

WORKING DRAFT

HOUSE BILL NO. _____

Film production incentives.

Sponsored by: Representative(s) Berger

A BILL

for

1 AN ACT relating to economic development; creating the
 2 entertainment industry financial incentives program;
 3 authorizing incentives for qualified film productions;
 4 providing for administration of the program; providing
 5 penalties for false claims; providing an appropriation;
 6 providing a sunset for the program; and providing for an
 7 effective date.

8

9 *Be It Enacted by the Legislature of the State of Wyoming:*

10

11 **Section 1.** W.S. 9-12-402 through 9-12-407 are created

12 to read:

13

14 **9-12-402. Film industry financial incentive program;**

15 **creation.**

1

2 There is created the film industry financial incentive
3 program to encourage the use of this state as a site for
4 filming and providing production services for filmed
5 entertainment. The program shall be administered by the
6 business council.

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8 **9-12-403. Film industry financial incentive program;**
9 **definitions.**

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11 (a) As used in this article:

12

13 (i) "Filmed entertainment" means a motion
14 picture, television production, commercial or music video
15 to be sold or displayed in electronic medium motion
16 pictures;

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18 (ii) "Production costs" means the total cost of
19 producing filmed entertainment;

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21 (iii) "Program" means the film industry
22 financial incentive program created under this article;

23

1 (iv) "Qualified expenditures" mean expenditures
2 for goods purchased or leased or services purchased, leased
3 or employed from a vendor or supplier who is located and
4 doing business in this state if the expenditure was made in
5 this state and was made for a qualified production.
6 Qualified expenditures for which reimbursement may be made
7 are limited to:

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9 (A) Salaries and employment benefits for
10 services rendered in this state, except that the salaries
11 for the two (2) highest paid actors may not be reimbursed;

12

13 (B) Rents for real and personal property
14 located in this state used in the production;

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16 (C) Payments for pre-production,
17 production, post-production and digital media effects
18 services rendered in this state;

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20 (D) Costs of set construction rendered in
21 this state.

22

23 (v) "Qualified production" means filmed
24 entertainment totally or partially produced and filmed in

1 this state and which conveys a positive image of Wyoming
2 that would have widespread public appeal and would likely
3 encourage members of the public to visit the state.

4

5 **9-12-404. Film industry financial incentive program;**
6 **reimbursement eligibility; submission of required**
7 **documentation; payment.**

8

9 (a) The business council may contract with the makers
10 of a qualified production to provide a reimbursement of up
11 to fifteen percent (15%) of the production's qualified
12 expenditures if a minimum of five hundred thousand dollars
13 (\$500,000.00) in total qualified expenditures are made.

14

15 (b) The sum of all contractual obligations under this
16 section shall not exceed the total appropriation available
17 for the program for any fiscal biennium.

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19 (c) A qualified production applying for a payment
20 under this section shall submit documentation for claimed
21 qualified expenditures to the council.

22

23 **9-12-405. Film industry financial incentive program;**
24 **contract required; procedure; approval process.**

1

2 (a) The council may contract with any entity engaged
3 in this state in producing filmed entertainment for
4 reimbursement of qualified expenditures as provided in this
5 article. The council shall be provided information
6 required to determine if the production is a qualified
7 production and to determine the qualified expenditures,
8 production costs and other information necessary for the
9 council to determine both eligibility for and the
10 appropriate level of reimbursement. No reimbursement shall
11 be made unless the council has entered into an agreement
12 which provides for adequate consideration to the state in
13 exchange for the reimbursement provided. No reimbursement
14 of qualified expenditures shall be made by the council
15 until the qualified production is complete and
16 substantially all contractual commitments made to the
17 council have been fulfilled. If a qualified production is
18 not completed according to a reasonable schedule, the
19 contract shall be terminated and funds reallocated to other
20 qualified productions.

21

22 (b) The council shall establish a process by which a
23 contract under this article is formulated and executed and

1 reimbursement amounts are determined. The council shall
2 require information including, but not limited to:

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4 (i) Production related employment;

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6 (ii) Proposed total production budgets;

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8 (iii) Planned expenditures in this state which
9 are intended for use exclusively as an integral part of
10 pre-production, production or post-production activities
11 engaged in primarily in this state; and

12

13 (iv) A signed affidavit by a person authorized
14 to commit the entity that the information provided to the
15 council has been verified and is correct.

16

17 (d) The council shall not contract with any qualified
18 production for reimbursement of qualified expenditures
19 under this article unless the council determines that
20 adequate consideration to the state in exchange for the
21 reimbursement will be provided under the contract. The
22 reimbursement shall not exceed the amount of measurable
23 benefit gained by the state resulting from the qualified

1 production expenditures. The consideration may include but
2 is not limited to:

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4 (i) Providing a storyline that is set in
5 Wyoming;

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7 (ii) Providing additional Wyoming behind the
8 scenes footage;

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10 (iii) Using Wyoming props and product placement;
11 and

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13 (iv) Providing a clear statement in the credits
14 that the product was filmed in Wyoming.

15

16 **9-12-406. Film industry financial incentive program;**
17 **rules and regulations; fraudulent claims; reporting.**

18

19 (a) The council may adopt rules and regulations to
20 implement this article, including, but not limited to,
21 requirements for the contract process, records required for
22 submission for substantiation of reimbursement and
23 determination of and qualification for reimbursement.

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1 (b) An entity that obtains payment under this article
2 through a claim that is fraudulent is liable for
3 reimbursement of the amount paid plus an amount double the
4 payment plus reimbursement of reasonable costs. The
5 amounts under this subsection are in addition to any
6 criminal penalty for which the entity is liable for the
7 same acts. The entity shall also be liable for costs and
8 fees incurred by the state in investigating and prosecuting
9 the fraudulent claim.

10
11 (c) The council shall include in its an annual report
12 under W.S. 9-12-112, and shall report to the joint interim
13 travel, recreation, wildlife and cultural resources
14 committee by October 1 each year, expenditures under this
15 article and the return to the state on funds expended
16 pursuant to this article.

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18 **9-2-407. Sunset provision.**

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20 W.S. 9-2-402 through 9-2-406 are repealed effective June
21 30, 2011.

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1 **Section 2.** W.S. 9-12-104(a) by creating a new
2 paragraph (xxi) and 9-12-112(a) by creating a new paragraph
3 (v) are amended to read:

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5 **9-12-104. General powers and duties of the council.**

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7 (a) Except as otherwise limited by this act, the
8 council may:

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10 (xxi) Administer the film industry financial
11 incentive program as provided in W.S. 9-12-402 through
12 9-12-406.

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14 **9-12-112. Annual report and budget.**

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16 (a) The council shall submit an annual report in the
17 manner provided by W.S. 9-2-1014 and using the benchmarks
18 prescribed in this act. In addition to the requirements of
19 W.S. 9-2-1014, included within the annual report shall be:

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21 (v) A report of the film industry financial
22 incentive program as provided in W.S. 9-12-406.

23

1 **Section 3.** There is appropriated one million dollars
2 (\$1,000,000.00) from the general fund to the business
3 council for the fiscal period commencing July 1, 2007 and
4 ending June 30, 2008, for purposes of providing
5 entertainment industry financial incentive program
6 reimbursements authorized under this act.

7

8 **Section 4.** It is the purpose of this act to promote
9 economic development at the city, town and county level in
10 order to create additional economic health and a
11 diversified state economy, to provide promotion and public
12 visibility of Wyoming as a tourist or business destination,
13 to provide new employment opportunities within Wyoming for
14 Wyoming workers, to create the entertainment industry
15 financial incentives program and to authorize incentives
16 for qualified film productions.

17

18 **Section 5.** This act is effective July 1, 2007.

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20

(END)

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