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

DIGEST

SB 99 Original

2015 Regular Session

Morrell

<u>Present law</u> requires applicants for motion picture investor tax credits to be certified for each production and limits certification of expenditures to no more than twice during the duration of a state-certified production unless the motion picture production company agrees to reimburse the office of entertainment industry development in the Department of Economic Development for the costs of any additional certifications.

<u>Proposed law</u> authorizes the office and the secretary to enter into a contract with an applicant for tax credits to be certified and earned at the end of each season of a "television/video series" in the manner provided for other state-certified productions for a period of five years, renewable for an additional five years. If the office and the secretary determines that a production is a "scripted televison/video series" as defined in the <u>proposed law</u> and as the term is used in the television and video industry, they may accept the application proposed or may negotiate with the applicant for terms which the office and secretary determine are in the best interest of the state.

"Scripted television/video series" is defined as a state certified television production or video produced for any digital online platform which the office and the secretary determine will consist of a number of productions occurring over a number of seasons for more than one year, intended to be filmed according to a script and a substantial portion of the dialogue of which is scripted in advance of filming, and which production is otherwise determined by the office and secretary to be a "scripted series" as the term is used in the television and video industry.

<u>Proposed law</u> requires the contract for a "scripted televison/video series" to set forth the obligations of the applicant for credits with respect to the following, which are in addition to any other requirements for certification as a state-certified production:

1. The investment by the applicant in the construction of a "qualified production facility", or a lease of an existing "qualified production facility" for a minimum of five years, as provided for in the contracts submitted by the applicant with his application, which contracts are contingent upon the applicants receipt of a contract with the office for a "scripted television/video series" production.

"Qualified production facility" is defined as a film, video, or television production facility in the state qualified in writing by the office and the secretary for purposes of the tax credit for scripted television/video series.

2. A guarantee of the average annual amount of production expenditures the applicant will expend over the course of production of the scripted television/video series. The applicant is required to offer a guarantee for such amount in his application which may be accepted or

negotiated by the office and the secretary.

3. A guarantee of the number of full time jobs in which the applicant will employ Louisiana residents. The applicant is required to offer a guarantee for such jobs in his application which may be accepted or negotiated by the office and the secretary.

<u>Proposed law</u> authorizes a contract and certification to be renewed for up to five years if the applicant has complied with all the terms of the contract and has not performed any act, nor failed to perform any act, which the office and secretary determine would have been a violation of the applicant's obligations under the contract and the office and secretary are reasonably assured of the applicant's continued successful performance of the contract's terms if renewed. Denial of a renewal may be appealed as provided for denials of certification.

<u>Proposed law</u> requires a contract to be voided and no tax credits to be certified or earned under the contract if there is a violation of the terms and obligations of the contract.

<u>Present law</u> limits certification of expenditures of a production for purpose of granting the credits no more than twice during the duration of a state-certified production unless the motion picture production company agrees to reimburse the office for the costs of any additional certifications.

<u>Proposed law</u> authorizes certification of credits for "scripted television/video series" at the end of each season as provided for in the contract.

<u>Proposed law</u> requires the secretary, the office, and the division of administration to determine, through the promulgation of rules, an appeals process in the event that an application for a contract, or the renewal of a contract, or qualification as a "qualified production facility", is denied. The office is required to promptly provide written notice of such denial to the Senate Committee on Revenue and Fiscal Affairs and the House Committee on Ways and Means.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 47:6007(C)(1)(intro para), (D)(1)(b), (2)(c), (d)(i), (e)(intro para), and (e)(ii); adds R.S. 47:6007(B)(17) and (18), (D)(1)(d)(iv) and (2)(a)(ii))