

By: Goldman, Ashby, Hunter, Morrison,
Collier, et al.

H.B. No. 4419

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

By: Ashby

C.S.H.B. No. 4419

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the promotion of film and television production in this
3 state, including the eligibility of film or television productions
4 for funding under the major events reimbursement program, the
5 creation of a film events trust fund and a film production tax
6 rebate trust fund, the establishment of virtual film production
7 institutes, and the designation of media production development
8 zones.

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

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

12 CHAPTER 157. VIRTUAL FILM PRODUCTION INSTITUTES

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

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

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

1 any other source.

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

4 (3-a) "Film or television production" means the
5 activities necessary to prepare, produce, perform, or present in
6 this state a television program, movie, virtual film, or any
7 combination of multimedia program.

8 (3-b) "Film or television production organization"
9 means an organization that produces a television program, movie,
10 virtual film, or multimedia program, regardless of the manner in
11 which the organization is formed or legally organized. The term
12 includes a production company, a studio, or a production team for a
13 television program, movie, virtual film, or multimedia program.

14 SECTION 3. Section 478.0001(3), Government Code, as amended
15 by Chapters 10 (H.B. 1472), 102 (S.B. 1265), 605 (S.B. 1155), and
16 915 (H.B. 3607), Acts of the 87th Legislature, Regular Session,
17 2021, is reenacted and amended to read as follows:

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

20 (A) the Academy of Country Music Awards;

21 (B) the Amateur Athletic Union Junior Olympic
22 Games;

23 (C) a Big 12 Football Conference Championship
24 game;

25 (D) the Breeders' Cup World Championships;

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

- 1 (F) the Confederation of North, Central America
2 and Caribbean Association Football (Concacaf) Gold Cup;
- 3 (G) [~~(F)~~] a CONVRG conference;
- 4 (H) [~~(G)~~] an Elite Rodeo Association World
5 Championship;
- 6 (I) a film or television production;
- 7 (J) [~~(H)~~] a Formula One automobile race;
- 8 (K) [~~(I)~~] the largest event held each year at a
9 sports entertainment venue in this state with a permanent seating
10 capacity, including grandstand and premium seating, of at least
11 125,000 on September 1, 2021;
- 12 (L) [~~(J)~~] the Major League Baseball All-Star
13 Game;
- 14 (M) [~~(K)~~] the Major League Soccer All-Star Game
15 or the Major League Soccer Cup;
- 16 (N) [~~(L)~~] a mixed martial arts championship;
- 17 (O) [~~(M)~~] the Moto Grand Prix of the United
18 States;
- 19 (P) [~~(N)~~] the National Association for Stock Car
20 Auto Racing (NASCAR):
- 21 (i) All-Star Race;
- 22 (ii) season-ending Championship Race; or
- 23 (iii) Texas Grand Prix race;
- 24 (Q) [~~(O)~~] the National Basketball Association
25 All-Star Game;
- 26 (R) [~~(P)~~] a National Collegiate Athletic
27 Association Final Four tournament game;

1 (S) [~~(Q)~~] the National Collegiate Athletic
2 Association men's or women's lacrosse championships;
3 (T) [~~(R)~~] a national collegiate championship of
4 an amateur sport sanctioned by the national governing body of the
5 sport that is recognized by the United States Olympic Committee;
6 (U) [~~(S)~~] the National Cutting Horse Association
7 Triple Crown;
8 (V) [~~(T)~~] the National Hockey League All-Star
9 Game;
10 (W) the National Hot Rod Association Fall
11 Nationals at the Texas Motorplex;
12 (X) [~~(U)~~] a national political convention of the
13 Republican National Committee or the Democratic National
14 Committee;
15 (Y) [~~(V)~~] a championship event in the National
16 Reined Cow Horse Association (NRCHA) Championship Series;
17 (Z) [~~(W)~~] an Olympic activity, including a
18 Junior or Senior activity, training program, or feeder program
19 sanctioned by the United States Olympic Committee's Community
20 Olympic Development Program;
21 (AA) [~~(X)~~] a presidential general election
22 debate;
23 (BB) [~~(Y)~~] the Professional Rodeo Cowboys
24 Association National Finals Rodeo;
25 (CC) [~~(Z)~~] a Super Bowl;
26 (DD) [~~(AA)~~] the United States Open Championship;
27 (EE) [~~(BB)~~] a World Cup soccer game or the World

1 Cup soccer tournament;

2 (FF) [~~(CC)~~] the World Games;

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

5 (HH) [~~(EE)~~] the X Games.

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

10 (7) "Site selection organization" means:

11 (A) the Academy of Country Music;

12 (B) the Amateur Athletic Union;

13 (C) the Big 12 Conference;

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

16 (E) the Commission on Presidential Debates;

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

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

20 (H) [~~(G)~~] Dorna Sports;

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

22 (J) [~~(I)~~] Encore Live;

23 (K) [~~(J)~~] ESPN or an affiliate;

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

26 (M) a film or television production
27 organization;

1 (N) [~~(L)~~] the International World Games
2 Association;
3 (O) [~~(M)~~] Major League Baseball;
4 (P) [~~(N)~~] Major League Soccer;
5 (Q) [~~(O)~~] the National Association for Stock Car
6 Auto Racing (NASCAR);
7 (R) [~~(P)~~] the National Basketball Association;
8 (S) [~~(Q)~~] the National Collegiate Athletic
9 Association;
10 (T) [~~(R)~~] the National Cutting Horse
11 Association;
12 (U) [~~(S)~~] the National Football League;
13 (V) [~~(T)~~] the National Hockey League;
14 (W) the National Hot Rod Association;
15 (X) [~~(U)~~] the National Reined Cow Horse
16 Association (NRCHA);
17 (Y) [~~(V)~~] the Professional Rodeo Cowboys
18 Association;
19 (Z) [~~(W)~~] the Republican National Committee;
20 (AA) [~~(X)~~] the Ultimate Fighting Championship;
21 (BB) [~~(Y)~~] the United States Golf Association;
22 (CC) [~~(Z)~~] the United States Olympic Committee;
23 (DD) [~~(AA)~~] World Wrestling Entertainment; or
24 (EE) [~~(BB)~~] the national governing body of a
25 sport that is recognized by:
26 (i) the Federation Internationale de
27 l'Automobile;

- 1 (ii) Formula One Management Limited;
- 2 (iii) the National Thoroughbred Racing
- 3 Association; or
- 4 (iv) the United States Olympic Committee.

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

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

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

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

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

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

18 CHAPTER 480A. FILM EVENTS TRUST FUND

19 SUBCHAPTER A. GENERAL PROVISIONS

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

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

- 27 (1) "Endorsing county" means a county that contains a

1 site selected by a site selection organization for a film event.

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

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

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

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

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

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

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

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

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

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

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

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

16 SUBCHAPTER B. ELIGIBILITY

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

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

23 (A) one time; or

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

27 (2) a site selection organization selects:

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

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

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

8 Sec. 480A.0052. LIMITATIONS ON CERTAIN FUNDING REQUESTS.

9 (a) This section applies only to a film event for which the office
10 determines under Section 480A.0102 that the total incremental
11 increase in tax receipts is less than \$5 million.

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

16 SUBCHAPTER C. STATE ACTIONS RELATING TO FILM EVENTS

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

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

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

24 Sec. 480A.0102. DETERMINATION OF INCREMENTAL INCREASE IN
25 CERTAIN TAX RECEIPTS. (a) After a site selection organization
26 selects a site for a film event in this state in accordance with an
27 application by an endorsing entity, the office shall determine the

1 incremental increases in the following tax receipts that the office
2 determines are directly attributable to the film event for the
3 30-day period that ends at the end of the day after the date on which
4 the film event activities in this state are completed or, if the
5 film event will be presented on more than one day, after the last
6 date on which the film event will be presented:

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

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

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

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

24 (5) the receipts collected by each endorsing county in
25 the market area from the hotel occupancy tax imposed under Chapter
26 352, Tax Code.

27 (b) The office shall make the determination required by

1 Subsection (a) in accordance with procedures the office develops
2 and shall base that determination on information submitted by an
3 endorsing entity.

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

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

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

12 Sec. 480A.0103. TIME FOR DETERMINATION. The office shall
13 determine the incremental increase in tax receipts under Section
14 480A.0102 not later than the earlier of:

15 (1) the 30th day after the date the office receives the
16 information for a film event submitted by an endorsing entity on
17 which the office bases the determination as provided by Section
18 480A.0102(b); and

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

22 Sec. 480A.0104. DESIGNATION OF MARKET AREA. (a) For
23 purposes of Section 480A.0102(a)(1), the office shall designate as
24 a market area for a film event each area in which the office
25 determines there is a reasonable likelihood of measurable economic
26 impact directly attributable to the preparation, production,
27 performance, or presentation of the film event. The office shall

1 include areas likely to provide venues, accommodations, and
2 services in connection with the film event based on the proposal the
3 endorsing entity provides to the office.

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

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

9 Sec. 480A.0105. ESTIMATE OF TAX REVENUE CREDITED TO FUND.

10 (a) Not later than three months before the first date scheduled for
11 commencement of preparation, production, performance, or
12 presentation of a film event, the office shall provide an estimate
13 of the total amount of tax revenue that would be transferred or
14 deposited to the film events trust fund under this chapter in
15 connection with that film event if the film event were prepared,
16 produced, performed, or presented in this state at a site selected
17 in accordance with an application by an endorsing entity.

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

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

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

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

1 SUBCHAPTER D. FUND ESTABLISHMENT AND CONTRIBUTIONS

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

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

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

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

25 (1) with the first distribution of that tax revenue
26 that occurs after the first day of the period described by Section
27 480A.0102(a); or

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

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

7 Sec. 480A.0153. OTHER LOCAL MONEY. (a) In lieu of the
8 municipal and county tax revenues remitted or retained under
9 Section 480A.0152, an endorsing municipality or endorsing county
10 may remit to the office for deposit to the film events trust fund
11 other local money in an amount equal to the total amount of
12 municipal and county tax revenue determined under Sections
13 480A.0102(a)(2)-(5).

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

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

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

24 Sec. 480A.0155. STATE TAX REVENUE. (a) The comptroller, at
25 the direction of the office, shall transfer to the film events trust
26 fund a portion of the state tax revenue in an amount equal to 6.25
27 multiplied by the amount of the municipal and county tax revenue

1 retained or remitted under this chapter, including:

- 2 (1) local sales and use tax revenue;
- 3 (2) mixed beverage tax revenue;
- 4 (3) hotel occupancy tax revenue; and
- 5 (4) any applicable surcharge and user fee revenue.

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

9 SUBCHAPTER E. DISBURSEMENTS FROM FILM EVENTS TRUST FUND

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

13 Sec. 480A.0202. DISBURSEMENT FROM FILM EVENTS TRUST FUND.

14 (a) After approval of each contributing endorsing municipality and
15 endorsing county, if any, the office may make a disbursement from
16 the film events trust fund for a purpose for which an endorsing
17 entity or this state is obligated under an event support contract,
18 including any obligation to pay costs incurred in preparing,
19 producing, performing, or presenting the film event.

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

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

27 Sec. 480A.0203. REDUCTION OF DISBURSEMENT AMOUNT. (a)

1 After the conclusion of the performance or presentation of a film
2 event, the office shall compare information on any applicable
3 actual attendance figures provided under Section 480A.0251 with any
4 estimated attendance numbers used to determine the incremental
5 increase in tax receipts under Section 480A.0102. If the actual
6 attendance figures are significantly lower than the estimated
7 attendance numbers, the office may reduce the amount of a
8 disbursement from the film events trust fund for an endorsing
9 entity:

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

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

14 (b) The office by rule shall:

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

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

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

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

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

26 (2) fulfill obligations of an endorsing municipality,
27 an endorsing county, or this state to a site selection organization

1 under an event support contract.

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

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

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

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

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

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

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

24 (1) publicly owned facility; or

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

27 Sec. 480A.0206. PROHIBITED DISBURSEMENTS. (a) Subject to

1 Subsection (b), the office may not make a disbursement from the film
2 events trust fund that the office determines would be used to:

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

4 or

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

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

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

20 SUBCHAPTER F. LOCAL POWERS AND DUTIES RELATING TO FILM EVENTS

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

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

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

27 (A) attendance at the film event, if the film

1 event is premiered, performed, or otherwise presented exclusively
2 at a venue in this state, including an estimate of the number of
3 people expected to personally attend the presentation who are not
4 residents of this state;

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

6 (C) any other information the office considers
7 necessary.

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

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

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

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

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

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

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

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

12 CHAPTER 482. FILM OR TELEVISION PRODUCTION TAX REBATE TRUST FUND

13 SUBCHAPTER A. GENERAL PROVISIONS

14 Sec. 482.0001. DEFINITIONS. In this chapter:

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

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

23 (3) "Film or television production organization" has
24 the meaning assigned by Section [475.0001](#).

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

27 (5) "Trust fund" means the film production tax rebate

1 trust fund established under this chapter.

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

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

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

11 SUBCHAPTER B. ELIGIBILITY

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

18 SUBCHAPTER C. STATE ACTIONS RELATING TO PRODUCTIONS

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

1 directly attributable to the preparation, production, performance,
2 and presentation of the film or television production.

3 Sec. 482.0102. TIME FOR DETERMINATION. The office shall
4 calculate the incremental increase in tax receipts under Section
5 482.0101 not later than the 60th day after the date the film or
6 television production organization or its designated agent or
7 representative submits the necessary documentation to the office to
8 determine the rebate amount.

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

17 SUBCHAPTER D. TRUST FUND ESTABLISHMENT AND CONTRIBUTIONS

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

22 Sec. 482.0152. STATE TAX REVENUE. Not later than the 30th
23 day after notice from the office, the comptroller, at the direction
24 of the office, shall transfer to the trust fund a portion of the
25 state tax revenue in an amount equal to 25 percent of the amount of
26 incremental increases in tax receipts determined under Section
27 482.0101.

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

6 SUBCHAPTER E. DISBURSEMENTS FROM TRUST FUND

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

10 Sec. 482.0202. REBATE DISBURSEMENT FROM TRUST FUND. In
11 accordance with procedures adopted by the office, the office shall
12 make a disbursement from the trust fund to a film or television
13 production organization in an amount equal to 25 percent of the
14 incremental increase in the tax receipts determined under Section
15 482.0101 for the applicable film or television production.

16 SUBCHAPTER F. LIMITATIONS ON FUNDING

17 Sec. 482.0251. LIMITATIONS ON MULTIPLE FUNDING REQUESTS.

18 (a) The provisions within this chapter are cumulative of all other
19 existing incentive programs or any program created in the future.
20 Subject to Subsection (b), a person may receive a reimbursement,
21 disbursement, or rebate under one or more incentive programs.

22 (b) Notwithstanding Subsection (a), a person may not
23 receive a reimbursement, disbursement, or rebate under Chapters
24 478, 480A, or this chapter that exceeds the highest incremental
25 increase in receipts to this state from taxes imposed under
26 Chapters 151, 152, 156, and 183, Tax Code, and under Title 5,
27 Alcoholic Beverage Code, as determined by the office, in the market

1 area designated by the office.

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

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

7 (1-a) "Media production facility" means a structure,
8 building, or room used for the specific purpose of creating a moving
9 image project. The term includes but is not limited to:

10 (A) a soundstage and scoring stage;

11 (B) a production office;

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

14 (D) a storage and construction space; ~~and~~

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

17 (F) a virtual production facility.

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

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

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

27 SECTION 9. Section 485A.101, Government Code, is amended to

1 read as follows:

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

5 (1) must be in a metropolitan statistical area, the
6 principal municipality of which~~+~~

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

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

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

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

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

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

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

23 (a) The governing body of a municipality, ~~or~~ county, or
24 institution of higher education individually or in combination with
25 other municipalities, ~~or~~ counties, or institutions of higher
26 education, by ordinance, resolution, or order, as appropriate, may
27 nominate as a qualified media production location a location within

1 its jurisdiction that meets the criteria under Section 485A.102.

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

4 Sec. 485A.105. NOMINATING ORDINANCE, RESOLUTION, OR ORDER.

5 An ordinance, resolution, or order nominating a location as a
6 qualified media production location must:

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

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

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

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

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

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

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

27 (b) The application must include:

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

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

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

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

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

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

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

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

24 (D) any other information required by the
25 comptroller for purposes of making the certification required by
26 Section [485A.109](#)(b); and

27 (6) any additional information the office requires.

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

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

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

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

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

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

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

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

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

1 this chapter is terminated before that date.

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

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

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

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

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