

1                   **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2                               STATE OF OKLAHOMA

3                               1st Session of the 54th Legislature (2013)

4 COMMITTEE SUBSTITUTE  
5 FOR ENGROSSED  
6 SENATE BILL NO. 330

By: Jolley, Fields, Mazzei,  
Johnson (Constance) and  
Ford of the Senate

7   and

8   Sears of the House

9  
10  
11                               COMMITTEE SUBSTITUTE

12               [ revenue and taxation - Oklahoma Film Enhancement  
13               Rebate Program - fiscal year limitations -  
14               effective date -  
15   emergency ]

16  
17  
18 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

19               SECTION 1.           AMENDATORY           68 O.S. 2011, Section 3624, is  
20 amended to read as follows:

21               Section 3624. A. There is hereby created the Oklahoma Film  
22 Enhancement Rebate Program. A rebate ~~in the amount of up to~~  
23 ~~seventeen percent (17%)~~ which is a percentage of documented  
24 expenditures made in Oklahoma directly attributable to the

1 production of a film, television production, or television  
2 commercial, as defined in Section 3623 of this title, in this state,  
3 may be paid to the production company responsible for the  
4 production. ~~Provided, for~~ For documented expenditures made after  
5 July 1, 2009, and before July 1, 2013, the rebate amount shall be  
6 thirty-five percent (35%) and for such expenditures made on or after  
7 July 1, 2013, the rebate amount shall be twenty-five percent (25%),  
8 except as provided in subsection B of this section.

9 B. The amount of rebate paid to the production company as  
10 provided for in subsection A of this section shall be increased by  
11 an additional two percent (2%) of documented expenditures if a  
12 production company spends at least Twenty Thousand Dollars  
13 (\$20,000.00) for the use of music created by an Oklahoma resident  
14 that is recorded in Oklahoma or for the cost of recording songs or  
15 music in Oklahoma for use in the production.

16 C. The rebate program shall be administered by the Office of  
17 the Oklahoma Film and Music Commission and the Oklahoma Tax  
18 Commission, as provided in the Compete with Canada Film Act.

19 D. To be eligible for a rebate payment:

20 1. The production company responsible for a film, television  
21 production, or television commercial, as defined in Section 3623 of  
22 this title, made in this state shall submit documentation to the  
23 Office of the Oklahoma Film and Music Commission of the amount of  
24 wages paid for employment in this state to residents of this state

1 directly relating to the production and the amount of other  
2 production costs incurred in this state directly relating to the  
3 production;

4 2. The production company has filed or will file any Oklahoma  
5 tax return or tax document which may be required by law;

6 3. Except major studio productions, the production company  
7 shall provide the name of the completion guarantor and a copy of the  
8 bond guaranteeing the completion of the project or if a film has not  
9 secured a completion bond, the production company shall provide  
10 evidence that all Oklahoma crew and local vendors have been paid and  
11 there are no liens against the production company pending in the  
12 state;

13 4. The minimum budget for the film shall be Fifty Thousand  
14 Dollars (\$50,000.00) of which not less than Twenty-five Thousand  
15 Dollars (\$25,000.00) shall be expended in this state;

16 5. The production company shall provide evidence of financing  
17 for production prior to the commencement of principal photography;  
18 and

19 6. The production company shall provide evidence of a  
20 certificate of general liability insurance with a minimum coverage  
21 of One Million Dollars (\$1,000,000.00) and a workers' compensation  
22 policy pursuant to state law, which shall include coverage of  
23 employer's liability.  
24

1 E. A production company shall not be eligible to receive both a  
2 rebate payment pursuant to the provisions of this act and an  
3 exemption from sales taxes pursuant to the provisions of paragraph  
4 21 of Section 1357 of this title. If a production company has  
5 received such an exemption from sales taxes and submits a claim for  
6 rebate pursuant to the provisions of the Compete with Canada Film  
7 Act, the company shall be required to fully repay the amount of the  
8 exemption to the Tax Commission. A claim for a rebate shall include  
9 documentation from the Tax Commission that repayment has been made  
10 as required herein or shall include an affidavit from the production  
11 company that the company has not received an exemption from sales  
12 taxes pursuant to the provisions of paragraph 21 of Section 1357 of  
13 this title.

14 F. The Office shall approve or disapprove all claims for rebate  
15 and shall notify the Tax Commission. The Tax Commission shall, upon  
16 notification of approval from the Office of the Film and Music  
17 Commission, issue payment for all approved claims from funds in the  
18 Oklahoma Film Enhancement Rebate Program Revolving Fund created in  
19 Section 3625 of this title. Provided, no claims for rebate for  
20 expenditures made on or after July 1, 2009, shall be paid prior to  
21 July 1, 2010. The amount of payments in any single fiscal year  
22 shall not exceed Five Million Dollars (\$5,000,000.00). For fiscal  
23 years beginning on or after July 1, 2013, the amount of payments in  
24 any single fiscal year shall not exceed an additional Five Million

1 Dollars (\$5,000,000.00) or so much of that amount as is available  
2 subject to available funding and in no case greater than a total of  
3 Ten Million Dollars (\$10,000,000.00) per fiscal year. If the amount  
4 of approved claims exceeds the amount specified in this subsection  
5 in a fiscal year, payments shall be made in the order in which the  
6 claims are approved by the Office. If an approved claim is not paid  
7 in whole or in part, the unpaid claim or unpaid portion may be paid  
8 in the following fiscal year subject to the limitations specified in  
9 this subsection.

10 SECTION 2. AMENDATORY 68 O.S. 2011, Section 3626, is  
11 amended to read as follows:

12 Section 3626. The provisions of the Compete with Canada Film  
13 Act shall be terminated effective July 1, ~~2014~~ 2024, and no claim  
14 shall be paid thereafter.

15 SECTION 3. This act shall become effective July 1, 2013.

16 SECTION 4. It being immediately necessary for the preservation  
17 of the public peace, health and safety, an emergency is hereby  
18 declared to exist, by reason whereof this act shall take effect and  
19 be in full force from and after its passage and approval.

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21 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET, dated  
22 04/08/2013 - DO PASS, As Amended.  
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