

BILL ANALYSIS

Senate Research Center
80R9976 TAD-D

H.B. 1634
By: Dukes et al. (Deuell)
Finance
5/12/2007
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The State of Texas is widely recognized as a choice location for filming due to its resources, such as technical crews, diverse locations, film equipment, and a mild climate. In the last decade, however, financial incentives have become a higher priority when production companies decide where to film. According to the Texas Film Commission, Texas has lost 29 films to one of the 23 states that offer incentives. These films would have brought approximately \$313 million in direct spending and approximately 4,500 jobs to Texas. Both Louisiana and New Mexico have implemented film incentive programs and have seen dramatic increases in spending and film crew jobs.

H.B. 1634 amends the existing film industry incentive program to encourage film production in Texas.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to any state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends the heading to Subchapter B, Chapter 485, Government Code, to read as follows:

SUBCHAPTER B. MOVING IMAGE INDUSTRY INCENTIVE PROGRAM

SECTION 2. Amends Section 485.021, Government Code, as follows:

Sec. 485.021. DEFINITIONS. Defines "in-state spending" and "moving image project," and redefines "production company," "Texas resident," and "underused area."

SECTION 3. Amends the heading to Section 485.022, Government Code, to read as follows:

Sec. 485.022. MOVING IMAGE INDUSTRY INCENTIVE PROGRAM.

SECTION 4. Amends Sections 485.022(a) and (b), Government Code, as follows:

(a) Amends this subsection to include moving image projects, rather than filmed entertainments.

(b) Amends this subsection to include Section 485.021(4), rather than 485.021(3), and in-state spending, rather than wages that will be paid to Texas residents. Makes a conforming change.

SECTION 5. Amends Section 485.023, Government Code, as follows:

Sec. 485.023. QUALIFICATION. Provides that to qualify for a grant under this subchapter a production company is required to generate a minimum of \$10 million in in-state spending for a film or television program or \$500,000 in in-state spending for a commercial, series of commercials, or digital interactive media production; at least 70 percent of the production crew, actors, and extras for a moving image project are required

to be Texas residents; at least 80 percent of the moving image project is required to be filmed in Texas; and a digital interactive media production is prohibited from containing intense violence, blood and gore, graphic sexual content, nudity, or strong language. Deletes existing text requiring a production company to pay a minimum of \$500,000 in wages to Texas residents for a film or television production or \$50,000 in wages to Texas residents for a commercial or series of commercials to qualify for a grant under this subchapter.

SECTION 6. Amends Section 485.024, Government Code, by amending Subsection (a) and adding Subsection (c), as follows:

(a) Prohibits a grant under this subchapter from exceeding, except as provided by Section 485.025, the lesser of 20 percent of the wages paid to Texas residents for a moving image project; or \$2 million for a film; \$2.5 million for a television program; \$200,000 for a commercial or series of commercials; or \$250,000 for a digital interactive media production. Makes conforming changes. Deletes existing text prohibiting a grant from exceeding \$750,000.

(c) Prohibits the Music, Film, Television, and Multimedia Office, in calculating the amount of wages paid to a Texas resident for a moving image project under Subsection (a), to include amounts that exceed \$50,000 for a film, commercial, or digital interactive media production, or \$100,000 for a television program.

SECTION 7. Effective date: upon passage or September 1, 2007.