

By: Buckingham

S.B. No. 1404

A BILL TO BE ENTITLED

AN ACT

relating to the certification of live music venues by and other duties of the Texas Music Office.

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 OFFICE

Sec. 485.051. DEFINITIONS. In this subchapter:

(1) "Certification holder" means an individual or entity that holds a certification issued by the music office as an independent live music venue, operator, producer, or promoter under this subchapter.

(2) "Music office" means the Texas Music Office in the office of the governor.

Sec. 485.052. DUTIES. The music office shall:

(1) administer and oversee federal programs in this state supporting independent live music venues, operators, producers, or promoters, including monitoring changes to those programs to ensure efficient implementation;

(2) in accordance with Section 485.053, issue certifications to independent live music venues, operators, producers, and promoters for the purpose of administering and overseeing programs described by Subdivision (1); and

(3) ensure each certification holder maintains

1 compliance with the requirements for certification under this  
2 subchapter.

3 Sec. 485.053. CERTIFICATION ISSUANCE. (a) Subject to  
4 Subsections (b) and (c), the music office shall issue a  
5 certification as an independent live music venue, operator,  
6 producer, or promoter, for purposes of any federal program  
7 requiring such certification, to an individual or entity that:

8 (1) organizes, promotes, sells tickets, produces,  
9 manages, or hosts live concerts;

10 (2) generates at least 60 percent of the individual's  
11 or entity's primary business revenue from:

12 (A) entrance fees or ticket sales and fees;

13 (B) production reimbursements; and

14 (C) the sale of beverages, food, and merchandise  
15 at events;

16 (3) has operated its primary business in this state  
17 for at least one year preceding certification;

18 (4) pays artists fairly in an amount that is:

19 (A) based on:

20 (i) a percentage of sales;

21 (ii) a guarantee in writing or in a standard  
22 contract; or

23 (iii) any other mutually beneficial formal  
24 agreement; and

25 (B) not based solely on tips, unless the artist  
26 is participating in a legitimate fundraiser or similar charitable  
27 event; and

1           (5) meets at least five of the following criteria:

2                   (A) markets live music performances through  
3 listings in printed or electronic publications;

4                   (B) provides live music performances four or more  
5 nights of each week;

6                   (C) employs or contracts the services of one or  
7 more persons in two or more of the following positions or services:

8                           (i) sound engineer;

9                           (ii) booker;

10                          (iii) promoter;

11                          (iv) stage manager; or

12                          (v) security personnel;

13                   (D) has designated live performance and audience  
14 space;

15                   (E) provides technical sound and lighting,  
16 either in-house or through a contract with a vendor;

17                   (F) has a dedicated space for the storage of  
18 audio equipment or musical instruments;

19                   (G) charges for live music performances through  
20 ticketing or imposing an entrance fee; or

21                   (H) maintains hours of operation that coincide  
22 with live music performance show times.

23           (b) The music office may not issue a certification as an  
24 independent live music venue, operator, producer, or promoter to an  
25 individual or entity that:

26                   (1) presents live performances of a prurient sexual  
27 nature, as determined by the music office; or

1           (2) derives directly or indirectly a more than de  
2 minimis gross revenue, as determined by the music office, through:

3           (A) the sale of products or services of a  
4 prurient sexual nature; or

5           (B) the presentation of any depictions or  
6 displays of a prurient sexual nature.

7           (c) The music office may not issue a certification as an  
8 independent live music venue, operator, producer, or promoter to an  
9 individual or entity unless the individual or entity:

10           (1) employs as full-time equivalents 50 or more  
11 employees or contractors;

12           (2) derives not less than 10 percent of the  
13 individual's or entity's gross revenue from federal funding; or

14           (3) is majority-owned, controlled, or operated by an  
15 individual or entity described by Subdivisions (1) and (2).

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