Senator Ronald M. Winterton proposes the following substitute bill:

1	MOTION PICTURE INCENTIVES AMENDMENTS
2	2024 GENERAL SESSION
3	STATE OF UTAH
4	Chief Sponsor: Jeffrey D. Stenquist
5	Senate Sponsor: Ronald M. Winterton
6 7	LONG TITLE
8	General Description:
9	This bill addresses the Governor's Office of Economic Opportunity's issuance of motion
10	picture incentives.
11	Highlighted Provisions:
12	This bill:
13	 repeals the sunset date that applies to certain motion picture incentives available
14	only for rural productions;
15	 authorizes the Governor's Office of Economic Opportunity to issue tax credit
16	certificates for rural productions in an amount determined in the preceding
17	legislative session;
18	 requires the Legislature to conduct a biennial review of the motion picture
19	incentives available only for rural productions; and
20	 makes technical changes.
21	Money Appropriated in this Bill:
22	None
23	Other Special Clauses:
24	None
25	Utah Code Sections Affected:

AM	ENDS:
	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 i	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
imp	rovement funding, is repealed July 1, 2024.
	[(2) Section 63A-5b-1003, State Facility Energy Efficiency Fund, is repealed July 1,
202	3.]
	[(3) Sections 63A-9-301 and 63A-9-302, related to the Motor Vehicle Review
Con	nmittee, are repealed July 1, 2023.]
	[(4)] (2) Title 63C, Chapter 4a, Constitutional and Federalism Defense Act, is repealed
July	<i>r</i> 1, 2028.
	[(5)] (3) Title 63C, Chapter 6, Utah Seismic Safety Commission, is repealed January 1,
202	5.
	[(6)] (4) Title 63C, Chapter 12, Snake Valley Aquifer Advisory Council, is repealed
July	<i>v</i> 1, 2024.
	[(7) Title 63C, Chapter 17, Point of the Mountain Development Commission Act, is
repe	ealed July 1, 2023.]
	[(8)] <u>(5)</u> Title 63C, Chapter 18, Behavioral Health Crisis Response Commission, is
repe	ealed December 31, 2026.
	[(9)] <u>(6)</u> Title 63C, Chapter 23, Education and Mental Health Coordinating Council, is
repe	ealed July 1, 2026.
	[(10)] (7) Title 63C, Chapter 27, Cybersecurity Commission, is repealed July 1, 2032.
	[(11)] (8) Title 63C, Chapter 28, Ethnic Studies Commission, is repealed July 1, 2026.
	[(12)] (9) Title 63C, Chapter 29, Domestic Violence Data Task Force, is repealed
Dec	ember 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	July1, 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 (ii) provide a digital record of the tax credit certificate to the State Tax Commission. 177 178 (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	(1) 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)(1) 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 July 1, 2024, the office may issue tax credit certificates under this part
196	for rural productions in each fiscal 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 amount
199	authorized under this Subsection (3), the office may carry over that amount for issuance in
200	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	[(1)] (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	$\left[\frac{(2)}{(b)}\right]$ 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	$\left[\frac{(a)}{(a)}\right]$ (i) dollars left in the state; and

- 212 [(b)] (ii) providing motion picture incentives under this part[-]; and (d) any recommendations for legislative changes to the motion picture incentives 213 214 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). (b) In a review under this Subsection (2), the Economic Development and Workforce 218 Services Interim Committee shall: 219 220 (i) study any recommendations provided by the office under Subsection (1)(d); and (ii) if the Economic Development and Workforce Services Interim Committee decides 221 222 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 <u>This bill takes effect on May 1, 2024.</u>