

House Study Bill 731 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL BY
CHAIRPERSON KAUFMANN)

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 January 1, 2025, but
10 before January 1, 2027, for producing a qualified production.

11 *d.* "*Qualified production*" means a feature film, television
12 series, documentary, or unscripted series that is rated G,
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 who are residents of this state, equipment,
23 studio production facilities, hospitality services, certified
24 public accountant services, per diem payments, payments to
25 businesses located in this state, accommodations, and any other
26 expenses allowed by the authority. Qualified expenditures
27 shall not include expenses for entertainment, studio executive
28 airfare, royalties, and 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.* All qualified expenditures submitted by the qualified
7 production facility to the authority shall be audited by a
8 certified public accountant located in Iowa, at the facility's
9 expense, and approved by the authority prior to disbursement
10 of the rebate by the authority.

11 5. *a.* An Iowa film production incentive fund is created
12 in the state treasury under the control of the authority. The
13 fund shall consist of moneys appropriated to the authority and
14 any other moneys available to, obtained by, or accepted by the
15 authority for placement in the fund. The fund shall be used to
16 provide rebates under the program.

17 *b.* The cumulative value of rebates claimed annually by
18 qualified production facilities pursuant to this section shall
19 not exceed five million dollars.

20 *c.* Notwithstanding section 8.33, moneys in the fund
21 that remain unencumbered or unobligated at the close of the
22 fiscal year shall not revert but shall remain available for
23 expenditure for the purposes designated until the close of
24 the succeeding fiscal year. Notwithstanding section 12C.7,
25 interest or earnings on moneys in the fund shall be credited
26 to the fund.

27 6. The authority shall not use more than five percent of
28 the moneys in the fund at the beginning of each fiscal year for
29 purposes of administrative costs, technical assistance, and
30 other program support.

31 7. The authority shall adopt rules pursuant to chapter 17A
32 to administer this section.

33 8. This section is repealed December 31, 2026.

34 Sec. 2. CODE EDITOR DIRECTIVE. The Code editor shall
35 designate section 15.490, as enacted in this Act, as part 31

1 of chapter 15, subchapter II.

2 EXPLANATION

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

5 This bill establishes the Iowa film production incentive
6 program (program) and fund within the department of economic
7 development authority (authority).

8 The bill requires the authority to administer the program
9 for the purpose of providing rebates to qualified production
10 facilities for qualified expenditures incurred to produce a
11 qualified production.

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

16 The bill defines "qualified production facility" (facility)
17 to mean a dedicated studio located in this state that is able
18 to produce qualified productions, or a studio located in this
19 state at which all preproduction and film production take place
20 for a qualified production filmed on location in this state.

21 The bill requires the authority to establish eligibility
22 criteria by rule.

23 The eligibility criteria for qualified production facilities
24 must require that a facility have a soundstage with dimensions
25 covering at least 12,500 square feet, a permanent grid system
26 or an alternative rigging support structure rated for overhead
27 suspension, production and postproduction sound rooms,
28 sufficient electric service that does not require use of an
29 electric generator, and an agreement between the authority and
30 the facility that the phrase "filmed in Iowa" appears at the
31 beginning of any credits.

32 The eligibility criteria for a qualified production must
33 include a fully funded production budget of at least \$1
34 million, and the qualified production must be made available to
35 the public for purchase.

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

14 The bill provides that the rebate amount shall equal 30
15 percent of the gross amount of qualified expenditures incurred
16 to produce a qualified production excluding any sales, use, and
17 hotel and motel taxes paid.

18 The bill creates an Iowa film production incentive fund in
19 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.

23 The cumulative value of rebates claimed annually pursuant to
24 the bill shall not exceed \$5 million.

25 The bill applies to qualified expenditures incurred between
26 January 1, 2025, but before January 1, 2027. The program is
27 repealed on December 31, 2026.