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HOUSE FILE NO. 3345

FIRST COMMITTEE ENGROSSMENT

February 21, 2008

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The bill was read for the first time and referred to the Committee on Finance

Referred by Chair to Minnesota Heritage Finance Division.

March 3, 2008

Returned to the Committee on Finance as Amended.

1.1 A bill for an act
1.2 relating to economic development; allowing Explore Minnesota Tourism to
1.3 provide a grant to the Minnesota Film and TV Board; allowing film production
1.4 costs reimbursements; appropriating money; amending Minnesota Statutes 2006,
1.5 section 116U.26.

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

1.7 Section 1. Minnesota Statutes 2006, section 116U.26, is amended to read:

1.8 **116U.26 FILM JOBS PRODUCTION PROGRAM.**

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

1.17 The Minnesota Film and TV Board shall make recommendations to the director of
1.18 Explore Minnesota Tourism about program payment, but the director has the authority to
1.19 make the final determination on payments. The director's determination must be based
1.20 on proper documentation of eligible production costs submitted for payments. No more
1.21 than five percent of the funds appropriated for the program in any year may be expended
1.22 for administration.

1.23 (b) For the purposes of this section:

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

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

2.10 (2) "film" means a movie, television show, documentary, music video, or television

2.11 commercial, whether on film or video. Film does not include news, current events, public

2.12 programming, or a program that includes weather or market reports; a talk show; a

2.13 production with respect to a questionnaire or contest; a sports event or sports activity; a

2.14 gala presentation or awards show; a finished production that solicits funds; or a production

2.15 for which the production company is required under United States Code, title 18, section

2.16 2257, to maintain records with respect to a performer portrayed in a single-media or

2.17 multimedia program.

2.18 (c) Notwithstanding any other law to the contrary, the Minnesota Film and TV Board

2.19 may make reimbursements of up to 20 percent of film production costs for films that incur

2.20 production costs in excess of \$5,000,000 in Minnesota within a 12-month period.

2.21 **EFFECTIVE DATE.** This section is effective for films that begin filming on or

2.22 after the day following final enactment.

2.23 Sec. 2. **MINNESOTA FILM AND TV BOARD GRANT.**

2.24 \$500,000 is appropriated from the special marketing account established pursuant

2.25 to Laws 2005, First Special Session chapter 1, article 3, section 6, to the director of

2.26 Explore Minnesota Tourism for a onetime grant to the Minnesota Film and TV Board

2.27 for the filming of a movie in Minnesota in 2008 and 2009. The grant is in addition to

2.28 any payments made for the same purpose from the film production jobs program under

2.29 Minnesota Statutes, section 116U.26. This appropriation is available until expended.

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