

TX H 2854, Introduced

Texas

SUMMARY: Relates to the creation of a state film and entertainment industry incentive program.

Legislative History and Analysis

Changes in Bill text reflected as:

~~Text Deleted~~

Text Added

~~Text Vetoed~~

Current Legislative Status

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By: Price

H.B. No. 2854

A BILL TO BE ENTITLEDAN ACT

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

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

SECTION 1. Chapter 485, Government Code, is amended by adding Subchapter C to read as follows:

SUBCHAPTER C. TEXAS FILM AND ENTERTAINMENT INDUSTRY INCENTIVE PROGRAM

Sec. 485.041. DEFINITIONS. In this subchapter:

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

- (3) *"Production company" has the meaning assigned by Section 485.021.*
- (4) *"Production facility" means a facility that produces films, television programs including reality-based television programs, digital interactive media, commercials, or educational or instructional videos.*
- (5) *"Project" means a film, television program including a reality-based television program, digital interactive media, commercial, or educational or instructional video production. The term includes a visual effects project.*
- (6) *"Underutilized and economically distressed area" has the meaning assigned by Section 485.021.*

Sec. 485.042. TEXAS FILM AND ENTERTAINMENT INDUSTRY INCENTIVE PROGRAM.

- (a) *Using gifts, grants, donations, and appropriations made available to the office for that purpose, the office shall administer a grant program for production companies that:*
 - (1) *produce projects in this state; or*
 - (2) *construct production facilities in this state.*
- (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:*
 - (1) *requirements for the submission, before project production or facility construction begins, of:*
 - (A) *an estimate of total in-state spending or in-state construction spending, as applicable; and*
 - (B) *the estimated number of jobs for cast and production crew during the production and completion of the project, if applicable; and*
 - (2) *provisions relating to the submission of other information considered useful and necessary by the office for an adequate and accurate analysis of a production company's qualifications for a grant under this subchapter.*
- (c) *The office may accept gifts, grants, and donations for the purpose of implementing this subchapter.*

Sec. 485.043. QUALIFICATION.

- (a) *To qualify for a production facility or project production grant under this subchapter, a production company must be a:*
 - (1) *limited liability company, partnership, or corporation formed or organized under the laws of this state; or*

- (2) *joint venture or other legal entity in which at least one entity that holds at least a 30 percent ownership interest is a limited liability company, partnership, or corporation formed or organized under the laws of this state.*
- (b) *To qualify for a production facility grant under this subchapter, a production company must:*
 - (1) *have spent a minimum of \$2.5 million in constructing a production facility in this state;*
 - (2) *employ at least 15 full-time employees who are residents of this state; and*
 - (3) *show that at least 80 percent of all services used in the design and construction of the production facility are provided by businesses that have their principal place of business in this state.*
- (c) *To qualify for a project production grant under this subchapter, a production company must meet the qualifications for a grant under Subchapter B as provided by Section 485.023.*

Sec. 485.044. GRANT.

- (a) *The amount of a production facility grant under this subchapter is determined as follows:*
 - (1) *if the production company spent at least \$2.5 million but less than \$5 million on the facility, the amount of the grant is equal to 10 percent of in-state construction spending on the facility;*
 - (2) *if the production company spent at least \$5 million but less than \$10 million on the facility, the amount of the grant is equal to 20 percent of in-state construction spending on the facility; or*
 - (3) *if the production company spent at least \$10 million on the facility, the amount of the grant is equal to 25 percent of in-state construction spending on the facility.*
- (b) *The amount of a project production grant under this subchapter is determined as follows:*
 - (1) *for a film or television program project the amount of the grant is equal to:*
 - (A) *10 percent of in-state spending on the project if the production company spent at least \$250,000 but less than \$1 million on the project;*
 - (B) *20 percent of in-state spending on the project if the production company spent at least \$1 million but less than \$3.5 million on the project; or*
 - (C) *30 percent of in-state spending on the project if the production company spent at least \$3.5 million on the project;*

- (2) for a digital interactive media project the amount of the grant is equal to:**
- (A) 10 percent of in-state spending on the project if the production company spent at least \$100,000 but less than \$1 million on the project;**
 - (B) 20 percent of in-state spending on the project if the production company spent at least \$1 million but less than \$3.5 million on the project; or**
 - (C) 30 percent of in-state spending on the project if the production company spent at least \$3.5 million on the project;**
- (3) notwithstanding Subdivision (1), for a reality-based television program project the amount of the grant is equal to:**
- (A) 10 percent of in-state spending on the project if the production company spent at least \$250,000 but less than \$1 million on the project; or**
 - (B) 20 percent of in-state spending on the project if the production company spent at least \$1 million on the project; and**
- (4) for a commercial, educational or instructional video, or visual effects project the amount of the grant is equal to:**
- (A) 10 percent of in-state spending on the project if the production company spent at least \$100,000 but less than \$1 million on the project; or**
 - (B) 20 percent of in-state spending on the project if the production company spent at least \$1 million on the project.**

Sec. 485.045. ADDITIONAL GRANT FOR UNDERUTILIZED AND ECONOMICALLY DISTRESSED AREAS.

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

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