

Representative Jeffrey D. Stenquist proposes the following substitute bill:

MOTION PICTURE INCENTIVES AMENDMENTS

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jeffrey D. Stenquist

Senate Sponsor: Ronald M. Winterton

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;
- ▶ authorizes the Governor's Office of Economic Opportunity to issue tax credit certificates for rural productions in an amount determined in the preceding legislative session;
- ▶ 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:



26 AMENDS:

27 **63I-1-263**, as last amended by Laws of Utah 2023, Chapters 33, 47, 104, 109, 139, 155,
28 212, 218, 249, 270, 448, 489, and 534

29 **63N-8-103**, as last amended by Laws of Utah 2023, Chapter 499

30 **63N-8-105**, as last amended by Laws of Utah 2021, Chapter 282



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

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

34 **63I-1-263. Repeal dates: Titles 63A to 63N.**

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36 improvement funding, is repealed July 1, 2024.

37 [~~(2)~~ Section **63A-5b-1003**, State Facility Energy Efficiency Fund, is repealed July 1,
38 2023.]

39 [~~(3)~~ Sections **63A-9-301** and **63A-9-302**, related to the Motor Vehicle Review
40 Committee, are repealed July 1, 2023.]

41 [~~(4)~~ (2) Title 63C, Chapter 4a, Constitutional and Federalism Defense Act, is repealed
42 July 1, 2028.

43 [~~(5)~~ (3) Title 63C, Chapter 6, Utah Seismic Safety Commission, is repealed January 1,
44 2025.

45 [~~(6)~~ (4) Title 63C, Chapter 12, Snake Valley Aquifer Advisory Council, is repealed
46 July 1, 2024.

47 [~~(7)~~ Title 63C, Chapter 17, Point of the Mountain Development Commission Act, is
48 repealed July 1, 2023.]

49 [~~(8)~~ (5) Title 63C, Chapter 18, Behavioral Health Crisis Response Commission, is
50 repealed December 31, 2026.

51 [~~(9)~~ (6) Title 63C, Chapter 23, Education and Mental Health Coordinating Council, is
52 repealed July 1, 2026.

53 [~~(10)~~ (7) Title 63C, Chapter 27, Cybersecurity Commission, is repealed July 1, 2032.

54 [~~(11)~~ (8) Title 63C, Chapter 28, Ethnic Studies Commission, is repealed July 1, 2026.

55 [~~(12)~~ (9) Title 63C, Chapter 29, Domestic Violence Data Task Force, is repealed
56 December 31, 2024.

57 ~~[(13)]~~ (10) Title 63C, Chapter 31, State Employee Benefits Advisory Commission, is
58 repealed on July 1, 2028.

59 ~~[(14)]~~ (11) Section [63G-6a-805](#), which creates the Purchasing from Persons with
60 Disabilities Advisory Board, is repealed July 1, 2026.

61 ~~[(15)]~~ (12) Title 63G, Chapter 21, Agreements to Provide State Services, is repealed
62 July 1, 2028.

63 ~~[(16)]~~ (13) Title 63H, Chapter 4, Heber Valley Historic Railroad Authority, is repealed
64 July 1, 2024.

65 ~~[(17)]~~ (14) Title 63H, Chapter 8, Utah Housing Corporation Act, is repealed July 1,
66 2026.

67 ~~[(18)]~~ (15) Subsection [63J-1-602.2](#)(25), related to the Utah Seismic Safety
68 Commission, is repealed January 1, 2025.

69 ~~[(19)]~~ (16) Section [63L-11-204](#), creating a canyon resource management plan to Provo
70 Canyon, is repealed July 1, 2025.

71 ~~[(20)]~~ (17) Title 63L, Chapter 11, Part 4, Resource Development Coordinating
72 Committee, is repealed July 1, 2027.

73 ~~[(21)]~~ (18) In relation to the Utah Substance Use and Mental Health Advisory Council,
74 on January 1, 2033:

75 (a) Sections [63M-7-301](#), [63M-7-302](#), [63M-7-303](#), [63M-7-304](#), and [63M-7-306](#) are
76 repealed;

77 (b) Section [63M-7-305](#), the language that states "council" is replaced with
78 "commission";

79 (c) Subsection [63M-7-305](#)(1)(a) is repealed and replaced with:

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

81 (d) Subsection [63M-7-305](#)(2) is repealed and replaced with:

82 "(2) The commission shall:

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

85 (b) coordinate the implementation of Section [77-18-104](#) and related provisions in
86 Subsections [77-18-103](#)(2)(c) and (d)."

87 ~~[(22)]~~ (19) The Crime Victim Reparations and Assistance Board, created in Section

88 [63M-7-504](#), is repealed July 1, 2027.

89 ~~[(23)]~~ [\(20\)](#) Title 63M, Chapter 7, Part 8, Sex Offense Management Board, is repealed
90 July 1, 2026.

91 ~~[(24)]~~ [\(21\)](#) Title 63M, Chapter 11, Utah Commission on Aging, is repealed July 1,
92 2026.

93 ~~[(25)]~~ [\(22\)](#) Title 63N, Chapter 1b, Part 4, Women in the Economy Subcommittee, is
94 repealed January 1, 2025.

95 ~~[(26)]~~ [\(23\)](#) Title 63N, Chapter 2, Part 2, Enterprise Zone Act, is repealed July 1, 2028.

96 ~~[(27)]~~ [\(24\)](#) Section [63N-2-512](#), related to the Hotel Impact Mitigation Fund, is repealed
97 July 1, 2028.

98 ~~[(28)]~~ [\(25\)](#) Title 63N, Chapter 3, Part 9, Strategic Innovation Grant Pilot Program, is
99 repealed July 1, 2027.

100 ~~[(29)]~~ [\(26\)](#) Title 63N, Chapter 3, Part 11, Manufacturing Modernization Grant
101 Program, is repealed July 1, 2025.

102 ~~[(30)]~~ [\(27\)](#) In relation to the Rural Employment Expansion Program, on July 1, 2028:

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

105 (b) Subsection [63N-4-805\(5\)\(b\)](#), referring to the Rural Employment Expansion
106 Program, is repealed.

107 ~~[(31)]~~ [\(28\)](#) In relation to the Board of Tourism Development, on July 1, 2025:

108 (a) Subsection [63N-2-511\(1\)\(b\)](#), which defines "tourism board," is repealed;

109 (b) Subsections [63N-2-511\(3\)\(a\)](#) and (5), the language that states "tourism board" is
110 repealed and replaced with "Utah Office of Tourism";

111 (c) Subsection [63N-7-101\(1\)](#), which defines "board," is repealed;

112 (d) Subsection [63N-7-102\(3\)\(c\)](#), which requires the Utah Office of Tourism to receive
113 approval from the Board of Tourism Development, is repealed; and

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

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

118 Section 2. Section [63N-8-103](#) is amended to read:

119 **63N-8-103. Motion Picture Incentive Account created -- Cash rebate incentives --**
120 **Refundable tax credit incentives.**

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

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

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

127 (d) The office shall:

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

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

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

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

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

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

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

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

146 (d) The motion picture company, digital media company, payroll company, or loan-out
147 corporation shall provide the office with a document that expressly directs and authorizes the
148 State Tax Commission to disclose the entity's tax returns and other information concerning the
149 entity that would otherwise be subject to confidentiality under Section 59-1-403 or Section

150 6103, Internal Revenue Code, to the office.

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

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

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

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

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

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

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

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

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

173 (j) If the incentive is in the form of a refundable tax credit under Section 59-7-614.5 or
174 59-10-1108, the office shall:

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

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

178 (k) A motion picture company or digital media company may not claim a motion
179 picture tax credit under Section 59-7-614.5 or 59-10-1108 unless the motion picture company
180 or digital media company has received a tax credit certificate for the claim issued by the office

181 under Subsection (2)(j)(i).

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

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

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

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

192 ~~[(c) For fiscal years 2023 and 2024, in addition to the amount of tax credit certificates~~
193 ~~authorized under Subsection (3)(a), the office may issue \$12,000,000 in tax credit certificates~~
194 ~~under this part only for rural productions.]~~

195 (c) Beginning January 1, 2025, the office may issue tax credit certificates under this
196 part for rural productions in each calendar year in an amount determined in the immediately
197 proceeding legislative session.

198 ~~[(d) If the office does not issue tax credit certificates in a fiscal year totaling the~~
199 ~~amount authorized under this Subsection (3), the office may carry over that amount for~~
200 ~~issuance in subsequent fiscal years.]~~

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

202 **63N-8-105. Annual report -- Review by interim committee.**

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

205 ~~[(+)]~~ (a) the office's success in attracting within-the-state production of television
206 series, made-for-television movies, and motion pictures, including feature films and
207 independent films;

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

210 ~~[(3)]~~ (c) the economic impact on the state related to:

211 ~~[(a)]~~ (i) dollars left in the state; and

212 ~~(b)~~ (ii) providing motion picture incentives under this part[-]; and
213 (d) any recommendations for legislative changes to the motion picture incentives
214 available only for rural productions under Subsection [63N-8-103\(3\)\(c\)](#).

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

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

220 (i) study any recommendations provided by the office under Subsection (1)(d); and
221 (ii) if the Economic Development and Workforce Services Interim Committee decides
222 to recommend legislative action to the Legislature, prepare legislation for consideration by the
223 Legislature in the next general session.

224 Section 4. **Effective date.**

225 This bill takes effect on May 1, 2024.