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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 626

02/14/2013 Authored by Lesch, Davids, Lillie, Hausman, Melin and others

The bill was read for the first time and referred to the Committee on Jobs and Economic Development Finance and Policy

1.1 A bill for an act
1.2 relating to economic development; appropriating money for the Minnesota Film
1.3 and TV Board; amending Minnesota Statutes 2012, section 116U.26.

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

1.5 Section 1. Minnesota Statutes 2012, section 116U.26, is amended to read:

1.6 **116U.26 FILM PRODUCTION JOBS PROGRAM.**

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

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

1.22 (b) For the purposes of this section:

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

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

- 2.1 (ii) salaries of talent, management, and labor, including payments to personal
 2.2 services corporations for the services of a performing artist;
- 2.3 (iii) set construction and operations, wardrobe, accessories, and related services;
- 2.4 (iv) photography, sound synchronization, lighting, and related services;
- 2.5 (v) editing and related services;
- 2.6 (vi) rental of facilities and equipment; ~~or~~
- 2.7 (vii) other direct costs of producing the film in accordance with generally accepted
 2.8 entertainment industry practice; ~~and~~
- 2.9 (viii) above-the-line talent fees for nonresident talent; or
- 2.10 (ix) costs incurred during postproduction; and

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

2.19 (c) Notwithstanding any other law to the contrary, the Minnesota Film and TV Board
 2.20 may make reimbursements of: (1) up to ~~20~~ 25 percent of ~~film~~ production costs for films that
 2.21 locate production outside the metropolitan area, as defined in section 473.121, subdivision
 2.22 2, or that incur production costs in excess of \$5,000,000 ~~in the metropolitan area~~ within a
 2.23 12-month period; or (2) up to ~~15~~ 20 percent of ~~film~~ production costs for films that incur
 2.24 production costs of \$5,000,000 or less in the metropolitan area within a 12-month period.

2.25 **EFFECTIVE DATE.** This section is effective the day following final enactment.

2.26 Sec. 2. **APPROPRIATION.**

2.27 \$10,000,000 in fiscal year 2014 is appropriated to the commissioner of employment
 2.28 and economic development for a grant to the Minnesota Film and TV Board for the film
 2.29 production jobs program under Minnesota Statutes, section 116U.26. This appropriation is
 2.30 available until expended.

2.31 **EFFECTIVE DATE.** This section is effective the day following final enactment.