

- SUBJECT:** Certification of live music venues by the Texas Music Office
- COMMITTEE:** Culture, Recreation and Tourism — favorable, without amendment
- VOTE:** 9 ayes — K. King, Gervin-Hawkins, Burns, Clardy, Frullo, Israel, Krause, Martinez, C. Morales
- 0 nays
- WITNESSES:** For — Edwin Cabaniss; Rebecca Reynolds, Music Venue Alliance; (*Registered, but did not testify:* Justin Bragiel, Texas Hotel & Lodging Association)
- Against — None
- On — (*Registered, but did not testify:* Andrew Bianchi, Live Nation Entertainment)
- BACKGROUND:** Government Code ch. 485 relates to music, film, television, and multimedia industries, and establishes the Texas Music Office within the Office of the Governor.
- Some have called for certain live music venues to be defined in statute and receive certification from the Texas Music Office in order to better facilitate the venues' ability to receive support from certain federal assistance programs.
- DIGEST:** HB 3373 would require the Texas Music Office to:
- administer and oversee federal programs in Texas supporting independent live music venues, operators, producers, or promoters;
  - issue certifications to such venues and persons for the purpose of administering and overseeing federal programs; and
  - ensure each certification holder maintains compliance with the requirements for certification.

The office would be required to issue a certification as an independent live music venue, operator, producer, or promoter, for purposes of any federal program requiring such certification to an individual or entity that:

- organized, promotes, sells tickets, produces, manages, or hosts live concerts;
- generated at least 60 percent of the individual's or entity's revenue from certain sources relating to tickets and production reimbursements as well as the sale of food, beverages, and merchandise;
- had operated its primary business in this state for at least one year preceding certification;
- paid artists fairly as provided by the bill; and
- met at least five of certain listed criteria related to event hours and marketing, employees, and venue characteristics.

The office would be prohibited from issuing a certification to an individual or entity that:

- presented live performances of a prurient sexual nature, as determined by the office; or
- derived directly or indirectly a more than de minimis gross revenue through the sale or presentation of sexual products, services, or depictions, as determined by the office.

The office would be prohibited from issuing a certification to an individual or entity unless the individual or entity:

- employed 50 or more full-time employees or contractors;
- derived at least 1 percent of gross revenue from federal funding; or
- was majority-owned, controlled, or operated by such individuals or entities.

The bill would take effect September 1, 2021.