

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 59th Legislature (2023)

4 ENGROSSED SENATE
5 BILL NO. 737

 By: Hall of the Senate

 and

 Fetgatter of the House

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9 An Act relating to film rebate incentives; amending
10 68 O.S. 2021, Sections 3635 and 3638, which relates
11 to the Filmed in Oklahoma Act of 2021; modifying
12 period for certain rate of reimbursement; modifying
13 requirements to provide certain promotional materials
14 for this state; updating statutory reference;
15 clarifying statutory language; and declaring an
16 emergency.

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

18 SECTION 1. AMENDATORY 68 O.S. 2021, Section 3635, is
19 amended to read as follows:

20 Section 3635. A. Subject to the final approval of the
21 eligibility application by the Oklahoma Department of Commerce, a
22 requirement that the incentive payments made pursuant to the
23 provisions of ~~this act~~ the Filmed in Oklahoma Act of 2021 achieve
24 the maximum positive impact for the Oklahoma economy and subject to
25 the Oklahoma workforce requirements of ~~Section 7 of this act~~ Section
26 3637 of this title, the base incentive amount for a project filmed

1 in this state shall be a maximum of twenty percent (20%) of the
2 qualified production expenditure amount. An incentive for a project
3 filmed in this state for wages paid to nonresident crew, not
4 including above-the-line personnel, before ~~July 1, 2023~~ April 1,
5 2023, shall be provided in the amount of seven and one-half percent
6 (7.5%).

7 B. In addition to the amount authorized by subsection A of this
8 section, there may be an additional incentive amount, subject to the
9 final approval of the Oklahoma Department of Commerce, in the
10 maximum amount of:

11 1. Three percent (3%) of the qualified production expenditure
12 amount for projects where at least twenty-five percent (25%) of main
13 crew principal photography days are filmed on location, excluding
14 sound stage production, in any county of this state if the county
15 has a population of less than two hundred fifty thousand (250,000)
16 persons according to the ~~federal~~ Federal Decennial Census or most
17 recent population estimate;

18 2. Two percent (2%) of the qualified production expenditure
19 amount for projects whose hub location, as determined by the
20 Department, is ~~or~~ for projects where at least twenty-five percent
21 (25%) of main crew principal photography days are filmed on
22 location, excluding sound stage production, in a municipality having
23 a population of thirteen thousand (13,000) or fewer persons
24 according to the ~~federal~~ Federal Decennial Census or most recent

1 population estimate regardless of the county in which the
2 municipality is located or partially located;

3 3. Five percent (5%) of the qualified production expenditure
4 amount for soundstage expenditures if at least twenty-five percent
5 (25%) of main crew principal photography days are filmed at a
6 qualified soundstage facility;

7 4. For eligible television series as defined in paragraph 4 of
8 Section ~~2~~ 3632 of this ~~act~~ title:

9 a. two percent (2%) of the qualified production
10 expenditure amount for an eligible television episodic
11 pilot, and

12 b. five percent (5%) of the qualified production
13 expenditure amount if a television series is filmed
14 for one or more seasons;

15 5. Five percent (5%) of the qualified production expenditure
16 amount for an eligible multi-film deal as defined in paragraph 7 of
17 Section ~~2~~ 3632 of this ~~act~~ title; and

18 6. Three percent (3%) of the qualified production expenditure
19 amount based on expenditures paid to Oklahoma vendors for post-
20 production expenses with a minimum expenditure of three percent (3%)
21 of Oklahoma production expenditures. Post-production expenditures
22 include but are not limited to the following categories:

23 a. sound recording or mixing,

24 b. color grading,

- c. editorial work,
- d. visual effects,
- e. animation,
- f. deliverables, excluding marketing and advertising,
- g. music production, recording, mixing or composition,
- h. licensing of Oklahoma music, and
- i. editing equipment or editing facility rental.

SECTION 2. AMENDATORY 68 O.S. 2021, Section 3638, is amended to read as follows:

Section 3638. All production projects for which any incentive is paid pursuant to the provisions of this act shall contain a ~~logo~~ qualifying promotion of this state, as approved by the Oklahoma Department of Commerce, ~~to be displayed in the end credits of the finished production or, if the production does not contain end credits, the Oklahoma Department of Commerce shall obtain a commitment by the production company to provide equivalent value as determined by the Oklahoma Department of Commerce~~ which shall include the following:

1. For a film production with end credits, a five (5) second long static or animated logo, approved by the Department, in the end credits before the below-the-line crew crawl for the life of the project;

2. For a film production without end credits and television series or projects, a five (5) second long static or animated logo,

1 approved by the Department, during each broadcast worldwide for the
2 life of the project; or

3 3. For all other film productions, including but not limited to
4 advertising messages and video gaming, a logo approved by the
5 Department, visible for no less than one (1) second, or a commitment
6 to provide equivalent value, as determined by the Department.

7 SECTION 3. It being immediately necessary for the preservation
8 of the public peace, health or safety, an emergency is hereby
9 declared to exist, by reason whereof this act shall take effect and
10 be in full force from and after its passage and approval.

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12 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET, dated
13 04/05/2023 - DO PASS.

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