for an
7 additional grant in an amount equal to five percent of the total
8 amount of the production company's in-state spending for the
9 project.

10 SECTION 2. This Act takes effect September 1, 2021.