

# HOUSE BILL NO. 5725

February 03, 2022, Introduced by Reps. O'Malley and Bolden and referred to the Committee on Commerce and Tourism.

A bill to amend 1984 PA 270, entitled "Michigan strategic fund act," by amending sections 29, 29a, 29b, and 29d (MCL 125.2029, 125.2029a, 125.2029b, and 125.2029d), sections 29 and 29b as added by 2008 PA 75, section 29a as amended by 2011 PA 291, and section 29d as amended by 2020 PA 199; and to repeal acts and parts of acts.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

- 1           Sec. 29. As used in this chapter:  
2           (a) "Applicant" means that term as defined in section 285 of

1 **the income tax act of 1967, 1967 PA 281, MCL 206.285.**

2 (b) ~~(a)~~—"Commissioner" means the Michigan film commissioner  
3 created in section 29b.

4 (c) ~~(b)~~—"Council" means the Michigan film office advisory  
5 council created in section 29c.

6 (d) ~~(e)~~—"Local film office" means an office, agency, bureau,  
7 or department of a political subdivision of this state that seeks  
8 to promote film production within the political subdivision and  
9 that is funded principally by the political subdivision.

10 (e) ~~(d)~~—"Office" means the Michigan film **and digital media**  
11 office created in section 29a.

12 (f) **"Postproduction costs" means that term as defined in**  
13 **section 285 of the income tax act of 1967, 1967 PA 281, MCL**  
14 **206.285.**

15 (g) ~~(e)~~—"Promotion fund" means the Michigan film promotion  
16 fund created under section 29d.

17 (h) **"Qualified direct production expenditure" means that term**  
18 **as defined in section 285 of the income tax act of 1967, 1967 PA**  
19 **281, MCL 206.285.**

20 (i) **"Qualified Michigan vendor" means that term as defined in**  
21 **section 285 of the income tax act of 1967, 1967 PA 281, MCL**  
22 **206.285.**

23 (j) **"Qualified personnel expenditure" means that term as**  
24 **defined in section 285 of the income tax act of 1967, 1967 PA 281,**  
25 **MCL 206.285.**

26 Sec. 29a. (1) The Michigan film **and digital media** office is  
27 created in the fund. The office shall be the successor to any  
28 authority, powers, duties, functions, or responsibilities of the  
29 Michigan film office under former section 21 of the history, arts,

1 and libraries act, 2001 PA 63.

2 (2) The office may do all of the following:

3 (a) Promote and market locations, talent, crews, facilities,  
4 and technical production and other services related to film,  
5 digital media, and television production in this state.

6 (b) Provide to interested persons descriptive and pertinent  
7 information on locations, talent, crews, facilities, and technical  
8 production and other services related to film, digital media, and  
9 television production in this state.

10 (c) Provide technical assistance to the film, television, and  
11 digital media industry in locating and securing the use of  
12 locations, talent, crews, facilities, and services in this state.

13 (d) Encourage community and Michigan film, digital media, and  
14 television production industry participation in, and coordination  
15 with, state and local efforts to attract film, digital media, and  
16 television production in this state.

17 (e) Serve as this state's chief liaison with the film, digital  
18 media, and television production industry and with other  
19 governmental units and agencies for the purpose of promoting,  
20 encouraging, and facilitating film, digital media, and television  
21 production in this state.

22 (f) Explain the benefits and advantages of producing films,  
23 digital media, and television productions in this state.

24 (g) Assist film, digital media, and television producers with  
25 securing location authorization and other appropriate services  
26 connected with film, digital media, and television production in  
27 this state.

28 ~~(h) Scout potential film locations for national and~~  
29 ~~international film, digital media, and television prospects.~~

1       ~~(i) Escort film, digital media, and television producers on~~  
2 ~~location scouting trips.~~

3       **(h)** ~~(j)~~ Serve as a liaison between film, digital media, and  
4 television producers, state agencies, local agencies, federal  
5 agencies, community organizations and leaders, and the film,  
6 digital media, and television industry in this state.

7       **(i)** ~~(k)~~ Assist film, digital media, and television producers  
8 in securing permits to film at specific locations in this state and  
9 in obtaining needed services related to the production of a film,  
10 digital media, or a television program.

11       **(j)** ~~(l)~~ Represent this state at film, digital media, and  
12 television industry trade shows and film festivals.

13       **(k)** ~~(m)~~ Sponsor workshops or conferences on topics relating to  
14 filmmaking, including, but not limited to, screenwriting, film  
15 financing, and the preparation of communities to attract and assist  
16 film, digital media, and television productions in this state.

17       **(l)** ~~(n)~~ Encourage cooperation between local, state, and federal  
18 government agencies and local film offices in the location and  
19 production of films, digital media, and television programming in  
20 this state.

21       **(m)** ~~(o)~~ Coordinate activities with local film offices.

22       **(n)** ~~(p)~~ Facilitate cooperation from state departments and  
23 agencies, local governments, local film offices, federal agencies,  
24 and private sector entities in the location and production of  
25 films, digital media, and television programming in this state.

26       **(o)** ~~(q)~~ Prepare, maintain, and distribute a directory of  
27 persons, firms, and governmental agencies available to assist in  
28 the production of films, digital media, and television programming  
29 in this state.

1           (**p**) ~~(r)~~—Prepare, maintain, and distribute a digital library  
2 depicting the variety and extent of the locations within this state  
3 for film, digital media, and television productions.

4           (**q**) ~~(s)~~—Prepare and distribute appropriate promotional and  
5 informational materials, **in a frequently asked question format and**  
6 **other formats**, that do all of the following:

7           (i) Describe desirable locations in this state for film,  
8 digital media, and television production.

9           (ii) Explain the benefits and **the** advantages of producing  
10 films, digital media, and television productions in this state.

11           (iii) Detail services and assistance available from state  
12 government, from local film offices, and from the film, digital  
13 media, and television industry in this state.

14           (**r**) ~~(t)~~—Solicit and accept gifts, grants, labor, loans, and  
15 other aid from any person, government, or entity. The ~~film~~-office  
16 shall disclose the identity and amount of all gifts, grants, and  
17 other donations on its website.

18           (**s**) ~~(u)~~—Employ technical experts, other officers, agents, or  
19 employees, permanent or temporary, paid from the funds of the  
20 office. The office shall determine the qualifications, duties, and  
21 compensation of those the office employs.

22           (**t**) ~~(v)~~—Contract for goods and services and engage personnel  
23 as necessary to perform the duties of the office under this  
24 chapter.

25           (**u**) ~~(w)~~—Study, develop, and prepare reports or plans the  
26 office considers necessary to assist the office in the exercise of  
27 its powers under this chapter and to monitor and evaluate progress  
28 under this chapter.

29           (**v**) ~~(x)~~—Exercise the duties and responsibilities vested in the

1 office under this chapter and all of the following:

2 (i) Section 88d.

3 (ii) Section 88j(3)(e).

4 ~~(iii) Section 4cc of the general sales tax act, 1933 PA 167, MCL~~  
5 ~~205.54cc.~~

6 ~~(iv) Sections 455 to 459 of the Michigan business tax act, 2007~~  
7 ~~PA 36, MCL 208.1455 to 208.1459.~~

8 ~~(y) Create and operate a film and digital media production~~  
9 ~~assistance program to encourage film and digital media production~~  
10 ~~throughout this state as provided in section 29h.~~

11 **(iii) Through December 31, 2032, determine eligibility, and**  
12 **issue qualified production certificates for tax credits under**  
13 **sections 285 and 677 of the income tax act of 1967, 1967 PA 281,**  
14 **MCL 206.285 and 206.677.**

15 **(w) Work with applicants, qualified Michigan vendors, and**  
16 **other vendors to ensure that all postproduction costs, qualified**  
17 **personnel expenditures, and direct production expenditures are**  
18 **paid.**

19 **(x) ~~(z)~~All other things necessary or convenient to achieve**  
20 **the objectives and purposes of the office, this chapter, or other**  
21 **laws that relate to the purposes and responsibilities of the**  
22 **office.**

23 (3) The enumeration of a power in this chapter shall not be  
24 construed as a limitation upon the general powers of the office.  
25 The powers granted under this chapter are in addition to those  
26 powers granted by any other law.

27 (4) The commissioner and the president of the fund shall  
28 cooperate in administering the budget, procurement, and related  
29 management functions of the office. The fund may provide the office

1 with staff support and other services to assist the office in  
2 performing the functions and duties of the office.

3 (5) State departments, agencies, boards, commissions, and  
4 officers and local film offices shall cooperate with the office in  
5 the performance of the office's duties under this chapter.

6 Sec. 29b. (1) The head of the office shall be the Michigan  
7 film commissioner. The commissioner shall be a member of the state  
8 classified service. **The film commissioner shall be certified as a**  
9 **film commissioner by the Association of Film Commissioners**  
10 **International or shall be on track to become certified within 6**  
11 **months of appointment.** The terms and conditions of the employment  
12 of the commissioner shall be governed by a senior executive service  
13 limited term employment agreement and the rules and regulations of  
14 the civil service commission governing the senior executive  
15 service. The term of the agreement shall not exceed 2 years and  
16 shall end on December 31 of an even-numbered year consistent with  
17 the rules and regulations of the civil service commission. The  
18 governor shall be the appointing authority for the commissioner.  
19 Before entering upon the duties of his or her office, the  
20 commissioner shall take and file the constitutional oath of office  
21 provided in section 1 of article XI of the state constitution of  
22 1963.

23 (2) The commissioner shall serve as an advisor to the governor  
24 on matters relating to films and other digital media. The  
25 commissioner may report directly to the governor and the president  
26 of the fund on matters relating to the office, to the council, and  
27 to films and digital media generally.

28 (3) The commissioner shall supervise, and be responsible for,  
29 the performance of the functions of the office under this chapter.

1 The commissioner shall perform all duties vested in the  
2 commissioner under the laws of this state. The commissioner shall  
3 consult with the president of the fund on activities of the office  
4 affecting the fund.

5 (4) The commissioner shall attend the meetings of the council  
6 and provide the council and the president of the fund with regular  
7 reports and other information describing the activities of the  
8 office.

9 (5) Except as otherwise provided in this chapter, the  
10 commissioner shall exercise his or her powers, duties, functions,  
11 and responsibilities under this chapter independently of the fund.

12 (6) The commissioner may promulgate rules under the  
13 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to  
14 24.328, as the commissioner deems necessary to execute the duties  
15 and responsibilities of the office.

16 Sec. 29d. (1) The Michigan film promotion fund is created  
17 within the state treasury.

18 (2) The state treasurer may receive money or other assets from  
19 any source for deposit into the promotion fund, including federal  
20 funds, other state revenues, gifts, bequests, and other donations,  
21 including, but not limited to, ~~all~~**both** of the following:

22 (a) Fees deposited in the promotion fund under ~~sections 455 to~~  
23 ~~459 of the Michigan business tax act, 2007 PA 36, MCL 208.1455 to~~  
24 ~~208.1459.~~**sections 285 and 677 of the income tax act of 1967, 1967**  
25 **PA 281, MCL 206.285 and 206.677.**

26 (b) Proceeds deposited in the promotion fund under section  
27 88d.

28 ~~(c) Funds appropriated to create and operate the film and~~  
29 ~~digital media production assistance program.~~

1           (3) The state treasurer shall direct the investment of the  
2 promotion fund and shall credit to the promotion fund interest and  
3 earnings from promotion fund investments.

4           (4) Money in the promotion fund at the close of a fiscal year  
5 shall remain in the promotion fund and shall not lapse to the  
6 general fund.

7           (5) Money in the promotion fund may be expended, upon  
8 appropriation, to support the functions of the office under this  
9 chapter and other applicable law and for purposes authorized under  
10 this chapter.

11           (6) Beginning October 1, 2011, the fund shall transfer to and  
12 deposit in the promotion fund all money appropriated for Michigan  
13 strategic fund - film incentive funding under section 1201 of 2011  
14 PA 63.

15           (7) For the fiscal year ending September 30, 2020 only,  
16 \$37,126,100.00 of the money in the Michigan film promotion fund is  
17 transferred to and must be deposited into the general fund.

18           Enacting section 1. Section 29h of the Michigan strategic fund  
19 act, 1984 PA 270, MCL 125.2029h, is repealed.