SLS 15RS-234 **ORIGINAL**

2015 Regular Session

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SENATE BILL NO. 98

BY SENATOR MORRELL

TAX/TAXATION. 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)

AN ACT

2	To enact R.S. 15:587(A)(1)(h) and R.S. 47:6007(C)(7), relative to motion picture investor
3	tax credits; to create the Public Registry of Motion Picture Investor Tax Credit
4	Brokers and require certain persons to qualify for and register; to provide for
5	criminal penalties; to require a criminal history background examination; and to
6	provide for related matters.
7	Be it enacted by the Legislature of Louisiana:
8	Section 1. R.S. 15:587(A)(1)(h) is hereby enacted to read as follows:
9	§587. Duty to provide information; processing fees; Louisiana Bureau of Criminal
10	Identification and Information
11	A.(1) * * *
12	(h)The office of entertainment industry development of the Department
13	of Economic Development provided for in R.S. 51:938.1 shall be entitled to the
14	criminal history record and identification files of the bureau of any person who
15	is required to qualify and register for the Public Registry of Motion Picture
16	Investor Tax Credit Brokers pursuant to R.S. 47:6007(C)(4)(c). Such office
17	shall submit fingerprint cards or other identifying information of the applicant

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for qualification and registry and the bureau shall, upon request and after receipt of such fingerprint cards or other identifying information from the office, make available to the office all arrest and conviction information contained in the bureau's criminal history record and identification files which pertain to the applicant for qualification and registry. In addition, the fingerprints shall be forwarded by the bureau to the Federal Bureau of Investigation for a national criminal history record check.

* * *

Section 2. R.S. 47:6007(C)(7) is hereby enacted to read as follows:

§6007. Motion picture investor tax credit

11 * * *

C. Investor tax credit; specific productions and projects.

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(7)(a)(i) Any person selling or brokering tax credits issued pursuant to this Section on behalf of an investor shall meet any qualifications required by regulations of the office and, if qualified, shall be included in a Public Registry of Motion Picture Investor Tax Credit Brokers to be created and maintained by the office. Regulations of the office promulgated in the manner provided for in the Administrative Procedure Act shall ensure that an applicant for the registry is suitable and specifically shall require that any applicant for registration shall undergo a criminal history background examination by the Louisiana Bureau of Criminal Identification and Information as provided for in R.S. 15:587(A)(1)(h) at the expense of the applicant.

- (ii) The office shall provide that an updated list of those eligible to sell or broker tax credits is available to the public and is maintained on its website.
- (b) Failure of any person selling or brokering tax credits issued pursuant to this Section on behalf of an investor to qualify and register with the office shall be punished by a fine of not more than ten thousand dollars or imprisonment at hard labor for not more than five years, or both. In addition,

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a person convicted under the provisions of this Subparagraph shall be ordered to make full restitution to any person who has suffered a financial loss as a result of the offense. If a person ordered to make restitution pursuant to this Section is found to be indigent and therefore unable to make restitution in full at the time of conviction, the court shall order a periodic payment plan consistent with the person's financial ability.

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Section 3. The provisions of this Section shall apply to transfers occurring on and after regulations of the office of entertainment industry development of the Department of Economic Development providing for the qualifications of persons to be included in the Public Registry of Motion Picture Investor Tax Credit Brokers provided for in this Act are finalized and become effective. Such office shall provide written notice to the Louisiana State Law Institute of the date upon which such regulations become effective.

Section 4. This Act shall become effective on January 1, 2016.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Riley Boudreaux.

DIGEST 2015 Regular Session

Morrell

<u>Present law</u> authorizes any motion picture tax credits not previously claimed by any taxpayer against its income tax to be transferred or sold to another Louisiana taxpayer or to the office of entertainment industry development of the Department of Economic Development.

<u>Proposed law</u> requires any person selling or brokering such tax credits on behalf of an investor to meet any qualifications required by regulations of the office and, if qualified, shall be included in a Public Registry of Motion Picture Investor Tax Credit Brokers to be created and maintained by the office. Regulations of the office promulgated in the manner provided for in the APA must ensure that an applicant for the registry is suitable and must require that any applicant undergoes a criminal history background examination at the expense of the applicant. The office is required to provide that an updated list of those eligible to sell or broker tax credits is available to the public and is maintained on its website.

<u>Proposed law</u> subjects any person selling or brokering tax credits on behalf of an investor who fails to so qualify and register to punishment by a fine of not more than \$10,000 or imprisonment at hard labor for not more than five years, or both. In addition, a person must be ordered to make full restitution to any person who has suffered a financial loss as a result of the offense. If a person ordered to make restitution is found to be indigent and therefore unable to make restitution in full at the time of conviction, the court must order a periodic payment plan consistent with the person's financial ability.

Applicable to transfers occurring on and after regulations of the providing for the

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Coding: Words which are struck through are deletions from existing law; words in **boldface type and underscored** are additions.

qualifications of persons to be included in the registry are finalized and become effective. Effective January 1, 2016.

(Adds R.S. 15:587(A)(1)(h) and R.S. 47:6007(C)(7))