88R23202 PRL-F

By:  Goldman, Ashby, Hunter, Morrison, H.B. No. 4419

     Collier, et al.

Substitute the following for H.B. No. 4419:

By:  Ashby C.S.H.B. No. 4419

A BILL TO BE ENTITLED

AN ACT

relating to the promotion of film and television production in this state, including the eligibility of film or television productions for funding under the major events reimbursement program, the creation of a film events trust fund and a film production tax rebate trust fund, the establishment of virtual film production institutes, and the designation of media production development zones.

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

SECTION 1.  Subtitle H, Title 3, Education Code, is amended by adding Chapter 157 to read as follows:

CHAPTER 157. VIRTUAL FILM PRODUCTION INSTITUTES

Sec. 157.001.  DEFINITION. In this chapter, "institute" means a virtual film production institute established under this chapter.

Sec. 157.002.  ESTABLISHMENT; PURPOSE. Texas A&M University at College Station and Texas State University may each establish a virtual film production institute to provide educational opportunities for students interested in studying virtual film production and promote student engagement in the development of a virtual film production industry in this state.

Sec. 157.003.  FUNDING. In addition to any amount appropriated by the legislature, each institute may apply for and accept gifts, grants, and donations from the federal government or any other source.

SECTION 2.  Section 475.0001, Government Code, is amended by adding Subdivisions (3-a) and (3-b) to read as follows:

(3-a)  "Film or television production" means the activities necessary to prepare, produce, perform, or present in this state a television program, movie, virtual film, or any combination of multimedia program.

(3-b)  "Film or television production organization" means an organization that produces a television program, movie, virtual film, or multimedia program, regardless of the manner in which the organization is formed or legally organized. The term includes a production company, a studio, or a production team for a television program, movie, virtual film, or multimedia program.

SECTION 3.  Section 478.0001(3), Government Code, as amended by Chapters 10 (H.B. 1472), 102 (S.B. 1265), 605 (S.B. 1155), and 915 (H.B. 3607), Acts of the 87th Legislature, Regular Session, 2021, is reenacted and amended to read as follows:

(3)  "Event" means any of the following and includes any activity related to or associated with the following:

(A)  the Academy of Country Music Awards;

(B)  the Amateur Athletic Union Junior Olympic Games;

(C)  a Big 12 Football Conference Championship game;

(D)  the Breeders' Cup World Championships;

(E)  a game of the College Football Playoff or its successor;

(F)  the Confederation of North, Central America and Caribbean Association Football (Concacaf) Gold Cup;

(G) [~~(F)~~]  a CONVRG conference;

(H) [~~(G)~~]  an Elite Rodeo Association World Championship;

(I)  a film or television production;

(J) [~~(H)~~]  a Formula One automobile race;

(K) [~~(I)~~]  the largest event held each year at a sports entertainment venue in this state with a permanent seating capacity, including grandstand and premium seating, of at least 125,000 on September 1, 2021;

(L) [~~(J)~~]  the Major League Baseball All-Star Game;

(M) [~~(K)~~]  the Major League Soccer All-Star Game or the Major League Soccer Cup;

(N) [~~(L)~~]  a mixed martial arts championship;

(O) [~~(M)~~]  the Moto Grand Prix of the United States;

(P) [~~(N)~~]  the National Association for Stock Car Auto Racing (NASCAR):

(i)  All-Star Race;

(ii)  season-ending Championship Race; or

(iii)  Texas Grand Prix race;

(Q) [~~(O)~~]  the National Basketball Association All-Star Game;

(R) [~~(P)~~]  a National Collegiate Athletic Association Final Four tournament game;

(S) [~~(Q)~~] the National Collegiate Athletic Association men's or women's lacrosse championships;

(T) [~~(R)~~]  a national collegiate championship of an amateur sport sanctioned by the national governing body of the sport that is recognized by the United States Olympic Committee;

(U) [~~(S)~~]  the National Cutting Horse Association Triple Crown;

(V) [~~(T)~~]  the National Hockey League All-Star Game;

(W)  the National Hot Rod Association Fall Nationals at the Texas Motorplex;

(X) [~~(U)~~]  a national political convention of the Republican National Committee or the Democratic National Committee;

(Y) [~~(V)~~]  a championship event in the National Reined Cow Horse Association (NRCHA) Championship Series;

(Z) [~~(W)~~]  an Olympic activity, including a Junior or Senior activity, training program, or feeder program sanctioned by the United States Olympic Committee's Community Olympic Development Program;

(AA) [~~(X)~~]  a presidential general election debate;

(BB) [~~(Y)~~]  the Professional Rodeo Cowboys Association National Finals Rodeo;

(CC) [~~(Z)~~]  a Super Bowl;

(DD) [~~(AA)~~]  the United States Open Championship;

(EE) [~~(BB)~~]  a World Cup soccer game or the World Cup soccer tournament;

(FF) [~~(CC)~~]  the World Games;

(GG) [~~(DD)~~]  a World Wrestling Entertainment WrestleMania event; or

(HH) [~~(EE)~~]  the X Games.

SECTION 4.  Section 478.0001(7), Government Code, as amended by Chapters 10 (H.B. 1472), 102 (S.B. 1265), and 915 (H.B. 3607), Acts of the 87th Legislature, Regular Session, 2021, is reenacted and amended to read as follows:

(7)  "Site selection organization" means:

(A)  the Academy of Country Music;

(B)  the Amateur Athletic Union;

(C)  the Big 12 Conference;

(D)  the College Football Playoff Administration, LLC, or its successor;

(E)  the Commission on Presidential Debates;

(F)  the Confederation of North, Central America and Caribbean Association Football (Concacaf);

(G) [~~(F)~~]  the Democratic National Committee;

(H) [~~(G)~~]  Dorna Sports;

(I) [~~(H)~~]  the Elite Rodeo Association;

(J) [~~(I)~~]  Encore Live;

(K) [~~(J)~~]  ESPN or an affiliate;

(L) [~~(K)~~]  the Federation Internationale de Football Association (FIFA);

(M)  a film or television production organization;

(N) [~~(L)~~]  the International World Games Association;

(O) [~~(M)~~]  Major League Baseball;

(P) [~~(N)~~]  Major League Soccer;

(Q) [~~(O)~~]  the National Association for Stock Car Auto Racing (NASCAR);

(R) [~~(P)~~]  the National Basketball Association;

(S) [~~(Q)~~]  the National Collegiate Athletic Association;

(T) [~~(R)~~]  the National Cutting Horse Association;

(U) [~~(S)~~]  the National Football League;

(V) [~~(T)~~]  the National Hockey League;

(W)  the National Hot Rod Association;

(X) [~~(U)~~]  the National Reined Cow Horse Association (NRCHA);

(Y) [~~(V)~~]  the Professional Rodeo Cowboys Association;

(Z) [~~(W)~~]  the Republican National Committee;

(AA) [~~(X)~~]  the Ultimate Fighting Championship;

(BB) [~~(Y)~~]  the United States Golf Association;

(CC) [~~(Z)~~]  the United States Olympic Committee;

(DD) [~~(AA)~~]  World Wrestling Entertainment; or

(EE) [~~(BB)~~]  the national governing body of a sport that is recognized by:

(i)  the Federation Internationale de l'Automobile;

(ii)  Formula One Management Limited;

(iii)  the National Thoroughbred Racing Association; or

(iv)  the United States Olympic Committee.

SECTION 5.  Section 478.0051, Government Code, is amended by adding Subsection (c) to read as follows:

(c)  Notwithstanding Subsection (b), an event described by Section 478.0001(3)(I) may receive funding through the program if a site selection organization selects:

(1)  a site in this state as the sole site for the event;

(2)  two or more predetermined locations as the sites in this state for the event; or

(3)  a site in this state as the sole site for the event in a region composed of this state and one or more adjoining states.

SECTION 6.  Subtitle E-1, Title 4, Government Code, is amended by adding Chapter 480A to read as follows:

CHAPTER 480A. FILM EVENTS TRUST FUND

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 480A.0001.  PURPOSE. The purpose of this chapter is to establish a film events trust fund to maximize the preparation, production, performance, or presentation of television programs, movies, virtual films, and multimedia productions in this state and for successful competition with other states for those programs, movies, films, and productions.

Sec. 480A.0002.  DEFINITIONS. In this chapter:

(1)  "Endorsing county" means a county that contains a site selected by a site selection organization for a film event.

(2)  "Endorsing entity" means a local organizing committee, endorsing county, or endorsing municipality.

(3)  "Endorsing municipality" means a municipality that contains a site selected by a site selection organization for a film event.

(4)  "Event support contract" means a joinder undertaking, a joinder agreement, or a similar contract executed by a site selection organization and a local organizing committee, an endorsing municipality, or an endorsing county for a film event.

(5)  "Film event" includes the activities necessary to prepare, produce, perform, or present in this state a television program, movie, virtual film, or any combination of multimedia programs or a series of television programs, movies, virtual films, or multimedia programs, for which an endorsing entity seeks approval from a site selection organization to conduct those activities at a site in this state. The term includes any activity related to or associated with the preparation, production, performance, or presentation.

(6)  "Local organizing committee" means a nonprofit corporation or the corporation's successor in interest that is authorized by an endorsing municipality or endorsing county to:

(A)  pursue an application and bid on the applicant's behalf to a site selection organization for selection as the site of a film event; or

(B)  execute an agreement with a site selection organization regarding a bid to host a film event.

(7)  "Site selection organization" means a film or television organization that conducts or considers conducting in this state a film event eligible under Section 480A.0051.

Sec. 480A.0003.  RULES. (a) The office may adopt rules necessary to implement this chapter.

(b)  The rules adopted under this section must be prescribed and applied to promote the purpose of this chapter, as provided by Section 480A.0001.

Sec. 480A.0004.  CONSTRUCTION OF CHAPTER. (a) This chapter may not be construed as creating or requiring a state guarantee of an obligation imposed on an endorsing municipality, an endorsing county, or this state under an event support contract or another agreement relating to hosting a film event in this state.

(b)  This chapter shall be construed and applied to effectuate the purpose of this chapter.

SUBCHAPTER B. ELIGIBILITY

Sec. 480A.0051.  FILM EVENTS ELIGIBLE FOR FUNDING. A film event is eligible for funding under this chapter only if:

(1)  a site selection organization, after conducting a highly competitive selection process of one or more sites not in this state, selects a site in this state for the film event to be held:

(A)  one time; or

(B)  if the film event is scheduled under an event contract or event support contract to be held each year for a period of years, one time in each year; and

(2)  a site selection organization selects:

(A)  a site in this state as the sole site for the film event;

(B)  two or more predetermined locations as the sites in this state for the film event; or

(C)  a site in this state as the sole site for the film event in a region composed of this state and one or more adjoining states.

Sec. 480A.0052.  LIMITATIONS ON CERTAIN FUNDING REQUESTS. (a) This section applies only to a film event for which the office determines under Section 480A.0102 that the total incremental increase in tax receipts is less than $5 million.

(b)  An endorsing municipality or endorsing county may during any 12-month period submit requests for funding under this chapter for not more than 30 film events to which this section applies.

SUBCHAPTER C. STATE ACTIONS RELATING TO FILM EVENTS

Sec. 480A.0101.  PREREQUISITES FOR OFFICE ACTION. The office may not undertake any duty imposed by this chapter unless:

(1)  the municipality or county in which a film event will be located submits a request for funding under this chapter; and

(2)  the request is accompanied by documentation from a site selection organization selecting the site for the film event.

Sec. 480A.0102.  DETERMINATION OF INCREMENTAL INCREASE IN CERTAIN TAX RECEIPTS. (a) After a site selection organization selects a site for a film event in this state in accordance with an application by an endorsing entity, the office shall determine the incremental increases in the following tax receipts that the office determines are directly attributable to the film event for the 30-day period that ends at the end of the day after the date on which the film event activities in this state are completed or, if the film event will be presented on more than one day, after the last date on which the film event will be presented:

(1)  the receipts to this state from taxes imposed under Chapters 151, 152, 156, and 183, Tax Code, and under Title 5, Alcoholic Beverage Code, in the market areas designated under Section 480A.0104;

(2)  the receipts collected by this state for each endorsing municipality in the market area from the sales and use tax imposed by each endorsing municipality under Section 321.101(a), Tax Code, and the mixed beverage tax revenue to be received by each endorsing municipality under Section 183.051(b), Tax Code;

(3)  the receipts collected by this state for each endorsing county in the market area from the sales and use tax imposed by each endorsing county under Section 323.101(a), Tax Code, and the mixed beverage tax revenue to be received by each endorsing county under Section 183.051(b), Tax Code;

(4)  the receipts collected by each endorsing municipality in the market area from the hotel occupancy tax imposed under Chapter 351, Tax Code; and

(5)  the receipts collected by each endorsing county in the market area from the hotel occupancy tax imposed under Chapter 352, Tax Code.

(b)  The office shall make the determination required by Subsection (a) in accordance with procedures the office develops and shall base that determination on information submitted by an endorsing entity.

(c)  In determining the amount of state revenue available under Subsection (a)(1), the office may consider whether:

(1)  the particular film event has been previously prepared, produced, performed, or presented in this state; and

(2)  changes to the character of the film event could affect the incremental increase in tax receipts collected and remitted to this state by an endorsing municipality or endorsing county under Subsection (a)(1).

Sec. 480A.0103.  TIME FOR DETERMINATION. The office shall determine the incremental increase in tax receipts under Section 480A.0102 not later than the earlier of:

(1)  the 30th day after the date the office receives the information for a film event submitted by an endorsing entity on which the office bases the determination as provided by Section 480A.0102(b); and

(2)  three months before the date scheduled for commencement of preparation, production, performance, or presentation of the film event.

Sec. 480A.0104.  DESIGNATION OF MARKET AREA. (a) For purposes of Section 480A.0102(a)(1), the office shall designate as a market area for a film event each area in which the office determines there is a reasonable likelihood of measurable economic impact directly attributable to the preparation, production, performance, or presentation of the film event. The office shall include areas likely to provide venues, accommodations, and services in connection with the film event based on the proposal the endorsing entity provides to the office.

(b)  The office shall determine the geographic boundaries of each market area.

(c)  An endorsing municipality or endorsing county selected as the site for the film event must be included in a market area for the film event.

Sec. 480A.0105.  ESTIMATE OF TAX REVENUE CREDITED TO FUND. (a) Not later than three months before the first date scheduled for commencement of preparation, production, performance, or presentation of a film event, the office shall provide an estimate of the total amount of tax revenue that would be transferred or deposited to the film events trust fund under this chapter in connection with that film event if the film event were prepared, produced, performed, or presented in this state at a site selected in accordance with an application by an endorsing entity.

(b)  The office shall provide the estimate on request to an endorsing entity.

(c)  An endorsing entity may submit the office's estimate to a site selection organization.

Sec. 480A.0106.  MODEL FILM EVENT SUPPORT CONTRACT. (a) The office may adopt a model film event support contract and make the contract available on the office's Internet website.

(b)  The office's adoption of a model film event support contract under this section does not require the use of that contract for purposes of this chapter.

SUBCHAPTER D. FUND ESTABLISHMENT AND CONTRIBUTIONS

Sec. 480A.0151.  FILM EVENTS TRUST FUND. The film events trust fund is established outside the state treasury and is held in trust by the comptroller for administration of this chapter.

Sec. 480A.0152.  DEPOSIT OF MUNICIPAL AND COUNTY TAX REVENUE. (a) Each endorsing municipality or endorsing county shall remit to the comptroller and the comptroller shall deposit into a trust fund created by the comptroller, at the direction of the office, and designated as the film events trust fund the amount of the municipality's or county's hotel occupancy tax revenue determined under Section 480A.0102(a)(4) or (5), less any amount of the revenue that the municipality or county determines is necessary to meet the obligations of the municipality or county.

(b)  The comptroller, at the direction of the office, shall retain the amount of sales and use tax revenue and mixed beverage tax revenue determined under Section 480A.0102(a)(2) or (3) from the amounts otherwise required to be sent to the municipality under Sections 321.502 and 183.051(b), Tax Code, or to the county under Sections 323.502 and 183.051(b), Tax Code, less any amount of the revenue that the municipality or county determines is necessary to meet the obligations of the municipality or county, and shall deposit the retained tax revenue to the film events trust fund.

(c)  The comptroller shall begin retaining and depositing the municipal and county tax revenue:

(1)  with the first distribution of that tax revenue that occurs after the first day of the period described by Section 480A.0102(a); or

(2)  at a time the office otherwise determines to be practicable.

(d)  The comptroller shall discontinue retaining the municipal and county tax revenue when the amount of the applicable tax revenue determined under Section 480A.0102(a)(2) or (3) has been retained.

Sec. 480A.0153.  OTHER LOCAL MONEY. (a) In lieu of the municipal and county tax revenues remitted or retained under Section 480A.0152, an endorsing municipality or endorsing county may remit to the office for deposit to the film events trust fund other local money in an amount equal to the total amount of municipal and county tax revenue determined under Sections 480A.0102(a)(2)-(5).

(b)  An endorsing municipality or endorsing county must remit the other local money not later than the 90th day after the last day of the period scheduled for the film event.

(c)  For purposes of Section 480A.0155, the amount deposited under this section is considered remitted municipal and county tax revenue.

Sec. 480A.0154.  SURCHARGES AND USER FEES. An endorsing municipality or endorsing county may collect and remit to the office any applicable surcharges and user fees attributable to a film event for deposit to the film events trust fund.

Sec. 480A.0155.  STATE TAX REVENUE. (a) The comptroller, at the direction of the office, shall transfer to the film events trust fund a portion of the state tax revenue in an amount equal to 6.25 multiplied by the amount of the municipal and county tax revenue retained or remitted under this chapter, including:

(1)  local sales and use tax revenue;

(2)  mixed beverage tax revenue;

(3)  hotel occupancy tax revenue; and

(4)  any applicable surcharge and user fee revenue.

(b)  The amount transferred under Subsection (a) may not exceed the incremental increase in tax receipts determined under Section 480A.0102(a)(1).

SUBCHAPTER E. DISBURSEMENTS FROM FILM EVENTS TRUST FUND

Sec. 480A.0201.  DISBURSEMENT WITHOUT APPROPRIATION. Money in the film events trust fund may be disbursed by the office without appropriation only as provided by this chapter.

Sec. 480A.0202.  DISBURSEMENT FROM FILM EVENTS TRUST FUND. (a) After approval of each contributing endorsing municipality and endorsing county, if any, the office may make a disbursement from the film events trust fund for a purpose for which an endorsing entity or this state is obligated under an event support contract, including any obligation to pay costs incurred in preparing, producing, performing, or presenting the film event.

(b)  In considering whether to make a disbursement from the film events trust fund, the office may not consider a contingency clause in an event support contract as relieving an endorsing entity's obligation to pay a cost under the contract.

(c)  If the office makes a disbursement from the film events trust fund, the office shall satisfy the obligation proportionately from the local and state revenue in the fund.

Sec. 480A.0203.  REDUCTION OF DISBURSEMENT AMOUNT. (a) After the conclusion of the performance or presentation of a film event, the office shall compare information on any applicable actual attendance figures provided under Section 480A.0251 with any estimated attendance numbers used to determine the incremental increase in tax receipts under Section 480A.0102. If the actual attendance figures are significantly lower than the estimated attendance numbers, the office may reduce the amount of a disbursement from the film events trust fund for an endorsing entity:

(1)  in proportion to the discrepancy between the actual and estimated attendance; and

(2)  in proportion to the amount the entity contributed to the fund.

(b)  The office by rule shall:

(1)  define "significantly lower" for purposes of this section; and

(2)  provide the manner in which the office may proportionately reduce a disbursement.

(c)  This section does not affect the remittance under Section 480A.0207 of any money remaining in the film events trust fund.

Sec. 480A.0204.  ALLOWABLE EXPENSES. (a) Money in the film events trust fund may be used to:

(1)  pay the principal of and interest on notes issued under Section 480A.0252; and

(2)  fulfill obligations of an endorsing municipality, an endorsing county, or this state to a site selection organization under an event support contract.

(b)  Subject to Sections 480A.0202 and 480A.0205, the obligations described by Subsection (a)(2) may include the payment of:

(1)  the costs relating to the preparation of the film event; and

(2)  the costs of producing, performing, or presenting the film event, including costs of an improvement or renovation to an existing facility and costs of acquisition or construction of a new facility or other facility that could be used to prepare, produce, perform, or present film events.

Sec. 480A.0205.  LIMITATION ON CERTAIN DISBURSEMENTS. (a) A disbursement from the film events trust fund is limited to 25 percent of the cost of a structural improvement or a fixture if:

(1)  an obligation is incurred under an event support contract to make the improvement or add the fixture to a site for a film event; and

(2)  the improvement or fixture is expected to derive most of its value in subsequent uses of the site for future film events.

(b)  The remainder of an obligation described by Subsection (a) is not eligible for a disbursement from the film events trust fund, unless the obligation is for an improvement or fixture for a:

(1)  publicly owned facility; or

(2)  facility that could be used for future film events.

Sec. 480A.0206.  PROHIBITED DISBURSEMENTS. (a) Subject to Subsection (b), the office may not make a disbursement from the film events trust fund that the office determines would be used to:

(1)  construct an arena, stadium, or convention center; or

(2)  conduct usual and customary maintenance of a facility.

(b)  Subsection (a) does not prohibit a disbursement from the film events trust fund for the construction of temporary structures within an arena, stadium, or convention center that are necessary for the preparation, production, performance, and presentation of a film event or temporary maintenance of a facility that is necessary for the preparation, production, performance, and presentation of a film event.

Sec. 480A.0207.  REMITTANCE OF REMAINING FUND MONEY. On payment of all municipal, county, or state obligations under an event support contract related to the location of a film event in this state, the office shall remit to each endorsing entity, in proportion to the amount contributed by the entity, any money remaining in the film events trust fund.

SUBCHAPTER F. LOCAL POWERS AND DUTIES RELATING TO FILM EVENTS

Sec. 480A.0251.  REQUIRED INFORMATION. (a) An endorsing entity shall provide information required by the office to fulfill the office's duties under this chapter, including:

(1)  annual audited statements of any financial records required by a site selection organization; and

(2)  data obtained by the endorsing entity relating to:

(A)  attendance at the film event, if the film event is premiered, performed, or otherwise presented exclusively at a venue in this state, including an estimate of the number of people expected to personally attend the presentation who are not residents of this state;

(B)  the economic impact of the film event; and

(C)  any other information the office considers necessary.

(b)  An endorsing entity must provide any annual audited financial statement required by the office not later than the end of the fourth month after the last day of the period covered by the financial statement.

Sec. 480A.0252.  ISSUANCE OF NOTES. (a) To meet its obligations under an event support contract to improve, construct, renovate, or acquire facilities or to acquire equipment, an endorsing municipality by ordinance or an endorsing county by order may authorize the issuance of notes.

(b)  An endorsing municipality or endorsing county may provide that the notes be paid from and secured by:

(1)  amounts on deposit or amounts to be transferred or deposited to the film events trust fund; or

(2)  surcharges from user fees charged in connection with the film event, including parking or ticket fees, if the film event is premiered, performed, or otherwise presented exclusively at a venue in this state for which parking or ticket fees may be collected.

(c)  A note issued must mature not later than the seventh anniversary of the date of issuance.

Sec. 480A.0253.  PLEDGE OF SURCHARGES TO GUARANTEE OBLIGATIONS. An endorsing municipality or endorsing county may guarantee its obligations under an event support contract and this chapter by pledging, in addition to the tax revenue deposited under Section 480A.0152, surcharges from user fees charged in connection with the film event, including parking or ticket fees, if the film event is premiered, performed, or otherwise presented exclusively at a venue in this state for which parking or ticket fees may be collected.

SECTION 7.  Subtitle F, Title 4, Government Code, is amended by adding Chapter 482 to read as follows:

CHAPTER 482. FILM OR TELEVISION PRODUCTION TAX REBATE TRUST FUND

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 482.0001.  DEFINITIONS. In this chapter:

(1)  "Competitive selection process" means the competitive selection process established by rule of the office for a film or television production organization to use in considering sites for film or television productions.

(2)  "Film or television production" means a television program, movie, virtual film, or any combination of multimedia programming produced, filmed, performed, or presented wholly or partly in this state.

(3)  "Film or television production organization" has the meaning assigned by Section 475.0001.

(4)  "Office" means the music, film, television, and multimedia office within the office of the governor.

(5)  "Trust fund" means the film production tax rebate trust fund established under this chapter.

Sec. 482.0002.  RULES. (a) The office shall adopt rules necessary to implement this chapter.

(b)  Any rules adopted under this section must be designed and applied to encourage and incentivize organizations to select a site in this state to conduct film or television productions.

(c)  The office has broad discretion in implementing this chapter and in adopting rules necessary for that implementation to allow for the creation of an outstanding and competitive rebate program to attract film or television productions to this state.

SUBCHAPTER B. ELIGIBILITY

Sec. 482.0051.  FILM OR TELEVISION PRODUCTIONS ELIGIBLE FOR FUNDING. A film or television production is eligible for funding under this chapter if, after consideration through the competitive selection process, a film or television production organization selects one or more sites in this state for all or part of the production.

SUBCHAPTER C. STATE ACTIONS RELATING TO PRODUCTIONS

Sec. 482.0101.  DETERMINATION OF INCREMENTAL INCREASE IN CERTAIN TAX RECEIPTS. After a film or television production organization selects a site or sites for a film or television production, the organization shall file an application with the office and supply information the office considers necessary to determine the incremental increases in the receipts to this state from taxes imposed under Chapters 151, 152, 156, and 183, Tax Code, and under Title 5, Alcoholic Beverage Code, in the market area designated under Section 482.0103 that the office determines are directly attributable to the preparation, production, performance, and presentation of the film or television production.

Sec. 482.0102.  TIME FOR DETERMINATION. The office shall calculate the incremental increase in tax receipts under Section 482.0101 not later than the 60th day after the date the film or television production organization or its designated agent or representative submits the necessary documentation to the office to determine the rebate amount.

Sec. 482.0103.  DESIGNATION OF MARKET AREA. For purposes of Section 482.0101, the office shall designate for the film or television production a market area where there is a reasonable likelihood of measurable economic impact directly attributable to the preparation, production, performance, or presentation of the production. The office shall include market areas likely to provide venues, accommodations, and services in connection with the production based on the application provided to the office.

SUBCHAPTER D. TRUST FUND ESTABLISHMENT AND CONTRIBUTIONS

Sec. 482.0151.  FILM PRODUCTION TAX REBATE TRUST FUND. The film production tax rebate trust fund is established outside the state treasury and is held in trust by the comptroller for administration of this chapter.

Sec. 482.0152.  STATE TAX REVENUE. Not later than the 30th day after notice from the office, the comptroller, at the direction of the office, shall transfer to the trust fund a portion of the state tax revenue in an amount equal to 25 percent of the amount of incremental increases in tax receipts determined under Section 482.0101.

Sec. 482.0153.  INTEREST. Any interest accumulated over time shall remain in the trust fund for use by the office in paying the costs of administering the trust fund. The office may disburse all or part of the retained interest in the trust fund to the office for that purpose.

SUBCHAPTER E. DISBURSEMENTS FROM TRUST FUND

Sec. 482.0201.  DISBURSEMENT WITHOUT APPROPRIATION. Money in the trust fund may be disbursed by the office without appropriation only as provided by this chapter.

Sec. 482.0202.  REBATE DISBURSEMENT FROM TRUST FUND. In accordance with procedures adopted by the office, the office shall make a disbursement from the trust fund to a film or television production organization in an amount equal to 25 percent of the incremental increase in the tax receipts determined under Section 482.0101 for the applicable film or television production.

SUBCHAPTER F. LIMITATIONS ON FUNDING

Sec. 482.0251.  LIMITATIONS ON MULTIPLE FUNDING REQUESTS. (a) The provisions within this chapter are cumulative of all other existing incentive programs or any program created in the future. Subject to Subsection (b), a person may receive a reimbursement, disbursement, or rebate under one or more incentive programs.

(b)  Notwithstanding Subsection (a), a person may not receive a reimbursement, disbursement, or rebate under Chapters 478, 480A, or this chapter that exceeds the highest incremental increase in receipts to this state from taxes imposed under Chapters 151, 152, 156, and 183, Tax Code, and under Title 5, Alcoholic Beverage Code, as determined by the office, in the market area designated by the office.

SECTION 8.  Section 485A.002, Government Code, is amended by amending Subdivisions (1) and (4) and adding Subdivision (1-a) to read as follows:

(1)  "Institution of higher education" has the meaning assigned by Section 61.003, Education Code.

(1-a)  "Media production facility" means a structure, building, or room used for the specific purpose of creating a moving image project.  The term includes but is not limited to:

(A)  a soundstage and scoring stage;

(B)  a production office;

(C)  an editing facility, an animation production facility, and a video game production facility;

(D)  a storage and construction space; [~~and~~]

(E)  a sound recording studio and motion capture studio; and

(F)  a virtual production facility.

(4)  "Nominating body" means the governing body of a municipality, [~~or~~] county, or institution of higher education, or a combination of the governing bodies of municipalities, [~~or~~] counties, or institutions of higher education that:

(A)  recognizes a qualified area as a media production development zone; and

(B)  nominates and applies for designation of a location in a media production development zone as a qualified media production location.

SECTION 9.  Section 485A.101, Government Code, is amended to read as follows:

Sec. 485A.101.  CRITERIA FOR MEDIA PRODUCTION DEVELOPMENT ZONE RECOGNITION.  To be approved as a media production development zone, an area:

(1)  must be in a metropolitan statistical area, the principal municipality of which[~~:~~

[~~(A)  has a population of more than 250,000; and~~

[~~(B)~~]  has the adequate workforce, infrastructure, facilities, or resources to support the production and completion of moving image projects;

(2)  must be recognized as a media production development zone by:

(A)  ordinance or order, as appropriate, of the governing body of a municipality or the commissioners court of a county; or

(B)  resolution or order of an institution of higher education; and

(3)  will contain a qualified media production location within its geographical boundaries that meets the criteria under Section 485A.102.

SECTION 10.  Section 485A.104(a), Government Code, is amended to read as follows:

(a)  The governing body of a municipality, [~~or~~] county, or institution of higher education individually or in combination with other municipalities, [~~or~~] counties, or institutions of higher education, by ordinance, resolution, or order, as appropriate, may nominate as a qualified media production location a location within its jurisdiction that meets the criteria under Section 485A.102.

SECTION 11.  Section 485A.105, Government Code, is amended to read as follows:

Sec. 485A.105.  NOMINATING ORDINANCE, RESOLUTION, OR ORDER. An ordinance, resolution, or order nominating a location as a qualified media production location must:

(1)  describe precisely both the media production development zone in which the location is to be included and the proposed location by a legal description or reference to municipal or county boundaries;

(2)  state a finding that the location meets the requirements of this chapter and that the media production development zone in which the location is to be included has been recognized as a zone by ordinance, resolution, or order, as appropriate, by the nominating body;

(3)  summarize briefly the local financial incentives, including tax incentives, that, at the election of the nominating body, will apply to a qualified person;

(4)  contain a brief description of the project or activity to be conducted by a qualified person at the location;

(5)  nominate the location as a qualified media production location; and

(6)  contain an economic impact analysis from an economic expert.

SECTION 12.  Section 485A.106(b), Government Code, is amended to read as follows:

(b)  The application must include:

(1)  a certified copy of the ordinance, resolution, or order, as appropriate, nominating the location as a media production location;

(2)  a certified copy of the ordinance, resolution, or order, as appropriate, recognizing the zone in which the location is to be included as a media production development zone;

(3)  appropriate supporting documents demonstrating that the location qualifies for designation as a qualified media production location;

(4)  an estimate of the economic impact of the designation of the location as a qualified media production location on the revenues of the governmental entity or entities nominating the location as a qualified media production location, considering the financial incentives and benefits contemplated;

(5)  an economic impact analysis of the proposed project or activities to be conducted at the proposed qualified media production location, which must include:

(A)  an estimate of the amount of revenue to be generated to the state by the project or activity;

(B)  an estimate of any secondary economic benefits to be generated by the project or activity;

(C)  an estimate of the amount of state taxes to be exempted, as provided by Section 151.3415, Tax Code; and

(D)  any other information required by the comptroller for purposes of making the certification required by Section 485A.109(b); and

(6)  any additional information the office requires.

SECTION 13.  Section 485A.110(a), Government Code, is amended to read as follows:

(a)  The office shall deny an application for the designation of a qualified media production location if:

(1)  the  office determines that the nominated location does not satisfy the criteria under Section 485A.102; or

(2)  [~~the office determines that the number of media production location designations or number of approved media production development zones at the time of the application are at the maximum limit prescribed by Section 485A.103; or~~

[~~(3)~~]  the comptroller has not certified that the proposed project or activity to be conducted at the location will have a positive impact on state revenue.

SECTION 14.  Section 485A.111(b), Government Code, is amended to read as follows:

(b)  A location may be designated as a qualified media production location, and may be eligible for the sales and use tax exemption as provided by Section 151.3415, Tax Code, for a maximum of four [~~two~~] years.

SECTION 15.  Section 485A.203, Government Code, is amended to read as follows:

Sec. 485A.203.  DURATION OF DESIGNATION.  Except as provided by Section 485A.204, the office's certification of a person as a qualified person is effective until the fourth [~~second~~] anniversary of the date the designation is made, regardless of whether the designation of the qualified media production location at which the qualified person is to perform its commitments under this chapter is terminated before that date.

SECTION 16.  Subchapter F, Chapter 485A, Government Code, is amended by adding Section 485A.253 to read as follows:

Sec. 485A.253.  ENTITLEMENT BENEFITS FOR MEDIA PRODUCTION FACILITY CONSTRUCTION. Notwithstanding any other provision of this chapter, a media production facility or any qualified person is entitled to the benefits under this chapter for construction of a media production facility only if the construction begins on or before December 31, 2023.

SECTION 17.  Section 485A.103, Government Code, is repealed.

SECTION 18.  To the extent of any conflict, this Act prevails over another Act of the 88th Legislature, Regular Session, 2023, relating to nonsubstantive additions to and corrections in enacted codes.

SECTION 19.  This Act takes effect September 1, 2023.