

**House File 2662 - Reprinted**

HOUSE FILE 2662

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HSB 731)

(As Amended and Passed by the House March 26, 2024)

**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 by qualified  
25 production facilities pursuant to this section shall not exceed  
26 ten 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.