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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. 2403

03/14/2017 Authored by Wills and McDonald
The bill was read for the first time and referred to the Committee on Legacy Funding Finance

1.1 A bill for an act
1.2 relating to legacy funding; creating the motion-picture investment incentive
1.3 program; appropriating money; proposing coding for new law in Minnesota
1.4 Statutes, chapter 116J.

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

1.6 Section 1. [116J.999] MOTION-PICTURE PRODUCTION INVESTMENT
1.7 INCENTIVE PROGRAM.

1.8 (a) The commissioner of employment and economic development shall enter into an
1.9 agreement with the Association of Minnesota Motion Pictures (AMMP), to establish and
1.10 administer a film production and investment incentive program to produce feature-length
1.11 films and television series in Minnesota. Upon entering into the agreement with AMMP,
1.12 the commissioner must transfer the full amount of any appropriation from the arts and
1.13 cultural heritage fund to AMMP for investment in production of feature-length films and
1.14 television series.

1.15 (b) An agreement between the commissioner and AMMP must provide that the earnings
1.16 for each investment are to be repaid to the commissioner of management and budget for
1.17 transfer to the arts and cultural heritage fund and after the initial investment has been repaid,
1.18 50 percent of future revenues and earnings from each film or television series are to be paid
1.19 to the commissioner of management and budget for transfer to the general fund. The
1.20 agreement between the commissioner and AMMP must:

1.21 (1) ensure that AMMP will have ownership claims on revenue from each film and
1.22 television series funded under this section that are not of lower priority than or less favorable

2.1 than those of any other creditor or investor and that AMMP will have preferred position
2.2 financing for each film or television series;

2.3 (2) specify the schedule and method for AMMP to repay money to the commissioner
2.4 of management and budget;

2.5 (3) provide that after the state's investment in a film or television series has been repaid
2.6 to the commissioner of management and budget, at least 50 percent of the revenue from the
2.7 film or television series received by AMMP is returned to the general fund; and

2.8 (4) specify that AMMP will provide an annual accounting to the commissioner of
2.9 employment and economic development of spending and investment of arts and cultural
2.10 heritage funds.

2.11 (c) A film or television series may receive funding under this section only if:

2.12 (1) the project has a final shooting script, final budget, and final schedule, with a producer,
2.13 a director, and the principal cast under contract;

2.14 (2) all funding for the project, other than funding to be provided under this section, is
2.15 in place and documented;

2.16 (3) the amount of funding requested under this section is not more than 50 percent of
2.17 the total direct budget for the project;

2.18 (4) the project has a documented distribution agreement in place, through a distributor
2.19 that AMMP determines is well-known and well respected in the motion picture industry;

2.20 (5) the applicant documents the Minnesota-based personnel, businesses, locations, and
2.21 other related activities that will be used in production;

2.22 (6) the applicant guarantees credits on the project and on all relevant publicity relating
2.23 to the project that acknowledges funding from the arts and cultural heritage fund;

2.24 (7) no more than six percent of the amount provided to AMMP under this section each
2.25 fiscal year is spent by AMMP for its administrative costs; and

2.26 (8) AMMP ensures that a majority of the funds allocated for each project is spent in the
2.27 state of Minnesota.

2.28 (d) Notwithstanding section 129D.17, subdivision 2, paragraph (f), AMMP may use
2.29 money appropriated from the arts and cultural heritage fund for projects and activities
2.30 necessary to the mission of AMMP outside of Minnesota.

3.1 Sec. 2. **APPROPRIATION.**

3.2 \$..... in fiscal year 2018 is appropriated from the arts and cultural heritage fund to the
3.3 commissioner of employment and economic development for a grant to the motion-picture
3.4 production investment incentive program under Minnesota Statutes, section 116J.999. The
3.5 commissioner must transfer the appropriation to AMMP pursuant to Minnesota Statutes,
3.6 section 116J.999, once an agreement has been signed.