

**SB286 ENROLLED**



1 SB286  
2 ZLAPKKR-2  
3 By Senator Gudger  
4 RFD: Fiscal Responsibility and Economic Development  
5 First Read: 04-Apr-24



## SB286 Enrolled

1 Enrolled, An Act,

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4 Relating to the Alabama Film Office; to amend Sections  
5 41-7A-1, 41-7A-42, and 41-7A-43, Code of Alabama 1975, to  
6 grant the appointment and salary determination powers of the  
7 Director of the Alabama Film Office to the Alabama Department  
8 of Commerce; and to modify the definition of "department".

9 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

10 Section 1. Sections 41-7A-1, 41-7A-42, and 41-7A-43,  
11 Code of Alabama 1975, are hereby amended as follows:

12 "§41-7A-1

13 On September 1, 1995, the management of the Alabama  
14 Film Office shall be vested in a director who shall be  
15 appointed by the ~~Governor~~ secretary of the department and  
16 shall serve at his or her pleasure. The salary shall be  
17 established by the secretary of the department and approved by  
18 the Governor ~~at an amount not to exceed forty-eight thousand~~  
19 ~~dollars (\$48,000) annually and adjusted thereafter consistent~~  
20 ~~with general cost-of-living adjustments approved for state~~  
21 ~~employees. In fixing the salary, the Governor shall give due~~  
22 ~~consideration to the salaries of comparable positions in other~~  
23 ~~states in the southeast.~~ The director shall have the same  
24 rights, privileges, benefits, and membership status in the  
25 Employees' Retirement System as other unclassified employees  
26 in the state service."

27 "§41-7A-42

28 For purposes of this article, the following terms shall



## SB286 Enrolled

29 have the following meanings:

30 (1) COMPANY. A corporation, partnership, limited  
31 liability company, or any other business entity.

32 (2) DEPARTMENT. The Alabama Department of  
33 Commerce~~Revenue~~.

34 (3) ENTERTAINMENT INDUSTRY. Those persons or entities  
35 engaged in the production of entertainment content as defined  
36 under paragraph ~~a. of subdivision~~ (8) a.

37 (4) EXPENDED IN ALABAMA. In the case of tangible  
38 property, property which is acquired or leased from a source  
39 within the State of Alabama; in the case of services, services  
40 performed for a qualified production project in the State of  
41 Alabama.

42 (5) OFFICE. The Alabama Film Office.

43 (6) PAYROLL. All salary, wages, and other compensation,  
44 including related benefits, including specifically, but not  
45 limited to, compensation and benefits provided to resident and  
46 nonresident producers, directors, writers, actors, and other  
47 personnel involved in qualified production projects in  
48 Alabama.

49 (7) PRODUCTION EXPENDITURES.

50 a. The term includes preproduction, production, and  
51 postproduction expenditures incurred in the State of Alabama  
52 that are directly used in a state-certified production,  
53 including, but not limited to, the following: Set construction  
54 and operation, wardrobe, makeup, set accessories, and related  
55 services; costs associated with photography and sound  
56 synchronization, lighting, and related services and materials;



## SB286 Enrolled

57 editing and related services; rental of facilities and  
58 equipment; leasing of vehicles; costs of food and lodging;  
59 costs of catering; digital or tape editing, film processing,  
60 transfer of film to tape or digital format; transfer direct to  
61 DVD, cable, or satellite for distribution; sound mixing,  
62 special and visual effects including duplication, film  
63 processing digital, DVD, music composition, and satellite  
64 distribution; total aggregate payroll; music; airfare;  
65 insurance costs of bonding; or other similar production  
66 expenditures as determined by rule or regulation.

67         b. The term includes financial contributions or  
68 educational or workforce development in partnership with  
69 related educational institutions, or local industry  
70 organizations, or both, contributed toward the furtherance of  
71 the local entertainment media industries.

72         c. The term does not include postproduction  
73 expenditures for marketing or any amounts that are paid to  
74 persons or entities as a result of their participation in  
75 profits from the exploitation of a motion picture production.

76         (8) QUALIFIED PRODUCTION.

77         a. The term means entertainment content created in  
78 whole or in part within the state, including motion pictures;  
79 soundtracks for motion pictures; documentaries; long-form,  
80 specials, miniseries, series, sound recordings, videos and  
81 music videos, and interstitials television programming;  
82 interactive television; interactive games; video games;  
83 commercials; infomercials; any format of digital media,  
84 including an interactive website that is intended for national



## SB286 Enrolled

85 or international distribution or exhibition to the general  
86 public; and any trailer, pilot, video teaser, or demo created  
87 primarily to stimulate the sale, marketing, promotion, or  
88 exploitation of future investment in either a product or a  
89 qualified production via any means and media in any digital  
90 media format, film, or videotape, provided such program meets  
91 all the underlying criteria of a qualified production.

92 b. The term does not include any ongoing television  
93 program created primarily as news, weather, or financial  
94 market reports, a production featuring current events,  
95 sporting events, an awards show or other gala event, a  
96 production whose sole purpose is fund-raising, a long-form  
97 production that primarily markets a product or service, a  
98 production used for corporate training or in-house corporate  
99 advertising or other similar productions; nor does the term  
100 include any production for which records are required to be  
101 maintained under 18 U.S.C. § 2257 with respect to sexually  
102 explicit content; nor does the term mean or include any form  
103 of gambling, gaming, wagering, or pari-mutuel wagering  
104 activity or enterprise.

105 (9) QUALIFIED PRODUCTION COMPANY.

106 a. The term means a company engaged in the business of  
107 producing a qualified production, as that term is defined.

108 b. The term does not mean or include any company owned,  
109 affiliated, or controlled, in whole or in part, by any company  
110 or person which is in default on a loan.

111 (10) RESIDENT OF ALABAMA. A natural person and, for the  
112 purpose of determining eligibility for the incentives provided



## SB286 Enrolled

113 by this article, any person domiciled in the State of Alabama  
114 and any other person who maintains a permanent place of abode  
115 within the state and spends in the aggregate more than six  
116 months of each year within the State of Alabama.

117 (11) STATE-CERTIFIED PRODUCTION. A qualified production  
118 approved by the office, produced by a qualified production  
119 company."

120 "§41-7A-43

121 (a) Beginning January 1, 2009, a qualified production  
122 company shall be entitled to a rebate for production  
123 expenditures, as defined in ~~subdivision (7) of Section~~  
124 41-7A-42(7), related to a state-certified production. The  
125 rebate shall be equal to 25 percent of the state-certified  
126 production's production expenditures excluding payroll paid to  
127 residents of Alabama plus 35 percent of all payroll paid to  
128 residents of Alabama for the state-certified production,  
129 provided the total production expenditures for a project must  
130 equal or exceed at least five hundred thousand dollars  
131 (\$500,000), but no rebate shall be available for production  
132 expenditures incurred after the first twenty million dollars  
133 (\$20,000,000) of production expenditures expended in Alabama  
134 on a state-certified production.

135 (b) A single episode in a television series or  
136 miniseries may be considered a single production project for  
137 purposes of this section. However, in determining the total  
138 production expenditures incurred by a qualified production  
139 company on a qualified production, the total production  
140 expenditures of a television series or miniseries, whether a



## SB286 Enrolled

141 single season or multiple seasons thereof, to be filmed within  
142 a period of 12 consecutive months, each individual episode of  
143 which separately and independently meets the definition of a  
144 qualified production, may be aggregated to meet the monetary  
145 requirements set forth in subsection (a) as long as each  
146 individual episode within the series pertains to the same  
147 subject as the other episodes in the series.

148 (c) A single commercial may be considered a single  
149 production project for purposes of this section. However, in  
150 determining the total production expenditures incurred by a  
151 qualified production company on a qualified production, the  
152 total production expenditures of a series of commercials to be  
153 filmed within a period of 12 consecutive months, each of which  
154 separately and independently meets the definition of a  
155 qualified production, may be aggregated to meet the monetary  
156 requirements set forth in subsection (a) as long as each  
157 individual commercial within the series pertains to the same  
158 subject as the other commercials in the series and was planned  
159 as part of a series of commercials to be filmed within a  
160 period of 12 consecutive months at the time the qualified  
161 production company applied for the incentives.

162 (d) A qualified production company shall be entitled to  
163 the rebate for production expenditures as provided in  
164 subsection (a) for a qualified project that is limited only to  
165 the production of a soundtrack used in a motion picture or  
166 documentary, provided that the production expenditures for the  
167 soundtrack project must equal or exceed at least fifty  
168 thousand dollars (\$50,000), but no rebate shall be available



## SB286 Enrolled

169 for production expenditures incurred after the first three  
170 hundred thousand dollars (\$300,000) of production expenditures  
171 expended in Alabama.

172 (e) A qualified production company shall be entitled to  
173 the rebate for production expenditures as provided in  
174 subsection (a) for a qualified project that is limited only to  
175 the production of a music video, provided that the production  
176 expenditures for the music video equal or exceed fifty  
177 thousand dollars (\$50,000), but no rebate shall be available  
178 for production expenditures incurred after the first two  
179 hundred thousand dollars (\$200,000) of production expenditures  
180 expended in Alabama.

181 (f) The rebate described in this section may be applied  
182 to offset any income tax liability applicable to a qualified  
183 production company for the tax year in which production  
184 activity in Alabama on the state-certified production  
185 concludes.

186 (g) If the rebate available under this section exceeds  
187 a qualified production company's Alabama income tax liability  
188 for the tax year in which production activity in Alabama  
189 concludes on the state-certified production, the excess of the  
190 rebate over a qualified production company's Alabama income  
191 tax liability shall be rebated to the qualified production  
192 company.

193 (h) The department and the Commissioner of the  
194 Department of Revenue ~~and the office shall promulgate~~ adopt  
195 rules necessary to administer this section."

196 Section 2. This act shall become effective on June 1,





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President and Presiding Officer of the Senate

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Speaker of the House of Representatives

SB286  
Senate 16-Apr-24  
I hereby certify that the within Act originated in and passed  
the Senate.

Patrick Harris,  
Secretary.

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House of Representatives  
Passed: 07-May-24

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By: Senator Gudger