

House File 2662 - Introduced

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BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HSB 731)

A BILL FOR

1 An Act establishing the Iowa film production incentive program
2 and fund within the economic development authority.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 15.490 Iowa film production
2 incentive program.

3 1. As used in this section:

4 a. "Fund" means the Iowa film production incentive fund.

5 b. "Program" means the Iowa film production incentive
6 program.

7 c. "Qualified expenditure" means an allowed expense, as
8 determined by the authority by rule, that is incurred by a
9 qualified production facility on or after July 1, 2024, but
10 before July 1, 2026, for producing a qualified production.

11 d. "Qualified production" means a feature film, television
12 series, documentary, or unscripted series that is rated G, PG,
13 PG-13, or R by the classification and ratings administration of
14 the motion picture association of America or the TV parental
15 guidelines monitoring board.

16 e. "Qualified production facility" or "facility" means any
17 of the following:

18 (1) A dedicated studio located in this state at which
19 qualified productions can be produced.

20 (2) A studio located in this state at which all
21 preproduction and film production take place for a qualified
22 production filmed on location in this state.

23 2. a. The authority shall establish and administer an Iowa
24 film production incentive program for the purpose of providing
25 rebates to qualified production facilities for qualified
26 expenditures.

27 b. The authority shall establish eligibility criteria for
28 the program by rule.

29 (1) The eligibility criteria for qualified production
30 facilities must require that a facility have all of the
31 following:

32 (a) A soundstage with dimensions covering at least twelve
33 thousand five hundred square feet of floor space.

34 (b) A permanent grid system or an alternative rigging
35 support structure rated for overhead suspension, or on-site

1 resources for fly rigging.

2 (c) Production and postproduction sound rooms that are
3 sound treated to meet sound engineer-approved ambient noise
4 level ratings.

5 (d) Electric service from an electric utility, or
6 sufficient electric service that does not require use of an
7 electric generator.

8 (e) An agreement between the authority and the facility that
9 the phrase "filmed in Iowa" appears at the beginning of any
10 credits in the qualified production.

11 (2) The eligibility criteria for a qualified production
12 must include:

13 (a) A production budget of at least one million dollars and
14 evidence the production budget is fully funded.

15 (b) Availability to the public for viewing at a venue where
16 admission is charged, or availability for purchase, for rental,
17 or through a streaming service that requires a subscription.

18 (3) The eligibility criteria for qualified expenditures
19 must include the following:

20 (a) The requirements for substantiation of and submission
21 of expenses for industry standard activities including expenses
22 for cast members, equipment, studio production facilities,
23 hospitality services, certified public accountant services,
24 per diem payments, payments to businesses located in this
25 state, accommodations, and any other expenses allowed by the
26 authority. Qualified expenditures shall not include expenses
27 for entertainment, studio executive airfare, royalties, and
28 publicity for the qualified production.

29 (b) Written acknowledgment by the qualified production
30 facility that no qualified expenses were incurred prior to
31 approval of the application by the authority.

32 3. An application for a rebate under the program shall be
33 submitted by a qualified production facility to the authority
34 for approval in the form and manner prescribed by the authority
35 by rule.

1 4. *a.* If a qualified production facility's application
2 is approved by the authority, the maximum rebate paid to the
3 facility under the program shall equal thirty percent of the
4 facility's qualified expenditures excluding any sales, use, and
5 hotel and motel taxes paid.

6 *b.* Prior to disbursement of the rebate, a qualified
7 production facility shall submit all of the following to the
8 authority at the expense of the facility:

9 (1) An examination of the qualified expenditures completed
10 by a certified public accountant as defined in section 542.3 in
11 accordance with the currently effective statements on standards
12 for attestation engagements established by the American
13 institute of certified public accountants.

14 (2) A statement of the final amount of qualified
15 expenditures.

16 (3) Any other information the authority deems necessary to
17 ensure compliance with this section.

18 5. *a.* An Iowa film production incentive fund is created
19 in the state treasury under the control of the authority. The
20 fund shall consist of moneys appropriated to the authority and
21 any other moneys available to, obtained by, or accepted by the
22 authority for placement in the fund. The fund shall be used to
23 provide rebates under the program.

24 *b.* The cumulative value of rebates claimed each fiscal year
25 by qualified production facilities pursuant to this section
26 shall not exceed five million dollars.

27 *c.* Notwithstanding section 8.33, moneys in the fund
28 that remain unencumbered or unobligated at the close of the
29 fiscal year shall not revert but shall remain available for
30 expenditure for the purposes designated until the close of
31 the succeeding fiscal year. Notwithstanding section 12C.7,
32 interest or earnings on moneys in the fund shall be credited
33 to the fund.

34 6. The authority shall not use more than five percent of
35 the moneys in the fund at the beginning of each fiscal year for

1 purposes of administrative costs, technical assistance, and
2 other program support.

3 7. The authority shall adopt rules pursuant to chapter 17A
4 to administer this section.

5 8. This section is repealed July 1, 2026.

6 Sec. 2. CODE EDITOR DIRECTIVE. The Code editor shall
7 designate section 15.490, as enacted in this Act, as part 31
8 of chapter 15, subchapter II.

9

EXPLANATION

10 The inclusion of this explanation does not constitute agreement with
11 the explanation's substance by the members of the general assembly.

12 This bill establishes the Iowa film production incentive
13 program (program) and fund within the department of economic
14 development authority (authority).

15 The bill requires the authority to administer the program
16 for the purpose of providing rebates to qualified production
17 facilities for qualified expenditures incurred to produce a
18 qualified production.

19 The bill defines "qualified production" to mean a feature
20 film, television series, documentary, or unscripted series that
21 is rated G, PG, PG-13, or R by the motion picture film rating
22 system or by the TV parental guidelines monitoring board.

23 The bill defines "qualified production facility" (facility)
24 to mean a dedicated studio located in this state that is able
25 to produce qualified productions, or a studio located in this
26 state at which all preproduction and film production take place
27 for a qualified production filmed on location in this state.

28 The bill requires the authority to establish eligibility
29 criteria by rule.

30 The eligibility criteria for qualified production facilities
31 must require that a facility have a soundstage with dimensions
32 covering at least 12,500 square feet, a permanent grid system
33 or an alternative rigging support structure rated for overhead
34 suspension, production and postproduction sound rooms,
35 sufficient electric service that does not require use of an

1 electric generator, and an agreement between the authority and
2 the facility that the phrase "filmed in Iowa" appears at the
3 beginning of any credits.

4 The eligibility criteria for a qualified production must
5 include a fully funded production budget of at least \$1
6 million, and the qualified production must be made available to
7 the public for purchase.

8 The eligibility criteria for qualified expenditures
9 must include expenses for industry standard activities
10 for cast members, equipment, studio production facilities,
11 hospitality services, certified public accountant services,
12 per diem payments, payments to businesses located in this
13 state, accommodations, and any other expenses allowed by the
14 authority. Qualified expenditures do not include expenses
15 for entertainment, studio executive airfare, royalties, and
16 publicity for the qualified production. The eligibility
17 criteria for qualified expenditures must include a written
18 acknowledgment by the facility that no qualified expenses were
19 incurred prior to approval of the application by the authority.

20 Prior to disbursement of the rebate, the facility must
21 comply with additional requirements as detailed in the bill.

22 The bill provides that the rebate amount shall equal 30
23 percent of the gross amount of qualified expenditures incurred
24 to produce a qualified production excluding any sales, use, and
25 hotel and motel taxes paid.

26 The bill creates an Iowa film production incentive fund in
27 the state treasury under the control of the authority. The
28 fund shall consist of moneys appropriated to the authority and
29 any other moneys available to, obtained by, or accepted by the
30 authority for placement in the fund.

31 The cumulative value of rebates claimed pursuant to the bill
32 shall not exceed \$5 million per fiscal year.

33 The bill applies to qualified expenditures incurred between
34 July 1, 2024, but before July 1, 2026. The program is repealed
35 on July 1, 2026.