

BILL ANALYSIS

Senate Research Center
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C.S.H.B. 374
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Government Organization
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Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

In the past, a large percentage the film industry's expenditures have been spent in Texas, prompting favorable economic results. Recent economic development trends among states such as New Mexico and Louisiana have included efforts to compete for the millions of dollars that can be captured for state economies by offering film production incentives. As other states have become more creative with film industry incentive packages, the number of films and television productions made in Texas has dwindled. The Texas Film Commission has tracked 29 film and television projects since 2004 which researched filming in Texas but ultimately chose to film in states offering incentives, resulting in a loss of \$306 million and more than 4,100 jobs for Texas. State government agencies and entities currently inflate production rates on state property because no standard rate guidelines have been set, and in some instances state agencies and entities are unduly disallowing production shoots on state property altogether.

C.S.H.B. 374 provides an additional incentive to the film industry by offering a low-cost solution for the use of Texas state buildings and grounds for television or film production companies.

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 Subchapter A, Chapter 2165, Government Code, by adding Section 2165.008, as follows:

- (a) Defines "office" and "production company."
- (b) Requires a state agency or other state governmental entity to allow a production company to use any state building or grounds under the agency's or other entity's charge and control to produce a film, national broadcast, episodic television series, or commercial that is approved by the Music, Film, Television, and Multimedia Office (office) and the agency or other entity under Subsection (c).
- (c) Requires the office to review each proposal by a production company to use a state building or grounds. Authorizes the office to approve a proposal, subject to the final approval of the state agency or other state governmental entity that occupies the building or uses the grounds, if the office makes certain determinations, the production company provides a certificate of insurance covering certain aspects of the production, or the proposal is to produce certain forms of media.
- (d) Requires the office to supervise each use of a state building or grounds by a production company subject to the control and final authority of the state agency or other state governmental entity that occupies the building or uses the grounds.
- (e) Requires the office to determine the fee to be charged for each day that a state building or grounds are used by a production company. Authorizes the office to allow each state building or grounds to be used without charge, other than the reimbursement of expenses under Subsection (f), for seven days during each state fiscal year and authorizes

the office to determine the allocation of those days. Requires fees collected under this subsection to be deposited to the credit of the general revenue fund.

(f) Requires the production company to reimburse certain state agencies or other state governmental entities.

(g) Requires a state agency or other state governmental entity to notify the production company in writing of any cost subject to reimbursement under Subsection (f). Requires the production company to reimburse the cost not later than the 21st day after the date on which it receives notice from the agency or other entity.

SECTION 2. Effective date: September 1, 2007.