

GOVERNMENT CODE

TITLE 4. EXECUTIVE BRANCH

SUBTITLE F. COMMERCE AND INDUSTRIAL DEVELOPMENT

CHAPTER 485A. MEDIA PRODUCTION DEVELOPMENT ZONES

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 485A.001. SHORT TITLE. This chapter may be cited as the Media Production Development Zone Act.

Added by Acts 2009, 81st Leg., R.S., Ch. 1390 (S.B. 1929), Sec. 1, eff. September 1, 2009.

Sec. 485A.002. DEFINITIONS. In this chapter:

(1) "Media production facility" means a structure, building, or room used for the specific purpose of creating a moving image project. The term includes but is not limited to:

- (A) a soundstage and scoring stage;
- (B) a production office;
- (C) an editing facility, an animation production facility, and a video game production facility;
- (D) a storage and construction space; and
- (E) a sound recording studio and motion capture studio.

(2) "Media production development zone" means an area recognized by a nominating body and approved by the office as a media production development zone under this chapter.

(3) "Moving image project" means a visual and sound production, including a film, television program, national or multistate commercial, or digital interactive media production. The term does not include a production that is obscene, as defined by Section 43.21, Penal Code.

(4) "Nominating body" means the governing body of a municipality or county, or a combination of the governing bodies of municipalities or counties, that:

- (A) recognizes a qualified area as a media production development zone; and
- (B) nominates and applies for designation of a

location in a media production development zone as a qualified media production location.

(5) "Office" means the Music, Film, Television, and Multimedia Office within the office of the governor.

(6) "Qualified media production location" means a location in a media production development zone that has been designated by the office as a qualified media production location in accordance with this chapter.

(7) "Qualified person" means a person certified as a qualified person under Section [485A.201](#).

Added by Acts 2009, 81st Leg., R.S., Ch. 1390 (S.B. [1929](#)), Sec. 1, eff. September 1, 2009.

Sec. 485A.003. JURISDICTION OF MUNICIPALITY. For the purposes of this chapter, territory in the extraterritorial jurisdiction of a municipality is considered to be in the jurisdiction of the municipality.

Added by Acts 2009, 81st Leg., R.S., Ch. 1390 (S.B. [1929](#)), Sec. 1, eff. September 1, 2009.

#### SUBCHAPTER B. OFFICE POWERS AND DUTIES IN GENERAL

Sec. 485A.051. GENERAL POWERS AND DUTIES. (a) Except as provided by Subsection (b), the office shall administer and monitor the implementation of this chapter.

(b) The office and the comptroller's office shall jointly establish criteria and procedures for:

(1) approving a qualified area recognized as a media production development zone by a nominating body;

(2) designating a qualified location in a media production development zone as a qualified media production location; and

(3) certifying a person as a qualified person under Section [485A.201](#).

Added by Acts 2009, 81st Leg., R.S., Ch. 1390 (S.B. [1929](#)), Sec. 1, eff. September 1, 2009.

Sec. 485A.052. RULEMAKING AUTHORITY. The office shall adopt rules necessary to implement this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1390 (S.B. 1929), Sec. 1, eff. September 1, 2009.

Sec. 485A.053. ANNUAL REPORT. On or before December 15 of each year, the office shall submit to the governor, the legislature, and the Legislative Budget Board a report that:

(1) evaluates the effectiveness of the media production development zone program; and

(2) describes the use of state and local incentives under this chapter and their effect on revenue.

Added by Acts 2009, 81st Leg., R.S., Ch. 1390 (S.B. 1929), Sec. 1, eff. September 1, 2009.

Sec. 485A.054. ASSISTANCE. The office shall provide to persons desiring to construct, expand, maintain, improve, or renovate a media production facility in a qualified media production location information and appropriate assistance relating to the required legal authorization, including a permit, certificate, approval, and registration, necessary in this state to accomplish that objective.

Added by Acts 2009, 81st Leg., R.S., Ch. 1390 (S.B. 1929), Sec. 1, eff. September 1, 2009.

#### SUBCHAPTER C. APPROVAL OF MEDIA PRODUCTION DEVELOPMENT ZONE AND DESIGNATION OF QUALIFIED MEDIA PRODUCTION LOCATIONS

Sec. 485A.101. CRITERIA FOR MEDIA PRODUCTION DEVELOPMENT ZONE RECOGNITION. To be approved as a media production development zone, an area:

(1) must be in a metropolitan statistical area, the principal municipality of which:

(A) has a population of more than 250,000; and

(B) has the adequate workforce, infrastructure, facilities, or resources to support the production and completion of moving image projects;

(2) must be recognized as a media production development zone by ordinance or order, as appropriate, of a municipality or the commissioners court of a county; and

(3) will contain a qualified media production location within its geographical boundaries that meets the criteria under Section 485A.102.

Added by Acts 2009, 81st Leg., R.S., Ch. 1390 (S.B. 1929), Sec. 1, eff. September 1, 2009.

Sec. 485A.102. CRITERIA FOR QUALIFIED MEDIA PRODUCTION LOCATION DESIGNATION. To be designated a qualified media production location, a location must be land or other real property that is in a media production development zone and will:

(1) be used exclusively to build or construct one or more media production facilities;

(2) if the real property is a building or other facility, be renovated solely for the purpose of being converted into one or more media production facilities; or

(3) if the real property consists solely of one or more media production facilities, be improved or renovated for that purpose or will be expanded into one or more additional media production facilities.

Added by Acts 2009, 81st Leg., R.S., Ch. 1390 (S.B. 1929), Sec. 1, eff. September 1, 2009.

Sec. 485A.103. MAXIMUM NUMBER OF ZONES AND LOCATIONS THROUGHOUT STATE. (a) There may not be more than 10 media production development zone designations under this chapter at any one time.

(b) There may not be more than five media production development zones under this chapter in a region at any one time.

(c) Each media production development zone may not contain more than three media production locations at any one time.

(d) For purposes of Subsection (b), the office shall divide the state into regions consisting of geographical boundaries prescribed by office rule.

Added by Acts 2009, 81st Leg., R.S., Ch. 1390 (S.B. 1929), Sec. 1,

eff. September 1, 2009.

Sec. 485A.104. NOMINATION OF QUALIFIED MEDIA PRODUCTION LOCATION. (a) The governing body of a municipality or county, individually or in combination with other municipalities or counties, by ordinance or order, as appropriate, may nominate as a qualified media production location a location within its jurisdiction that meets the criteria under Section [485A.102](#).

(b) The governing body of a county may not nominate territory in a municipality, including extraterritorial jurisdiction of a municipality, to be included in a proposed qualified media production location unless the governing body of the municipality also nominates the territory and together with the county files a joint application under Section [485A.106](#).

Added by Acts 2009, 81st Leg., R.S., Ch. 1390 (S.B. [1929](#)), Sec. 1, eff. September 1, 2009.

Sec. 485A.105. NOMINATING ORDINANCE OR ORDER. An ordinance or order nominating a location as a qualified media production location must:

(1) describe precisely both the media production development zone in which the location is to be included and the proposed location by a legal description or reference to municipal or county boundaries;

(2) state a finding that the location meets the requirements of this chapter and that the media production development zone in which the location is to be included has been recognized as a zone by ordinance or order, as appropriate, by the nominating body;

(3) summarize briefly the local financial incentives, including tax incentives, that, at the election of the nominating body, will apply to a qualified person;

(4) contain a brief description of the project or activity to be conducted by a qualified person at the location;

(5) nominate the location as a qualified media production location; and

(6) contain an economic impact analysis from an

economic expert.

Added by Acts 2009, 81st Leg., R.S., Ch. 1390 (S.B. 1929), Sec. 1, eff. September 1, 2009.

Sec. 485A.106. APPLICATION FOR DESIGNATION. (a) For a location in a media production development zone to be designated as a qualified media production location, the nominating body, after nominating the location as a qualified media production location, must send to the office a written application for designation of the location in the zone as a qualified media production location.

(b) The application must include:

(1) a certified copy of the ordinance or order, as appropriate, nominating the location as a media production location;

(2) a certified copy of the ordinance or order, as appropriate, recognizing the zone in which the location is to be included as a media production development zone;

(3) appropriate supporting documents demonstrating that the location qualifies for designation as a qualified media production location;

(4) an estimate of the economic impact of the designation of the location as a qualified media production location on the revenues of the governmental entity or entities nominating the location as a qualified media production location, considering the financial incentives and benefits contemplated;

(5) an economic impact analysis of the proposed project or activities to be conducted at the proposed qualified media production location, which must include:

(A) an estimate of the amount of revenue to be generated to the state by the project or activity;

(B) an estimate of any secondary economic benefits to be generated by the project or activity;

(C) an estimate of the amount of state taxes to be exempted, as provided by Section 151.3415, Tax Code; and

(D) any other information required by the comptroller for purposes of making the certification required by Section 485A.109(b); and

(6) any additional information the office requires.

(c) Information required by Subsection (b) is for evaluation purposes only.

(d) The economic impact analysis required by Subsection (b)(5) must also be submitted to the comptroller.

Added by Acts 2009, 81st Leg., R.S., Ch. 1390 (S.B. 1929), Sec. 1, eff. September 1, 2009.

Sec. 485A.107. ADVISORY COMMITTEE. (a) The media production advisory committee is composed of the following members:

(1) the director of the Texas Film Commission division of the governor's office;

(2) one representative of the comptroller's office, appointed by the comptroller; and

(3) subject to Subsection (b), nine representatives appointed by the comptroller.

(b) In making appointments to the advisory committee under Subsection (a)(3), the comptroller shall provide for a balanced representation of the different geographic regions of this state. Each of the following types of companies or organizations must be represented by at least one member serving on the advisory committee:

(1) animation production companies;

(2) film and television production companies;

(3) labor or workforce organizations;

(4) equipment vendors;

(5) the video gaming industry; and

(6) commercial production companies.

(c) The director of the Texas Film Commission division of the office of the governor serves as the presiding officer of the advisory committee. The advisory committee shall meet at the call of the presiding officer.

(d) The advisory committee, through review of applications submitted under Section 485A.108, shall make recommendations to the office for designation of qualified media production locations under this subchapter. The office may provide administrative support to the advisory committee.

(e) Section [2110.008](#) does not apply to the advisory committee.

Added by Acts 2009, 81st Leg., R.S., Ch. 1390 (S.B. [1929](#)), Sec. 1, eff. September 1, 2009.

Sec. 485A.108. REVIEW OF APPLICATION. (a) On receipt of an application for the designation of a qualified media production location, the office shall review the application to determine whether the nominated location qualifies for designation as a qualified media production location under this chapter.

(b) The office shall consider recommendations submitted by the media production advisory committee with respect to applications received by the office.

Added by Acts 2009, 81st Leg., R.S., Ch. 1390 (S.B. [1929](#)), Sec. 1, eff. September 1, 2009.

Sec. 485A.109. DESIGNATION. (a) If the office determines that a nominated location for which a designation application has been received satisfies the criteria under Section [485A.102](#) and on recommendation of the media production advisory committee, the office may designate the nominated location as a qualified media production location unless the office determines that the designation request should be denied for the reasons specified by Section [485A.110](#).

(b) A designation of a qualified media production location may not be made under this section until the comptroller, based on an evaluation of the economic impact analysis submitted under Section [485A.106](#)(b)(5), certifies that the project or activity to be conducted at the designated location will have a positive impact on state revenue.

(c) On designation of the first qualified media production location in a media production development zone recognized by the nominating body for that purpose, the office shall simultaneously approve the media production development zone.

Added by Acts 2009, 81st Leg., R.S., Ch. 1390 (S.B. [1929](#)), Sec. 1, eff. September 1, 2009.



Sec. 485A.110. DENIAL OF APPLICATION; NOTICE. (a) The office shall deny an application for the designation of a qualified media production location if:

(1) the office determines that the nominated location does not satisfy the criteria under Section [485A.102](#);

(2) the office determines that the number of media production location designations or number of approved media production development zones at the time of the application are at the maximum limit prescribed by Section [485A.103](#); or

(3) the comptroller has not certified that the proposed project or activity to be conducted at the location will have a positive impact on state revenue.

(b) The office shall inform the nominating body of the specific reasons for denial of an application under this section.

Added by Acts 2009, 81st Leg., R.S., Ch. 1390 (S.B. [1929](#)), Sec. 1, eff. September 1, 2009.

Sec. 485A.111. PERIOD OF APPROVAL OR DESIGNATION. (a) An area that qualifies under this subchapter may be approved by the office as a media production development zone for a maximum of five years after the date the last qualified media production location was designated within the zone's boundaries.

(b) A location may be designated as a qualified media production location, and may be eligible for the sales and use tax exemption as provided by Section [151.3415](#), Tax Code, for a maximum of two years.

(c) Except as provided by Section [485A.112](#), a media production development zone approval and qualified media production location designation remains in effect until September 1 of the final year of the approval or designation, as appropriate.

Added by Acts 2009, 81st Leg., R.S., Ch. 1390 (S.B. [1929](#)), Sec. 1, eff. September 1, 2009.

Sec. 485A.112. REMOVAL OF APPROVAL OR DESIGNATION. (a) The office may remove the approval of an area recognized as a media production development zone if the area no longer meets the criteria for that recognition under this chapter or by office rule

adopted under this chapter.

(b) The office may remove the designation of a location as a qualified media production location if the location no longer meets the criteria for that designation under this chapter or by office rule adopted under this chapter.

(c) The removal of a designation or approval does not affect the validity of a tax incentive granted or accrued before the removal.

Added by Acts 2009, 81st Leg., R.S., Ch. 1390 (S.B. 1929), Sec. 1, eff. September 1, 2009.

#### SUBCHAPTER D. ADMINISTRATION OF MEDIA PRODUCTION LOCATION

Sec. 485A.151. ANNUAL REPORT. (a) For purposes of this section, the governing body of a qualified media production location is the governing body of the municipality or county, or the governing bodies of the combination of municipalities or counties, that applied to have the location designated as a qualified media production location.

(b) Not later than October 1 of each year, the governing body of a qualified media production location shall submit to the office a report in the form prescribed by the office.

(c) The report must include for the year preceding the date of the report:

(1) the use of local incentives for which the governing body provided in the ordinance or order nominating the qualified media production location and the effect of those incentives on revenue;

(2) the number of qualified persons engaging in a project or activity related to a media production facility at the qualified media production location; and

(3) the types of projects or activities engaged or to be engaged in by qualified persons at the qualified media production location.

Added by Acts 2009, 81st Leg., R.S., Ch. 1390 (S.B. 1929), Sec. 1, eff. September 1, 2009.

SUBCHAPTER E. QUALIFIED PERSON DESIGNATION AND CERTIFICATION

Sec. 485A.201. QUALIFIED PERSON. A person is a qualified person if the office, for the purpose of state benefits under this chapter, or the nominating body of a qualified media production location, for the purpose of local benefits, certifies that the person, not later than 18 months after the date of the designation:

(1) will build or construct one or more media production facilities at a location;

(2) will renovate a building or facility solely for the purpose of being converted into one or more media production facilities at a location; or

(3) will renovate or expand one or more media production facilities at a location.

Added by Acts 2009, 81st Leg., R.S., Ch. 1390 (S.B. 1929), Sec. 1, eff. September 1, 2009.

Sec. 485A.202. PROHIBITION ON QUALIFIED PERSON CERTIFICATION. If the office determines that the nominating body of a qualified media production location is not complying with this chapter, the office shall prohibit the certification of a qualified person at the location until the office determines that the nominating body is complying with this chapter.

Added by Acts 2009, 81st Leg., R.S., Ch. 1390 (S.B. 1929), Sec. 1, eff. September 1, 2009.

Sec. 485A.203. DURATION OF DESIGNATION. Except as provided by Section 485A.204, the office's certification of a person as a qualified person is effective until the second anniversary of the date the designation is made, regardless of whether the designation of the qualified media production location at which the qualified person is to perform its commitments under this chapter is terminated before that date.

Added by Acts 2009, 81st Leg., R.S., Ch. 1390 (S.B. 1929), Sec. 1, eff. September 1, 2009.

Sec. 485A.204. REMOVAL OF DESIGNATION. The office shall

remove the certification of a qualified person for state benefits under this chapter if the office determines that the construction, renovation, improvement, maintenance, or expansion of a media production facility has not been completed at the qualified media production location for which it has received its certification within the period prescribed by Section [485A.201](#).

Added by Acts 2009, 81st Leg., R.S., Ch. 1390 (S.B. [1929](#)), Sec. 1, eff. September 1, 2009.

#### SUBCHAPTER F. MEDIA PRODUCTION LOCATION BENEFITS

Sec. 485A.251. EXEMPTION FROM SALES AND USE TAX. Certain items are exempt from the sales and use tax as provided by Section [151.3415](#), Tax Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1390 (S.B. [1929](#)), Sec. 1, eff. September 1, 2009.

Sec. 485A.252. MONITORING QUALIFIED PERSON COMMITMENTS.

(a) The office may monitor a qualified person to determine whether and to what extent the qualified person has followed through on the commitments made by the qualified person under this chapter.

(b) The office may determine that the qualified person is not entitled to a tax exemption under Section [151.3415](#), Tax Code, if the office determines that the qualified person:

(1) is not willing to cooperate with the office in providing information needed by the office to make the determination under Subsection (a);

(2) has substantially failed to follow through on the commitments made by the person under this chapter before the first anniversary of the date of the qualified media production location designation; or

(3) fails to submit the report required by Section [151.3415](#), Tax Code.

Added by Acts 2009, 81st Leg., R.S., Ch. 1390 (S.B. [1929](#)), Sec. 1, eff. September 1, 2009.