

BILL ANALYSIS

Senate Research Center
80R7606 TAD-D

S.B. 782
By: Deuell
Finance
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

This state is recognized as a choice location for filming due to its resources, such as technical crews, diverse locations, film equipment, and a mild climate. However, in the last decade, production companies have considered financial incentives a higher priority when deciding where to film. According to the Texas Film Commission, Texas has lost 29 films to one of the other 23 states that offer financial incentives to production companies. These films could have brought approximately \$313 million in direct spending and approximately 4,500 jobs to Texas. Louisiana and New Mexico have implemented incentive programs and have seen dramatic increases in spending and film crew jobs. Implementing such a program in this state may bring similar benefits.

As proposed, S.B. 782 amends the existing film industry incentive program.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a 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 redefines "moving image project," rather than "filmed entertainment." Redefines "production company" and "Texas resident." Makes conforming changes.

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) Replaces a reference to "filmed entertainments" with "moving image projects."

(b) Replaces a reference to "wages that will be paid to Texas residents" with "in-state spending." Makes conforming changes.

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

Sec. 485.023. QUALIFICATIONS. Requires a production company to generate, rather than pay, \$10 million in in-state spending for a film or television program and \$1 million in in-state spending for a commercial, series of commercials, or digital interactive media productions to qualify for a grant under Subchapter B (Moving Image Industry Incentive Program), Chapter 485, Government Code (incentive program). Requires at least 80 percent of the production crew, actors, and extras in a moving image project to be Texas

residents. Requires a digital interacting media production to be rated by the Entertainment Software Rating Board (ESRB), and requires said production not to be rated "Mature" or "Adults Only" by ESRB.

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

(a) Prohibits a grant under the incentive program from exceeding the lesser of 20 percent of the wages paid to Texas residents for a moving image project or other certain dollar amounts based on the type of moving image project, rather than \$750,000.

(c) Prohibits the Music, Film, Television and Multimedia Office from including amounts that exceed \$50,000 in calculating the amount of wages paid to a Texas resident for a moving image project under Subsection (a).

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