

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **SB 98** SLS 15RS 234

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> May 8, 2015 2:45 PM	<b>Author:</b> MORRELL
<b>Dept./Agy.:</b> Economic Development	<b>Analyst:</b> Deborah Vivien
<b>Subject:</b> Creates a broker registry with criminal background check	

TAX/TAXATION

EG +\$82,500 GF EX See Note

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Requires sellers of motion picture investor tax credits to qualify for and be included in a Public Registry of Motion Picture Investor Tax Credit Brokers. (1/1/16)

Proposed law creates a Motion Picture Broker Registry required for any person selling or brokering motion picture tax credits. The registry will be created and maintained by the Office of Entertainment Industry Development and made available publicly on its website. Broker qualifications include no prior convictions for matters related to tax, credit or fraud, and prohibit registration by a family member of an office employee or those employed by the office in the prior 2 years. Registrants must submit and pay for a criminal background check by the Louisiana Bureau of Criminal Identification and Information, who will also query the Federal Bureau of Investigation. A person selling or brokering film tax credits without registering shall be fined up to \$10,000 or imprisoned for 5 years or both with full restitution for any financial loss as a result of not registering. The Office of Entertainment Industry Development may promulgate rules.

<b>EXPENDITURES</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$82,500	\$82,500	\$82,500	\$82,500	\$82,500	<b>\$412,500</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>	<b>\$82,500</b>	<b>\$82,500</b>	<b>\$82,500</b>	<b>\$82,500</b>	<b>\$82,500</b>	<b>\$412,500</b>

  

<b>REVENUES</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

The Office of Entertainment Industry Development indicates it will require 2 additional staff at a total expense of about \$165,000 per year to create, maintain and publish the registry. Any expenses will require additional funding should any fees associated with the registry, as promulgated by rule, not offset the full expense. For this note, the means of finance is SGF in the absence of other known resources.

The film program is currently administered by only two staff positions in LED. Thus, additional duties as required by this bill will likely require at least one additional staff position, at an annual cost near \$82,500. However, it is not clear that two additional positions is necessary for the duties specific to this bill alone.

**REVENUE EXPLANATION**

The bill does not change the availability of film credits or the means by which they are claimed. The bill may allow a more thorough screening process under which some film credits may not change hands, though there is no way to determine whether this action would prevent the transfer or force the transfer through other means. Thus, there is no direct revenue impact associated with this bill as it appears to be a measure more in keeping the program participants in good standing than disqualifying credits.

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|---|----------------------------|--------------|--|
| <u>Senate</u>   | <u>Dual Referral Rules</u> | <u>House</u> | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}                    |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}       |                            |              | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 Rev. Red. to State {H & S}                 |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} |                            |              | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |

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