

# SENATE BILL No. 569

July 13, 2011, Introduced by Senators RICHARDVILLE, SMITH, MARLEAU, JANSEN, HILDENBRAND, WHITMER, BIEDA, GLEASON and NOFS and referred to the Committee on Economic Development.

A bill to amend 1984 PA 270, entitled "Michigan strategic fund act," by amending sections 29a and 29d (MCL 125.2029a and 125.2029d), as added by 2008 PA 75, and by adding section 29h.

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

1           Sec. 29a. (1) The Michigan film office is created in the fund.  
2 The office shall be the successor to any authority, powers, duties,  
3 functions, or responsibilities of the Michigan film office under  
4 **FORMER** section 21 of ~~the history, arts, and libraries act, 2001 PA~~  
5 ~~63. , MCL 399.721.~~

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

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

1 (b) Provide to interested persons descriptive and pertinent  
2 information on locations, talent, crews, facilities, and technical  
3 production and other services related to film, digital media, and  
4 television production in this state.

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

8 (d) Encourage community and Michigan film, digital media, and  
9 television production industry participation in, and coordination  
10 with, state and local efforts to attract film, digital media, and  
11 television production in this state.

12 (e) Serve as this state's chief liaison with the film, digital  
13 media, and television production industry and with other  
14 governmental units and agencies for the purpose of promoting,  
15 encouraging, and facilitating film, digital media, and television  
16 production in this state.

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

19 (g) Assist film, digital media, and television producers with  
20 securing location authorization and other appropriate services  
21 connected with film, digital media, and television production in  
22 this state.

23 (h) Scout potential film locations for national and  
24 international film, digital media, and television prospects.

25 (i) Escort film, digital media, and television producers on  
26 location scouting trips.

27 (j) Serve as a liaison between film, digital media, and

1 television producers, state agencies, local agencies, federal  
2 agencies, community organizations and leaders, and the film,  
3 digital media, and television industry in this state.

4 (k) Assist film, digital media, and television producers in  
5 securing permits to film at specific locations in this state and in  
6 obtaining needed services related to the production of a film,  
7 digital media, or a television program.

8 (l) Represent this state at film, digital media, and television  
9 industry trade shows and film festivals.

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

14 (n) Encourage cooperation between local, state, and federal  
15 government agencies and local film offices in the location and  
16 production of films, digital media, and television programming in  
17 this state.

18 (o) Coordinate activities with local film offices.

19 (p) Facilitate cooperation from state departments and  
20 agencies, local governments, local film offices, federal agencies,  
21 and private sector entities in the location and production of  
22 films, digital media, and television programming in this state.

23 (q) Prepare, maintain, and distribute a directory of persons,  
24 firms, and governmental agencies available to assist in the  
25 production of films, digital media, and television programming in  
26 this state.

27 (r) Prepare, maintain, and distribute a digital library

1 depicting the variety and extent of the locations within this state  
2 for film, digital media, and television productions.

3 (s) Prepare and distribute appropriate promotional and  
4 informational materials that do all of the following:

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

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

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

12 (t) Solicit and accept gifts, grants, labor, loans, and other  
13 aid from any person, government, or entity.

14 (u) Employ technical experts, other officers, agents, or  
15 employees, permanent or temporary, paid from the funds of the  
16 office. The office shall determine the qualifications, duties, and  
17 compensation of those the office employs.

18 (v) Contract for goods and services and engage personnel as  
19 necessary to perform the duties of the office under this chapter.

20 (w) Study, develop, and prepare reports or plans the office  
21 considers necessary to assist the office in the exercise of its  
22 powers under this chapter and to monitor and evaluate progress  
23 under this chapter.

24 (x) Exercise the duties and responsibilities vested in the  
25 office under this chapter and all of the following:

26 (i) Section 88d.

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

1 (iii) Section 4cc of the general sales tax act, 1933 PA 167, MCL  
2 205.54cc.

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

5 **(Y) CREATE AND OPERATE A FILM PRODUCTION ASSISTANCE PROGRAM AS**  
6 **PROVIDED IN SECTION 29H.**

7 **(Z) ~~(y)~~**—All other things necessary or convenient to achieve  
8 the objectives and purposes of the office, this chapter, or other  
9 laws that relate to the purposes and responsibilities of the  
10 office.

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

15 (4) The commissioner and the president of the fund shall  
16 cooperate in administering the budget, procurement, and related  
17 management functions of the office. The fund may provide the office  
18 with staff support and other services to assist the office in  
19 performing the functions and duties of the office.

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

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

25 (2) The state treasurer may receive money or other assets from  
26 any source for deposit into the promotion fund, including federal  
27 funds, other state revenues, gifts, bequests, and other donations,

1 including, but not limited to, all of the following:

2 (a) Fees deposited in the promotion fund under sections 455 to  
3 459 of the Michigan business tax act, 2007 PA 36, MCL 208.1455 to  
4 208.1459.

5 (b) Fees deposited in the promotion fund under section 367 of  
6 the income tax act of 1967, 1967 PA 281, MCL 206.367.

7 (c) Proceeds deposited in the promotion fund under section  
8 88d.

9 **(D) FUNDS APPROPRIATED TO CREATE AND OPERATE THE FILM**  
10 **PRODUCTION ASSISTANCE PROGRAM.**

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

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

17 (5) Money in the promotion fund may be expended, upon  
18 appropriation, to support the functions of the office under this  
19 chapter and other applicable law and for purposes authorized under  
20 this chapter.

21 **(6) BEGINNING OCTOBER 1, 2011, THE FUND SHALL TRANSFER TO AND**  
22 **DEPOSIT IN THE PROMOTION FUND ALL MONEY APPROPRIATED FOR MICHIGAN**  
23 **STRATEGIC FUND - FILM INCENTIVE FUNDING UNDER SECTION 1201 OF 2011**  
24 **PA 63.**

25 **SEC. 29H. (1) THE MICHIGAN FILM OFFICE SHALL CREATE AND**  
26 **OPERATE THE FILM PRODUCTION ASSISTANCE PROGRAM. THE FILM PRODUCTION**  
27 **ASSISTANCE PROGRAM MAY PROVIDE FUNDS TO ELIGIBLE PRODUCTION**

1 COMPANIES FOR DIRECT PRODUCTION EXPENDITURES, PERSONNEL  
2 EXPENDITURES, OR QUALIFIED PERSONNEL EXPENDITURES FOR STATE  
3 CERTIFIED QUALIFIED PRODUCTIONS.

4 (2) IF THE OFFICE RECEIVES APPLICATIONS THAT WOULD EXCEED WHAT  
5 THE OFFICE CAN AWARD IN ANY YEAR, THE OFFICE MAY PRIORITIZE THAT  
6 APPLICATION FOR FUNDING IN THE SUBSEQUENT YEAR.

7 (3) THE FILM PRODUCTION ASSISTANCE PROGRAM SHALL PROVIDE FOR  
8 ALL OF THE FOLLOWING:

9 (A) FUNDING SHALL BE PROVIDED ONLY TO REIMBURSE DIRECT  
10 PRODUCTION EXPENDITURES, PERSONNEL EXPENDITURES, OR QUALIFIED  
11 PERSONNEL EXPENDITURES.

12 (B) TO BE ELIGIBLE TO APPLY FOR FUNDING, THE ELIGIBLE  
13 PRODUCTION COMPANY SHALL HAVE DIRECT PRODUCTION EXPENDITURES OF  
14 \$50,000.00 OR MORE.

15 (C) FOR STATE CERTIFIED QUALIFIED PRODUCTION EXPENDITURES  
16 AFTER SEPTEMBER 30, 2011, AN AGREEMENT UNDER THIS SECTION SHALL  
17 PROVIDE FOR FUNDING EQUAL TO THE SUM OF THE FOLLOWING:

18 (i) QUALIFIED PERSONNEL EXPENDITURES AS FOLLOWS:

19 (A) 30% AFTER SEPTEMBER 30, 2011 AND BEFORE JANUARY 1, 2015.

20 (B) 25% AFTER DECEMBER 31, 2014.

21 (ii) 27% OF DIRECT PRODUCTION EXPENDITURES.

22 (iii) PERSONNEL EXPENDITURES AS FOLLOWS:

23 (A) 27% AFTER SEPTEMBER 30, 2011 AND BEFORE JANUARY 1, 2013.

24 (B) 22% AFTER DECEMBER 31, 2012 AND BEFORE JANUARY 1, 2014.

25 (C) 17% AFTER DECEMBER 31, 2013 AND BEFORE JANUARY 1, 2015.

26 (D) 12% AFTER DECEMBER 31, 2014.

27 (iv) IN ADDITION TO THE EXPENDITURES DESCRIBED IN SUBPARAGRAPHS

1 (i), (ii), AND (iii), 5% OF DIRECT PRODUCTION EXPENDITURES AND  
2 QUALIFIED PERSONNEL EXPENDITURES AT A QUALIFIED FACILITY.

3 (v) IN ADDITION TO THE EXPENDITURES DESCRIBED IN SUBPARAGRAPHS  
4 (i), (ii), AND (iii), 2% OF DIRECT PRODUCTION EXPENDITURES AND  
5 QUALIFIED PERSONNEL EXPENDITURES AT A FACILITY.

6 (D) PAYMENTS AND COMPENSATION FOR ALL PRODUCERS OF A QUALIFIED  
7 PRODUCTION RESIDING IN THIS STATE SHALL NOT EXCEED 10% OF THE  
8 DIRECT PRODUCTION EXPENDITURES AND QUALIFIED PERSONNEL EXPENDITURES  
9 FOR THE QUALIFIED PRODUCTION.

10 (E) PAYMENTS AND COMPENSATION FOR ALL PRODUCERS OF A QUALIFIED  
11 PRODUCTION WHO ARE NOT RESIDENTS OF THIS STATE SHALL NOT EXCEED 5%  
12 OF THE DIRECT PRODUCTION EXPENDITURES AND QUALIFIED PERSONNEL  
13 EXPENDITURES FOR THE QUALIFIED PRODUCTION.

14 (F) IF THE OFFICE AWARDS FUNDING FOR A TELEVISION SHOW,  
15 APPLICATIONS IN SUBSEQUENT YEARS FOR THAT SAME TELEVISION SHOW  
16 SHALL RECEIVE A PRIORITY FOR FUNDING UNDER THIS SECTION.

17 (G) AS A SEPARATE AND DISTINCT PART OF THE FILM PRODUCTION  
18 ASSISTANCE PROGRAM, THE OFFICE MAY CREATE A PROGRAM TO DIRECTLY  
19 SUPPORT AND PROMOTE QUALIFIED PRODUCTION FACILITIES.

20 (4) AN ELIGIBLE PRODUCTION COMPANY INTENDING TO PRODUCE A  
21 QUALIFIED PRODUCTION IN THIS STATE MAY SUBMIT AN APPLICATION FOR  
22 FUNDING UNDER THIS SECTION TO THE MICHIGAN FILM OFFICE. THE REQUEST  
23 SHALL BE SUBMITTED IN A FORM PRESCRIBED BY THE OFFICE AND SHALL BE  
24 ACCOMPANIED BY AN APPLICATION FEE EQUAL TO 0.2% OF THE FUNDING  
25 REQUESTED BUT NOT LESS THAN \$200.00 AND NOT MORE THAN \$5,000.00 AND  
26 ALL OF THE INFORMATION AND RECORDS REQUESTED BY THE OFFICE. AN  
27 APPLICATION FEE RECEIVED BY THE OFFICE UNDER THIS SUBSECTION SHALL



1 BE DEPOSITED IN THE MICHIGAN FILM PROMOTION FUND. THE OFFICE SHALL  
2 NOT PROCESS THE APPLICATION UNTIL IT IS COMPLETE. THE OFFICE SHALL  
3 PROCESS EACH APPLICATION WITHIN 60 DAYS AFTER THE APPLICATION IS  
4 COMPLETE. AS PART OF THE APPLICATION, THE COMPANY SHALL ESTIMATE  
5 DIRECT PRODUCTION EXPENDITURES, PERSONNEL EXPENDITURES, AND  
6 QUALIFIED PERSONNEL EXPENDITURES FOR AN IDENTIFIED QUALIFIED  
7 PRODUCTION. IF THE OFFICE DETERMINES TO AWARD FUNDING UNDER THIS  
8 SECTION TO AN ELIGIBLE PRODUCTION COMPANY, THE OFFICE WITH THE  
9 CONCURRENCE OF THE FUND PRESIDENT SHALL ENTER INTO AN AGREEMENT  
10 UNDER THIS SECTION. THE AGREEMENT SHALL PROVIDE FOR ALL OF THE  
11 FOLLOWING:

12 (A) A REQUIREMENT THAT THE ELIGIBLE PRODUCTION COMPANY  
13 COMMENCE WORK IN THIS STATE ON THE IDENTIFIED QUALIFIED PRODUCTION  
14 WITHIN 90 DAYS OF THE DATE OF THE AGREEMENT OR ELSE THE AGREEMENT  
15 SHALL EXPIRE. HOWEVER, UPON REQUEST SUBMITTED BY THE COMPANY BASED  
16 ON GOOD CAUSE, THE OFFICE MAY EXTEND THE PERIOD FOR COMMENCEMENT OF  
17 WORK IN THIS STATE FOR UP TO AN ADDITIONAL 90 DAYS.

18 (B) A STATEMENT IDENTIFYING THE COMPANY AND THE QUALIFIED  
19 PRODUCTION THAT THE COMPANY INTENDS TO PRODUCE IN WHOLE OR IN PART  
20 IN THIS STATE.

21 (C) A UNIQUE NUMBER ASSIGNED TO THE QUALIFIED PRODUCTION BY  
22 THE OFFICE.

23 (D) A REQUIREMENT THAT THE QUALIFIED PRODUCTION NOT DEPICT  
24 OBSCENE MATTER OR AN OBSCENE PERFORMANCE.

25 (E) IF THE QUALIFIED PRODUCTION IS A LONG-FORM NARRATIVE FILM  
26 PRODUCTION, A REQUIREMENT THAT THE QUALIFIED PRODUCTION INCLUDE  
27 WITHIN ITS PRESENTATION AND ALL PROMOTIONAL TRAILERS WORLDWIDE FOR

1 THE LIFE OF THE QUALIFIED PRODUCTION AN APPROXIMATELY 5-SECOND-LONG  
2 ANIMATION IN A FORM APPROVED BY THE OFFICE THAT PROMOTES THE PURE  
3 MICHIGAN TOURISM CAMPAIGN OR ANY SUCCESSOR CAMPAIGN. IF THE  
4 QUALIFIED PRODUCTION IS A TELEVISION SHOW, A REQUIREMENT THAT THE  
5 QUALIFIED PRODUCTION INCLUDE WITHIN EACH BROADCAST OF 30 MINUTES OR  
6 LONGER AN APPROXIMATELY 5-SECOND-LONG ANIMATION IN A FORM APPROVED  
7 BY THE OFFICE THAT PROMOTES THE PURE MICHIGAN TOURISM CAMPAIGN OR  
8 ANY SUCCESSOR CAMPAIGN. IF THE QUALIFIED PRODUCTION IS A MUSIC  
9 VIDEO, A REQUIREMENT THAT THE MUSIC VIDEO INCLUDE AN ANIMATION IN A  
10 FORM APPROVED BY THE OFFICE THAT PROMOTES THE PURE MICHIGAN TOURISM  
11 CAMPAIGN OR ANY SUCCESSOR CAMPAIGN. IF THE QUALIFIED PRODUCTION IS  
12 AN INTERACTIVE GAME, A REQUIREMENT THAT THE QUALIFIED PRODUCTION  
13 INCLUDE WITH EACH UNIT DISTRIBUTED AND ONLINE PROMOTIONS AN  
14 ANIMATION APPROXIMATELY 15 SECONDS LONG IN A FORM APPROVED BY THE  
15 OFFICE THAT PROMOTES THE PURE MICHIGAN TOURISM CAMPAIGN OR ANY  
16 SUCCESSOR CAMPAIGN. IF THE QUALIFIED PRODUCTION IS A LONG-FORM  
17 NARRATIVE FILM PRODUCTION, THE OFFICE ALSO MAY REQUIRE THAT, IF THE  
18 QUALIFIED PRODUCTION IS DISTRIBUTED BY DIGITAL VIDEO DISC OR OTHER  
19 DIGITAL MEDIA FOR THE SECONDARY MARKET, THE QUALIFIED PRODUCTION  
20 INCLUDE A VIDEO BETWEEN 30 AND 60 SECONDS LONG IN A FORM APPROVED  
21 BY THE OFFICE THAT PROMOTES THE PURE MICHIGAN TOURISM CAMPAIGN OR  
22 ANY SUCCESSOR CAMPAIGN.

23 (F) A REQUIREMENT THAT THE COMPANY PROVIDE THE OFFICE WITH THE  
24 INFORMATION AND INDEPENDENT CERTIFICATION THE OFFICE DEEMS  
25 NECESSARY TO VERIFY DIRECT PRODUCTION EXPENDITURES, PERSONNEL  
26 EXPENDITURES, QUALIFIED PERSONNEL EXPENDITURES, AND ELIGIBILITY FOR  
27 FUNDING UNDER THIS SECTION, WHICH MAY INCLUDE A REPORT OF DIRECT

1 PRODUCTION EXPENDITURES, PERSONNEL EXPENDITURES, AND QUALIFIED  
2 PERSONNEL EXPENDITURES FOR THE QUALIFIED PRODUCTION AUDITED AND  
3 CERTIFIED BY AN INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT.

4 (G) IF DETERMINED TO BE NECESSARY BY THE OFFICE, A PROVISION  
5 FOR ADDRESSING EXPENDITURES IN EXCESS OF THOSE IDENTIFIED IN THE  
6 AGREEMENT.

7 (5) IN DETERMINING WHETHER TO AWARD FUNDING UNDER THIS  
8 SECTION, THE MICHIGAN FILM OFFICE SHALL CONSIDER ALL OF THE  
9 FOLLOWING:

10 (A) THE POTENTIAL THAT, IN THE ABSENCE OF FUNDING, THE  
11 QUALIFIED PRODUCTION WILL BE PRODUCED IN A LOCATION OTHER THAN THIS  
12 STATE.

13 (B) THE EXTENT TO WHICH THE QUALIFIED PRODUCTION MAY HAVE THE  
14 EFFECT OF PROMOTING THIS STATE AS A TOURIST DESTINATION.

15 (C) THE EXTENT TO WHICH THE QUALIFIED PRODUCTION MAY HAVE THE  
16 EFFECT OF PROMOTING ECONOMIC DEVELOPMENT OR JOB CREATION IN THIS  
17 STATE.

18 (D) THE EXTENT TO WHICH STATE FUNDING WILL ATTRACT PRIVATE  
19 INVESTMENT FOR THE PRODUCTION OF QUALIFIED PRODUCTIONS IN THIS  
20 STATE.

21 (E) THE RECORD OF THE ELIGIBLE PRODUCTION COMPANY IN  
22 COMPLETING COMMITMENTS TO ENGAGE IN A QUALIFIED PRODUCTION.

23 (6) IF THE MICHIGAN FILM OFFICE DETERMINES THAT AN ELIGIBLE  
24 PRODUCTION COMPANY HAS COMPLIED WITH THE TERMS OF AN AGREEMENT  
25 ENTERED INTO UNDER THIS SECTION, THE OFFICE SHALL AWARD FUNDING AS  
26 PROVIDED IN THIS SECTION. A PERSON THAT WILLFULLY SUBMITS  
27 INFORMATION UNDER THIS SECTION THAT THE PERSON KNOWS TO BE

1 FRAUDULENT OR FALSE SHALL, IN ADDITION TO ANY OTHER PENALTIES  
2 PROVIDED BY LAW, BE LIABLE FOR A CIVIL PENALTY EQUAL TO THE AMOUNT  
3 OF FUNDING PROVIDED TO THE PERSON UNDER THIS SECTION. A PENALTY  
4 COLLECTED UNDER THIS SECTION SHALL BE DEPOSITED IN THE MICHIGAN  
5 FILM PROMOTION FUND.

6 (7) INFORMATION, RECORDS, OR OTHER DATA RECEIVED, PREPARED,  
7 USED, OR RETAINED BY THE MICHIGAN FILM OFFICE UNDER THIS SECTION  
8 THAT ARE SUBMITTED BY AN ELIGIBLE PRODUCTION COMPANY AND CONSIDERED  
9 BY THE APPLICANT AND ACKNOWLEDGED BY THE OFFICE AS CONFIDENTIAL  
10 SHALL NOT BE SUBJECT TO THE DISCLOSURE REQUIREMENTS OF THE FREEDOM  
11 OF INFORMATION ACT, 1976 PA 442, MCL 15.231 TO 15.246. INFORMATION,  
12 RECORDS, OR OTHER DATA SHALL ONLY BE CONSIDERED CONFIDENTIAL TO THE  
13 EXTENT THAT THE INFORMATION OR RECORDS DESCRIBE THE COMMERCIAL AND  
14 FINANCIAL OPERATIONS OR INTELLECTUAL PROPERTY OF THE COMPANY, THE  
15 INFORMATION OR RECORDS HAVE NOT BEEN PUBLICLY DISSEMINATED AT ANY  
16 TIME, AND DISCLOSURE OF THE INFORMATION OR RECORDS MAY PUT THE  
17 COMPANY AT A COMPETITIVE DISADVANTAGE. FOR PURPOSES OF THIS  
18 SUBSECTION, INFORMATION OR RECORDS THAT DESCRIBE COMMERCIAL AND  
19 FINANCIAL OPERATIONS DO NOT INCLUDE THAT PORTION OF INFORMATION OR  
20 RECORDS THAT INCLUDE ANY EXPENSES THAT QUALIFY UNDER THIS SECTION  
21 AS DIRECT PRODUCTION EXPENDITURES OR PERSONNEL EXPENDITURES.

22 (8) NOT LATER THAN MARCH 1, 2012, THE OFFICE SHALL PRODUCE A  
23 PERFORMANCE DASHBOARD FOR THE ASSISTANCE AUTHORIZED BY THIS  
24 SECTION. THE PERFORMANCE DASHBOARD SHALL BE MADE AVAILABLE BY THE  
25 OFFICE ON THE FUND'S WEBSITE AND SHALL BE UPDATED AT LEAST  
26 ANNUALLY. THE PERFORMANCE DASHBOARD SHALL INCLUDE THE FOLLOWING  
27 MEASURES:

1 (A) DIRECT AND INDIRECT ECONOMIC IMPACTS IN THIS STATE OF THE  
2 ASSISTANCE AUTHORIZED BY THIS SECTION.

3 (B) DIRECT AND INDIRECT JOB CREATION ATTRIBUTABLE TO THE  
4 ASSISTANCE AUTHORIZED BY THIS SECTION.

5 (C) DIRECT AND INDIRECT PRIVATE INVESTMENT IN THIS STATE  
6 ATTRIBUTABLE TO THE ASSISTANCE AUTHORIZED BY THIS SECTION.

7 (D) ANY OTHER MEASURES CONSIDERED RELEVANT BY THE OFFICE OR  
8 THE MICHIGAN FILM ADVISORY COUNCIL.

9 (9) THE MICHIGAN FILM OFFICE SHALL NOT AWARD FUNDING AFTER  
10 SEPTEMBER 30, 2016.

11 (10) THE LEGISLATURE FINDS AND DECLARES THAT FUNDING  
12 AUTHORIZED UNDER THIS SECTION TO ENCOURAGE DIVERSIFICATION OF THE  
13 ECONOMY, TO ENCOURAGE FILM PRODUCTION, TO ENCOURAGE INVESTMENT, AND  
14 TO ENCOURAGE THE CREATION OF JOBS IN THIS STATE IS A PUBLIC PURPOSE  
15 AND OF PARAMOUNT CONCERN IN THE INTEREST OF THE HEALTH, SAFETY, AND  
16 GENERAL WELFARE OF THE CITIZENS OF THIS STATE. IT IS THE INTENT OF  
17 THE LEGISLATURE THAT THE ECONOMIC BENEFITS, FILM PRODUCTION,  
18 INVESTMENT, AND THE CREATION OF JOBS RESULTING FROM THIS SECTION  
19 SHALL ACCRUE SUBSTANTIALLY WITHIN THIS STATE.

20 (11) THE FUND BOARD MAY AUTHORIZE THE USE OF MONEY  
21 APPROPRIATED FOR THE PROGRAM AUTHORIZED BY THIS SECTION FOR  
22 ADMINISTRATION OF THE PROGRAM. HOWEVER, THE FUND BOARD SHALL NOT  
23 USE MORE THAN 4% OF THE ANNUAL APPROPRIATION FOR ADMINISTERING THE  
24 PROGRAM AUTHORIZED UNDER THIS SECTION.

25 (12) BEGINNING ON SEPTEMBER 30, 2011 AND AT THE END OF EACH  
26 FISCAL YEAR THEREAFTER, THE COMMISSIONER SHALL CERTIFY THE TOTAL  
27 AMOUNT OF UNCLAIMED CERTIFICATES OF COMPLETION, AGREEMENTS WHERE

1 WORK HAS NOT COMMENCED AS REQUIRED IN SUBSECTION (4), AND  
2 AGREEMENTS FOR QUALIFIED PRODUCTIONS THE COMMISSIONER REASONABLY  
3 BELIEVES WILL NOT BE COMPLETED. FUNDING ALLOCATED FOR QUALIFIED  
4 PRODUCTIONS DESCRIBED IN THE PRECEDING SENTENCE MAY BE REALLOCATED.

5 (13) AS USED IN THIS SECTION:

6 (A) "ABOVE THE LINE PERSONNEL" MEANS A PRODUCER, DIRECTOR,  
7 WRITER, ACTOR, OTHER THAN EXTRAS, OR OTHER SIMILAR PERSONNEL WHOSE  
8 COMPENSATION IS NEGOTIATED PRIOR TO THE START OF THE PRODUCTION.

9 (B) "BELOW THE LINE CREW" MEANS PERSONS EMPLOYED BY AN  
10 ELIGIBLE PRODUCTION COMPANY FOR STATE CERTIFIED QUALIFIED  
11 PRODUCTION EXPENDITURES MADE AFTER PRODUCTION BEGINS AND BEFORE  
12 PRODUCTION IS COMPLETED, INCLUDING, BUT NOT LIMITED TO, A BEST BOY,  
13 BOOM OPERATOR, CAMERA LOADER, CAMERA OPERATOR, ASSISTANT CAMERA  
14 OPERATOR, COMPOSITOR, DIALOGUE EDITOR, FILM EDITOR, ASSISTANT FILM  
15 EDITOR, FOCUS PULLER, FOLEY OPERATOR, FOLEY EDITOR, GAFFER, GRIP,  
16 KEY GRIP, LIGHTING CREW, LIGHTING BOARD OPERATOR, LIGHTING  
17 TECHNICIAN, MUSIC EDITOR, SOUND EDITOR, SOUND EFFECTS EDITOR, SOUND  
18 MIXER, STEADICAM OPERATOR, FIRST ASSISTANT CAMERA OPERATOR, SECOND  
19 ASSISTANT CAMERA OPERATOR, DIGITAL IMAGING TECHNICIAN, CAMERA  
20 OPERATOR WORKING WITH A DIRECTOR OF PHOTOGRAPHY, ELECTRIC BEST BOY,  
21 GRIP BEST BOY, DOLLY GRIP, RIGGING GRIP, ASSISTANT KEY FOR MAKEUP,  
22 ASSISTANT KEY FOR HAIR, ASSISTANT SCRIPT SUPERVISOR, SET  
23 CONSTRUCTION FOREPERSON, LEAD SET DRESSER, ASSISTANT KEY FOR  
24 WARDROBE, SCENIC FOREPERSON, ASSISTANT PROPMASER, ASSISTANT AUDIO  
25 MIXER, ASSISTANT BOOM PERSON, ASSISTANT KEY FOR SPECIAL EFFECTS,  
26 AND OTHER SIMILAR PERSONNEL. BELOW THE LINE CREW DOES NOT INCLUDE A  
27 PRODUCER, DIRECTOR, WRITER, ACTOR, OR OTHER SIMILAR PERSONNEL.

1           (C) "DIRECT PRODUCTION EXPENDITURE" MEANS A DEVELOPMENT,  
2     PREPRODUCTION, PRODUCTION, OR POSTPRODUCTION EXPENDITURE MADE IN  
3     THIS STATE DIRECTLY ATTRIBUTABLE TO THE PRODUCTION, DEVELOPMENT, OR  
4     DISTRIBUTION OF A QUALIFIED PRODUCTION THAT IS A TRANSACTION  
5     SUBJECT TO TAXATION IN THIS STATE. DIRECT PRODUCTION EXPENDITURE  
6     DOES NOT INCLUDE OUT-OF-STATE PRODUCTION COSTS THAT ARE MADE IN  
7     THIS STATE EVEN IF THE COSTS ARE PASSED THROUGH A THIRD-PARTY  
8     COMPANY IN THIS STATE OR PAYMENTS MADE BY AN ELIGIBLE PRODUCTION  
9     COMPANY TO ITS PARENT COMPANY, AFFILIATE, SUBSIDIARY, OR JOINT  
10    VENTURE PARTNER, EXCEPT WHERE SUCH PAYMENTS ARE FOR TRANSACTIONS  
11    ENTERED INTO PURSUANT TO ARM'S LENGTH NEGOTIATIONS AND WHICH  
12    REFLECT A COMMERCIALY REASONABLE PRICE FOR SUCH GOODS AND SERVICES  
13    PURCHASED. A DIRECT PRODUCTION EXPENDITURE MUST HAVE TRUE ECONOMIC  
14    SUBSTANCE WITHIN THE STATE. DIRECT PRODUCTION EXPENDITURE DOES NOT  
15    INCLUDE A PRIZE PAYABLE TO PARTICIPANTS IN A GAME SHOW; AN  
16    EXPENDITURE FOR ENTERTAINMENT, AMUSEMENT, OR RECREATION; OR AN  
17    EXPENDITURE OF MORE THAN \$2,500.00 FOR THE PURCHASE OF ARTWORK OR  
18    JEWELRY USED IN A PRODUCTION. DIRECT PRODUCTION EXPENDITURE DOES  
19    NOT INCLUDE A QUALIFIED PERSONNEL EXPENDITURE OR A PERSONNEL  
20    EXPENDITURE. DIRECT PRODUCTION EXPENDITURE INCLUDES PAYMENTS TO  
21    VENDORS DOING BUSINESS IN THIS STATE TO PURCHASE OR USE TANGIBLE  
22    PERSONAL PROPERTY IN PRODUCING OR DISTRIBUTING THE QUALIFIED  
23    PRODUCTION OR TO PURCHASE SERVICES RELATING TO THE PRODUCTION,  
24    DEVELOPMENT, OR DISTRIBUTION OF THE QUALIFIED PRODUCTION, INCLUDING  
25    ALL OF THE FOLLOWING:

26           (i) PRODUCTION WORK, PRODUCTION EQUIPMENT, PRODUCTION SOFTWARE,  
27    DEVELOPMENT WORK, POSTPRODUCTION WORK, POSTPRODUCTION EQUIPMENT,

1 POSTPRODUCTION SOFTWARE, SET DESIGN, SET CONSTRUCTION, SET  
2 OPERATIONS, PROPS, LIGHTING, WARDROBE, MAKEUP, MAKEUP ACCESSORIES,  
3 PHOTOGRAPHY, SOUND SYNCHRONIZATION, SPECIAL EFFECTS, VISUAL  
4 EFFECTS, AUDIO EFFECTS, DIGITAL EFFECTS, FILM PROCESSING, MUSIC,  
5 SOUND MIXING, EDITING, INTERACTIVE GAME DEVELOPMENT AND  
6 PROGRAMMING, AND RELATED SERVICES AND MATERIALS.

7 (ii) USE OF FACILITIES OR EQUIPMENT, USE OF SOUNDSTAGES OR  
8 STUDIOS, LOCATION FEES, AND RELATED SERVICES AND MATERIALS.

9 (iii) CATERING, FOOD, LODGING, AND RELATED SERVICES AND  
10 MATERIALS.

11 (iv) USE OF VEHICLES, WHICH MAY INCLUDE CHARTERED AIRCRAFT  
12 BASED IN THIS STATE USED FOR TRANSPORTATION IN THIS STATE DIRECTLY  
13 ATTRIBUTABLE TO PRODUCTION OF A QUALIFIED PRODUCTION, BUT MAY NOT  
14 INCLUDE THE CHARTERING OF AIRCRAFT FOR TRANSPORTATION OUTSIDE OF  
15 THIS STATE.

16 (v) COMMERCIAL AIRFARE IF PURCHASED THROUGH A TRAVEL AGENCY OR  
17 TRAVEL COMPANY BASED IN THIS STATE FOR TRAVEL TO AND FROM THIS  
18 STATE OR WITHIN THIS STATE DIRECTLY ATTRIBUTABLE TO PRODUCTION,  
19 DEVELOPMENT, OR DISTRIBUTION OF A QUALIFIED PRODUCTION.

20 (vi) INSURANCE COVERAGE OR BONDING IF PURCHASED FROM AN  
21 INSURANCE AGENT BASED IN THIS STATE.

22 (vii) EXPENDITURES FOR DISTRIBUTION, INCLUDING, BUT NOT LIMITED  
23 TO, BOTH OF THE FOLLOWING:

24 (A) PREPRODUCTION, PRODUCTION, OR POSTPRODUCTION COSTS  
25 RELATING TO THE CREATION OF TRAILERS, MARKETING VIDEOS,  
26 COMMERCIALS, POINT-OF-PURCHASE VIDEOS, AND CONTENT CREATED ON FILM  
27 OR DIGITAL MEDIA, INCLUDING, BUT NOT LIMITED TO, THE DUPLICATION OF



1 FILMS, VIDEOS, COMPACT DISCS, DIGITAL VIDEO DISCS, AND DIGITAL  
2 FILES OR OTHER DIGITAL MEDIA CREATED FOR CONSUMER CONSUMPTION.

3 (B) PURCHASE OF EQUIPMENT RELATING TO THE DUPLICATION OR  
4 MARKET DISTRIBUTION OF ANY CONTENT CREATED OR PRODUCED IN THIS  
5 STATE.

6 (viii) INTEREST ON A LOAN, IF THE ENTITY FROM WHICH THE  
7 FINANCING IS OBTAINED IS A PUBLIC, PRIVATE, OR INSTITUTIONAL ENTITY  
8 WITH THE REQUISITE LEVEL OF PHYSICAL PRESENCE IN THIS STATE THAT IS  
9 NOT RELATED TO OR AFFILIATED WITH THE ELIGIBLE PRODUCTION COMPANY  
10 OR ANY ABOVE THE LINE PERSONNEL OR CAST MEMBERS, AND WHOSE  
11 PRINCIPAL BUSINESS ACTIVITY IS THE LENDING OF MONEY TO INDIVIDUALS  
12 AND BUSINESSES. IN ADDITION, THE FINANCING SHALL BE A GOOD FAITH  
13 LOAN, PAYABLE BY THE ELIGIBLE PRODUCTION COMPANY, EVIDENCED BY AN  
14 ENFORCEABLE PROMISSORY NOTE OR OTHER DEBT INSTRUMENT WITH CLEAR  
15 REPAYMENT OBLIGATIONS AND BEARING A MARKET-RELATED RATE OF  
16 INTEREST.

17 (ix) OTHER EXPENDITURES FOR PRODUCTION OF A QUALIFIED  
18 PRODUCTION IN ACCORDANCE WITH GENERALLY ACCEPTED ENTERTAINMENT  
19 INDUSTRY PRACTICES.

20 (D) "ELIGIBLE PRODUCTION COMPANY" OR "COMPANY" MEANS AN ENTITY  
21 IN THE BUSINESS OF PRODUCING QUALIFIED PRODUCTIONS OR FOR  
22 INTERACTIVE GAMES IN THE BUSINESS OF DEVELOPING INTERACTIVE GAMES,  
23 BUT DOES NOT INCLUDE AN ENTITY THAT IS MORE THAN 30% OWNED,  
24 AFFILIATED, OR CONTROLLED BY AN ENTITY OR INDIVIDUAL WHO IS IN  
25 DEFAULT ON A LOAN MADE BY THIS STATE, A LOAN GUARANTEED BY THIS  
26 STATE, OR A LOAN MADE OR GUARANTEED BY ANY OTHER STATE. FOR AN  
27 INTERACTIVE GAME, AN ELIGIBLE PRODUCTION COMPANY NEED NOT POSSESS

1 OWNERSHIP OF OR LEGAL CONTROL OVER ALL OF THE INTELLECTUAL PROPERTY  
2 RIGHTS OR OTHER RIGHTS NECESSARY TO COMPLETE THE QUALIFIED  
3 PRODUCTION IN ITS ENTIRETY NOR BE THE SAME ENTITY THAT DISTRIBUTES  
4 OR PUBLISHES THE INTERACTIVE GAME.

5 (E) "FACILITY" MEANS AN ENTITY WITHIN THIS STATE EQUIPPED FOR  
6 THE PRODUCTION OF MOTION PICTURES OR TELEVISION SHOWS THAT MEETS  
7 ALL OF THE FOLLOWING REQUIREMENTS:

8 (i) INCLUDES AT LEAST 1 BUT FEWER THAN 4 SOUNDSTAGES.

9 (ii) INCLUDES NOT LESS THAN 3,000 AND NOT MORE THAN 20,000  
10 SQUARE FEET OF CONTIGUOUS, COLUMN-FREE SPACE FOR PRODUCTION  
11 ACTIVITIES WITH A HEIGHT OF AT LEAST 12 FEET UNDER ANY PERMANENT  
12 GRID.

13 (iii) INCLUDES A PERMANENT GRID AND SUFFICIENT BUILT-IN ELECTRIC  
14 SERVICE FOR SHOOTING WITHOUT THE NEED OF PORTABLE ELECTRIC  
15 GENERATORS.

16 (iv) HAS A MINIMUM SOUND PROOF WITH A NOISE CRITERIA OF AT  
17 LEAST 30.

18 (F) "MADE IN THIS STATE" MEANS, FOR PURPOSES OF SUBDIVISION  
19 (C) ONLY, ALL OF THE FOLLOWING:

20 (i) TANGIBLE PERSONAL PROPERTY AND SERVICES ACQUIRED BY THE  
21 ELIGIBLE PRODUCTION COMPANY FROM A SOURCE WITHIN THIS STATE. IF AN  
22 ITEM OF TANGIBLE PERSONAL PROPERTY IS NOT AVAILABLE FROM A SOURCE  
23 WITHIN THIS STATE AND A VENDOR WITH THE REQUISITE PHYSICAL PRESENCE  
24 IN THIS STATE THAT REGULARLY SELLS OR LEASES PROPERTY OF THAT KIND  
25 OBTAINS THE PROPERTY FROM AN OUT-OF-STATE VENDOR AND SELLS OR  
26 LEASES IT TO AN ELIGIBLE PRODUCTION COMPANY, THAT EXPENDITURE IS  
27 CONSIDERED MADE IN THIS STATE AND IS A DIRECT PRODUCTION

1 EXPENDITURE AND NOT AN OUT-OF-STATE PRODUCTION COST.

2 (ii) SERVICES WHOLLY PERFORMED WITHIN THIS STATE.

3 (G) "OBSCENE MATTER OR AN OBSCENE PERFORMANCE" MEANS MATTER  
4 DESCRIBED IN 1984 PA 343, MCL 752.361 TO 752.374.

5 (H) "PERSONNEL EXPENDITURE" MEANS AN EXPENDITURE MADE IN THIS  
6 STATE DIRECTLY ATTRIBUTABLE TO THE PRODUCTION, DEVELOPMENT, OR  
7 DISTRIBUTION OF A QUALIFIED PRODUCTION THAT IS A TRANSACTION  
8 SUBJECT TO TAXATION IN THIS STATE AND IS A PAYMENT OR COMPENSATION  
9 FOR ABOVE THE LINE PERSONNEL, NONRESIDENT BELOW THE LINE CREW,  
10 TALENT, MANAGEMENT, OR LABOR, NOT TO EXCEED \$2,000,000.00 FOR ANY 1  
11 EMPLOYEE OR CONTRACTUAL OR SALARIED EMPLOYEE OF A QUALIFIED  
12 PRODUCTION, INCLUDING BOTH OF THE FOLLOWING:

13 (i) PAYMENT OF WAGES, BENEFITS, OR FEES FOR TALENT, MANAGEMENT,  
14 OR LABOR.

15 (ii) PAYMENT TO A PERSONAL SERVICES CORPORATION OR PROFESSIONAL  
16 EMPLOYER ORGANIZATION FOR THE SERVICES OF A PERFORMING ARTIST OR  
17 CREW MEMBER IF THE PERSONAL SERVICES CORPORATION OR PROFESSIONAL  
18 EMPLOYER ORGANIZATION IS SUBJECT TO TAXATION IN THIS STATE ON THE  
19 PORTION OF THE PAYMENT QUALIFYING FOR FUNDING UNDER THIS SECTION  
20 AND THE PAYMENTS RECEIVED BY THE PERFORMING ARTIST OR CREW MEMBER  
21 THAT ARE SUBJECT TO TAXATION UNDER THE INCOME TAX ACT OF 1967, 1967  
22 PA 281, MCL 206.1 TO 206.532, AND ARE WITHHELD AND PAID TO THIS  
23 STATE IN THE AMOUNT PROVIDED UNDER SECTION 351 OF THE INCOME TAX  
24 ACT OF 1967, 1967 PA 281, MCL 206.351.

25 (I) "POSTPRODUCTION EXPENDITURE" MEANS A DIRECT EXPENDITURE  
26 FOR EDITING, FOLEY RECORDING, AUTOMATIC DIALOGUE REPLACEMENT, SOUND  
27 EDITING, SPECIAL OR VISUAL EFFECTS INCLUDING COMPUTER-GENERATED

1 IMAGERY OR OTHER EFFECTS, SCORING AND MUSIC EDITING, BEGINNING AND  
2 END CREDITS, NEGATIVE CUTTING, SOUNDTRACK PRODUCTION, DUBBING,  
3 SUBTITLING, OR ADDITION OF SOUND OR VISUAL EFFECTS. POSTPRODUCTION  
4 EXPENDITURE INCLUDES DIRECT EXPENDITURES FOR ADVERTISING,  
5 MARKETING, DISTRIBUTION, OR RELATED EXPENSES.

6 (J) "PRODUCER" MEANS AN INDIVIDUAL WITHOUT REGARD TO HIS OR  
7 HER ACTUAL TITLE OR SCREEN CREDIT INVOLVED IN OR RESPONSIBLE FOR  
8 ANY OF THE FOLLOWING:

9 (i) FUNDING FOR FINANCING IN WHOLE OR IN PART, OR ARRANGING FOR  
10 THE FUNDING, OR FINANCING, OF THE QUALIFIED PRODUCTION.

11 (ii) OBTAINING THE CREATIVE RIGHTS TO OR THE INTELLECTUAL  
12 PROPERTY FOR DEVELOPMENT OR PRODUCTION OF THE QUALIFIED PRODUCTION.

13 (iii) HIRING ABOVE THE LINE PERSONNEL.

14 (iv) SUPERVISING THE OVERALL PRODUCTION OF THE QUALIFIED  
15 PRODUCTION.

16 (v) ARRANGING FOR THE DISTRIBUTION OR EXHIBITION OF THE  
17 QUALIFIED PRODUCTION.

18 (K) "QUALIFIED FACILITY" MEANS A FACILITY WITHIN THIS STATE  
19 EQUIPPED FOR THE PRODUCTION OF MOTION PICTURES OR TELEVISION SHOWS  
20 THAT MEETS ALL OF THE FOLLOWING REQUIREMENTS:

21 (i) INCLUDES MORE THAN 3 SOUNDSTAGES.

22 (ii) INCLUDES NOT LESS THAN 20,000 SQUARE FEET OF CONTIGUOUS,  
23 COLUMN-FREE SPACE FOR PRODUCTION ACTIVITIES WITH A HEIGHT OF AT  
24 LEAST 16 FEET UNDER ANY PERMANENT GRID.

25 (iii) INCLUDES A PERMANENT GRID AND SUFFICIENT BUILT-IN ELECTRIC  
26 SERVICE FOR SHOOTING WITHOUT THE NEED OF PORTABLE ELECTRIC  
27 GENERATORS.

1           (iv) HAS A MINIMUM SOUND PROOF WITH A NOISE CRITERIA OF AT  
2 LEAST 30.

3           (l) "QUALIFIED PERSONNEL EXPENDITURE" MEANS AN EXPENDITURE MADE  
4 IN THIS STATE DIRECTLY ATTRIBUTABLE TO THE PRODUCTION, DEVELOPMENT,  
5 OR DISTRIBUTION OF A QUALIFIED PRODUCTION THAT IS A TRANSACTION  
6 SUBJECT TO TAXATION IN THIS STATE AND IS A PAYMENT OR COMPENSATION  
7 PAYABLE TO BELOW THE LINE CREW FOR BELOW THE LINE CREW MEMBERS WHO  
8 ARE RESIDENTS OF THIS STATE NOT TO EXCEED \$2,000,000.00 FOR ANY 1  
9 EMPLOYEE OR CONTRACTUAL OR SALARIED EMPLOYEE WHO PERFORMS SERVICE  
10 IN THIS STATE FOR THE PRODUCTION OF A QUALIFIED PRODUCTION,  
11 INCLUDING BOTH OF THE FOLLOWING:

12           (i) PAYMENT OF WAGES, BENEFITS, OR FEES.

13           (ii) PAYMENT TO A PERSONAL SERVICES CORPORATION OR PROFESSIONAL  
14 EMPLOYER ORGANIZATION FOR THE SERVICES OF A PERFORMING ARTIST OR  
15 CREW MEMBER IF THE PERSONAL SERVICES CORPORATION OR PROFESSIONAL  
16 EMPLOYER ORGANIZATION IS SUBJECT TO TAXATION IN THIS STATE ON THE  
17 PORTION OF THE PAYMENT QUALIFYING FOR FUNDING UNDER THIS SECTION  
18 AND THE PAYMENTS RECEIVED BY THE PERFORMING ARTIST OR CREW MEMBER  
19 THAT ARE SUBJECT TO TAXATION UNDER THE INCOME TAX ACT OF 1967, 1967  
20 PA 281, MCL 206.1 TO 206.532, ARE WITHHELD AND PAID TO THIS STATE  
21 IN THE AMOUNT PROVIDED UNDER SECTION 351 OF THE INCOME TAX ACT OF  
22 1967, 1967 PA 281, MCL 206.351.

23           (m) "STATE CERTIFIED QUALIFIED PRODUCTION" OR "QUALIFIED  
24 PRODUCTION" MEANS SINGLE MEDIA OR MULTIMEDIA ENTERTAINMENT CONTENT  
25 CREATED IN WHOLE OR IN PART IN THIS STATE FOR DISTRIBUTION OR  
26 EXHIBITION TO THE GENERAL PUBLIC IN 2 OR MORE STATES BY ANY MEANS  
27 AND MEDIA IN ANY DIGITAL MEDIA FORMAT, FILM, OR VIDEO TAPE,

1 INCLUDING, BUT NOT LIMITED TO, A MOTION PICTURE, A DOCUMENTARY, A  
2 TELEVISION SERIES, A TELEVISION MINISERIES, A TELEVISION SPECIAL,  
3 INTERSTITIAL TELEVISION PROGRAMMING, LONG-FORM TELEVISION,  
4 INTERACTIVE TELEVISION, MUSIC VIDEOS, INTERACTIVE GAMES SUCH AS  
5 VIDEO GAMES OR WIRELESS GAMES, COMMERCIALS, INTERNET PROGRAMMING,  
6 AN INTERNET VIDEO, A SOUND RECORDING, A VIDEO, DIGITAL ANIMATION,  
7 OR AN INTERACTIVE WEBSITE. QUALIFIED PRODUCTION ALSO INCLUDES ANY  
8 TRAILER, PILOT, VIDEO TEASER, OR DEMO CREATED PRIMARILY TO  
9 STIMULATE THE SALE, MARKETING, PROMOTION, OR EXPLOITATION OF FUTURE  
10 INVESTMENT IN A PRODUCTION. QUALIFIED PRODUCTION DOES NOT INCLUDE  
11 ANY OF THE FOLLOWING:

12 (i) A PRODUCTION FOR WHICH RECORDS ARE REQUIRED TO BE  
13 MAINTAINED WITH RESPECT TO ANY PERFORMER IN THE PRODUCTION UNDER 18  
14 USC 2257.

15 (ii) A PRODUCTION THAT INCLUDES OBSCENE MATTER OR AN OBSCENE  
16 PERFORMANCE.

17 (iii) A PRODUCTION THAT PRIMARILY CONSISTS OF TELEVISED NEWS OR  
18 CURRENT EVENTS.

19 (iv) A PRODUCTION THAT PRIMARILY CONSISTS OF A LIVE SPORTING  
20 EVENT.

21 (v) A PRODUCTION THAT PRIMARILY CONSISTS OF POLITICAL  
22 ADVERTISING.

23 (vi) A RADIO PROGRAM.

24 (vii) A WEATHER SHOW.

25 (viii) A FINANCIAL MARKET REPORT.

26 (ix) AN AWARDS SHOW OR OTHER GALA EVENT PRODUCTION.

27 (x) A PRODUCTION WITH THE PRIMARY PURPOSE OF FUND-RAISING.

1           (xi) A PRODUCTION THAT PRIMARILY IS FOR EMPLOYEE TRAINING OR  
2 IN-HOUSE CORPORATE ADVERTISING OR OTHER SIMILAR PRODUCTION.