

BILL SUMMARY
1st Session of the 57th Legislature

Bill No.:	SB 200
Version:	ENGR
Request Number:	NA
Author:	Rep. Dunnington
Date:	3/27/2019
Impact:	Tax Commission:
	Gain to Film Rebate Fund
	\$4.0 Million
	Decrease to General Revenue Fund
	\$4.0 Million

Research Analysis

Engrossed SB200 allows funds from the Oklahoma Quick Action Closing Fund to be used to make rebate payments to a high-impact production pursuant to the Oklahoma Film Enhancement Rebate Program. A *high-impact production* is defined as a production of which total expenditures or production costs are equal to or greater than \$50 million, with at least one-third of total costs deemed Oklahoma expenditures by the Oklahoma Film and Music Commission. To receive a designation as a high-impact production, the designation must be approved by the Cabinet Secretary for Commerce and Tourism.

The measure also increases the annual cap on rebate payments approved by the Oklahoma Film and Music Commission from \$4 million to \$8 million and grants an exception to the cap for high-impact productions. When a rebate claim for a high-impact production is approved, payment is to be made by a special appropriation to the Oklahoma Film Enhancement Rebate Program Revolving Fund if the claim is approved during a regular or special session of the Oklahoma Legislature. If the claim is approved outside of the legislative session, payment will come from the Oklahoma Quick Action Closing Fund.

Lastly, the measure extends the sunset date of the Compete with Canada Film Act from July 1, 2024 to July 2, 2027.

Prepared By: Quyen Do

Fiscal Analysis

Analysis provided by the Tax Commission:

Senate Bill 200 proposes to:

- Allow monies in the Quick Action Closing Fund to be used for payments of rebates to a "high impact production"² pursuant to the Oklahoma Film Enhancement Rebate Program.
- Increase the maximum amount of rebates eligible to be paid in any one fiscal year from \$4 million to \$8 million, effective July 1, 2019.
- Provide that special appropriations may be made to the Oklahoma Film Enhancement Rebate Program Revolving Fund, in excess of the \$8 million annual appropriation, for rebate claims for high impact productions.
- Remove subsection 48.2(L) of Title 62 which provides that the Fund no longer has the force and effect of law six years after the "first fiscal year for which any funds are deposited to, appropriated to, apportioned to or otherwise transferred to the Oklahoma Quick Action Closing Fund".
- Extend the termination date of the Compete with Canada Film Act from July 1, 2024 to July 1, 2027.

A production designated as a high impact production must be approved by the Office of Oklahoma Film and Music Commission and the Cabinet Secretary for Commerce and Tourism. The payment of a rebate claim for a high impact production is by special appropriation to the Oklahoma Film Enhancement Rebate Program Revolving Fund, if the claim is approved during a regular or special session of the Oklahoma Legislature, or by payment from the Oklahoma Quick Action Closing Fund if the claim is approved when the Legislature is not in session.

Revenue Impact:

This measure would decrease the amount apportioned to the General Revenue Fund from individual income tax collections by at least \$4 million and the amount apportioned to the Oklahoma Film Enhancement Rebate Program Revolving Fund would increase by at least \$4 million.³

² "High impact production" means a production for which total expenditures or production costs are equal to or greater than \$50 million, with at least one-third (1/3) of total costs deemed Oklahoma expenditures by the Office of the Oklahoma Film and Music Commission.

³ Special appropriations may be made to the Oklahoma Film Enhancement Rebate Program Revolving Fund, in excess of the \$8 million annual appropriation, for rebate claims for high impact productions.

Prepared By: Mark Tygret

Other Considerations

None.