

SHB 1914 - H AMD 1365

By Representative Riccelli

ADOPTED 03/04/2022

1 Strike everything after the enacting clause and insert the
2 following:

3 **"Sec. 1.** RCW 43.365.005 and 2006 c 247 s 1 are each amended to
4 read as follows:

5 The legislature recognizes the motion picture industry in
6 Washington as a valuable commodity contributing greatly to the
7 economic vitality of the state and the cultural integrity of our
8 communities. The legislature further recognizes the production of in-
9 state motion pictures, television programs, and television
10 commercials creates a marked increase in tourism, family-wage jobs,
11 and the sale of local goods and services generating revenue for the
12 state. Furthermore, with captive national and international
13 audiences, the world is introduced to the state's pristine scenic
14 venues and reminded that the Pacific Northwest is a great place to
15 live and raise a family. The legislature also recognizes the inherent
16 educational value of promoting arts and culture as well as the
17 benefits of training young motion picture professionals who will
18 build a fruitful industry for years to come.

19 The legislature finds in recent years that the state has realized
20 a drastic decline in motion picture production that precludes
21 economic expansion and threatens the state's reputation as a
22 production destination. With the emergence of tax incentives in
23 (~~thirty~~) other states nationwide, in-state producers are taking
24 their projects to more competitive economic climates, such as Oregon
25 and Vancouver, British Columbia, where compelling tax incentive
26 packages and subsidies are already in effect.

27 The legislature also finds that in recent years increasingly
28 workers in Washington state are without health insurance coverage and
29 retirement income protections, causing hardships on workers and their
30 families and higher costs to the state.

31 The legislature also recognizes that there are significant
32 barriers to entry for those from marginalized communities to enter

1 the motion picture workforce. This results in lost opportunity for
2 people to tell stories in film that reflect a breadth of diversity in
3 experience across race, gender, ability, sexual orientation, and
4 place of origin.

5 The legislature also finds that more investment in the film
6 industry will increase revenue with Washington state businesses and
7 create family-wage jobs that pay health and retirement benefits for
8 Washington workers. Moreover, targeted investments in rural and
9 marginalized communities will create opportunities to build an
10 equitable workforce and film industry.

11 Therefore, it is the intent of the legislature to recognize both
12 national and international competition in the motion picture
13 production marketplace. The legislature is committed to leveling the
14 competitive playing field and promoting an equitable film industry
15 and is interested in a partnership with the private sector to regain
16 Washington's place as a premier destination to make motion pictures,
17 television, and television commercials. While at the same time the
18 legislature is committed to ensuring that workers in the motion
19 picture and television industry are covered under health insurance
20 and retirement income plans and that motion picture production sets
21 and stories reflect the diversity of Washington residents.

22 **Sec. 2.** RCW 43.365.010 and 2017 3rd sp.s. c 37 s 1103 are each
23 amended to read as follows:

24 The definitions in this section apply throughout this chapter
25 unless the context clearly requires otherwise.

26 (1) "Approved motion picture competitiveness program" and
27 "program" mean(~~s~~) a nonprofit organization under the internal
28 revenue code, section 501(c)(6), with the sole purpose of
29 revitalizing the state's economic, cultural, and educational standing
30 in the national and international market of motion picture production
31 and associated creative industries and assisting and providing
32 services for attracting the film industry and associated creative
33 industries, by recommending and awarding financial assistance for
34 costs associated with motion pictures in the state of Washington.

35 (2) "Board of directors" and "board" mean the board of directors
36 established in RCW 43.365.030.

37 (3) "Contribution" means cash contributions.

38 ~~((3))~~ (4) "Costs" means actual expenses of production and
39 postproduction expended in Washington state for the production of

1 motion pictures, including but not limited to payments made for
2 salaries, wages, and health insurance and retirement benefits, the
3 rental costs of machinery and equipment and the purchase of services,
4 food, property, lodging, and permits for work conducted in Washington
5 state.

6 ~~((4))~~ (5) "Department" means the department of commerce.

7 ~~((5))~~ (6) "Funding assistance" means cash expenditures from an
8 approved motion picture competitiveness program.

9 ~~((6))~~ (7) "Motion picture" means a recorded audiovisual
10 production intended for distribution to the public for exhibition in
11 public and/or private settings by means of any and all delivery
12 systems and/or delivery platforms now or hereafter known, including
13 without limitation, screenings in motion picture theaters, broadcasts
14 and cablecast transmissions for viewing on televisions, computer
15 screens, and other audiovisual receivers, viewings on screens by
16 means of digital video disc (DVD) players, video on demand (VOD)
17 services, and digital video recording (DVR) services, direct internet
18 transmission, and viewing on digital computer-based systems which
19 respond to the users' actions (interactive media).

20 ~~((7))~~ (8) "Person" has the same meaning as provided in RCW
21 82.04.030.

22 (9) "Rural community" has the same meaning as "rural county" in
23 RCW 82.14.370.

24 **Sec. 3.** RCW 43.365.030 and 2012 c 189 s 3 are each amended to
25 read as follows:

26 (1) A Washington motion picture competitiveness program under
27 this chapter must be administered by a board of directors appointed
28 by the governor, and the appointments must be made within sixty days
29 following enactment. The department, after consulting with the board,
30 must adopt rules for the standards that shall be used to evaluate the
31 applications for funding assistance prior to June 30, 2006.

32 (2) The board must evaluate and award financial assistance to
33 motion picture projects under rules set forth under RCW 43.365.020.

34 (3) The board must consist of the following members:

35 (a) ~~((One member))~~ Two members representing the Washington motion
36 picture production industry, one of whom must demonstrate expertise
37 in the financing of motion picture projects;

38 (b) ~~((One member representing the Washington motion picture~~
39 ~~postproduction industry;~~

1 ~~(e))~~ One member representing technologies impacting the
2 Washington (~~(interactive media or)~~) emerging motion picture industry;

3 ~~((d))~~ (c) Two members representing labor unions affiliated with
4 Washington motion picture production;

5 ~~((e) One member representing the Washington visitors and~~
6 ~~convention bureaus;~~

7 ~~(f) One member representing the Washington tourism industry;~~

8 ~~(g) One member representing the Washington restaurant, hotel, and~~
9 ~~airline industry))~~ (d) Three members representing industries and
10 businesses impacted by motion picture production, one of whom must
11 represent industries or businesses located east of the crest of the
12 Cascade mountain range and one of whom must represent industries or
13 businesses located west of the crest of the Cascade mountain range;

14 (e) Two cochairs of the board's equity committee, not already
15 serving on the board, recommended by the board to the governor;

16 (f) Two cochairs of the board's advisory committee, also known as
17 the film leadership council, not already serving on the board,
18 recommended by the board to the governor; and

19 ~~((h))~~ (g) A chairperson, chosen at large, must serve at the
20 pleasure of the governor.

21 (4) The term of the board members, other than the chair, is four
22 years, except as provided in subsection (5) of this section.

23 (5) The governor must appoint board members (~~(in 2010)~~) to (~~(two-~~
24 ~~year or)~~) four-year staggered terms (~~(. Once the initial two-year or~~
25 ~~four-year terms expire, all subsequent terms are for four years. The~~
26 ~~terms of the initial board members are as follows:~~

27 ~~(a) The board positions in subsection (3) (b), (c), and (g) of~~
28 ~~this section, and one position from subsection (3) (d) of this section~~
29 ~~must be appointed to two-year terms; and~~

30 ~~(b) The remaining board positions in subsection (3) of this~~
31 ~~section shall be appointed to four-year terms)),~~ except the board
32 member initially appointed to the position in subsection (3) (b) of
33 this section and the board member initially appointed to the position
34 in subsection (3) (f) of this section must each be appointed to a two-
35 year term. Once those initial two-year terms expire, all subsequent
36 terms are for four years.

37 (6) A board member appointed by the governor may be removed by
38 the governor for cause under RCW 43.06.070 and 43.06.080.

39 (7) ~~(Five)~~ Seven members of the board constitute a quorum.

1 (8) The board must elect a treasurer and secretary annually, and
2 other officers as the board members determine necessary, and may
3 adopt bylaws or rules for its own government.

4 (9) The board must make any information available at the request
5 of the department to administer this chapter.

6 (10) Contributions received by a board must be deposited into the
7 account described in RCW 43.365.020(2).

8 (11) Board members must comply with all requirements of a
9 501(c)(6) organization, including the prohibition on using
10 information obtained as a board member for personal gain. Board
11 members must act in the best interest of the approved motion picture
12 competitiveness program. Each board member is required to complete an
13 annual conflicts of interest form to disclose all conflicts and
14 potential conflicts of interest with board actions. If a board member
15 has a conflict of interest with respect to an application for funding
16 assistance, the board member must disclose the board member's
17 conflict and not be present for a discussion or vote on the
18 application.

19 **Sec. 4.** RCW 43.365.020 and 2012 c 189 s 2 are each amended to
20 read as follows:

21 (1) The department must adopt criteria for the approved motion
22 picture competitiveness program with the sole purpose of revitalizing
23 the state's economic, cultural, and educational standing in the
24 national and international market of motion picture production. Rules
25 adopted by the department shall allow the program, within the
26 established criteria, to provide funding assistance only when it
27 captures economic opportunities for Washington's communities and
28 businesses and shall only be provided under a contractual arrangement
29 with a private entity. In establishing the criteria, the department
30 shall consider:

31 (a) The additional income and tax revenue to be retained in the
32 state for general purposes;

33 (b) The creation and retention of family-wage jobs which provide
34 health insurance and payments into a retirement plan;

35 (c) The impact of motion picture projects to maximize in-state
36 labor and the use of in-state film production and film postproduction
37 companies;

38 (d) The impact upon the local economies and the state economy as
39 a whole, including multiplier effects;

1 (e) The intangible impact on the state and local communities that
2 comes with motion picture projects;

3 (f) The regional, national, and international competitiveness of
4 the motion picture filming industry;

5 (g) The revitalization of the state as a premier venue for motion
6 picture production and national television commercial campaigns;

7 (h) Partnerships with the private sector to bolster film
8 production in the state and serve as an educational and cultural
9 purpose for its citizens;

10 (i) The vitality of the state's motion picture industry as a
11 necessary and critical factor in promoting the state as a premier
12 tourist and cultural destination;

13 (j) Giving preference to additional seasons of television series
14 that have previously qualified and to motion picture productions that
15 tell stories of marginalized communities; and

16 (k) Other factors the department may deem appropriate for the
17 implementation of this chapter.

18 (2) The board of directors (~~(created under RCW 43.365.030)~~) shall
19 create and administer an account for carrying out the purposes of
20 subsection (~~((3))~~) (4) of this section.

21 (3) The board's goal must be to commit at least 20 percent of
22 funding assistance to motion picture productions located or filmed in
23 rural communities and 20 percent of funding assistance to motion
24 picture productions that tell stories of marginalized communities.

25 (4) Money received by the approved motion picture competitiveness
26 program shall be used only for:

27 (a) Health insurance and payments into a retirement plan, and
28 other costs associated with film production; (~~and~~)

29 (b) Staff and related expenses to maintain the program's proper
30 administration and operation;

31 (c) Supporting the growth and development of the Washington state
32 film industry through career connected learning, workforce
33 development, and business development with a focus on better
34 supporting people from marginalized or rural communities; and

35 (d) Developing resources to facilitate filming in rural
36 communities including, but not limited to, economic development
37 grants for filming, training for film liaisons, information about
38 film permitting processes, and grants to support the expansion of
39 location database collateral.

1 ~~((4))~~ (5) Except as provided otherwise in subsections ~~((7))~~
2 (8) and (9) of this section, maximum funding assistance from the
3 approved motion picture competitiveness program is limited to an
4 amount up to thirty percent of the total actual investment in the
5 state of at least:

6 (a) Five hundred thousand dollars for a single motion picture
7 produced in Washington state; or

8 (b) One hundred fifty thousand dollars for a television
9 commercial associated with a national or regional advertisement
10 campaign produced in Washington state.

11 ~~((5))~~ (6) Except as provided otherwise in subsections ~~((7))~~
12 (8) and (9) of this section, maximum funding assistance from the
13 approved motion picture competitiveness program is limited to an
14 amount up to thirty-five percent of the total actual investment of at
15 least three hundred thousand dollars per episode produced in
16 Washington state. A minimum of six episodes of a series must be
17 produced to qualify under this subsection. A maximum of up to thirty
18 percent of the total actual investment from the approved motion
19 picture competitiveness program may be awarded to an episodic series
20 of less than six episodes.

21 ~~((6))~~ (7) With respect to costs associated with nonstate labor
22 for motion pictures and episodic services, funding assistance from
23 the approved motion picture competitiveness program is limited to an
24 amount up to fifteen percent of the total actual investment used for
25 costs associated with nonstate labor. To qualify under this
26 subsection, the production must have a labor force of at least
27 eighty-five percent of Washington residents. The board may establish
28 additional criteria to maximize the use of in-state labor.

29 ~~((7))~~ (8) (a) The approved motion picture competitiveness
30 program may allocate an annual aggregate of no more than ten percent
31 of the qualifying contributions by the program under RCW 82.04.4489
32 to provide funding support for filmmakers who are Washington
33 residents, new forms of production, and emerging technologies.

34 (i) Up to thirty percent of the actual investment for a motion
35 picture with an actual investment lower than that of motion pictures
36 under subsection ~~((4))~~ (5) (a) of this section; or

37 (ii) Up to thirty percent of the actual investment of an
38 interactive motion picture intended for multiplatform exhibition and
39 distribution.

1 (b) Subsections (~~(4)~~ and) (5) and (6) of this section do not
2 apply to this subsection.

3 (~~(8)~~) (9)(a) In addition to the maximum funding assistance
4 established in subsections (5) and (6) of this section, up to a 10
5 percent enhancement award on a motion picture production's state
6 investment must be given for motion pictures: (i) Located or filmed
7 in a rural community; or (ii) that tell stories of marginalized
8 communities.

9 (b) Total actual investment requirements established in
10 subsections (5) and (6) of this section apply to this subsection (9).

11 (10)(a) Funding assistance must include up to \$3,000,000 for
12 small motion picture productions produced in Washington state,
13 subject to subsection (11) of this section, that are creatively
14 driven by Washington residents. To qualify, the small motion picture
15 production must have at least two Washington residents in any
16 combination of the following positions: Writer, director, producer,
17 or lead actor. An entity seeking funding assistance for a small
18 motion picture production must demonstrate that the amount of the
19 total actual investment for the production is less than \$1,000,000.

20 (b) Maximum funding assistance and total actual investment
21 requirements, established in subsections (5), (6), (7), (8), and (9)
22 of this section apply to small motion picture productions. The
23 department shall adopt rules as necessary to implement this
24 subsection (10).

25 (11) Funding assistance approval must be determined by the
26 approved motion picture competitiveness program within a maximum of
27 thirty calendar days from when the application is received, if the
28 application is submitted after August 15, 2006. For small motion
29 picture productions, the approved motion picture competitiveness
30 program, after determining a conditional approval of the production,
31 shall hold the production's funding assistance in reserve while the
32 entity seeking funding assistance for the production secures
33 financing for the remainder of the budget. Once the entity seeking
34 funding assistance for the production demonstrates to the program
35 that it has secured the necessary financing, the program shall
36 certify the small motion picture production as approved. If the
37 entity seeking funding assistance cannot demonstrate within six
38 months from the date of conditional approval that it has secured the
39 total budget, the program must make the funding assistance available
40 to other eligible applicants with funding assistance approval.

1 (12) By December 31, 2022, and annually thereafter, the
2 department, on behalf of the board, must report to the legislature on
3 the approved motion picture competitiveness program. This report may
4 include information required in the survey established in RCW
5 43.365.040. At a minimum, the report must include an annual list of
6 recipients awarded financial assistance from the prior year with
7 total estimated production costs, locations of each production, and
8 the board's progress towards the goal of at least 20 percent of its
9 funding assistance provided to motion picture productions located or
10 filmed in rural communities and 20 percent of its funding assistance
11 provided to motion picture productions that tell stories of
12 marginalized communities. The report must also include information on
13 workforce development, career connected learning, and business
14 development activities, including whether they have been scaled up in
15 size from the previous year and how they are meeting the goal of
16 supporting people from marginalized communities.

17 (13) The approved motion picture competitiveness program must
18 allocate funds for training and job placement for marginalized
19 communities as follows:

20 (a) For fiscal years 2023 and 2024, a minimum of \$500,000 for
21 each fiscal year; and

22 (b) For each fiscal year on or after July 1, 2024, a minimum of
23 \$750,000.

24 **Sec. 5.** RCW 82.04.4489 and 2017 3rd sp.s. c 37 s 1102 are each
25 amended to read as follows:

26 (1) Subject to the limitations in this section, a credit is
27 allowed against the tax imposed under this chapter for contributions
28 made by a person to a Washington motion picture competitiveness
29 program.

30 (2) The person must make the contribution before claiming a
31 credit authorized under this section. Credits earned under this
32 section may be claimed against taxes due for the calendar year in
33 which the contribution is made. The amount of credit claimed for a
34 reporting period may not exceed the tax otherwise due under this
35 chapter for that reporting period. No person may claim more than
36 ~~((seven hundred fifty thousand dollars))~~ \$1,000,000 of credit in any
37 calendar year, including credit carried over from a previous calendar
38 year. No refunds may be granted for any unused credits.

1 (3) The maximum credit that may be earned for each calendar year
2 under this section for a person is limited to the lesser of ((~~seven~~
3 ~~hundred fifty thousand dollars~~)) \$1,000,000 or an amount equal to one
4 hundred percent of the contributions made by the person to a program
5 during the calendar year.

6 (4) Except as provided under subsection (5) of this section, a
7 tax credit claimed under this section may not be carried over to
8 another year.

9 (5) Any amount of tax credit otherwise allowable under this
10 section not claimed by the person in any calendar year may be carried
11 over and claimed against the person's tax liability for the next
12 succeeding calendar year. Any credit remaining unused in the next
13 succeeding calendar year may be carried forward and claimed against
14 the person's tax liability for the second succeeding calendar year;
15 and any credit not used in that second succeeding calendar year may
16 be carried over and claimed against the person's tax liability for
17 the third succeeding calendar year, but may not be carried over for
18 any calendar year thereafter.

19 (6) Credits are available on a first-in-time basis. The
20 department must disallow any credits, or portion thereof, that would
21 cause the total amount of credits claimed under this section during
22 any calendar year to exceed ((~~three million five hundred thousand~~
23 ~~dollars~~)) \$20,000,000. If this limitation is reached, the department
24 must notify all Washington motion picture competitiveness programs
25 that the annual statewide limit has been met. In addition, the
26 department must provide written notice to any person who has claimed
27 tax credits in excess of the limitation in this subsection. The
28 notice must indicate the amount of tax due and provide that the tax
29 be paid within thirty days from the date of the notice. The
30 department may not assess penalties and interest as provided in
31 chapter 82.32 RCW on the amount due in the initial notice if the
32 amount due is paid by the due date specified in the notice, or any
33 extension thereof.

34 (7) To claim a credit under this section, a person must
35 electronically file with the department all returns, forms, and any
36 other information required by the department, in an electronic format
37 as provided or approved by the department. Any return, form, or
38 information required to be filed in an electronic format under this
39 section is not filed until received by the department in an

1 electronic format. As used in this subsection, "returns" has the same
2 meaning as "return" in RCW 82.32.050.

3 (8) No application is necessary for the tax credit. The person
4 must keep records necessary for the department to verify eligibility
5 under this section.

6 (9) A Washington motion picture competitiveness program must
7 provide to the department, upon request, such information needed to
8 verify eligibility for credit under this section, including
9 information regarding contributions received by the program.

10 (10) The department may not allow any credit under this section
11 before July 1, 2006.

12 (11) For the purposes of this section, "Washington motion picture
13 competitiveness program" or "program" means an organization
14 established pursuant to chapter 43.365 RCW.

15 (12) Persons claiming a credit against the tax imposed under this
16 chapter for contributions made to a Washington motion picture
17 competitiveness program and not otherwise receiving funding
18 assistance under RCW 43.365.020 are exempt from the annual reporting
19 requirements in RCW 82.32.534 and 43.365.040.

20 (13) No credit may be earned for contributions made on or after
21 July 1, ((2027)) 2030.

22 **Sec. 6.** RCW 43.365.040 and 2012 c 189 s 5 are each amended to
23 read as follows:

24 (1) The legislature finds that accountability and effectiveness
25 are important aspects of setting tax policy. In order to make policy
26 choices regarding the best use of limited state resources the
27 legislature needs information on how incentives are used.

28 (2) Each motion picture production receiving funding assistance
29 under RCW 43.365.020 must report information to the department by
30 filing a complete annual survey. The survey is due by March 31st of
31 the year following any calendar year in which funding assistance
32 under RCW 43.365.020 is taken. The department may extend the due date
33 for timely filing of annual surveys under this section if failure to
34 file was the result of circumstances beyond the control of the motion
35 picture production receiving the funding assistance.

36 (3) The Washington motion picture competitiveness program
37 established in RCW 43.365.030, in collaboration with the department
38 and the department of revenue, and in consultation with the joint
39 legislative audit and review committee, must develop a survey form

1 and instructions that accompany the survey form by November 1, 2012.
2 The instructions must provide sufficient detail to ensure consistent
3 reporting. The survey must be designed to acquire data to allow the
4 state to better measure the effectiveness of the program and to
5 provide transparency of the motion picture competitiveness program.

6 The survey must include:

7 (a) The total amount of taxes paid;

8 (b) The amount of taxes paid classified by type, which may
9 include, but is not limited to, sales taxes, use taxes, business and
10 occupation taxes, unemployment insurance taxes, and workers'
11 compensation premiums;

12 (c) The amount of funding assistance received; and

13 (d) The following information for employment positions in
14 Washington by the motion picture production receiving funding
15 assistance, including indirect employment by contractors or other
16 affiliates:

17 (i) The number of total employment positions;

18 (ii) The average number of hours worked by employed individuals;

19 (iii) The average base pay of individuals employed by motion
20 picture companies, including contributions to health care benefits
21 and retirement plans;

22 (iv) The number of employment positions that have employer-
23 provided medical, dental, and retirement benefits; and

24 (v) The number of employment positions filled by Washington state
25 residents, and residency information for employment positions filled
26 by people from other locations.

27 (4) The department may request additional information necessary
28 to measure the results of the funding assistance (~~(program)~~), to be
29 submitted at the same time as the survey.

30 (5) If a person fails to submit an annual survey under subsection
31 (2) of this section by the due date of the report or any extension
32 the department must declare the amount of funding assistance for the
33 previous calendar year to be immediately due and payable. The
34 department must assess interest, but not penalties, on the amounts
35 due under this section. The interest is assessed at the rate provided
36 for delinquent taxes under chapter 82.32 RCW, retroactively to the
37 date the funding assistance was received, and accrues until the
38 funding assistance is repaid.

39 (6) The department must use the information from this section to
40 prepare summary descriptive statistics. The department must report

1 these statistics to the legislature each even-numbered year by
2 September 1st. The department must provide the complete annual
3 surveys to the joint legislative audit and review committee, which
4 shall perform a review as required under RCW 43.365.050.

5 (7) The motion picture competitiveness program must periodically
6 audit and generally monitor the survey information submitted by
7 production companies for completeness and accuracy.

8 **Sec. 7.** RCW 43.365.050 and 2006 c 247 s 7 are each amended to
9 read as follows:

10 (~~The provisions of RCW 82.04.4489 are subject to review by the~~
11 ~~joint legislative audit and review committee.~~) (1) It is the
12 legislature's specific public policy objective to increase the
13 viability of the motion picture and film industry and associated
14 creative industries in Washington state. It is the legislature's
15 intent to increase the credit available under RCW 82.04.4489 in order
16 to attract additional motion picture and film projects, thereby
17 increasing family-wage jobs.

18 (2) The joint legislative audit and review committee ((will))
19 must review and make a recommendation to the (~~house finance~~
20 ~~committee and the senate ways and means committee)) fiscal committees
21 of the legislature by December 1, (~~(2010))~~ 2026, regarding the
22 effectiveness of the motion picture competitiveness program
23 including, but not limited to, the amount of state revenue generated,
24 the amount and number of family (~~(wages [wage])~~) -wage jobs with
25 benefits created, adherence to the criteria in RCW 43.365.020,
26 changes in Washington's share of the film employment market, and any
27 other factors deemed appropriate by the joint legislative audit and
28 review committee.~~

29 (3) In order to obtain the data necessary to perform the review
30 in subsection (2) of this section, the joint legislative audit and
31 review committee may refer to tax data provided to the department of
32 revenue and the annual survey required under RCW 43.365.040.

33 NEW SECTION. **Sec. 8.** 2017 3rd sp.s. c 37 s 1101 (uncodified) is
34 repealed."

35 Correct the title.

EFFECT: (1) Includes additional intent language relating to diversity, equity, and inclusion in the film industry.

(2) Requires members of the board of directors of the Motion Picture Competitiveness Program (program) to comply with all requirements of a 501(c)(6) organization, act in the best interest of the program, and comply with rules related to conflicts of interest.

(3) Requires the Department of Commerce (Commerce) to consider giving preference to motion picture productions that tell stories of marginalized communities when establishing criteria for the program.

(4) Requires the board to have a goal of committing at least 20 percent of funding assistance to motion picture productions located or filmed in rural communities and 20 percent to motion picture productions that tell the stories of marginalized communities.

(5) Defines "rural communities" and makes technical corrections to definitions.

(6) Allows the program to use funds for developing resources to facilitate filming in rural communities.

(7) Requires that up to a 10 percent enhancement be awarded on a motion picture production's state investment for motion pictures that are located or filmed in a rural community or that tell stories of marginalized communities.

(8) Requires that program funding assistance include up to \$3,000,000 for small motion picture productions that are produced in Washington state and creatively driven by Washington residents.

(9) Requires Commerce to report to the legislature annually on the program and requires that the report include, at a minimum, the following:

(a) A list of recipients of funding assistance from the prior year with total estimated production costs, locations of productions, and the board's progress toward the goal of providing at least 20 percent of funding assistance to motion picture productions located or filmed in rural communities and 20 percent to motion picture productions that tell stories of marginalized communities; and

(b) Information on workforce development, career connected learning, and business development activities including information on scale and how they meet the goal of better supporting people from marginalized communities.

(10) Requires the program to allocate funds for training and job placement for marginalized communities as follows: \$500,000 for fiscal years 2023 and 2024, and \$750,000 for each fiscal year thereafter.

(11) Allows a person to claim credits against business and occupation tax liability, in exchange for contributing to the program, until 2030 instead of 2027.

--- END ---