

UT S 81, Enacted

Utah

SUMMARY: Modifies provisions related to motion picture incentives; removes the cap on cash rebate incentives allowed for any one motion picture.

Legislative History and Analysis Changes in Bill text reflected as:

~~Text Deleted~~

Text Added

~~Text Vetoed~~

Current Legislative Status

01/28/2020 INTRODUCED.

01/29/2020 To SENATE Committee on RULES.

01/31/2020 From SENATE Committee on RULES. To SENATE Standing Committee.

01/31/2020 To SENATE Committee on ECONOMIC DEVELOPMENT AND WORKFORCE SERVICES.

02/12/2020 From SENATE Committee on ECONOMIC DEVELOPMENT AND WORKFORCE SERVICES: Reported favorably as substituted.

02/12/2020 Placed on 2nd Reading calendar.

02/14/2020 Passed 2nd Reading.

02/18/2020 Placed on 3rd Reading.

02/18/2020 Passed SENATE. *****To HOUSE.

02/19/2020 To HOUSE Committee on RULES.

02/24/2020 From HOUSE Committee on RULES. To Standing Committee.

02/24/2020 To HOUSE Committee on BUSINESS AND LABOR.

02/26/2020 From HOUSE Committee on BUSINESS AND LABOR: Reported favorably.

02/27/2020 Placed on 3rd Reading.

03/11/2020 Passed HOUSE.

03/20/2020 Enrolled.

03/28/2020 *****To GOVERNOR.

03/30/2020 Signed by GOVERNOR.

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session: Utah 63rd Legislature - 2020 General Session cite: 2020 UT S 81

Enacted

March 30, 2020

Thatcher

S.B. 81 Enrolled

MOTION PICTURE INCENTIVES AMENDMENTS 2020 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Daniel W. Thatcher House Sponsor: Eric K. Hutchings LONG TITLE

General Description:

This bill modifies provisions related to motion picture incentives. Highlighted Provisions:

This bill:

* removes the cap on cash rebate incentives allowed for any one motion picture. Money

Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

63N-8-104, as renumbered and amended by Laws of Utah 2015, Chapter 283 Be it enacted by the Legislature of the state of Utah:

Section 1. Section 63N-8-104 is amended to read:

63N-8-104. Motion picture incentives -- Standards to qualify for an incentive --
Limitations -- Content of agreement between office and motion picture company or
digital media company.

- (1) In addition to the requirements for receiving a motion picture incentive as set forth in this part, the office, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, shall make rules establishing:

- (a) the standards that a motion picture company or digital media company must meet to qualify for the motion picture incentive; and
 - (b) criteria for determining the amount of the incentive.
- (2) The office shall ensure that those standards include the following:
- (a) an incentive may only be issued for a ~~state-approved~~ **state-approved** production by a motion picture company or digital media company;
 - (b) financing has been obtained and is in place for the production; and
 - (c) the economic impact of the production on the state represents new incremental economic activity in the state as opposed to existing economic activity.
- (3) With respect to a digital media project, the office shall consider economic modeling, including the costs and benefits of the digital media project to state and local governments in determining the motion picture incentive amount.
- (4) The office may also consider giving preference to a production that stimulates economic activity in rural areas of the state or that has Utah content, such as recognizing that the production was made in the state or uses Utah as Utah in the production.
- (5) (a) The office, with advice from the board, may enter into an agreement with a motion picture company or digital media company that meets the standards established under this section and satisfies the other qualification requirements under this part.
- (b) Subject to Subsection 63N-8-103(3), the office may commit or authorize a motion picture incentive:
- (i) to a motion picture company of up to 20% of the dollars left in the state by the motion picture company, and a motion picture company can receive an additional 5%, not to exceed 25% of the dollars left in the state by the motion picture company if the company fulfills certain requirements determined by the office including:
 - (A) employing a significant percentage of cast and crew from Utah;
 - (B) highlighting the state of Utah and the Utah Film Commission in the motion picture credits; or
 - (C) other promotion opportunities as agreed upon by the office and the motion picture company; and
 - (ii) to a digital media company, if the incentive does not exceed 100% of the new state revenue less the considerations under Subsection (3), but not to exceed 20% of the dollars left in the state by the digital media company.
- (c) ~~A cash rebate incentive from the Motion Picture Incentive Restricted Account may not exceed \$500,000 per state-approved production for a motion picture project.~~
- (d) (c) The office may not give a cash rebate incentive from the Motion Picture

Incentive Restricted Account for a digital media project.

- (6) The office shall ensure that the agreement entered into with a motion picture company or digital media company under Subsection (5)(a):
 - (a) details the requirements that the motion picture company or digital media company must meet to qualify for an incentive under this part;
 - (b) specifies:
 - (i) the nature of the incentive; and
 - (ii) the maximum amount of the motion picture incentive that the motion picture company or digital media company may earn for a taxable year and over the life of the production;
 - (c) establishes the length of time over which the motion picture company or digital media company may claim the motion picture incentive;
 - (d) requires the motion picture company or digital media company to retain records supporting its claim for a motion picture incentive for at least four years after the motion picture company or digital media company claims the incentive under this part; and
 - (e) requires the motion picture company or digital media company to submit to audits for verification of the claimed motion picture incentive.