GOVERNMENT CODE

TITLE 4. EXECUTIVE BRANCH

SUBTITLE F. COMMERCE AND INDUSTRIAL DEVELOPMENT

CHAPTER 485. MUSIC, FILM, TELEVISION, AND MULTIMEDIA INDUSTRIES

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 485.001.  DEFINITIONS. In this chapter, "office" means the Music, Film, Television, and Multimedia Office.

Added by Acts 1991, 72nd Leg., 2nd C.S., ch. 11, Sec. 29, eff. Sept. 1, 1991.

Sec. 485.002.  ESTABLISHMENT. The Music, Film, Television, and Multimedia Office is established in the office of the governor.

Added by Acts 1991, 72nd Leg., 2nd C.S., ch. 11, Sec. 29, eff. Sept. 1, 1991.

Sec. 485.003.  DIRECTOR; STAFF. The governor may employ a director who may employ other employees necessary to carry out the office's duties.

Added by Acts 1991, 72nd Leg., 2nd C.S., ch. 11, Sec. 29, eff. Sept. 1, 1991.

Sec. 485.004.  PROMOTION; DUTIES. (a) The office shall promote the development of the music industry in the state by informing members of that industry and the public about the resources available in the state for music production.

(b)  The office shall promote the development of the film, television, and multimedia industries in this state by informing members of those industries and the public of the resources available in this state for film, television, and multimedia production.

(c)  State agencies and political subdivisions of this state shall cooperate with the office to the greatest extent possible to fully implement the goal of promoting the development of the music, film, television, and multimedia industries in this state.

Added by Acts 1991, 72nd Leg., 2nd C.S., ch. 11, Sec. 29, eff. Sept. 1, 1991.

Sec. 485.005.  ADVISORS. (a) The office may appoint advisors to assist in the administration of this chapter.

(b)  An advisor serves without compensation but is entitled to necessary and actual expenses incurred in performing duties under this chapter.

Added by Acts 1991, 72nd Leg., 2nd C.S., ch. 11, Sec. 29, eff. Sept. 1, 1991.

Sec. 485.006.  GIFTS AND GRANTS. The office may accept gifts, grants, and other funds specifically designated by the donor or grantor for use in developing the music, film, television, and multimedia industries of this state.

Added by Acts 1991, 72nd Leg., 2nd C.S., ch. 11, Sec. 29, eff. Sept. 1, 1991.

Sec. 485.007.  MUSIC, FILM, TELEVISION, AND MULTIMEDIA FUND. The music, film, television, and multimedia fund is in the state treasury. The continued existence of this fund is determined by the provisions of S.B. No. 3, Acts of the 72nd Legislature, 1st Called Session, 1991. All gifts, grants, and other funds received by the office under this chapter shall be deposited to the credit of the fund and may be used only for the purposes of this chapter.

Added by Acts 1991, 72nd Leg., 2nd C.S., ch. 11, Sec. 29, eff. Sept. 1, 1991.

SUBCHAPTER B. MOVING IMAGE INDUSTRY INCENTIVE PROGRAM

Sec. 485.021.  DEFINITIONS. In this subchapter:

(1)  "In-state spending" means the amount of money spent in Texas by a production company during the production and completion of a moving image project, including the amount spent on wages to Texas residents.  The term does not include wages described by Section 485.024(b).

(1-a)  "Incentive fund" means the Texas moving image industry incentive fund established under Section 485.0225.

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

(3)  "Production company" includes a film production company, television production company, digital interactive media production company, or film and television production company.

(4)  "Texas resident" means an individual who has resided in Texas since the 120th day before the first day of principal photography on a moving image project.

(5)  "Underutilized and economically distressed area" includes any area of this state that:

(A)  the office determines receives less than 15 percent of the total film and television production in this state during a fiscal year; or

(B)  has a median household income that does not exceed 75 percent of the median state household income.

Added by Acts 2005, 79th Leg., Ch. 342 (S.B. [1142](http://capitol.texas.gov/tlodocs/79R/billtext/html/SB01142F.HTM)), Sec. 2, eff. September 1, 2005.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 260 (H.B. [1634](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB01634F.HTM)), Sec. 2, eff. June 8, 2007.

Acts 2009, 81st Leg., R.S., Ch. 2 (H.B. [873](http://capitol.texas.gov/tlodocs/81R/billtext/html/HB00873F.HTM)), Sec. 1, eff. April 23, 2009.

Acts 2025, 89th Leg., R.S., Ch. 1187 (S.B. [22](http://capitol.texas.gov/tlodocs/89R/billtext/html/SB00022F.HTM)), Sec. 2.01, eff. September 1, 2025.

Sec. 485.022.  MOVING IMAGE INDUSTRY INCENTIVE PROGRAM.

Text of subsection effective until September 01, 2035

(a)  The office shall administer a grant program for production companies that produce moving image projects in this state:

(1)  using money from the incentive fund; or

(2)  to the extent that gifts, grants, donations, or other money, including appropriations, are made available to the office for that purpose.

Text of subsection effective on September 01, 2035

(a)  The office shall administer a grant program for production companies that produce moving image projects in this state, to the extent that gifts, grants, donations, or other money, including appropriations, are made available to the office for that purpose.

(b)  The office shall develop a procedure for the submission of grant applications and the awarding of grants under this subchapter.  The procedure must include provisions relating to:

(1)  methods by which an individual's Texas residency as described by Section 485.021(4) can be proved; and

(2)  requirements for the submission, before production of a moving image project begins, of:

(A)  an estimate of total in-state spending;

(B)  the shooting script or story board, as applicable;

(C)  the estimated number of jobs for cast and production crew during the production and completion of a moving image project; and

(D)  any other information considered useful and necessary by the office for an adequate and accurate analysis of a production company's in-state spending.

(c)  The office may accept gifts, grants, and donations for the purpose of implementing this subchapter.

(d)  The office may award a grant to a production company only based on a production company's in-state spending that the office verifies as having been completed.

(e)  The office is not required to act on any grant application and may deny an application because of inappropriate content or content that portrays Texas or Texans in a negative fashion, as determined by the office, in a moving image project.  In determining whether to act on or deny a grant application, the office shall consider general standards of decency and respect for the diverse beliefs and values of the citizens of Texas.

Text of subsection effective until September 01, 2035

(f)  The following types of projects are not eligible for grants under this subchapter:

(1)  pornography or obscene material, as defined by Section 43.21, Penal Code;

(2)  news, current event or public access programming, political advertising, including public service announcements that advance a public policy or political position, or programs that include weather or market reports;

(3)  local events or religious services;

(4)  productions not intended for commercial, educational, or instructional distribution;

(5)  sporting events or activities;

(6)  awards shows, galas, or telethons and similar programs that solicit funds;

(7)  projects intended for undergraduate or graduate course credit;

(8)  application software, system software, or middleware;

(9)  casino-type video games and interactive digital media experiences used in a gambling device, as defined by Section 47.01, Penal Code; or

(10)  commercials or advertising for this state or any agency or department of this state.

Text of subsection effective on September 01, 2035

(f)  Before a grant is awarded under this subchapter, the office shall:

(1)  require a copy of the final script; and

(2)  determine if any substantial changes occurred during production on a moving image project to include content described by Subsection (e).

(g)  Subsection (f) is not an exclusive list of the types of projects that are ineligible for a grant under this subchapter.  The office has broad authority to:

(1)  designate other types of projects as ineligible for a grant;

(2)  elect not to take action on a grant application;

(3)  deny a grant application; or

(4)  award a grant.

(h)  As part of the preliminary application process, the office shall review the proposed content of a moving image project in the manner provided by office rule and advise the prospective applicant whether the content will preclude the project from receiving a grant under this subchapter.

(i)  Once an approved project has been completed, the office shall review the final content before issuing the grant payment to determine if any substantial changes occurred during production on a moving image project to include content described by Subsection (e) or (f).

(j)  The office has broad discretion to rescind preliminary approval at any point in the grant process.

Added by Acts 2005, 79th Leg., Ch. 342 (S.B. [1142](http://capitol.texas.gov/tlodocs/79R/billtext/html/SB01142F.HTM)), Sec. 2, eff. September 1, 2005.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 260 (H.B. [1634](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB01634F.HTM)), Sec. 3, eff. June 8, 2007.

Acts 2007, 80th Leg., R.S., Ch. 260 (H.B. [1634](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB01634F.HTM)), Sec. 4, eff. June 8, 2007.

Acts 2025, 89th Leg., R.S., Ch. 1187 (S.B. [22](http://capitol.texas.gov/tlodocs/89R/billtext/html/SB00022F.HTM)), Sec. 2.02, eff. September 1, 2025.

Acts 2025, 89th Leg., R.S., Ch. 1187 (S.B. [22](http://capitol.texas.gov/tlodocs/89R/billtext/html/SB00022F.HTM)), Sec. 3.01, eff. September 1, 2035.

Sec. 485.0225.  TEXAS MOVING IMAGE INDUSTRY INCENTIVE FUND. (a)  In this section, "trust company" means the Texas Treasury Safekeeping Trust Company.

(b)  The Texas moving image industry incentive fund is established as a fund outside the state treasury to be held and invested by the trust company and administered by the office.

(c)  Money in the incentive fund may be spent without legislative appropriation and may be used only for the purposes of awarding grants under this subchapter and paying the trust company's expenses of managing the incentive fund's assets.

(d)  The incentive fund consists of:

(1)  money appropriated, transferred, or deposited to the credit of the incentive fund by the legislature;

(2)  money, including the proceeds of a fee or tax imposed by this state, that by statute is dedicated for deposit to the credit of the incentive fund;

(3)  investment earnings and interest earned on amounts credited to the incentive fund; and

(4)  gifts, grants, and donations made to the office and deposited to the credit of the incentive fund.

(e)  The trust company shall hold and invest the incentive fund.  The incentive fund may be invested with the state treasury pool and may be pooled with other state assets for purposes of investment.

(f)  The overall objective for the investment of the incentive fund is to maintain sufficient liquidity to meet the needs of the incentive fund while striving to preserve the purchasing power of the incentive fund over a full economic cycle.

(g)  The trust company may acquire, exchange, sell, supervise, manage, or retain any kind of investment that a prudent investor, exercising reasonable care, skill, and caution, would acquire or retain in light of the purposes, terms, distribution requirements, and other circumstances of the incentive fund then prevailing, taking into consideration the investment of all the assets of the incentive fund rather than a single investment.

(h)  The expenses of managing the incentive fund's assets shall be paid from the incentive fund.

(i)  The office annually shall provide to the trust company a forecast of the cash flows into and out of the incentive fund.  The office shall provide updates to the forecast as appropriate to ensure the trust company is able to achieve the objective specified by Subsection (f).

(j)  The trust company shall disburse money from the incentive fund as directed by the office.

Added by Acts 2025, 89th Leg., R.S., Ch. 1187 (S.B. [22](http://capitol.texas.gov/tlodocs/89R/billtext/html/SB00022F.HTM)), Sec. 2.03, eff. September 1, 2025.

Text of section effective until September 01, 2035

Sec. 485.023.  QUALIFICATION.  To qualify for a grant under this subchapter:

(1)  a production company must have spent a minimum of:

(A)   $250,000 in in-state spending for a film or television program; or

(B)  $100,000 in in-state spending for a commercial or series of commercials, an educational or instructional video or series of educational or instructional videos, or a digital interactive media production;

(2)  unless the office determines and certifies in writing that a sufficient number of qualified crew, actors, and extras are not available to the company at the time principal photography begins, the percentage of the production crew, actors, and extras for a moving image project who are Texas residents must be at least:

(A)  35 percent for a moving image project that begins principal photography on or after September 1, 2025, and before September 1, 2027;

(B)  40 percent for a moving image project that begins principal photography on or after September 1, 2027, and before September 1, 2029;

(C)  45 percent for a moving image project that begins principal photography on or after September 1, 2029, and before September 1, 2031; and

(D)  50 percent for a moving image project that begins principal photography on or after September 1, 2031;

(3)  at least 60 percent of the moving image project must be filmed in Texas; and

(4)  a production company must submit to the office an expended budget, in a format prescribed by the office, that reflects all in-state spending and includes all receipts, invoices, pay orders, and other documentation considered necessary by the office to accurately determine the amount of a production company's in-state spending that has occurred.

Added by Acts 2005, 79th Leg., Ch. 342 (S.B. [1142](http://capitol.texas.gov/tlodocs/79R/billtext/html/SB01142F.HTM)), Sec. 2, eff. September 1, 2005.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 260 (H.B. [1634](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB01634F.HTM)), Sec. 5, eff. June 8, 2007.

Acts 2009, 81st Leg., R.S., Ch. 2 (H.B. [873](http://capitol.texas.gov/tlodocs/81R/billtext/html/HB00873F.HTM)), Sec. 2, eff. April 23, 2009.

Acts 2023, 88th Leg., R.S., Ch. 767 (H.B. [4539](http://capitol.texas.gov/tlodocs/88R/billtext/html/HB04539F.HTM)), Sec. 1, eff. September 1, 2023.

Acts 2025, 89th Leg., R.S., Ch. 1187 (S.B. [22](http://capitol.texas.gov/tlodocs/89R/billtext/html/SB00022F.HTM)), Sec. 2.04, eff. September 1, 2025.

Acts 2025, 89th Leg., R.S., Ch. 1187 (S.B. [22](http://capitol.texas.gov/tlodocs/89R/billtext/html/SB00022F.HTM)), Sec. 3.02, eff. September 1, 2035.

Text of section effective on September 01, 2035

Sec. 485.023.  QUALIFICATION.  To qualify for a grant under this subchapter:

(1)  a production company must have spent a minimum of:

(A)  $250,000 in in-state spending for a film or television program; or

(B)  $100,000 in in-state spending for a commercial or series of commercials, an educational or instructional video or series of educational or instructional videos, or a digital interactive media production;

(2)  at least 55 percent of the production crew, actors, and extras for a moving image project must be Texas residents unless the office determines and certifies in writing that a sufficient number of qualified crew, actors, and extras are not available to the company at the time principal photography begins;

(3)  at least 60 percent of the moving image project must be filmed in Texas; and

(4)  a production company must submit to the office an expended budget, in a format prescribed by the office, that reflects all in-state spending and includes all receipts, invoices, pay orders, and other documentation considered necessary by the office to accurately determine the amount of a production company's in-state spending that has occurred.

Added by Acts 2005, 79th Leg., Ch. 342 (S.B. [1142](http://capitol.texas.gov/tlodocs/79R/billtext/html/SB01142F.HTM)), Sec. 2, eff. September 1, 2005.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 260 (H.B. [1634](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB01634F.HTM)), Sec. 5, eff. June 8, 2007.

Acts 2009, 81st Leg., R.S., Ch. 2 (H.B. [873](http://capitol.texas.gov/tlodocs/81R/billtext/html/HB00873F.HTM)), Sec. 2, eff. April 23, 2009.

Acts 2023, 88th Leg., R.S., Ch. 767 (H.B. [4539](http://capitol.texas.gov/tlodocs/88R/billtext/html/HB04539F.HTM)), Sec. 1, eff. September 1, 2023.

Acts 2025, 89th Leg., R.S., Ch. 1187 (S.B. [22](http://capitol.texas.gov/tlodocs/89R/billtext/html/SB00022F.HTM)), Sec. 2.04, eff. September 1, 2025.

Acts 2025, 89th Leg., R.S., Ch. 1187 (S.B. [22](http://capitol.texas.gov/tlodocs/89R/billtext/html/SB00022F.HTM)), Sec. 3.02, eff. September 1, 2035.

Sec. 485.024.  GRANT.

Text of subsection effective until September 01, 2035

(a)  Except as provided by Section 485.025, for a moving image project that is:

(1)  a feature film, a television program other than a reality television program, or a visual effects project for a feature film or television program other than a reality television program with total in-state spending of:

(A)  at least $250,000 but less than $1 million, the amount of a grant under this subchapter is equal to five percent of total in-state spending for the project;

(B)  at least $1 million but less than $1.5 million, the amount of a grant under this subchapter is equal to 10 percent of total in-state spending for the project; or

(C)  at least $1.5 million, the amount of a grant under this subchapter is equal to 25 percent of total in-state spending for the project;

(2)  a digital interactive media production with total in-state spending of:

(A)  at least $100,000 but less than $1 million, the amount of a grant under this subchapter is equal to five percent of total in-state spending for the project;

(B)  at least $1 million but less than $1.5 million, the amount of a grant under this subchapter is equal to 10 percent of total in-state spending for the project; or

(C)  at least $1.5 million, the amount of a grant under this subchapter is equal to 25 percent of total in-state spending for the project;

(3)  a reality television program as defined by office rule with total in-state spending of:

(A)  at least $250,000 but less than $1 million, the amount of a grant under this subchapter is equal to five percent of total in-state spending for the project; or

(B)  at least $1 million, the amount of a grant under this subchapter is equal to 10 percent of total in-state spending for the project; or

(4)  a commercial, a series of commercials, an educational or instructional video, a series of educational or instructional videos, or a visual effects project for a commercial, series of commercials, educational or instructional video, or series of educational or instructional videos with total in-state spending of:

(A)  at least $100,000 but less than $1 million, the amount of a grant under this subchapter is equal to five percent of total in-state spending for the project; or

(B)  at least $1 million, the amount of a grant under this subchapter is equal to 10 percent of total in-state spending for the project.

Text of subsection effective on September 01, 2035

(a)  Except as provided by Section 485.025, a grant under this subchapter may not exceed the amount established by office rule.  The office shall adopt rules prescribing the method the office will use to calculate the amount of a grant under this subsection.  The office shall publish a written summary of the method for determining grants before awarding a grant under this section.  The method must consider at a minimum:

(1)  the current and likely future effect a moving image project will have on employment, tourism, and economic activity in this state; and

(2)  the amount of a production company's in-state spending for a moving image project.

(b)  In calculating a grant amount under Section 485.025 or the amount of in-state spending for purposes of rules adopted under Subsection (a), the office may not include wages of persons, including an actor or director, employed in the production of a moving image project that exceed $1 million.

Text of subsection effective until September 01, 2035

(c)  The office may make a grant from the incentive fund or appropriated funds.

Text of subsection effective on September 01, 2035

(c)  The office may only make a grant from appropriated funds.

Added by Acts 2005, 79th Leg., Ch. 342 (S.B. [1142](http://capitol.texas.gov/tlodocs/79R/billtext/html/SB01142F.HTM)), Sec. 2, eff. September 1, 2005.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 260 (H.B. [1634](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB01634F.HTM)), Sec. 6, eff. June 8, 2007.

Acts 2009, 81st Leg., R.S., Ch. 2 (H.B. [873](http://capitol.texas.gov/tlodocs/81R/billtext/html/HB00873F.HTM)), Sec. 3, eff. April 23, 2009.

Acts 2025, 89th Leg., R.S., Ch. 1187 (S.B. [22](http://capitol.texas.gov/tlodocs/89R/billtext/html/SB00022F.HTM)), Sec. 2.05, eff. September 1, 2025.

Acts 2025, 89th Leg., R.S., Ch. 1187 (S.B. [22](http://capitol.texas.gov/tlodocs/89R/billtext/html/SB00022F.HTM)), Sec. 3.03, eff. September 1, 2035.

Text of section effective until September 01, 2035

Sec. 485.025.  ADDITIONAL GRANTS FOR CERTAIN PROJECTS. (a) In addition to the grant calculated under Section 485.024, a production company is eligible for:

(1)  a Texas heritage grant in an amount equal to 2.5 percent of total in-state spending for a moving image project that qualifies under Subsection (b);

(2)  a rural filming grant in an amount equal to 2.5 percent of total in-state spending for a moving image project that qualifies under Subsection (c);

(3)  a postproduction grant in an amount equal to one percent of total in-state spending for a moving image project that qualifies under Subsection (d);

(4)  a Texas veterans grant in an amount equal to 2.5 percent of total in-state spending for a moving image project that qualifies under Subsection (e);

(5)  a faith-based moving image project grant in an amount equal to 2.5 percent of total in-state spending for a moving image project that qualifies under Subsection (f);

(6)  a Texas historic site grant in an amount equal to 2.5 percent of total in-state spending for a moving image project that qualifies under Subsection (g); or

(7)  a workforce development grant in an amount equal to 2.5 percent of total in-state spending for a moving image project that qualifies under Subsection (h).

(b)  A moving image project qualifies for a Texas heritage grant under Subsection (a)(1) if the project is designated by the office as a Texas heritage project according to rules adopted by the office.  The office is not required to designate any moving image project as a Texas heritage project and has sole discretion to make that designation.  In determining whether to designate a moving image project as a Texas heritage project, the office shall consider:

(1)  the project's current and likely future effect on the promotion of family values; or

(2)  whether the project portrays Texas and Texans in a positive fashion.

(c)  A moving image project qualifies for a rural filming grant under Subsection (a)(2) if the production company spends at least 35 percent of the project's filming days or man hours, as applicable and as defined by office rule, in a county in this state with a population of 300,000 or less.

(d)  A moving image project qualifies for a postproduction grant under Subsection (a)(3) if at least 25 percent of the total in-state spending for the project is spent by the production company during postproduction on eligible expenditures as provided by office rule, including expenditures for labor, vendor, and music costs.

(e)  A moving image project qualifies for a Texas veterans grant under Subsection (a)(4) if at least five percent of the production crew, actors, and extras for the project are Texas residents who served in and were honorably discharged from:

(1)  the army, navy, air force, coast guard, or marine corps of the United States;

(2)  the Texas National Guard as defined by Section 431.001; or

(3)  a reserve component of an entity listed in Subdivision (1) or (2).

(f)  A moving image project qualifies for a faith-based moving image project grant under Subsection (a)(5) if the project is designated by the office as a faith-based moving image project according to rules adopted by the office.  The office is not required to designate any moving image project as a faith-based moving image project and has sole discretion to make that designation.

(g)  A moving image project qualifies for a Texas historic site grant under Subsection (a)(6) if the production company utilizes historic sites in this state as filming locations.  The office shall adopt rules to implement and administer this subsection.

(h)  A moving image project qualifies for a workforce development grant under Subsection (a)(7) if the production company partners with an institution of higher education in this state to provide moving image industry workforce development opportunities during production of the project.  The office shall adopt rules to implement and administer this subsection.

(i)  A moving image project may qualify for and receive more than one additional grant under Subsection (a).  However, the total amount of all grants received by a moving image project may not exceed 31 percent of the total in-state spending for the project.

Added by Acts 2005, 79th Leg., Ch. 342 (S.B. [1142](http://capitol.texas.gov/tlodocs/79R/billtext/html/SB01142F.HTM)), Sec. 2, eff. September 1, 2005.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 260 (H.B. [1634](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB01634F.HTM)), Sec. 6, eff. June 8, 2007.

Acts 2009, 81st Leg., R.S., Ch. 2 (H.B. [873](http://capitol.texas.gov/tlodocs/81R/billtext/html/HB00873F.HTM)), Sec. 3, eff. April 23, 2009.

Acts 2025, 89th Leg., R.S., Ch. 1187 (S.B. [22](http://capitol.texas.gov/tlodocs/89R/billtext/html/SB00022F.HTM)), Sec. 2.06, eff. September 1, 2025.

Acts 2025, 89th Leg., R.S., Ch. 1187 (S.B. [22](http://capitol.texas.gov/tlodocs/89R/billtext/html/SB00022F.HTM)), Sec. 3.04, eff. September 1, 2035.

Text of section effective on September 01, 2035

Sec. 485.025.  ADDITIONAL GRANT FOR UNDERUTILIZED AND ECONOMICALLY DISTRESSED AREAS.  In addition to the grant calculated under Section 485.024, a production company that spends at least 25 percent of a moving image project's filming days in an underutilized and economically distressed area is eligible for an additional grant in an amount equal to 2.5 percent of the total amount of the production company's in-state spending for the moving image project.

Added by Acts 2005, 79th Leg., Ch. 342 (S.B. [1142](http://capitol.texas.gov/tlodocs/79R/billtext/html/SB01142F.HTM)), Sec. 2, eff. September 1, 2005.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 260 (H.B. [1634](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB01634F.HTM)), Sec. 6, eff. June 8, 2007.

Acts 2009, 81st Leg., R.S., Ch. 2 (H.B. [873](http://capitol.texas.gov/tlodocs/81R/billtext/html/HB00873F.HTM)), Sec. 3, eff. April 23, 2009.

Acts 2025, 89th Leg., R.S., Ch. 1187 (S.B. [22](http://capitol.texas.gov/tlodocs/89R/billtext/html/SB00022F.HTM)), Sec. 2.06, eff. September 1, 2025.

Acts 2025, 89th Leg., R.S., Ch. 1187 (S.B. [22](http://capitol.texas.gov/tlodocs/89R/billtext/html/SB00022F.HTM)), Sec. 3.04, eff. September 1, 2035.

Sec. 485.026.  STATE DEBT. If a production company owes money to the state at the time the production company is awarded a grant under this subchapter, the office shall offset the amount owed to the state from the amount awarded.

Added by Acts 2005, 79th Leg., Ch. 342 (S.B. [1142](http://capitol.texas.gov/tlodocs/79R/billtext/html/SB01142F.HTM)), Sec. 2, eff. September 1, 2005.

Sec. 485.027.  WORKFORCE TRAINING AND PERFORMANCE MEASURES. (a) The office may contract with public junior colleges, as defined by Section 61.003, Education Code, or Texas nonprofit organizations to create a moving image industry personnel training program for developing and expanding the workforce for moving image projects in Texas.

(b)  The office shall develop appropriate performance measures for training programs created under this section.

(c)  The office and the Texas Higher Education Coordinating Board shall cooperate to develop performance measures that are appropriate for classroom instruction before the office may spend money to implement this section.

(d)  The office shall consult with the Texas Workforce Commission to collect and compile data on the status of the moving image industry employment base in Texas.

Added by Acts 2007, 80th Leg., R.S., Ch. 260 (H.B. [1634](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB01634F.HTM)), Sec. 7, eff. June 8, 2007.

Sec. 485.028.  FILM ARCHIVE PROGRAM. (a) The office may contract with an organization that is exempt from taxation under Section 501(c)(3), Internal Revenue Code of 1986, to provide technical resources regarding archiving moving image projects, improving public access to the moving image heritage of Texas, including campaign material, and discovering, preserving, and collecting digital copies of the moving image heritage of Texas.  A contract entered into under this section must require an organization to:

(1)  provide service to the public;

(2)  assist private organizations statewide; and

(3)  provide technical assistance with archiving and preserving moving images and digitization work.

(b)  The office by rule may develop policies and procedures for coordinating with state agencies to implement this section.

(c)  The office shall establish performance measures for contractors that enter into a contract under this section.

Added by Acts 2007, 80th Leg., R.S., Ch. 260 (H.B. [1634](http://capitol.texas.gov/tlodocs/80R/billtext/html/HB01634F.HTM)), Sec. 7, eff. June 8, 2007.

SUBCHAPTER C. TEXAS MUSIC INCUBATOR REBATE PROGRAM

Sec. 485.041.  DEFINITIONS. (a)  Except as provided by Subsection (b), the definitions in Section 1.04, Alcoholic Beverage Code, apply to this subchapter.

(b)  In this subchapter:

(1)  "Mixed beverage gross receipts tax" means the tax imposed by Subchapter B, Chapter 183, Tax Code.

(2)  "Permit holder" means a person who holds a permit issued under Section 151.201, Tax Code.

(3)  "Permittee" has the meaning assigned by Section 183.001(b), Tax Code.

(4)  "Program" means the Texas music incubator rebate program.

(5)  "Sales tax" means the tax imposed by Chapter 151, Tax Code.

Added by Acts 2021, 87th Leg., R.S., Ch. 84 (S.B. [609](http://capitol.texas.gov/tlodocs/87R/billtext/html/SB00609F.HTM)), Sec. 1, eff. September 1, 2021.

Sec. 485.042.  TEXAS MUSIC INCUBATOR REBATE PROGRAM. (a)  The office shall administer the Texas music incubator rebate program under which the office shall provide to eligible music venues and eligible music festival promoters from money appropriated from the Texas music incubator account a full or partial rebate of the mixed beverage gross receipts taxes and sales tax receipts attributable to the sale of beer and wine and remitted to the comptroller annually by those venues and promoters.  The Texas music incubator account shall be funded by mixed beverage gross receipts taxes and sales tax receipts attributable to the sale of beer and wine remitted annually by venues and promoters and deposited into that account as required by Sections 151.801(f) and 183.023(c), Tax Code.  The rebates are to assist eligible music venues and eligible music festival promoters in their efforts to support and continue to bring to local communities in this state live musical performances, including the recruitment of musical performance artists.

(b)  The office may not provide a rebate under the program to a music venue or music festival promoter in an amount that exceeds the lesser of:

(1)  the amount of mixed beverage gross receipts taxes and sales taxes attributable to the sale of beer and wine remitted in the preceding fiscal year to the comptroller by the music venue or music festival promoter as a permittee or permit holder; or

(2)  $100,000.

Added by Acts 2021, 87th Leg., R.S., Ch. 84 (S.B. [609](http://capitol.texas.gov/tlodocs/87R/billtext/html/SB00609F.HTM)), Sec. 1, eff. September 1, 2021.

Sec. 485.043.  ELIGIBILITY FOR REBATE. (a)  Except as provided by Subsection (b), to qualify for a rebate under the program, a music venue or music festival promoter, for at least the two years preceding the date on which the music venue or promoter, as applicable, submits an application under Section 485.044, must have:

(1)  been a permittee subject to the mixed beverage gross receipts tax or a permit holder subject to the sales tax on the sale of beer or wine;

(2)  if the applicant is a music venue, been a retail establishment with a dedicated audience capacity of not more than 3,000 persons;

(3)  if the applicant is a music festival promoter, held a music festival in a county with a population of less than 100,000;

(4)  entered into a written contract with a musical performance artist to conduct a live performance at the venue or festival, as applicable, under which the artist received as compensation a specified percentage of ticket sales for or other sales during the performance, or a guaranteed amount in advance of the performance; and

(5)  met at least five of the following criteria, one of which must be described by Paragraph (A) or (B):

(A)  the marketing of live music performances through listings in printed or electronic publications;

(B)  the provision of live music performances five or more nights per week;

(C)  employment or contracting of the services of one or more people who are tasked with two or more of the following positions or services:

(i)  sound engineer;

(ii)  booker;

(iii)  promoter;

(iv)  stage manager; or

(v)  security personnel;

(D)  having live performance and audience space;

(E)  the provision of technical sound and lighting support, either in-house or through a contract with a vendor;

(F)  having a space for the storage of audio equipment or musical instruments;

(G)  the application of cover charges to one or more live music performances through ticketing or the imposition of a front door entrance fee; or

(H)  the maintenance of hours of operation that coincide with live music performance show times.

(b)  The office may, at the office's discretion, provide a rebate under the program to a music venue or a music festival promoter that fails to meet the eligibility requirements prescribed by Subsection (a) solely because the venue is located, or the festival is usually held, as applicable, in a county located wholly or partly in an area that at any time during the preceding two-year period was declared to be a disaster area by the governor or by the president of the United States.

Added by Acts 2021, 87th Leg., R.S., Ch. 84 (S.B. [609](http://capitol.texas.gov/tlodocs/87R/billtext/html/SB00609F.HTM)), Sec. 1, eff. September 1, 2021.

Sec. 485.044.  REBATE APPLICATION. (a)  The office shall:

(1)  subject to Subsection (b), prescribe the application form for obtaining a rebate under the program; and

(2)  establish an online portal on the office's public Internet website that allows a music venue or music festival promoter to submit the application to the office for consideration.

(b)  The application must:

(1)  state the amount of mixed beverage gross receipts tax and sales tax receipts attributable to the sale of beer and wine that was remitted to the comptroller by the music venue or music festival promoter in the preceding fiscal year;

(2)  include sufficient evidence for the office to determine that the music venue or promoter qualifies for a rebate; and

(3)  include any other information the office determines necessary to administer the program.

(c)  The office shall accept rebate applications beginning September 1 of each year and may provide rebates until all the money in the Texas music incubator account is exhausted.

(d)  The office may expedite the review of an application submitted by a music venue or music festival promoter, if the venue is located, or the festival is usually held, as applicable, in a county located wholly or partly in an area that at any time during the preceding two-year period was declared to be a disaster area by the governor or by the president of the United States.

Added by Acts 2021, 87th Leg., R.S., Ch. 84 (S.B. [609](http://capitol.texas.gov/tlodocs/87R/billtext/html/SB00609F.HTM)), Sec. 1, eff. September 1, 2021.

Sec. 485.045.  REVIEW OF APPLICATIONS; REBATES. (a)  After reviewing applications for a rebate under the program, the office shall grant rebates to eligible music venues and music festival promoters that the office determines provide or have committed to provide the most economic benefit to the communities in which the music venues are located or the festivals are held, as applicable, and to the Texas music industry, including live music performers.

(b)  As directed by the office, the comptroller shall issue a warrant for a rebate granted by the office under this section drawn on the Texas music incubator account.

Added by Acts 2021, 87th Leg., R.S., Ch. 84 (S.B. [609](http://capitol.texas.gov/tlodocs/87R/billtext/html/SB00609F.HTM)), Sec. 1, eff. September 1, 2021.

Sec. 485.046.  TEXAS MUSIC INCUBATOR ACCOUNT. (a)  The Texas music incubator account is a dedicated account in the general revenue fund.  The account is composed of:

(1)  money deposited to the credit of the account under Sections 151.801(f) and 183.023(c), Tax Code;

(2)  gifts, grants, and other money received by the office for the program; and

(3)  other amounts deposited to the credit of the account.

(b)  Money in the account may be appropriated only to the office for the purpose of paying rebates to music venues and certain music festival promoters under the program.

(c)  Interest and other earnings from money in the account shall be credited to the account.

(d)  On the last day of each state fiscal biennium, the comptroller shall transfer any money deposited to the account under Subsection (a)(1) that is unobligated and unexpended on that date to the general revenue fund to be used in accordance with legislative appropriation.

Added by Acts 2021, 87th Leg., R.S., Ch. 84 (S.B. [609](http://capitol.texas.gov/tlodocs/87R/billtext/html/SB00609F.HTM)), Sec. 1, eff. September 1, 2021.

Sec. 485.047.  RULES.  The office shall adopt rules necessary to implement and administer this subchapter.

Added by Acts 2021, 87th Leg., R.S., Ch. 84 (S.B. [609](http://capitol.texas.gov/tlodocs/87R/billtext/html/SB00609F.HTM)), Sec. 1, eff. September 1, 2021.