

# MN S 5289, Enacted

Minnesota

SUMMARY: Makes supplemental budget adjustments for the Department of Employment and Economic Development and Explore Minnesota; provides funding for, among other things, the Shakopee Area Workforce Development Scholarship Pilot Program and the Inspire Change Clinic health care fellowship program designed to create pathways to medicine for high school and college students interested in health care workforce career; provides funds to Explore Minnesota Tourism for a grant for the 2026 Special Olympics USA Games.~SAME AS: MN H 5205#

Changes in Bill text reflected as:

~~Text Deleted~~

*Text Added*

~~Text Vetoed~~

Current Legislative Status

04/03/2024 INTRODUCED.

04/04/2024 To SENATE Committee on JOBS AND ECONOMIC DEVELOPMENT.

04/18/2024 From SENATE Committee on JOBS AND ECONOMIC DEVELOPMENT: Do pass as amended.

04/18/2024 Rereferred to SENATE Committee on FINANCE.

04/25/2024 From SENATE Committee on FINANCE: Do pass as amended.

04/25/2024 In SENATE. Second Reading.

04/29/2024 Amended on SENATE floor.

04/29/2024 Passed SENATE. \*\*\*\*\*To HOUSE.

05/01/2024 Substituted for HOUSE Bill 5205

05/01/2024 In HOUSE. Second Reading.

05/01/2024 HOUSE Rule 1.21, placed on calendar for the day, Friday, May 3, 2024.

05/03/2024 Amended on HOUSE floor.

05/03/2024 Passed HOUSE. \*\*\*\*\*To SENATE for concurrence.

05/06/2024 SENATE refused to concur in HOUSE amendments.

05/06/2024 \*\*\*\*\*To CONFERENCE Committee.

05/18/2024 CONFERENCE Committee Report adopted by SENATE.

05/18/2024 CONFERENCE Committee Report adopted by HOUSE.

05/18/2024 Eligible for GOVERNOR'S desk.

05/22/2024 \*\*\*\*\*To GOVERNOR.

05/24/2024 Signed by GOVERNOR.

05/24/2024 Filed with Secretary of State. Chapter No. 120

~

session: Minnesota 93rd Regular Session

cite: 2023 MN S 5289

Enacted

May 24, 2024

Champion

**CHAPTER 120--S.F.No. 5289**

An act relating to state government; making supplemental appropriations for jobs and economic development; making various policy and technical changes; modifying occupational licensing requirements; modifying programs managed by the Department of Employment and Economic Development; modifying vocational rehabilitation programs; requiring reports; transferring money; appropriating money; amending Minnesota Statutes 2022, sections 116J.435, subdivisions 3, 4; 116J.5492, subdivision 2; 116J.8731, subdivision 10; 116J.8748, subdivision 1; 116M.18; 116U.26; 116U.27, subdivisions 5, 6; 155A.27, subdivision 2; 268.035, subdivision 20; 268A.11; 326.10, subdivision 8; Minnesota Statutes 2023 Supplement, sections 116J.682, subdivisions 1, 3; 116J.8733; 116J.8748, subdivisions 3, 4, 6; 116L.17, subdivision 1; 116L.43, subdivision 1; 116U.27, subdivisions 1, 4; 155A.2705, subdivision 3; Laws 2023, chapter 53, article 15, sections 32, subdivision 6; 33, subdivisions 4, 5; article 20, sections 2, subdivisions 1, 2, 3, 4, 6; 3; article 21, sections 6; 7; proposing coding for new law in Minnesota Statutes, chapter 116U; repealing Minnesota Statutes 2022, sections 116J.435, subdivision 5; 116J.439; 116L.17, subdivision 5.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

\*\*\*TEXT OMITTED, DOES NOT PERTAIN TO FILM\*\*\*

Sec. 4. ***EXPLORE MINNESOTA***

***(a) \$825,000 the second year is for Explore Minnesota Film. This appropriation is added to the Explore MN base in fiscal year 2026 and each year thereafter.***

\*\*\*TEXT OMITTED, DOES NOT PERTAIN TO FILM\*\*\*

(u) \$325,000 ***each the first*** year is for the Minnesota Film and TV Board. The appropriation ***each year*** is available only upon receipt by the board of \$1 in matching contributions of money or in-kind contributions from nonstate sources for every \$3 provided by this appropriation, except that ***each year*** up to \$50,000 is available on July 1 even if the required matching contribution has not been received by that date. ***This is a onetime appropriation.***

(v) \$12,000 each year is for a grant to the Upper Minnesota Film Office.

(w) \$500,000 ***each the first*** year is for a grant to the Minnesota Film and TV Board for the film production jobs program under Minnesota Statutes, section 116U.26. This appropriation is available until June 30, 2027. ***This is a onetime appropriation.***

\*\*\*TEXT OMITTED, DOES NOT PERTAIN TO FILM\*\*\*

\*\*\*TEXT OMITTED, DOES NOT PERTAIN TO FILM\*\*\*

Sec. 2. ***[116U.255] EXPLORE MINNESOTA FILM.***

***Subdivision 1. Office established; director. (a) Explore Minnesota Film is established as an office within Explore Minnesota.***

***(b) The director of Explore Minnesota shall appoint the director of Explore Minnesota Film. The director of Explore Minnesota Film must be qualified by experience with issues related to film and television production and economic development.***

***(c) The office may employ staff necessary to carry out the duties required in this section.***

***Subd. 2. Duties. The director of Explore Minnesota Film is authorized to:***

***(1) administer the film production jobs program and the film production credit program;***

***(2) promote Minnesota as a location for film and television production;***

***(3) assist in the establishment and implementation of programs related to film and television production, including but not limited to permitting and workforce development;***

***(4) improve communication among local, state, federal, and private entities regarding film and***

*television production logistics and best practices;*

*(5) coordinate the development of statewide policies addressing film and television production; and*

*(6) act as a liaison to production entities, workers, and state agencies.*

Sec. 3. **Minnesota Statutes 2022, section 116U.26, is amended to read:**

**116U.26 FILM PRODUCTION JOBS PROGRAM.**

(a) The film production jobs program is created. The program shall be operated by ~~the Minnesota Film and TV Board~~ *Explore Minnesota Film* with administrative oversight and control by the ~~commissioner of employment and economic development~~ *director of Explore Minnesota*. The program shall make payment to producers of feature films, national television or Internet programs, documentaries, music videos, and commercials that directly create new film jobs in Minnesota. To be eligible for a payment, a producer must submit documentation to ~~the Minnesota Film and TV Board~~ *Explore Minnesota Film* of expenditures for production costs incurred in Minnesota that are directly attributable to the production in Minnesota of a film product.

~~The Minnesota Film and TV Board~~ *Explore Minnesota Film* shall make recommendations to the ~~commissioner of employment and economic development~~ *director of Explore Minnesota* about program payment, but the ~~commissioner~~ *director* has the authority to make the final determination on payments. The ~~commissioner's~~ *director's* determination must be based on proper documentation of eligible production costs submitted for payments. No more than five percent of the funds appropriated for the program in any year may be expended for administration, including costs for independent audits and financial reviews of projects.

(b) For the purposes of this section:

(1) "production costs" means the cost of the following:

(i) a story and scenario to be used for a film;

(ii) salaries of talent, management, and labor, including payments to personal services corporations for the services of a performing artist;

(iii) set construction and operations, wardrobe, accessories, and related services;

(iv) photography, sound synchronization, lighting, and related services;

(v) editing and related services;

(vi) rental of facilities and equipment;

(vii) other direct costs of producing the film in accordance with generally accepted entertainment industry practice;

(viii) above-the-line talent fees for nonresident talent; or

(ix) costs incurred during postproduction; and

(2) "film" means a feature film, television or Internet pilot, program, series, documentary, music video, or television commercial, whether on film, video, or digital media. Film does not include news, current events, public programming, or a program that includes weather or market reports; a talk show; a production with respect to a questionnaire or contest; a sports event or sports activity; a gala presentation or awards show; a finished production that solicits funds; or a production for which the production company is required under United States Code, title 18, section 2257, to maintain records with respect to a performer portrayed in a single-media or multimedia program.

(c) Notwithstanding any other law to the contrary, ~~the Minnesota Film and TV Board~~ *Explore Minnesota Film* may make reimbursements of: (1) up to 25 percent of production costs for films that locate production outside the metropolitan area, as defined in section 473.121, subdivision 2, or that incur a minimum Minnesota expenditure of \$1,000,000 in the metropolitan area within a 12-month period; or (2) up to 20 percent of production costs for films that incur less than \$1,000,000 in Minnesota production costs in the metropolitan area within a 12-month period.

Sec. 4. **Minnesota Statutes 2023 Supplement, section 116U.27, subdivision 1, is amended to read:**

**Subdivision 1. Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Allocation certificate" means a certificate issued by the commissioner to a taxpayer upon receipt and approval of an initial application for a credit for a project that has not yet been completed.

(c) "Application" means the application for a credit under subdivision 4.

~~(d) "Commissioner" means the commissioner of employment and economic development.~~

~~(e) (d)~~ "Credit certificate" means a certificate issued by the commissioner upon receipt and approval of the cost verification report in subdivision 4, paragraph (e).

*(e) "Director" means the director of Explore Minnesota.*

(f) "Eligible production costs" means eligible production costs as defined in section 116U.26, paragraph (b), clause (1), incurred in Minnesota that are directly attributable to the production of a film project in Minnesota.

(g) "Film" has the meaning given in section 116U.26, paragraph (b), clause (2).

(h) "Project" means a film:

(1) that includes the promotion of Minnesota;

(2) for which the taxpayer has expended at least \$1,000,000 in any consecutive 12-month period beginning after expenditures are first paid in Minnesota for eligible production costs; and

(3) to the extent practicable, that employs Minnesota residents.

*Television commercials are exempt from the requirement under clause (1).*

(i) "Promotion of Minnesota" or "promotion" means visible display of a static or animated logo, approved by the ~~commissioner and lasting approximately five seconds~~ *director*, that promotes Minnesota within its presentation in the end credits ~~before the below the line crew crawl~~ for the life of the project.

**Sec. 5. Minnesota Statutes 2023 Supplement, section 116U.27, subdivision 4, is amended to read:**

**Subd. 4. Applications; allocations.** (a) To qualify for a credit under this section, a taxpayer must submit to the ~~commissioner~~ *director* an application for a credit in the form prescribed by the ~~commissioner~~ *director*, in consultation with the commissioner of revenue.

(b) Upon approving an application for a credit that meets the requirements of this section, the ~~commissioner~~ *director* shall issue allocation certificates that:

(1) verify eligibility for the credit;

(2) state the amount of credit anticipated for the eligible project, with the credit amount up to 25 percent of eligible project costs; and

(3) state the taxable year in which the credit is allocated.

~~The commissioner must consult with the Minnesota Film and TV Board prior to issuing an allocation certificate.~~

(c) The ~~commissioner~~ *director* must not issue allocation certificates for more than \$24,950,000 of credits each year. If the entire amount is not allocated in that taxable year, any remaining amount is available for allocation for the four following taxable years until the entire allocation has been made. The ~~commissioner~~ *director* must not award any credits for taxable years beginning after December 31, 2030, and any unallocated amounts cancel on that date.

(d) The ~~commissioner~~ *director* must allocate credits on a first-come, first-served basis.

(e) Upon completion of a project, the taxpayer shall submit to the ~~commissioner~~ *director* a report prepared by an independent certified public accountant licensed in the state of Minnesota to verify the amount of eligible production costs related to the project. The report must be prepared in accordance with generally accepted accounting principles. Upon receipt and approval of the cost verification report and other documents required by the ~~commissioner~~ *director*, the ~~commissioner~~ *director* shall determine the final amount of eligible production costs and issue a credit certificate to the taxpayer. The credit may not exceed the anticipated credit amount on the allocation certificate. If the credit is less than the anticipated amount on the allocation credit, the difference is returned to the amount available for allocation under paragraph (c). To claim the credit under section

290.06, subdivision 39, or 297I.20, subdivision 4, a taxpayer must include a copy of the credit certificate as part of the taxpayer's return.

**\*\*\*TEXT OMITTED, DOES NOT PERTAIN TO FILM\*\*\***