88R13064 LRM-D

By:  Miles S.B. No. 1460

A BILL TO BE ENTITLED

AN ACT

relating to incentives for the moving image industry in this state.

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

SECTION 1.  Section 485.021(1), Government Code, is amended to read as follows:

(1)  "In-state spending" means the amount of money spent in Texas by a production company during the production and completion of a moving image project, including the amount spent on wages [~~to Texas residents~~]. The term does not include wages described by Section 485.024(b).

SECTION 2.  Section 485.022(b), Government Code, is amended to read as follows:

(b)  The office shall develop a procedure for the submission of grant applications and the awarding of grants under this subchapter. The procedure must include provisions relating to[~~:~~

[~~(1) methods by which an individual's Texas residency as described by Section 485.021(4) can be proved; and~~

[~~(2)~~] requirements for the submission, before production of a moving image project begins, of:

(1) [~~(A)~~]  an estimate of total in-state spending;

(2) [~~(B)~~]  the shooting script or story board, as applicable;

(3) [~~(C)~~]  the estimated number of jobs for cast and production crew during the production and completion of a moving image project; and

(4) [~~(D)~~]  any other information considered useful and necessary by the office for an adequate and accurate analysis of a production company's in-state spending.

SECTION 3.  Section 485.023, Government Code, is amended to read as follows:

Sec. 485.023.  QUALIFICATION. To qualify for a grant under this subchapter:

(1)  a production company must have spent a minimum of:

(A)  $250,000 in in-state spending for a film or television program; or

(B)  $100,000 in in-state spending for a commercial or series of commercials, an educational or instructional video or series of educational or instructional videos, or a digital interactive media production;

(2)  [~~at least 70 percent of the production crew, actors, and extras for a moving image project must be Texas residents unless the office determines and certifies in writing that a sufficient number of qualified crew, actors, and extras are not available to the company at the time principal photography begins;~~

[~~(3)~~]  at least 60 percent of the moving image project must be filmed in Texas; and

(3) [~~(4)~~]  a production company must submit to the office an expended budget, in a format prescribed by the office, that reflects all in-state spending and includes all receipts, invoices, pay orders, and other documentation considered necessary by the office to accurately determine the amount of a production company's in-state spending that has occurred.

SECTION 4.  Sections 485.024(a) and (b), Government Code, are amended to read as follows:

(a)  Except as provided by Section 485.025, a grant under this subchapter for a moving image project may not be less than 20 percent of the total amount of the production company's in-state spending on the project [~~exceed the amount established by office rule~~].  The office shall adopt rules prescribing the method the office will use to calculate the amount of a grant under this subsection.  The office shall publish a written summary of the method for determining grants before awarding a grant under this section.  The method must consider at a minimum:

(1)  the current and likely future effect a moving image project will have on employment, tourism, and economic activity in this state; and

(2)  the amount of a production company's in-state spending for a moving image project.

(b)  In calculating a grant amount under Section 485.025 or the amount of in-state spending for purposes of rules adopted under Subsection (a), the office may not include wages of persons, including an actor or director, employed in the production of a moving image project that exceed $500,000 [~~$1 million~~].

SECTION 5.  Section 485.025, Government Code, is amended to read as follows:

Sec. 485.025.  ADDITIONAL GRANT FOR UNDERUTILIZED AND ECONOMICALLY DISTRESSED AREAS. In addition to the grant calculated under Section 485.024, a production company that spends at least 25 percent of a moving image project's filming days in an underutilized and economically distressed area is eligible for an additional grant in an amount equal to 10 [~~2.5~~] percent of the total amount of the production company's in-state spending for the moving image project.

SECTION 6.  Section 485.021(4), Government Code, is repealed.

SECTION 7.  The changes in law made by this Act to Chapter 485, Government Code, apply only to a grant awarded on or after the effective date of this Act. A grant awarded before the effective date of this Act is governed by the law in effect on the date the award was made, and the former law is continued in effect for that purpose.

SECTION 8.  This Act takes effect September 1, 2023.