

# Bill Text

]]]] LEGISLATURE OF THE STATE OF IDAHO ]]]]  
Fifty-ninth Legislature Second Regular Session - 2008

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 592

BY STATE AFFAIRS COMMITTEE

1 AN ACT  
2 RELATING TO THE FILM AND TELEVISION PRODUCTION BUSINESS REBATE FUND; AMENDING  
3 CHAPTER 47, TITLE 67, IDAHO CODE, BY THE ADDITION OF A NEW SECTION  
4 67-4728, IDAHO CODE, TO PROVIDE FOR THE FILM AND TELEVISION PRODUCTION  
5 BUSINESS REBATE FUND AND TO PROVIDE A PURPOSE FOR THE FUND, TO DEFINE  
6 TERMS, TO PROVIDE FOR INVESTMENT OF IDLE MONEYS IN THE FUND AND TO PROVIDE  
7 FOR RETURN TO THE FUND OF INTEREST EARNED, TO PROVIDE FOR REBATE APPLICA-  
8 TIONS, TO AUTHORIZE THE DIRECTOR OF THE DEPARTMENT OF COMMERCE TO PROMUL-  
9 GATE RULES, TO PROVIDE FOR EMPLOYMENT REQUIREMENTS FOR CERTIFIED PRODUC-  
10 TIONS, TO ESTABLISH A MAXIMUM REBATE, TO PROVIDE FOR WRITTEN AGREEMENT FOR  
11 REBATES AWARDED AND TO PROVIDE FOR AN ECONOMIC IMPACT EVALUATION BY THE  
12 DEPARTMENT OF COMMERCE; TO PROVIDE A SUNSET DATE AND TO DIRECT THE STATE  
13 CONTROLLER TO TRANSFER ANY UNEXPENDED OR UNOBLIGATED MONEYS IN THE FUND TO  
14 THE GENERAL FUND UPON SUNSET.

15 Be It Enacted by the Legislature of the State of Idaho:

16 SECTION 1. That Chapter 47, Title 67, Idaho Code, be, and the same is  
17 hereby amended by the addition thereto of a NEW SECTION, to be known and des-  
18 ignated as Section 67-4728, Idaho Code, and to read as follows:

19 67-4728. FILM AND TELEVISION PRODUCTION BUSINESS REBATE FUND. (1) There  
20 is hereby created in the state treasury the film and television production  
21 business rebate fund to which shall be credited all moneys that may be appro-  
22 priated, apportioned, allocated, paid back to the fund, or otherwise provided  
23 by law. The purpose of the fund is to stimulate new film and television pro-  
24 duction business expenditures in the state of Idaho. Moneys in the fund shall  
25 be used exclusively as provided for in this section.

26 (2) As used in this section:

27 (a) "Applicant" means a taxpayer that is a film or television production  
28 business that is operating a qualified production and that:

29 (i) Owns the copyrights in a qualified production throughout the  
30 Idaho production period; or

31 (ii) Has contracted directly with the person acting on behalf of the  
32 copyright owner to provide services for the production where the  
33 copyright owner is not an eligible production company.

34 (b) "Base investment" means the investment made and expended by a certi-  
35 fied production in Idaho as production expenditures incurred in Idaho that  
36 are directly used in a certified production or productions.

37 (c) "Certified production" means a qualified production selected by the  
38 department for a rebate from the fund.

39 (d) "Department" means the Idaho department of commerce.

40 (e) "Director" means the director of the Idaho department of commerce.

41 (f) "Fund" means the film and television production business rebate fund.

42 (g) "Production expenses" means those expenses eligible for a rebate from  
43 the fund and includes expenses for all production goods and services

1 including wages and salaries, construction, operations, editing, photogra-  
2 phy, sound synchronization, lighting, makeup, wardrobe and accessories,  
3 rental facilities and equipment, leasing of vehicles, food and lodging,  
4 digital or tape editing, film processing, sound mixing, special and visual  
5 effects, and music, if performed, composed or recorded by a musician who  
6 is a resident of Idaho and other reasonable in-state expenditures as  
7 defined in departmental rule. Production expenses do not include marketing  
8 and advertising costs, star salaries, producer and director salaries,  
9 script costs, any indirect costs, any amounts that are later reimbursed,  
10 any costs related to the transfer or rebates awarded under this section or  
11 any amounts that are paid to persons or entities as a result of their par-  
12 ticipation in profits from the production.

13 (h) "Qualified production" means a feature film, a television film, a  
14 commercial for a product or service, a documentary, a television pilot or  
15 each episode of a television series that spends a minimum of two hundred  
16 thousand dollars (\$200,000) on Idaho goods and services. A qualified pro-  
17 duction does not include a production featuring any of the following:  
18 news, current events, weather and market reports, public access television  
19 programming, infomercials, talk shows, game shows, sports shows or events,  
20 award shows or other gala events, a production that solicits funds, a pro-  
21 duction containing obscene material or a production primarily for private,  
22 political, industrial, corporate or institutional purposes.

23 (3) Moneys in the fund shall be invested by the state treasurer in the  
24 same manner as provided under section 67-1210, Idaho Code, with respect to  
25 other surplus or idle moneys in the state treasury. Interest earned on the  
26 investments shall be credited to the fund.

27 (4) Applicants may apply for a rebate from the fund by filling out an  
28 application and satisfying the department's criteria for a certified produc-  
29 tion prior to commencing work on the production. The rebate shall be calcu-  
30 lated as a percentage of total base investment dollars certified by the  
31 department per project. The rebate shall be earned at the time expenditures  
32 are made by a film or television or commercial production business in a certi-  
33 fied production.

34 (5) The director of the department may promulgate administrative rules in  
35 compliance with chapter 52, title 67, Idaho Code, to implement the provisions  
36 of this section.

37 (6) The following is required for all certified productions: Beginning on  
38 and after July 1, 2008, and ending June 30, 2010, certified productions shall  
39 ensure to the department that twenty percent (20%) of the crew working in  
40 Idaho on a certified production are Idaho residents as verified by a state  
41 certified driver's license or identification card. Beginning on and after July  
42 1, 2010, and ending on June 30, 2011, certified productions shall ensure to  
43 the department that twenty-five percent (25%) of the crew working in Idaho on  
44 a certified production are Idaho residents as verified by a state certified  
45 driver's license or identification card. Beginning on and after July 1, 2011,  
46 and ending on June 30, 2012, certified productions shall ensure to the depart-  
47 ment that thirty percent (30%) of the crew working in Idaho on a certified  
48 production are Idaho residents as verified by a state certified driver's  
49 license or identification card. Beginning on and after July 1, 2012, and end-  
50 ing on June 30, 2013, certified productions shall ensure to the department  
51 that thirty-five percent (35%) of the crew working in Idaho on a certified  
52 production are Idaho residents as verified by a state certified driver's  
53 license or identification card.

54 (7) The total amount of any rebate granted pursuant to this section may  
55 not exceed five hundred thousand dollars (\$500,000) nor twenty percent (20%)

1 of a qualified production's expenses.

2 (8) Any rebate awarded from the fund shall be awarded pursuant to a writ-  
3 ten agreement between the applicant and the department.

4 (9) The department shall evaluate the economic impact of rebates awarded  
5 from the fund. The evaluation shall include an assessment of the effectiveness  
6 of the program in creating and retaining new jobs in Idaho and of the revenue  
7 impact of the fund, and may include a review of the practices and experiences  
8 of other states or nations with similar programs. Upon completion of this  
9 evaluation, the department shall determine the overall success of the fund and  
10 may make a recommendation to extend, modify or not extend the fund based on  
11 this evaluation. The department shall submit to the legislature during the  
12 2014 regular legislative session a report that includes the following informa-  
13 tion:

14 (a) The economic impact of the rebate fund, including the number of jobs  
15 created and retained, including whether the job positions are entry level,  
16 management, talent related, vendor related or production related;

17 (b) The amount of film production spending brought to Idaho, including  
18 the amount of spending and type of Idaho vendors hired in connection with  
19 a certified production;

20 (c) Identification of each vendor that provided goods or services that  
21 were included in a certified production's Idaho spending; and

22 (d) The amount paid to each identified vendor by the certified produc-  
23 tion.

24 SECTION 2. The provisions of this act shall be null, void and of no force  
25 and effect on and after July 1, 2014. On July 1, 2014, or as soon thereafter  
26 as is practicable, the State Controller is hereby directed to transfer any  
27 unexpended or unobligated moneys remaining in the fund to the General Fund.