

**MOTION PICTURE INCENTIVES AMENDMENTS**

2024 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Jeffrey D. Stenquist**

Senate Sponsor: \_\_\_\_\_

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**LONG TITLE**

**Committee Note:**

The Economic Development and Workforce Services Interim Committee recommended this bill.

Legislative Vote: 11 voting for 2 voting against 1 absent

**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;
- ▶ 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:**

AMENDS:



28 **63I-1-263**, as last amended by Laws of Utah 2023, Chapters 33, 47, 104, 109, 139, 155,  
29 212, 218, 249, 270, 448, 489, and 534

30 **63N-8-103**, as last amended by Laws of Utah 2023, Chapter 499

31 **63N-8-105**, as last amended by Laws of Utah 2021, Chapter 282



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

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

35 **63I-1-263. Repeal dates: Titles 63A to 63N.**

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37 improvement funding, is repealed July 1, 2024.

38 [~~(2) Section **63A-5b-1003**, State Facility Energy Efficiency Fund, is repealed July 1,~~  
39 ~~2023.~~]

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41 ~~Committee, are repealed July 1, 2023.~~]

42 [~~(4)~~ (2) Title 63C, Chapter 4a, Constitutional and Federalism Defense Act, is repealed  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

44 [~~(5)~~ (3) Title 63C, Chapter 6, Utah Seismic Safety Commission, is repealed January 1,  
45 2025.

46 [~~(6)~~ (4) Title 63C, Chapter 12, Snake Valley Aquifer Advisory Council, is repealed  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

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49 ~~repealed July 1, 2023.~~]

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51 repealed December 31, 2026.

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53 repealed July 1, 2026.

54 [~~(10)~~ (7) Title 63C, Chapter 27, Cybersecurity Commission, is repealed July 1, 2032.

55 [~~(11)~~ (8) Title 63C, Chapter 28, Ethnic Studies Commission, is repealed July 1, 2026.

56 [~~(12)~~ (9) Title 63C, Chapter 29, Domestic Violence Data Task Force, is repealed  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

58 [~~(13)~~ (10) Title 63C, Chapter 31, State Employee Benefits Advisory Commission, is

59 repealed on July 1, 2028.

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

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

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

66 ~~[(17)]~~ (14) Title 63H, Chapter 8, Utah Housing Corporation Act, is repealed July 1,  
67 2026.

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

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

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

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

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

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

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

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

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

83 "(2) The commission shall:

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

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

88 ~~[(22)]~~ (19) The Crime Victim Reparations and Assistance Board, created in Section  
89 [63M-7-504](#), is repealed July 1, 2027.

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

92 ~~[(24)]~~ (21) Title 63M, Chapter 11, Utah Commission on Aging, is repealed July 1,  
93 2026.

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

96 ~~[(26)]~~ (23) Title 63N, Chapter 2, Part 2, Enterprise Zone Act, is repealed July 1, 2028.

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

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

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

103 ~~[(30)]~~ (27) In relation to the Rural Employment Expansion Program, on July 1, 2028:

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

106 (b) Subsection 63N-4-805(5)(b), referring to the Rural Employment Expansion  
107 Program, is repealed.

108 ~~[(31)]~~ (28) In relation to the Board of Tourism Development, on July 1, 2025:

109 (a) Subsection 63N-2-511(1)(b), which defines "tourism board," is repealed;

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

112 (c) Subsection 63N-7-101(1), which defines "board," is repealed;

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

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

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

119 Section 2. Section 63N-8-103 is amended to read:

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

121 **Refundable tax credit incentives.**

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

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

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

128 (d) The office shall:

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

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

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

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

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

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

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

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

147 (d) The motion picture company, digital media company, payroll company, or loan-out  
148 corporation shall provide the office with a document that expressly directs and authorizes the  
149 State Tax Commission to disclose the entity's tax returns and other information concerning the  
150 entity that would otherwise be subject to confidentiality under Section 59-1-403 or Section  
151 6103, Internal Revenue Code, to the office.

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

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

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

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

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

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

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

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

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

174 (j) If the incentive is in the form of a refundable tax credit under Section 59-7-614.5 or  
175 59-10-1108, the office shall:

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

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

179 (k) A motion picture company or digital media company may not claim a motion  
180 picture tax credit under Section 59-7-614.5 or 59-10-1108 unless the motion picture company  
181 or digital media company has received a tax credit certificate for the claim issued by the office  
182 under Subsection (2)(j)(i).

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

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

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

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

193 (c) ~~[For fiscal years 2023 and 2024, in]~~ In addition to the amount of tax credit  
194 certificates authorized under Subsection (3)(a), the office may, in each fiscal year that begins  
195 on or after July 1, 2022, issue \$12,000,000 in tax credit certificates under this part only for  
196 rural productions.

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

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

201 **63N-8-105. Annual report -- Review by interim committee.**

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

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

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

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

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

211 ~~[(b)]~~ (ii) providing motion picture incentives under this part~~[-];~~ and

212 (d) any recommendations for legislative changes to the motion picture incentives  
213 available only for rural productions under Subsection 63N-8-103(3)(c).

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

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

219 (i) study any recommendations provided by the office under Subsection (1)(d); and

220 (ii) if the Economic Development and Workforce Services Interim Committee decides  
221 to recommend legislative action to the Legislature, prepare legislation for consideration by the  
222 Legislature in the next general session.

223 Section 4. **Effective date.**

224 This bill takes effect on May 1, 2024.