

BILL ANALYSIS

Senate Research Center
81R23101 GCB-D

H.B. 1052
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Economic Development
5/21/2009
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Texas has experienced a steady decline in its ability to compete with other states, such as New Mexico and Louisiana, in attracting on-location filming projects. The creation of film districts would provide another tool for Texas to attract filming opportunities to the state. Film districts would focus on developing training and job opportunities in the film industry. Creating a special district dedicated to this purpose demonstrates a city's commitment to cultivating an environment where this type of business will thrive.

H.B. 1052 relates to the creation, powers, and duties of film districts.

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 Subtitle A, Title 10, Local Government Code, by adding Chapter 310, as follows:

CHAPTER 310. FILM DISTRICTS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 310.001. DEFINITIONS. Defines "board" and "district."

Sec. 310.002. NATURE OF DISTRICT. Provides that a film district (district) created under this chapter is a political subdivision of this state and a special district.

[Reserves Sections 310.003-310.050 for expansion.]

SUBCHAPTER B. CREATION

Sec. 310.051. CREATION BY POPULOUS MUNICIPALITY. Authorizes a municipality with a population of 250,000 or more to create a district as provided by this subchapter to promote the film industry in a designated area in the municipality.

Sec. 310.052. HEARING. Requires the governing body of a municipality, before creating a district, to hold a hearing on the purposes and advisability of creating the district. Authorizes any interested person to speak at the hearing.

Sec. 310.053. ORDER CREATING DISTRICT; INITIAL DIRECTORS. (a) Authorizes the governing body by order, after a hearing under Section 310.052, if a governing body finds that the municipality and the designated area would benefit from the district's creation, to create the district.

(b) Requires that the order specify the district's boundaries, which are required to be wholly in the municipality, the number and qualifications of directors to be appointed under Section 310.103, and the initial directors and the terms of those initial directors.

(c) Requires that the initial directors' terms be staggered, with as near as possible to half of the directors' terms expiring in one year and the remainder expiring in two years.

[Reserves Sections 310.054-310.100 for expansion.]

SUBCHAPTER C. BOARD OF DIRECTORS

Sec. 310.101. **GOVERNING BODY.** Provides that a district is governed by a board of directors (board) of at least seven directors (directors).

Sec. 310.102. **TERMS.** Provides that directors serve staggered two-year terms.

Sec. 310.103. **APPOINTMENT BY MUNICIPALITY.** Requires the governing body of a municipality that creates a district to appoint the directors as provided by the order creating the district. Requires the directors to include:

- (1) two directors who represent the interests of the municipality and reside in the municipality;
- (2) one director who represents a local or regional film commission located in the municipality and is a member of the Association of Film Commissioners International or the Texas Association of Film Commissions;
- (3) one director who represents a school district that has the majority of its territory located in the municipality;
- (4) one director who represents an institution of higher education, as defined by Section 61.003, Education Code, located in the municipality;
- (5) one director who represents a public junior college, as defined by Section 61.003, Education Code, located in the municipality; and
- (6) any other directors as provided by the order creating the district.

Sec. 310.104. **COMPENSATION; EXPENSES.** Provides that a director is not entitled to compensation but is entitled to reimbursement for actual and necessary expenses.

Sec. 310.105. **OFFICERS.** Requires a board to elect a presiding officer, secretary, treasurer, and any other officers the board considers necessary.

[Reserves Sections 310.106-310.150 for expansion.]

SUBCHAPTER D. POWERS AND DUTIES

Sec. 310.151. **PROMOTION OF FILM INDUSTRY.** Requires a district to promote the film industry in the district.

Sec. 310.152. **PARTNERSHIP WITH LOCAL COMMUNITIES.** Requires a district to act jointly with the municipality, local businesses, the film industry, and other local communities to promote the film industry in the district.

Sec. 310.153. **INCENTIVES.** Authorizes a district to provide incentives to promote the film industry in the district.

Sec. 310.154. **DONATIONS; GRANTS.** Authorizes a district to accept a donation or grant from any person for any district purpose.

Sec. 310.155. **EXECUTIVE DIRECTOR; EMPLOYEES.** Authorizes a district to hire an executive director and other employees.

[Reserves Sections 310.156-310.200 for expansion.]

SUBCHAPTER E. FINANCIAL PROVISIONS

Sec. 310.201. BORROWING. Authorizes a district to borrow money from any person for any district purpose.

Sec. 310.202. ELIGIBILITY FOR INCLUSION IN TAX INCREMENT REINVESTMENT ZONE. Provides that all or any part of the district is eligible to be included in a tax increment reinvestment zone created under Chapter 311 (Tax Increment Financing Act), Tax Code.

[Reserves Sections 310.203-310.250 for expansion.]

SUBCHAPTER F. DISSOLUTION

Sec. 310.251. DISSOLUTION. Authorizes a board to dissolve a district that has no debt.

SECTION 2. Effective date: upon passage or September 1, 2009.