

**STATE-LAW, 2008 ID H 592 , Enacted, (April 1, 2008)**  
2008 ID H 592 , Enacted

Idaho

Changes in Bill text reflected as:

~~Text Deleted~~

**Text Added**

~~Text Vetoed~~

SUMMARY: Creates the Film and Television Production Business Rebate Fund to develop a media industry workforce by providing a cash rebate on specific expenditures on qualified media production projects; establishes that in order for a production to qualify for the rebate a certain percentage of the production crew must be residents of the state.-SAME\_\_AS:

Current Legislative Status

03/03/2008 INTRODUCED.

03/04/2008 To HOUSE Committee on COMMERCE AND HUMAN RESOURCES.

03/06/2008 From HOUSE Committee on COMMERCE AND HUMAN RESOURCES: Do pass.

03/10/2008 Passed HOUSE. \*\*\*\*\*To SENATE.

03/11/2008 To SENATE Committee on STATE AFFAIRS.

03/17/2008 From SENATE Committee on STATE AFFAIRS: Do pass.

03/17/2008 Rereferred to SENATE Committee on COMMERCE AND HUMAN RESOURCES.

03/24/2008 From SENATE Committee on COMMERCE AND HUMAN RESOURCES: Do pass.

03/25/2008 Passed SENATE.

03/25/2008 Eligible for GOVERNOR'S desk.

03/28/2008 \*\*\*\*\*To GOVERNOR.

04/01/2008 Signed by GOVERNOR.

04/01/2008 Chaptered. Chapter No. 350

session: Idaho 59th Idaho Legislature -- Second Regular Session

cite: 2008 ID H 592

Enacted

April 1, 2008

House Committee on State Affairs  
LEGISLATURE OF THE STATE OF IDAHO

Fifty-ninth Legislature Second Regular Session - 2008  
IN THE HOUSE OF REPRESENTATIVES  
HOUSE BILL NO. 592  
BY STATE AFFAIRS COMMITTEE  
AN ACT

RELATING TO THE FILM AND TELEVISION PRODUCTION BUSINESS REBATE FUND; AMENDING CHAPTER 47, TITLE 67, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 67-4728, IDAHO CODE, TO PROVIDE FOR THE FILM AND TELEVISION PRODUCTION BUSINESS REBATE FUND AND TO PROVIDE A PURPOSE FOR THE FUND, TO DEFINE TERMS, TO PROVIDE FOR INVESTMENT OF IDLE MONEYS IN THE FUND AND TO PROVIDE FOR RETURN TO THE FUND OF INTEREST EARNED, TO PROVIDE FOR REBATE APPLICATIONS, TO AUTHORIZE THE DIRECTOR OF THE DEPARTMENT OF COMMERCE TO PROMULGATE RULES, TO PROVIDE FOR EMPLOYMENT REQUIREMENTS FOR CERTIFIED PRODUCTIONS, TO ESTABLISH A MAXIMUM REBATE, TO PROVIDE FOR

WRITTEN AGREEMENT FOR REBATES AWARDED AND TO PROVIDE FOR AN ECONOMIC IMPACT EVALUATION BY THE DEPARTMENT OF COMMERCE; TO PROVIDE A SUNSET DATE AND TO DIRECT THE STATE CONTROLLER TO TRANSFER ANY UNEXPENDED OR UNOBLIGATED MONEYS IN THE FUND TO THE GENERAL FUND UPON SUNSET.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Chapter 47, Title 67, Idaho Code, be, and the same is hereby amended by the addition thereto of a NEW SECTION, to be known and designated as Section 67-4728, Idaho Code, and to read as follows:

67-4728. FILM AND TELEVISION PRODUCTION BUSINESS REBATE FUND. (1) There is hereby created in the state treasury the film and television production business rebate fund to which shall be credited all moneys that may be appropriated, apportioned, allocated, paid back to the fund, or otherwise provided by law. The purpose of the fund is to stimulate new film and television production business expenditures in the state of Idaho. Moneys in the fund shall be used exclusively as provided for in this section.

(2) As used in this section:

(a) "Applicant" means a taxpayer that is a film or television production business that is operating a qualified production and that:

(i) Owns the copyrights in a qualified production throughout the Idaho production period; or

(ii) Has contracted directly with the person acting on behalf of the copyright owner to provide services for the production where the copyright owner is not an eligible production company.

(b) "Base investment" means the investment made and expended by a certified production in Idaho as production expenditures incurred in Idaho that are directly used in a certified production or productions.

(c) "Certified production" means a qualified production selected by the department for a rebate from the fund.

(d) "Department" means the Idaho department of commerce.

(e) "Director" means the director of the Idaho department of commerce.

(f) "Fund" means the film and television production business rebate fund.

(g) "Production expenses" means those expenses eligible for a rebate from the fund and includes expenses for all production goods and services including wages and salaries, construction, operations, editing, photography, sound synchronization, lighting, makeup, wardrobe and accessories, rental facilities and equipment, leasing of vehicles, food and lodging, digital or tape editing, film processing, sound mixing, special and visual effects, and music, if performed, composed or recorded by a musician who is a resident of Idaho and other reasonable in-state expenditures as defined in departmental rule. Production expenses do not include marketing and advertising costs, star salaries, producer and director salaries, script costs, any indirect costs, any amounts that are later reimbursed, any costs related to the transfer or rebates awarded under this section or any amounts that are paid to persons or entities as a result of their participation in profits from the production.

(h) "Qualified production" means a feature film, a television film, a commercial for a product or service, a documentary, a television pilot or each episode of a television series that spends a minimum of two hundred thousand dollars (\$200,000) on Idaho goods and services. A qualified production does not include a production featuring any of the following: news, current events, weather and market reports, public access television programming, infomercials, talk shows, game shows, sports shows or events, award shows or other gala events, a production that solicits funds, a production containing obscene material or a production primarily for private, political, industrial, corporate or institutional purposes.

(3) Moneys in the fund shall be invested by the state treasurer in the same manner as provided under section 67-1210, Idaho Code, with respect to other surplus or idle moneys in the state treasury. Interest earned on the investments shall be credited to the fund.

(4) Applicants may apply for a rebate from the fund by filling out an application and satisfying the department's criteria for a certified production prior to commencing work on the production. The rebate shall be calculated as a percentage of total base investment dollars certified by the department per project. The rebate shall be earned at the time expenditures are made by a film or television or commercial production business in a certified production.

(5) The director of the department may promulgate administrative rules in compliance with chapter 52, title 67, Idaho Code, to implement the provisions of this section.

(6) The following is required for all certified productions: Beginning on and after July 1, 2008, and ending June 30, 2010, certified productions shall ensure to the department that twenty percent (20%) of the crew working in Idaho on a certified production are Idaho residents as verified by a state certified driver's license or identification card. Beginning on and after July 1, 2010, and ending on June 30, 2011, certified productions shall ensure to the department that twenty-five percent (25%) of the crew working in Idaho on a certified production are Idaho residents as verified by a state certified driver's license or identification card. Beginning on and after July 1, 2011, and ending on June 30, 2012, certified productions shall ensure to the department that thirty percent (30%) of the crew working in Idaho on a certified production are Idaho residents as verified by a state certified driver's license or identification card. Beginning on and after July 1, 2012, and ending on June 30, 2013, certified productions shall ensure to the department that thirty-five percent (35%) of the crew working in Idaho on a certified production are Idaho residents as verified by a state certified driver's license or identification card.

(7) The total amount of any rebate granted pursuant to this section may not exceed five hundred thousand dollars (\$500,000) nor twenty percent (20%) of a qualified production's expenses.

(8) Any rebate awarded from the fund shall be awarded pursuant to a written agreement between the applicant and the department.

(9) The department shall evaluate the economic impact of rebates awarded from the fund. The evaluation shall include an assessment of the effectiveness of the program in creating and retaining new jobs in Idaho and of the revenue impact of the fund, and may include a review of the practices and experiences of other states or nations with similar programs. Upon completion of this evaluation, the department shall determine the overall success of the fund and may make a recommendation to extend, modify or not extend the fund based on this evaluation. The department shall submit to the legislature during the 2014 regular legislative session a report that includes the following information:

(a) The economic impact of the rebate fund, including the number of jobs created and retained, including whether the job positions are entry level, management, talent related, vendor related or production related;

(b) The amount of film production spending brought to Idaho, including the amount of spending and type of Idaho vendors hired in connection with a certified production;

(c) Identification of each vendor that provided goods or services that were included in a certified production's Idaho spending; and

(d) The amount paid to each identified vendor by the certified production.

SECTION 2. The provisions of this act shall be null, void and of no force and effect on and after July 1, 2014. On July 1, 2014, or as soon thereafter as is practicable, the State Controller is hereby directed to transfer any unexpended or unobligated moneys remaining in the fund to the General Fund.

#### Statement of Purpose / Fiscal Impact

#### STATEMENT OF PURPOSE RS 17975C1

This legislation establishes a program to grow the media production industry in Idaho. The Dept. of Commerce would utilize the program as an economic stimulus and to develop a media industry workforce by providing a cash rebate on specific Idaho expenditures on qualified media production projects. Currently, 45 states including western states Utah, Washington, Oregon, Wyoming and Montana, as well as 19 provinces and countries around the world are benefiting from similar film incentive programs that attract media production expenditures. Idaho is seeking to compete and build an industry in a global market. This legislation will sunset in 2014. Economic impact reports will be completed upon sunset of the program.

#### FISCAL NOTE

The program would provide a 20% rebate on specific Idaho expenditures if at least \$200,000 is spent in Idaho and when the production hires Idaho crew members. In any production qualifying under the program, 20% of the crew hired must be Idahoans, increasing to 35% of the total crew over five years. The maximum rebate per production is \$500,000. At least \$5 would have to be spent in Idaho before \$1 is rebated to the production. Depending on the size of the budget for the productions utilizing the rebate, \$10 to \$12 could be spent in Idaho for every \$1 rebated from the program. The film and television industry economic multiplier is considered to be between 1.5 and 2.8 times, due to the expectation that motion media production spending traditionally impacts a wide array of local businesses and services.