

HOUSE BILL NO. HB0127

Film production incentives.

Sponsored by: Joint Travel, Recreation, Wildlife and
Cultural Resources Interim Committee

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.**

16

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

6

7 **9-12-403. Film industry financial incentive program;**
8 **definitions.**

9

10 (a) As used in this article:

11

12 (i) "Filmed entertainment" means any one (1)
13 motion picture, television production, commercial or music
14 video to be sold or displayed in electronic medium or film
15 motion pictures;

16

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

19

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

22

23 (iv) "Qualified expenditures" mean expenditures
24 for goods purchased or leased or services purchased, leased

1 or employed from a vendor or supplier who is located and
2 doing business in this state if the expenditure was made in
3 this state and was made for a qualified production.
4 Qualified expenditures for which reimbursement may be made
5 are limited to:

6

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

10

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

13

14 (C) Payments for preproduction, production,
15 post-production and digital media effects services rendered
16 in this state;

17

18 (D) Costs of set construction rendered in
19 this state.

20

21 (v) "Qualified production" means filmed
22 entertainment totally or partially produced and filmed in
23 this state that would have widespread public appeal and

1 would likely encourage members of the public to visit the
2 state of Wyoming.

3

4 **9-12-404. Film industry financial incentive program;**
5 **reimbursement eligibility; submission of required**
6 **documentation; payment.**

7

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

13

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

17

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

21

22 **9-12-405. Film industry financial incentive program;**
23 **contract required; procedure; approval process.**

24

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

20

21 (b) The council shall establish a process by which a
22 contract under this article is formulated and executed and
23 reimbursement amounts are determined. The council shall
24 require information including, but not limited to:

1

2 (i) Production related employment;

3

4 (ii) Proposed total production budgets;

5

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

10

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

14

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

24

1 (i) Providing a storyline that is set in
2 Wyoming;

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4 (ii) Providing additional Wyoming behind the
5 scenes footage;

6
7 (iii) Using Wyoming props and product placement;
8 and

9
10 (iv) Providing a clear statement in the credits
11 that the product was filmed in Wyoming.

12
13 **9-12-406. Film industry financial incentive program;**
14 **rules and regulations; fraudulent claims; reporting.**

15
16 (a) The council may adopt rules and regulations to
17 implement this article, including, but not limited to,
18 requirements for the contract process, requirements for
19 substantial completion of contractual commitments, records
20 required for submission for substantiation of reimbursement
21 and determination of and qualification for reimbursement.

22
23 (b) An entity that obtains payment under this article
24 through a claim that is fraudulent is liable for

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

8
9 (c) The council shall include in its annual report
10 under W.S. 9-12-112, and shall report to the joint travel,
11 recreation, wildlife and cultural resources interim
12 committee by October 1 each year, expenditures under this
13 article and the return to the state on funds expended
14 pursuant to this article.

15
16 **9-2-407. Sunset provision.**

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18 W.S. 9-2-402 through 9-2-406 are repealed effective June
19 30, 2011.

20
21 **Section 2.** W.S. 9-12-104(a) by creating a new
22 paragraph (xxi) and 9-12-112(a) by creating a new paragraph
23 (v) are amended to read:

1 **9-12-104. General powers and duties of the council.**

2

3 (a) Except as otherwise limited by this act, the
4 council may:

5

6 (xxi) Administer the film industry financial
7 incentive program as provided in W.S. 9-12-402 through
8 9-12-406.

9

10 **9-12-112. Annual report and budget.**

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

16

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

19

20 **Section 3.** There is appropriated one million dollars
21 (\$1,000,000.00) from the general fund to the business
22 council for the fiscal period commencing July 1, 2007 and
23 ending June 30, 2008, for purposes of providing
24 entertainment industry financial incentive program

1 reimbursements authorized under this act. Any money not
2 expended by June 30, 2008 shall not revert to the general
3 fund.

4

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

14

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

16

17 (END)