

MOTION PICTURE INCENTIVES AMENDMENTS

2024 GENERAL SESSION

STATE OF UTAH

LONG TITLE

General Description:

This bill addresses the Governor's Office of Economic Opportunity's issuance of motion picture incentives.

Highlighted Provisions:

This bill:

- repeals the sunset date that applies to certain motion picture incentives available only for rural productions;
requires the Legislature to conduct a biennial review of the motion picture incentives available only for rural productions; and
makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

63I-1-263, as last amended by Laws of Utah 2023, Chapters 33, 47, 104, 109, 139, 155, 212, 218, 249, 270, 448, 489, and 534

63N-8-103, as last amended by Laws of Utah 2023, Chapter 499

63N-8-105, as last amended by Laws of Utah 2021, Chapter 282

Be it enacted by the Legislature of the state of Utah:

Section 1. Section 63I-1-263 is amended to read:

63I-1-263. Repeal dates: Titles 63A to 63N.

(1) Subsection 63A-5b-405(5), relating to prioritizing and allocating capital improvement funding, is repealed July 1, 2024.

[(2) Section 63A-5b-1003, State Facility Energy Efficiency Fund, is repealed July 1,

33 ~~2023.]~~
34 ~~[(3) Sections 63A-9-301 and 63A-9-302, related to the Motor Vehicle Review~~
35 ~~Committee, are repealed July 1, 2023.]~~
36 ~~[(4) (2) Title 63C, Chapter 4a, Constitutional and Federalism Defense Act, is repealed~~
37 ~~July 1, 2028.~~
38 ~~[(5) (3) Title 63C, Chapter 6, Utah Seismic Safety Commission, is repealed January 1,~~
39 ~~2025.~~
40 ~~[(6) (4) Title 63C, Chapter 12, Snake Valley Aquifer Advisory Council, is repealed~~
41 ~~July 1, 2024.~~
42 ~~[(7) Title 63C, Chapter 17, Point of the Mountain Development Commission Act, is~~
43 ~~repealed July 1, 2023.]~~
44 ~~[(8) (5) Title 63C, Chapter 18, Behavioral Health Crisis Response Commission, is~~
45 ~~repealed December 31, 2026.~~
46 ~~[(9) (6) Title 63C, Chapter 23, Education and Mental Health Coordinating Council, is~~
47 ~~repealed July 1, 2026.~~
48 ~~[(10) (7) Title 63C, Chapter 27, Cybersecurity Commission, is repealed July 1, 2032.~~
49 ~~[(11) (8) Title 63C, Chapter 28, Ethnic Studies Commission, is repealed July 1, 2026.~~
50 ~~[(12) (9) Title 63C, Chapter 29, Domestic Violence Data Task Force, is repealed~~
51 ~~December 31, 2024.~~
52 ~~[(13) (10) Title 63C, Chapter 31, State Employee Benefits Advisory Commission, is~~
53 ~~repealed on July 1, 2028.~~
54 ~~[(14) (11) Section 63G-6a-805, which creates the Purchasing from Persons with~~
55 ~~Disabilities Advisory Board, is repealed July 1, 2026.~~
56 ~~[(15) (12) Title 63G, Chapter 21, Agreements to Provide State Services, is repealed~~
57 ~~July 1, 2028.~~
58 ~~[(16) (13) Title 63H, Chapter 4, Heber Valley Historic Railroad Authority, is repealed~~
59 ~~July 1, 2024.~~
60 ~~[(17) (14) Title 63H, Chapter 8, Utah Housing Corporation Act, is repealed July 1,~~
61 ~~2026.~~
62 ~~[(18) (15) Subsection 63J-1-602.2(25), related to the Utah Seismic Safety~~
63 ~~Commission, is repealed January 1, 2025.~~

64 ~~[(19)]~~ (16) Section 63L-11-204, creating a canyon resource management plan to Provo
65 Canyon, is repealed July 1, 2025.

66 ~~[(20)]~~ (17) Title 63L, Chapter 11, Part 4, Resource Development Coordinating
67 Committee, is repealed July 1, 2027.

68 ~~[(21)]~~ (18) In relation to the Utah Substance Use and Mental Health Advisory Council,
69 on January 1, 2033:

70 (a) Sections 63M-7-301, 63M-7-302, 63M-7-303, 63M-7-304, and 63M-7-306 are
71 repealed;

72 (b) Section 63M-7-305, the language that states "council" is replaced with
73 "commission";

74 (c) Subsection 63M-7-305(1)(a) is repealed and replaced with:

75 "(1) "Commission" means the Commission on Criminal and Juvenile Justice."; and

76 (d) Subsection 63M-7-305(2) is repealed and replaced with:

77 "(2) The commission shall:

78 (a) provide ongoing oversight of the implementation, functions, and evaluation of the
79 Drug-Related Offenses Reform Act; and

80 (b) coordinate the implementation of Section 77-18-104 and related provisions in
81 Subsections 77-18-103(2)(c) and (d)."

82 ~~[(22)]~~ (19) The Crime Victim Reparations and Assistance Board, created in Section
83 63M-7-504, is repealed July 1, 2027.

84 ~~[(23)]~~ (20) Title 63M, Chapter 7, Part 8, Sex Offense Management Board, is repealed
85 July 1, 2026.

86 ~~[(24)]~~ (21) Title 63M, Chapter 11, Utah Commission on Aging, is repealed July 1,
87 2026.

88 ~~[(25)]~~ (22) Title 63N, Chapter 1b, Part 4, Women in the Economy Subcommittee, is
89 repealed January 1, 2025.

90 ~~[(26)]~~ (23) Title 63N, Chapter 2, Part 2, Enterprise Zone Act, is repealed July 1, 2028.

91 ~~[(27)]~~ (24) Section 63N-2-512, related to the Hotel Impact Mitigation Fund, is repealed
92 July 1, 2028.

93 ~~[(28)]~~ (25) Title 63N, Chapter 3, Part 9, Strategic Innovation Grant Pilot Program, is
94 repealed July 1, 2027.

95 ~~[(29)]~~ (26) Title 63N, Chapter 3, Part 11, Manufacturing Modernization Grant
 96 Program, is repealed July 1, 2025.

97 ~~[(30)]~~ (27) In relation to the Rural Employment Expansion Program, on July 1, 2028:

98 (a) Title 63N, Chapter 4, Part 4, Rural Employment Expansion Program, is repealed;

99 and

100 (b) Subsection 63N-4-805(5)(b), referring to the Rural Employment Expansion
 101 Program, is repealed.

102 ~~[(31)]~~ (28) In relation to the Board of Tourism Development, on July 1, 2025:

103 (a) Subsection 63N-2-511(1)(b), which defines "tourism board," is repealed;

104 (b) Subsections 63N-2-511(3)(a) and (5), the language that states "tourism board" is
 105 repealed and replaced with "Utah Office of Tourism";

106 (c) Subsection 63N-7-101(1), which defines "board," is repealed;

107 (d) Subsection 63N-7-102(3)(c), which requires the Utah Office of Tourism to receive
 108 approval from the Board of Tourism Development, is repealed; and

109 (e) Title 63N, Chapter 7, Part 2, Board of Tourism Development, is repealed.

110 ~~[(32) Subsection 63N-8-103(3)(c), which allows the Governor's Office of Economic
 111 Opportunity to issue an amount of tax credit certificates only for rural productions, is repealed
 112 on July 1, 2024.]~~

113 Section 2. Section **63N-8-103** is amended to read:

114 **63N-8-103. Motion Picture Incentive Account created -- Cash rebate incentives --**
 115 **Refundable tax credit incentives.**

116 (1) (a) There is created within the General Fund a restricted account known as the
 117 Motion Picture Incentive Account, which the office shall use to provide cash rebate incentives
 118 for state-approved productions by a motion picture company.

119 (b) All interest generated from investment of money in the restricted account shall be
 120 deposited in the restricted account.

121 (c) The restricted account shall consist of an annual appropriation by the Legislature.

122 (d) The office shall:

123 (i) with the advice of the GO Utah board, administer the restricted account; and

124 (ii) make payments from the restricted account as required under this section.

125 (e) The cost of administering the restricted account shall be paid from money in the

126 restricted account.

127 (2) (a) A motion picture company or digital media company seeking disbursement of
128 an incentive allowed under an agreement with the office shall follow the procedures and
129 requirements of this Subsection (2).

130 (b) The motion picture company or digital media company shall provide the office with
131 an incentive request form, provided by the office, identifying and documenting the dollars left
132 in the state and new state revenues generated by the motion picture company or digital media
133 company for state-approved production, including any related tax returns by the motion picture
134 company, payroll company, digital media company, or loan-out corporation under Subsection
135 (2)(d).

136 (c) For a motion picture company, an independent certified public accountant shall:

137 (i) review the incentive request form submitted by the motion picture company; and

138 (ii) provide a report on the accuracy and validity of the incentive request form,
139 including the amount of dollars left in the state, in accordance with the agreed upon procedures
140 established by the office by rule.

141 (d) The motion picture company, digital media company, payroll company, or loan-out
142 corporation shall provide the office with a document that expressly directs and authorizes the
143 State Tax Commission to disclose the entity's tax returns and other information concerning the
144 entity that would otherwise be subject to confidentiality under Section 59-1-403 or Section
145 6103, Internal Revenue Code, to the office.

146 (e) The office shall submit the document described in Subsection (2)(d) to the State
147 Tax Commission.

148 (f) Upon receipt of the document described in Subsection (2)(d), the State Tax
149 Commission shall provide the office with the information requested by the office that the
150 motion picture company, digital media company, payroll company, or loan-out corporation
151 directed or authorized the State Tax Commission to provide to the office in the document
152 described in Subsection (2)(d).

153 (g) Subject to Subsection (3), for a motion picture company the office shall:

154 (i) review the incentive request form from the motion picture company described in
155 Subsection (2)(b) and verify that the incentive request form was reviewed by an independent
156 certified public accountant as described in Subsection (2)(c); and

157 (ii) based upon the independent certified public accountant's report under Subsection
158 (2)(c), determine the amount of the incentive that the motion picture company is entitled to
159 under the motion picture company's agreement with the office.

160 (h) Subject to Subsection (3), for a digital media company, the office shall:

161 (i) ensure the digital media project results in new state revenues; and

162 (ii) based upon review of new state revenues, determine the amount of the incentive
163 that a digital media company is entitled to under the digital media company's agreement with
164 the office.

165 (i) Subject to Subsection (3), if the incentive is in the form of a cash rebate, the office
166 shall pay the incentive from the restricted account to the motion picture company,
167 notwithstanding Subsections 51-5-3(23)(b) and 63J-1-105(6).

168 (j) If the incentive is in the form of a refundable tax credit under Section 59-7-614.5 or
169 59-10-1108, the office shall:

170 (i) issue a tax credit certificate to the motion picture company or digital media
171 company; and

172 (ii) provide a digital record of the tax credit certificate to the State Tax Commission.

173 (k) A motion picture company or digital media company may not claim a motion
174 picture tax credit under Section 59-7-614.5 or 59-10-1108 unless the motion picture company
175 or digital media company has received a tax credit certificate for the claim issued by the office
176 under Subsection (2)(j)(i).

177 (l) A motion picture company or digital media company may claim a motion picture
178 tax credit on the motion picture company's or the digital media company's tax return for the
179 amount listed on the tax credit certificate issued by the office.

180 (m) A motion picture company or digital media company that claims a tax credit under
181 Subsection (2)(l) shall retain the tax credit certificate and all supporting documentation in
182 accordance with Subsection 63N-8-104(6).

183 (3) (a) Subject to this Subsection (3), the office may issue \$6,793,700 in tax credit
184 certificates under this part in each fiscal year.

185 (b) For the fiscal year ending June 30, 2022, the office may issue \$8,393,700 in tax
186 credit certificates under this part.

187 (c) [~~For fiscal years 2023 and 2024, in~~] In addition to the amount of tax credit

188 certificates authorized under Subsection (3)(a), the office may, in each fiscal year that begins
189 on or after July 1, 2022, issue \$12,000,000 in tax credit certificates under this part only for
190 rural productions.

191 (d) If the office does not issue tax credit certificates in a fiscal year totaling the amount
192 authorized under this Subsection (3), the office may carry over that amount for issuance in
193 subsequent fiscal years.

194 Section 3. Section **63N-8-105** is amended to read:

195 **63N-8-105. Annual report -- Review by interim committee.**

196 (1) The office shall include the following information in the annual written report
197 described in Section 63N-1a-306:

198 ~~(1)~~ (a) the office's success in attracting within-the-state production of television
199 series, made-for-television movies, and motion pictures, including feature films and
200 independent films;

201 ~~(2)~~ (b) the amount of incentive commitments made by the office under this part and
202 the period of time over which the incentives will be paid; ~~and~~

203 ~~(3)~~ (c) the economic impact on the state related to:

204 ~~(a)~~ (i) dollars left in the state; and

205 ~~(b)~~ (ii) providing motion picture incentives under this part~~[-]~~; and

206 (d) any recommendations for legislative changes to the motion picture incentives
207 available only for rural productions under Subsection 63N-8-103(3)(c).

208 (2) (a) Beginning in 2025, and every two years thereafter, the Economic Development
209 and Workforce Services Interim Committee shall conduct a review of the motion picture
210 incentives available only for rural productions under Subsection 63N-8-103(3)(c).

211 (b) In a review under this Subsection (2), the Economic Development and Workforce
212 Services Interim Committee shall:

213 (i) study any recommendations provided by the office under Subsection (1)(d); and

214 (ii) if the Economic Development and Workforce Services Interim Committee decides
215 to recommend legislative action to the Legislature, prepare legislation for consideration by the
216 Legislature in the next general session.

217 Section 4. **Effective date.**

218 This bill takes effect on May 1, 2024.

