

# MI H 4907, Introduced

SUMMARY: Restores taxation administration; restores film credits.~SAME AS: MI H 4908#

Changes in Bill text reflected as:

~~Text Deleted~~

**Text Added**

~~Text Vetoed~~

Current Legislative Status

07/18/2023 INTRODUCED.

07/18/2023 To HOUSE Committee on ECONOMIC DEVELOPMENT AND SMALL BUSINESS.

04/23/2024 From HOUSE Committee on ECONOMIC DEVELOPMENT AND SMALL BUSINESS: Reported with recommendation.

04/23/2024 In HOUSE. To second reading.

~

session: Michigan 102nd Legislature - First Regular Session

cite: 2023 MI H 4907

Introduced

July 18, 2023

Hoskins

**HOUSE BILL NO. 4907**

**July 18, 2023, Introduced by Reps. Hoskins, Rheingans, Conlin, Schuette, Tyrone Carter, Roth, Martus, McFall, Glanville, Schmaltz, Morgan, Bierlein, Stone, Arbit, Churches, Hood, Rogers, Wilson, Coleman, Young, Grant, McKinney, Mentzer, Puri, Wozniak and Tsernoglou and referred to the Committee on Economic Development and Small Business.**

A bill to amend 1984 PA 270, entitled

"Michigan strategic fund act,"

by amending sections 29, 29a, 29b, and 29d (MCL 125.2029, 125.2029a, 125.2029b, and 125.2029d), sections 29 and 29b as added by 2008 PA 75, section 29a as amended by 2011 PA 291, and section 29d as amended by 2020 PA 199; and to repeal acts and parts of acts.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

Sec. 29. As used in this chapter:

**(a) "Accredited production certificate" or "APC" means that term as defined in section 285 of the income tax act of 1967, 1967 PA 281, MCL 206.285.**

**(b) "Applicant" means that term as defined in section 285 of the income tax act of 1967, 1967 PA 281, MCL 206.285.**

**(c) ~~(a)~~ "Commissioner" means the Michigan film commissioner created in section 29b.**

**(d) ~~(b)~~ "Council" means the Michigan film office advisory council created in section 29c.**

**(e) "Film and media" includes all of the following:**

**(i) Films.**

**(ii) Television programs.**

**(iii) Commercials.**

**(iv) Corporate videos.**

**(v) Commercial photography.**

**(vi) Digital media.**

**(f) ~~(e)~~** "Local film office" means an office, agency, bureau, or department of a political subdivision of this state that seeks to promote film production within the political subdivision and that is funded principally by the political subdivision.

**(g) ~~(d)~~** "Office" means the Michigan film **and digital media** office created in section 29a.

**(h) ~~(e)~~** "Promotion fund" means the Michigan film promotion fund created under section 29d.

**(i) "Qualified Michigan vendor" means that term as defined in section 285 of the income tax act of 1967, 1967 PA 281, MCL 206.285.**

**(j) "Qualified personnel expenditure" means that term as defined in section 285 of the income tax act of 1967, 1967 PA 281, MCL 206.285.**

**(k) "Qualified probationary Michigan vendor" means that term as defined in section 285 of the income tax act of 1967, 1967 PA 281, MCL 206.285.**

**(l) "Qualified production" means that term as defined in section 285 of the income tax act of 1967, 1967 PA 281, MCL 206.285.**

**(m) "Qualified production expenditure" means that term as defined in section 285 of the income tax act of 1967, 1967 PA 281, MCL 206.285.**

**(n) "State" means the state of Michigan.**

**(o) "Tax credit certificate" or "TCC" means that term as defined in section 285 of the income tax act of 1967, 1967 PA 281, MCL 206.285.**

**(p) "Tax credit program" means the tax credits under sections 285 and 677 of the income tax act of 1967, 1967 PA 281, MCL 206.285 and 206.677.**

Sec. 29a. (1) The Michigan film **and digital media** office is created in the fund. The office ~~shall be~~ **is** the successor to any authority, powers, duties, functions, or responsibilities of the Michigan film office under former section 21 of the history, arts, and libraries act, 2001 PA 63.

(2) The office may do all of the following:

(a) Promote and market locations, talent, crews, facilities, and technical production and other services related to ~~film, digital media, and television~~ **film and media** production in this state.

(b) Provide to interested persons descriptive and pertinent information on locations, talent, crews, facilities, and technical production and other services related to ~~film, digital media, and television~~ **film and media** production in this state.

(c) Provide technical assistance to the ~~film, television, and digital media~~ **film and media** industry in locating and securing the use of locations, talent, crews, facilities, and services in this state.

(d) Encourage community and Michigan ~~film, digital media, and television~~ **film and media** production industry participation in, and coordination with, state and local efforts to attract ~~film, digital media, and television~~ **film and media** production in this state.

(e) Serve as this state's chief liaison with the ~~film, digital media, and television~~ **film and media** production industry and with other governmental units and agencies for the purpose of promoting, encouraging, and facilitating ~~film, digital media, and television~~ **film and media** production in this state.

(f) Explain the benefits and advantages of producing ~~films, digital media, and television productions~~ **film and media** in this state.

(g) Assist ~~film, digital media, and television~~ **film and media** producers with securing location authorization and other appropriate services connected with ~~film, digital media, and television~~ **film and media** production in this state.

~~(h) Scout potential film locations for national and international film, digital media, and television prospects.~~

~~(i) Escort film, digital media, and television producers on location scouting trips.~~

~~(h) (j)~~ Serve as a liaison between ~~film, digital media, and television~~ *film and media* producers, state agencies, local agencies, federal agencies, community organizations and leaders, and the ~~film, digital media, and television~~ *film and media* industry in this state.

~~(i) (k)~~ Assist ~~film, digital media, and television~~ *film and media* producers in securing permits to film *or shoot* at specific locations in this state and in obtaining needed services related to ~~the film and media~~ production. ~~. of a film, digital media, or a television program.~~

~~(j) (l)~~ Represent this state at ~~film, digital media, and television~~ *film and media* industry trade shows and film festivals.

~~(k) (m)~~ Sponsor workshops or conferences on topics relating to filmmaking, including, but not limited to, screenwriting, film financing, and the preparation of communities to attract and assist ~~film, digital media, and television~~ *film and media* productions in this state.

~~(l) (n)~~ Encourage cooperation between local, state, and federal government agencies and local film offices in the location and production of ~~films, digital media, and television programming~~ *film and media* in this state.

~~(m) (o)~~ Coordinate activities with local film offices.

~~(n) (p)~~ Facilitate cooperation from state departments and agencies, local governments, local film offices, federal agencies, and private sector entities in the location and production of ~~films, digital media, and television programming~~ *film and media* in this state.

~~(o) (q)~~ Prepare, maintain, and distribute a directory of persons, firms, and governmental agencies available to assist in the production of ~~films, digital media, and television programming~~ *film and media* in this state.

~~(p) (r)~~ Prepare, maintain, and distribute a digital library depicting the variety and extent of the locations within this state for ~~film, digital media, and television~~ *film and media* productions.

~~(q) (s)~~ Prepare and distribute appropriate promotional and informational materials, *in a frequently asked question format and other formats*, that do all of the following:

( i) Describe desirable locations in this state for ~~film, digital media, and television~~ *film and media* production.

( ii) Explain the benefits and advantages of producing ~~films, digital media, and television productions~~ *film and media* in this state.

( iii) Detail services and assistance available from state government, ~~from~~ local film offices, and ~~from~~ the ~~film, digital media, and television~~ *film and media* industry in this state.

~~(r) (t)~~ Solicit and accept ~~gifts~~, grants, labor, loans, and other aid from any person, government, or entity. The film office shall disclose the identity and amount of all gifts, grants, and other donations on its website.

~~(s) (u)~~ Employ technical experts, other officers, agents, or employees, permanent or temporary, paid from the funds of the office. The office shall determine the qualifications, duties, and compensation of those the office employs.

~~(t) (v)~~ Contract for goods and services and engage personnel as necessary to perform the duties of the office under this chapter.

~~(u) (w)~~ Study, develop, and prepare reports or plans the office considers necessary to assist the office in the exercise of its powers under this chapter and to monitor and evaluate progress under this chapter.

~~(v) (x)~~ Exercise the duties and responsibilities vested in the office under this chapter and all of the following:

( i) Section 88d.

( ii) Section 88j(3)(e).

~~( iii) Section 4cc of the general sales tax act, 1933 PA 167, MCL 205.54cc.~~

~~( iv) Sections 455 to 459 of the Michigan business tax act, 2007 PA 36, MCL 208.1455 to 208.1459.~~

~~( y) Create and operate a film and digital media production assistance program to encourage film~~

~~and digital media production throughout this state as provided in section 29h.~~

*(iii) Sections 285 and 677 of the income tax act of 1967, 1967 PA 281, MCL 206.285 and 206.677.*

*(w) Do all of the following in connection with the tax credit program:*

*(i) Prescribe forms for applications, notifications, contracts, or other agreements.*

*(ii) Beginning on the effective date of the amendatory act that added section 29(p) and until the date that is 10 years after the effective date of the amendatory act that added section 29(p), accept applications, determine eligibility, and issue qualified production certificates for tax credits.*

*(iii) Work with applicants, qualified Michigan vendors, and other vendors to ensure that all qualified personnel expenditures and qualified production expenditures are paid.*

*(iv) Assist applicants pursuant to this chapter and sections 285 and 677 of the income tax act of 1967, 1967 PA 281, MCL 206.285 and 206.677, to promote, foster, and support qualified productions and the related job creation or retention within this state.*

*(v) Gather information and conduct inquiries, in the manner and by the methods the office considers appropriate, including, but not limited to, gathering all of the following information:*

*(A) Information required for the office to comply with this chapter and sections 285 and 677 of the income tax act of 1967, 1967 PA 281, MCL 206.285 and 206.677.*

*(B) Information regarding applicants that the office considers necessary or appropriate for the purpose of making any designations or certifications.*

*(C) Information to assist the office with any recommendations or guidance in furtherance of the purposes of this chapter and the tax credit program.*

*(D) Financial reports, returns, or other records relating to the applicant or the qualified production.*

*(vi) Require applicants, on written request, to issue any necessary authorization to the appropriate federal, state, or local authority for the release of information described in subparagraph (v).*

*(vii) Subject to appropriation, employ sufficient personnel for the administration, operation, and related support of the tax credit program and as required to adequately discharge the office's duties and responsibilities under this chapter and sections 285 and 677 of the income tax act of 1967, 1967 PA 281, MCL 206.285 and 206.677.*

*(viii) Require an applicant to keep proper books of record and accounts in accordance with generally accepted accounting principles consistently applied.*

*(ix) Require the books, records, and other documents related to the qualified production in the custody or control of the applicant to be open to reasonable inspection by the office for at least 1 year after the completion of the agreed-upon procedures as that term is defined in section 285 of the income tax act of 1967, 1967 PA 281, MCL 206.285. For purposes of this subparagraph, reasonable inspection includes, but is not limited to, both of the following:*

*(A) Making copies of the books, records, or other documents.*

*(B) The inspection or appraisal of any of the assets of the applicant or the qualified production.*

*(x) Take any actions that are necessary or appropriate to protect this state's interest in the event of bankruptcy, default, foreclosure, or noncompliance with the terms and conditions of the tax credit program or an agreement or contract under that program, including selling, leasing, or otherwise disposing of, on terms and conditions determined by the office to be appropriate, any real or personal property that the office receives as a result of the bankruptcy, default, foreclosure, or noncompliance.*

*(x) ~~(z)~~ All other things necessary or convenient to achieve the objectives and purposes of the office, this chapter, or other laws that relate to the purposes and responsibilities of the office.*

(3) The enumeration of a power in this chapter ~~shall does~~ not ~~be construed as a limitation upon~~ **limit** the general powers of the office. The powers granted under this chapter are in addition to those powers granted by any other law.

(4) The commissioner and the president of the fund shall cooperate in administering the budget, procurement, and related management functions of the office. The fund may provide the office with staff support and other services to assist the office in performing the functions and duties of the office.

(5) State departments, agencies, boards, commissions, and officers and local film offices shall cooperate with the office in the performance of the office's duties under this chapter.

Sec. 29b. (1) The head of the office ~~shall be is~~ the Michigan film commissioner. The commissioner ~~shall be is~~ a member of the state classified service. The terms and conditions of the employment of the commissioner ~~shall~~ **must** be governed by a senior executive service limited term employment agreement and the rules and regulations of the civil service commission governing the senior executive service. The term of the agreement ~~shall must~~ not exceed 2 years and ~~shall must~~ end on December 31 of an even-numbered year consistent with the rules and regulations of the civil service commission. The ~~governor shall be~~ **fund is** the appointing authority for the commissioner. Before entering ~~upon on~~ the duties of ~~his or her~~ office, the commissioner shall take and file the constitutional oath of office provided in section 1 of article XI of the state constitution of 1963.

(2) The commissioner shall serve as an advisor to the governor on matters relating to films and ~~other digital~~ **media**. The commissioner may report directly to the governor and the president of the fund on matters relating to the office, ~~to~~ the council, and ~~to films and digital media~~ **film and media productions** generally.

(3) The commissioner shall supervise, and ~~be is~~ responsible for, the performance of the functions of the office under this chapter. The commissioner shall perform all duties vested in the commissioner under the laws of this state. The commissioner shall consult with the president of the fund on activities of the office affecting the fund.

(4) The commissioner shall attend the meetings of the council and provide the council and the president of the fund with regular reports and other information describing the activities of the office.

(5) Except as otherwise provided in this chapter, the commissioner shall exercise ~~his or her~~ **the commissioner's** powers, duties, functions, and responsibilities under this chapter independently of the fund.

(6) The commissioner may promulgate rules under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, as the commissioner ~~deems considers~~ necessary to execute the duties and responsibilities of the office , **including, but not limited to, rules the commissioner considers necessary for the administration of the tax credit program.**

Sec. 29d. (1) The Michigan film promotion fund is created ~~within in~~ the state treasury.

(2) The state treasurer may receive money or other assets from any source for deposit ~~into in~~ the promotion fund, including federal funds, other state revenues, gifts, bequests, and other donations, including, but not limited to, ~~all both~~ of the following:

(a) Fees deposited in the promotion fund under **sections 455 to 459 of the Michigan business tax act, 2007 PA 36, MCL 208.1455 to 208.1459.** ~~sections 285 and 677 of the income tax act of 1967, 1967 PA 281, MCL 206.285 and 206.677.~~

(b) Proceeds deposited in the promotion fund under section 88d.

~~(c) Funds appropriated to create and operate the film and digital media production assistance program.~~

(3) The state treasurer shall direct the investment of **money in** the promotion fund and ~~shall credit to the promotion fund~~ interest and earnings from ~~promotion fund~~ **the** investments **to the promotion fund.**

(4) Money in the promotion fund at the close of a fiscal year shall ~~remain~~ **remains** in the promotion fund and ~~shall does~~ not lapse to the general fund.

(5) Money in the promotion fund may be expended, ~~upon on~~ appropriation, to support the functions of the office under this chapter and other applicable law and for purposes authorized under this chapter.

(6) Beginning October 1, 2011, the fund shall transfer to and deposit in the promotion fund all money appropriated for Michigan strategic fund - film incentive funding under section 1201 of **article VIII of** 2011 PA 63.

(7) For the fiscal year ending September 30, 2020 only, \$37,126,100.00 of the money in the Michigan film promotion fund is transferred to and must be deposited into the general fund.

Enacting section 1. Section 29h of the Michigan strategic fund act, 1984 PA 270, MCL 125.2029h, is repealed.

Enacting section 2. This amendatory act does not take effect unless Senate Bill No. \_\_\_\_\_ or House Bill No. 4908 (request no. 00305'23 \*) of the 102nd Legislature is enacted into law.