

2011 RI H 7323 , Enacted - Public Law

Rhode Island

SUMMARY: Relates to making appropriations for the support of the state for the fiscal year ending June 30, 2013; provides the equipment, utensils, or supplies acquired for creating or operating a farm home food manufacture shall not be exempt from the sales and use tax; relates to child-support related interception of insurance payments by liability insurers or workers' compensation insurers; provides for a tax amnesty; relates to public hearings regarding contracting; provides approval for a bond ballot measure.~SAME AS:

State Net Legislative History and Analysis

Changes in Bill text reflected as:

~~Text Deleted~~

Text Added

~~Text Vetoed~~

Current Legislative Status

02/01/2012 INTRODUCED.

02/01/2012 To HOUSE Committee on FINANCE.

05/29/2012 Scheduled for hearing and/or consideration. (05/31/2012)

05/31/2012 From HOUSE Committee on FINANCE: Recommended as substituted.

05/31/2012 Placed on House Calendar. (06/07/2012)

06/07/2012 Amended on HOUSE floor.

06/07/2012 Passed HOUSE. *****To SENATE.

06/07/2012 To SENATE Committee on FINANCE.

06/08/2012 From SENATE Committee on FINANCE: Recommended passage.

06/08/2012 Placed on Senate Calendar. (06/11/2012)

06/11/2012 Passed SENATE.

06/11/2012 *****To GOVERNOR.

06/15/2012 Signed by GOVERNOR.

06/15/2012 Public Law No. 2012-241

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session: Rhode Island 2011-2012 Legislative Session

cite: 2011 RI H 7323

Enacted - Public Law

June 15, 2012

Melo

Chapter 241

2012 -- H 7323 SUBSTITUTE A AS AMENDED

Enacted 06/15/12

AN ACT

RELATING TO MAKING APPROPRIATIONS FOR THE SUPPORT OF THE STATE FOR THE FISCAL YEAR ENDING JUNE 30, 2013

Introduced By: Representative Helio Melo

Date Introduced: February 01, 2012

It is enacted by the General Assembly as follows:

- ARTICLE 1 RELATING TO MAKING APPROPRIATIONS IN SUPPORT OF FY 2013
- ARTICLE 2 RELATING TO BORROWING IN ANTICIPATION OF RECEIPTS FROM TAXES
- ARTICLE 3 RELATING TO ABUSED AND NEGLECTED CHILDREN
- ARTICLE 4 RELATING TO GOVERNMENT ORGANIZATION
- ARTICLE 5 RELATING TO CAPITAL DEVELOPMENT PROGRAM
- ARTICLE 6 RELATING TO BOND PREMIUMS
- ARTICLE 7 RELATING TO DEBT MANAGEMENT ACT JOINT RESOLUTIONS
- ARTICLE 8 RELATING TO INFORMATION TECHNOLOGY INVESTMENT FUND
- ARTICLE 9 RELATING TO DEPARTMENT OF HEALTH FEES
- ARTICLE 10 RELATING TO MAKING REVISED APPROPRIATIONS IN SUPPORT OF FY 2012
- ARTICLE 11 RELATING TO MEDICAL ASSISTANCE RECOVERIES
- ARTICLE 12 RELATING TO EDUCATION AID
- ARTICLE 13 RELATING TO HISTORIC PRESERVATION TAX CREDIT TRUST FUND
- ARTICLE 14 RELATING TO RESTRICTED RECEIPT ACCOUNTS
- ARTICLE 15 RELATING TO HOSPITAL UNCOMPENSATED CARE
- ARTICLE 16 RELATING TO MUNICIPALITIES
- ARTICLE 17 RELATING TO DEPARTMENT OF ENVIRONMENTAL MANAGEMENT
- ARTICLE 18 RELATING TO OFFICE OF HEALTH AND HUMAN SERVICES
- ARTICLE 19 RELATING TO MEDICAID REFORM ACT OF 2008
- ARTICLE 20 RELATING TO EAST BAY BRIDGE SYSTEM
- ARTICLE 21 RELATING TO TAXATION AND REVENUES
- ARTICLE 22 RELATING TO CENTRAL FALLS
- ARTICLE 23 RELATING TO EFFECTIVE DATE
- ARTICLE 1 AS AMENDED
- RELATING TO MAKING APPROPRIATIONS IN SUPPORT OF FY 2013

SECTIONS NOT PERTAINING TO THE FILM INCENTIVE HAVE BEEN OMITTED

SECTION 10. Sections 44-31.2-2, 44-31.2-5, and 44-31.2-6 of the General Laws in Chapter 44-31.2 entitled "Motion Picture Production Tax Credit" are hereby amended to read as follows:

44-31.2-2. Definitions. --For the purposes of this chapter:

(1) "Accountant's certification" as provided in this chapter means a certified audit by a Rhode Island certified public accountant licensed in accordance with section 5-3.1.

(2) "Base investment" means the actual investment made and expended by a state- certified production in the state as production-related costs.

(3) "Documentary Production" means a non-fiction production intended for educational or commercial distribution that may require out of state principal photography.

~~(3)~~ (4) "Domiciled in Rhode Island" means a corporation incorporated in Rhode Island or a partnership, limited liability company, or other business entity formed under the laws of the state of Rhode Island for the purpose of producing motion pictures as defined in this section, or an individual who is a domiciled resident of the state of Rhode Island as defined in chapter 30 of this title.

(5) "Final Production Budget" means and includes the total pre-production, production and post-production out-of-pocket costs incurred and paid in connection with the making of the motion picture. The final production budget excludes costs associated with the promotion or marketing of the motion picture

~~(4)~~ (6) "Motion picture" means a feature-length film, *documentary production*, video, video games, television

series, or commercial made in Rhode Island, in whole or in part, for theatrical or television viewing or as a television pilot *or for educational distribution* . The term “motion picture” shall not include the production of television coverage of news or athletic events, nor shall it apply to any film, video, television series or commercial or a production for which records are required under section 2257 of title 18, U.S.C., to be maintained with respect to any performer in such production or reporting of books, films, etc. with respect to sexually explicit conduct.

~~(5)~~ (7) “Motion picture production company” means a corporation, partnership, limited liability company or other business entity engaged in the business of producing one or more motion pictures as defined in this section. Motion picture production company shall not mean or include: (a) any company owned, affiliated, or controlled, in whole or in part by any company or person which is in default: (i) on taxes owed to the state; or (ii) on a loan made by the state *in the application year* ; or (iii) *on* a loan guaranteed by the state *in the application year* ; ~~nor (iv) any company or person who has even declared bankruptcy under which an obligation of the company or person to pay or repay public funds or monies was discharged as a part of such bankruptcy.~~ *or (b) any company or person who has discharged an obligation to pay or repay public funds or monies by: (i) filing a petition under any Federal or state bankruptcy or insolvency law; (ii) having a petition filed under any Federal or state bankruptcy or insolvency law against such company or person; (iii) consenting to, or acquiescing or joining in, a petition named in (i) or (ii); (iv) consenting to, or acquiescing or joining in, the appointment of a custodian, receiver, trustee, or examiner for such company's or person's property; or (v) making an assignment for the benefit of creditors or admitting in writing or in any legal proceeding its insolvency or inability to pay debts as they become due.*

~~(6)~~ (8) “Primary locations” means the locations within which (1) at least fifty-one percent (51%) of the motion picture principal photography days are filmed ~~—~~ ; *or (2) at least fifty-one percent (51%) of the motion picture's final production budget is spent and employs at least five (5) individuals during the production in this state; or (3) for documentary productions, the location of at least fifty-one percent (51%) of the total production days, which shall include pre- production and post-production locations.*

~~(7)~~ (9) “Rhode Island film and television office” means an office within the ~~Rhode Island state council on the arts department of administration~~ that has been established in order to promote and encourage the locating of film and television productions within the state of Rhode Island. The office is also referred to within as the “film office”.

~~(8)~~ (10) “State-certified production” means a motion picture production approved by the Rhode Island film office and produced by a motion picture production company domiciled in Rhode Island, whether or not such company owns or controls the copyright and distribution rights in the motion picture; provided, that such company has either: (a) signed a viable distribution plan; or (b) is producing the motion picture for: (i) a major motion picture distributor; (ii) a major theatrical exhibitor; (iii) television network; or (iv) cable television programmer.

~~(9)~~ (11) “State certified production cost” means any pre-production, production and post- production cost that a motion picture production company incurs and pays to the extent it occurs within the state of Rhode Island. Without limiting the generality of the foregoing, “state certified production costs” include: set construction and operation; wardrobes, make-up, accessories, and related services; costs associated with photography and sound synchronization, lighting, and related services and materials; editing and related services, including, but not limited to, film processing, transfers of film to tape or digital format, sound mixing, computer graphics services, special effects services, and animation services, salary, wages, and other compensation, including related benefits, of persons employed, either director or indirectly, in the production of a film including writer, motion picture director, producer (provided the work is performed in the state of Rhode Island); rental of facilities and equipment used in Rhode Island; leasing of vehicles; costs of food and lodging; music, if performed, composed, or recorded by a Rhode Island musician, or released or published by a person domiciled in Rhode Island; travel expenses incurred to bring persons employed, either directly or indirectly, in the production of the motion picture, to Rhode Island (but not expenses of such persons departing from Rhode Island); and legal (but not the expense of a completion bond or insurance and accounting fees and expenses related to the production's activities in Rhode Island); provided such services are provided by Rhode Island licensed attorneys or accountants.

(12) “Application year” means within the calendar year the motion picture production company files an application for the tax credit.

44-31.2-5. Motion picture production company tax credit. --(a) A motion picture production company shall be allowed a credit to be computed as provided in this chapter against a tax imposed by chapters 11, 14, 17 and 30 of this title. The amount of the credit shall be twenty- five percent (25%) of the state certified production costs incurred directly attributable to activity within the state, provided that the primary locations are within the state of Rhode Island and the total production budget as defined herein is a minimum of ~~three- one~~ hundred thousand dollars ~~-\$300,000~~ *(\$100,000)* . The credit shall be earned in the taxable year in which production in Rhode Island is completed, as determined by the film office in final certification pursuant to subsection 44-31.2-6(c).

(b) For the purposes of this section: “total production budget” means and includes the motion picture production company's pre-production, production and post-production costs incurred for the production activities of the motion picture production company in Rhode Island in connection with the production of a state-certified production. The budget shall not include costs associated with the promotion or marketing of the film, video or television product.

(c) *Notwithstanding subsection (a), the ~~The~~ credit shall not exceed ~~the total production budget~~ five million dollars (\$5,000,000) and shall be allowed against the tax for the taxable period in which the credit is earned and can be carried forward for not more than three (3) succeeding tax years. Pursuant to rules promulgated by the tax administrator, the administrator may issue a waiver of the five million dollar (\$5,000,000) tax credit cap for any feature-length film or television series up to the remaining funds available pursuant to section (e).*

(d) Credits allowed to a motion picture production company, which is a subchapter S corporation, partnership, or a limited liability company that is taxed as a partnership, shall be passed through respectively to persons designated as partners, members or owners on a pro rata basis or pursuant to an executed agreement among such persons designated as subchapter S corporation shareholders, partners, or members documenting an alternate distribution method without regard to their sharing of other tax or economic attributes of such entity.

(e) No more than fifteen million dollars (\$15,000,000) *in total* may be issued for any tax year beginning after December 31, 2007 *for motion picture tax credits pursuant to this chapter and/or musical and theatrical production tax credits pursuant to chapter 31.3 of this title . Said credits shall be equally available to motion picture productions and musical and theatrical productions. No specific amount shall be set aside for either type of production.*

44-31.2-6. Certification and administration. --(a) Initial certification of a production. The applicant shall properly prepare, sign and submit to the film office an application for initial certification of the Rhode Island production. The application shall include such information and data as the film office deems necessary for the proper evaluation and administration of said application, including, but not limited to, any information about the motion picture production company, and a specific Rhode Island motion picture. The film office shall review the completed application and determine whether it meets the requisite criteria and qualifications for the initial certification for the production. If the initial certification is granted, the film office shall issue a notice of initial certification of the motion picture production to the motion picture production company and to the tax administrator. The notice shall state that, after appropriate review, the initial application meets the appropriate criteria for conditional eligibility. The notice of initial certification will provide a unique identification number for the production and is only a statement of conditional eligibility for the production and, as such, does not grant or convey any Rhode Island tax benefits.

(b) Final certification of a production. Upon completion of the Rhode Island production activities, the applicant shall request a certificate of good standing from the Rhode Island division of taxation. ~~The division shall expedite the process for reviewing the issuance of such certificates.~~ Such certificates shall verify to the film office the motion picture production company's compliance with the requirements of subsection 44-31.2-2(5). The applicant shall properly prepare, sign and submit to the film office an application for final certification of the production and which must include the certificate of good standing from the division of taxation. In addition, the application shall contain such information and data as the film office determines is necessary for the proper evaluation and administration, including, but not limited to, any information about the motion picture production company, its investors and information about the production previously granted initial certification. The final application shall also contain a cost report and an “accountant's certification”. The film office and tax administrator may rely without independent investigation, upon the accountant's certification, in the form of an opinion, confirming the accuracy of the information included in the cost report. Upon review of a duly completed and filed application, the film office will make a determination pertaining to the final certification of the production ~~and the resultant credits for Section 44-31.2-5~~ . *Within ninety (90) days after the division of taxation's receipt of the motion picture production company final certification and cost report, the division of taxation shall issue a certification of the amount of credit for which the motion picture production company qualifies under section 44-31.2-5. To claim the tax credit, the division of taxation's certification as to the amount of the tax credit shall be attached to all state tax returns on which the credit is claimed.*

(c) Final certification and credits. Upon determination that the motion picture production company qualifies for final certification ~~and the resultant credits~~ , the film office shall issue a letter to the production company indicating “certificate of completion of a state certified production” ~~and shall provide specifically designed certificates for the motion picture production company credit under Section 44-31.2-5~~ . *A motion picture production company is prohibited from using state funds, state loans or state guaranteed loans to qualify for the motion picture tax credit.* All documents that are issued by the film office pursuant to this section shall reference the identification number that was issued to the production as part of its initial certification.

(d) The director of the ~~Rhode Island film and television office~~ *department of administration*, in consultation as needed with the tax administrator, shall promulgate such rules and regulations as are necessary to carry out the intent and purposes of this chapter in accordance with the general guidelines provided herein for the certification of the production and the resultant production credit.

(e) The tax administrator of the division of taxation, in consultation with the director of the Rhode Island film and television office, shall promulgate such rules and regulations as are necessary to carry out the intent and purposes of this chapter in accordance with the general guidelines for the tax credit provided herein.

(f) Any motion picture production company applying for the credit shall be required to reimburse the division of taxation for any audits required in relation to granting the credit.

SECTION 11. Chapter 44-31.2 of the General Laws entitled "Motion Picture Production Tax Credit" is hereby amended by adding thereto the following section:

44-31.2-11. Sunset. -- No credits shall be issued on or after July 1, 2019 unless the production has received initial certification under subsection 44-31.2-6(a) prior to July 1, 2019.

SECTION 12. Title 44 of the General Laws entitled "TAXATION" is hereby amended by adding thereto the following chapter:

CHAPTER 31.3

MUSICAL AND THEATRICAL PRODUCTION TAX CREDITS

44-31.3-1. Declaration of purpose. -- (a) The general assembly finds and declares that it is Rhode Island's priority to reduce the state's unemployment rate by stimulating new industries that have large employment growth potential by providing tax incentives and other means necessary and therefore recognizes that such incentives should be created for the arts and entertainment industry. The purpose of this chapter is to create economic incentives for the purpose of stimulating the local economy and reducing unemployment in Rhode Island.

44-31.3-2. Musical and Theatrical Production Tax Credits. -

(a) Definitions - As used in this chapter:

(1) "Accredited theater production" means a for-profit live stage presentation in a qualified production facility, as defined in this chapter that is either: (i) A Pre-Broadway production, or (ii) A Post-Broadway production.

(2) "Accredited theater production certificate" means a certificate issued by the film office certifying that the production is an accredited theater production that meets the guidelines of this chapter.

(3) "Advertising and public relations expenditure" means costs incurred within the state by the accredited theater productions for goods or services related to the national marketing, public relations, creation and placement of print, electronic, television, billboards and other forms of advertising to promote the accredited theater production.

(4) "Payroll" means all salaries, wages, fees, and other compensation including related benefits for services performed and costs incurred within Rhode Island.

(5) "Pre-Broadway Production" means a live stage production that, in its original or adaptive version, is performed in a qualified production facility having a presentation scheduled for Broadway's theater district in New York City within (12) months after its Rhode Island presentation.

(6) "Post-Broadway production" means a live stage production that, in its original or adaptive version, is performed in a qualified production facility and opens its US tour in Rhode Island after a presentation scheduled for Broadway's theater district in New York City.

(7) "Production and Performance Expenditures" means a contemporaneous exchange of cash or cash equivalent for goods or services related to development, production, performance or operating expenditures incurred in this state for a qualified theater production including, but not limited to, expenditures for design, construction and operation, including sets, special and visual effects, costumes, wardrobes, make-up, accessories, costs associated with sound, lighting, staging, payroll, transportation expenditures, advertising and public relations expenditures, facility expenses, rentals, per diems, accommodations and other related costs.

(8) "Qualified Production Facility" means a facility located in the State of Rhode Island in which live theatrical productions are, or are intended to be, exclusively presented that contains at least one stage, a seating capacity of one thousand five hundred (1,500) or more seats, and dressing rooms, storage areas, and other ancillary amenities necessary for the accredited theater production.

(9) "Resident" or "Rhode Island resident" means for the purpose of determination of eligibility for the tax incentives

provided by this chapter, an individual who is domiciled in the State of Rhode Island or who is not domiciled in this state but maintains a permanent place of abode in this state and is in this state for an aggregate of more than one hundred eighty-three (183) days of the taxable year, unless the individual is in the armed forces of the United States.

(10) "Rhode Island film and television office" means the office within the department of administration that has been established in order to promote and encourage the locating of film and television productions within the state of Rhode Island. The office is also referred to as the "film office".

(11) (i) "Transportation expenditures" means expenditures for the packaging, crating, and transportation both to the state for use in a qualified theater production of sets, costumes, or other tangible property constructed or manufactured out of state, and/or from the state after use in a qualified theater production of sets, costumes, or other tangible property constructed or manufactured in this state and the transportation of the cast and crew to and from the state. Such term shall include the packaging, crating, and transporting of property and equipment used for special and visual effects, sound, lighting, and staging, costumes, wardrobes, make-up and related accessories and materials, as well as any other performance or production-related property and equipment.

(ii) Transportation expenditures shall not include any costs to transport property and equipment to be used only for filming and not in a qualified theater production, any indirect costs, and expenditures that are later reimbursed by a third party, or any amounts that are paid to persons or entities as a result of their participation in profits from the exploitation of the production.

(b) Tax Credit. (1) Any person, firm, partnership, trust, estate or other entity that receives an accredited theater production certificate shall be allowed a tax credit equal to twenty-five percent (25%) of the total production and performance expenditures and transportation expenditures for the accredited theater production and to be computed as provided in this chapter against a tax imposed by chapters 11, 12, 13, 14, 17 and 30 of this title. Said credit shall not exceed five million dollars (\$5,000,000) and shall be limited to certified production cost directly attributable to activities in the state and transportation expenditures defined above. The total production budget shall be a minimum of one hundred thousand dollars (\$100,000).

(2) No more than fifteen million dollars (\$15,000,000) in total may be issued for any tax year for motion picture tax credits pursuant to chapter 31.2 of this title and/or musical and theatrical production tax credits pursuant to this chapter. Said credits shall be equally available to motion picture productions and musical and theatrical productions. No specific amount shall be set aside for either type of production.

(3) The tax credit shall be allowed against the tax for the taxable period in which the credit is earned and can be carried forward for not more than three (3) succeeding tax years.

(4) Credits allowed to a company, which is a subchapter S corporation, partnership, or a limited liability company that is taxed as a partnership, shall be passed through respectively to persons designated as partners, members or owners on a pro rata basis or pursuant to an executed agreement among such persons designated as subchapter S corporation shareholders, partners, or members documenting an alternate distribution method without regard to their sharing of other tax or economic attributes of such entity.

(5) If the company has not claimed the tax credits in whole or part, taxpayers eligible for the tax credits may assign, transfer or convey the tax credits, in whole or in part, by sale or otherwise to any individual or entity and such assignee of the tax credits that have not claimed the tax credits in whole or part may assign, transfer or convey the tax credits, in whole or in part, by sale or otherwise to any individual or entity. The assignee of the tax credits may use acquired credits to offset up to one hundred percent (100%) of the tax liabilities otherwise imposed pursuant to chapter 11, 12, 13 (other than the tax imposed under section 44-13-13), 14, 17 or 30 of this title. The assignee may apply the tax credit against taxes imposed on the assignee for not more than three (3) succeeding tax years. The assignor shall perfect the transfer by notifying the state of Rhode Island division of taxation, in writing, within thirty (30) calendar days following the effective date of the transfer and shall provide any information as may be required by the division of taxation to administer and carry out the provisions of this section.

(6) For purposes of this chapter, any assignment or sales proceeds received by the assignor for its assignment or sale of the tax credits allowed pursuant to this section shall be exempt from this title.

(7) In the case of a corporation, this credit is only allowed against the tax of a corporation included in a consolidated return that qualifies for the credit and not against the tax of other corporations that may join in the filing of a consolidated tax return.

(c) Certification and administration. - (1) The applicant shall properly prepare, sign and submit to the film office an application for initial certification of the theater production. The application shall include such information and data as the film office deems reasonably necessary for the proper evaluation and administration of said application,

including, but not limited to, any information about the theater production company and a specific Rhode Island live theater or musical production. The film office shall review the completed application and determine whether it meets the requisite criteria and qualifications for the initial certification for the production. If the initial certification is granted, the film office shall issue a notice of initial certification of the accredited theater production to the theater production company and to the tax administrator. The notice shall state that, after appropriate review, the initial application meets the appropriate criteria for conditional eligibility. The notice of initial certification will provide a unique identification number for the production and is only a statement of conditional eligibility for the production and, as such, does not grant or convey any Rhode Island tax benefits. (2) Upon completion of an accredited theater production, the applicant shall properly prepare, sign and submit to the film office an application for final certification of the accredited theater production. The final application shall also contain a cost report and an "accountant's certification." The film office and tax administrator may rely without independent investigation, upon the accountant's certification, in the form of an opinion, confirming the accuracy of the information included in the cost report. Upon review of a duly completed and filed application and upon no later than thirty (30) days of submission thereof, the division of taxation will make a determination pertaining to the final certification of the accredited theater production and the resultant tax credits.

(3) Upon determination that the company qualifies for final certification and the resultant tax credits, the tax administrator of the division of taxation shall issue to the company: (i) An Accredited Theater Production Certificate; and (ii) A tax credit certificate in an amount in accordance with this section (b) hereof. A musical and theatrical production company is prohibited from using state funds, state loans or state guaranteed loans to qualify for the motion picture tax credit. All documents that are issued by the film office pursuant to this section shall reference the identification number that was issued to the production as part of its initial certification.

(4) The director of the department of administration, in consultation as needed with the tax administrator, shall promulgate such rules and regulations as are necessary to carry out the intent and purposes of this chapter in accordance with the general guidelines provided herein for the certification of the production and the resultant production credit.

(5) If information comes to the attention of the film office that is materially inconsistent with representations made in an application, the film office may deny the requested certification. In the event that tax credits or a portion of tax credits are subject to recapture for ineligible costs and such tax credits have been transferred, assigned and/or allocated, the state will pursue its recapture remedies and rights against the applicant of the theater production tax credits. No redress shall be sought against assignees, sellers, transferees or allocates of such credits.

(d) Information requests. (i) The director of the film office and his or her agents, for the purpose of ascertaining the correctness of any credit claimed under the provisions of this chapter, may examine any books, paper, records, or memoranda bearing upon the matters required to be included in the return, report, or other statement, and may require the attendance of the person executing the return, report, or other statement, or of any officer or employee of any taxpayer, or the attendance of any other person, and may examine the person under oath respecting any matter which the director or his or her agent deems pertinent or material in administration and application of this chapter and where not inconsistent with other legal provisions, the director may request information from the tax administrator.

(ii) The tax administrator and his or her agents, for the purpose of ascertaining the correctness of any credit claimed under the provisions of this chapter, may examine any books, paper, records, or memoranda bearing upon the matters required to be included in the return, report, or other statement, and may require the attendance of the person executing the return, report, or other statement, or of any officer or employee of any taxpayer, or the attendance of any other person, and may examine the person under oath respecting any matter which the tax administrator or his or her agent deems pertinent or material in determining the eligibility for credits claimed and may request information from the film office, and the film office shall provide the information in all cases to the tax administrator.

(e) The film office shall comply with the impact analysis and periodic reporting provisions of 44-31.2-6.1.

44-31.3-3. Hearings and appeals. -- (a) From an action of the film office. - For matters pertaining exclusively to application, production, and certification of musical and theatrical productions, any person aggrieved by a denial action of the film office under this chapter shall notify the director of the film office in writing, within thirty (30) days from the date of mailing of the notice of denial action by the film office and request a hearing relative to the denial or action. The director of the film office shall, as soon as is practicable, fix a time and place of hearing, and shall render a final decision. Appeals from a final decision of the director of the film office under this chapter are to the sixth (6th) division district court pursuant to chapter 35 of title 42 of the general laws.

(b) From denial of tax credit. - Any person aggrieved by the tax administrator's denial of a tax credit or tax benefit in

this section shall notify the tax administrator in writing within thirty (30) days from the date of mailing of the notice of denial of the tax credit and request a hearing relative to the denial of the tax credit. The tax administrator shall, as soon as is practicable, fix a time and place for a hearing, and shall render a final decision. Appeals from a final decision of the tax administrator under this chapter are to the sixth (6th) division district court pursuant to chapter 8 of title 8 of the general laws. The taxpayer's right to appeal is expressly made conditional upon prepayment of all taxes, interest, and penalties, unless the taxpayer files a timely motion for exemption from prepayment with the district court in accordance with the requirements imposed pursuant to section 8-8-26 of the general laws.

44-31.3-4. Sunset. -- No credits shall be issued on or after July 1, 2019 unless the production has received initial certification under subsection 44-31.3-2(c) prior to July 1, 2019.

SECTION 13. Section 42-75-12 of the General Laws in Chapter 42-75 entitled "Council on the Arts" is hereby amended to read as follows:

42-75-12. Rhode Island film and television office. -- Within the ~~-commission-~~ *department of administration* there is established a separate, distinct office entitled the "Rhode Island film and television office." This office is established in order to promote and encourage film and television productions within the state of Rhode Island. This office is also responsible for the review of applications of motion picture productions pursuant to the requirements of chapter 31.2 of title 44.

SECTIONS NOT PERTAINING TO THE FILM INCENTIVE HAVE BEEN OMITTED

ARTICLE 23

RELATING TO EFFECTIVE DATE

SECTION 1. This act shall take effect on July 1, 2012, except as otherwise provided herein.

SECTION 2. This article shall take effect upon passage.