

**Enrolled**  
**Senate Bill 635**

Sponsored by COMMITTEE ON FINANCE AND REVENUE (at the request of Governor Theodore R. Kulongoski)

CHAPTER .....

AN ACT

Relating to the Oregon Production Investment Fund; creating new provisions; amending ORS 284.368; and prescribing an effective date.

**Be It Enacted by the People of the State of Oregon:**

**SECTION 1.** ORS 284.368 is amended to read:

284.368. (1) As used in this section:

(a) "Actual expenses" means the costs paid in Oregon for principal photography, production or postproduction in Oregon of a film, including but not limited to the purchase or rental cost of equipment, food, lodging, real property and permits and payments made for salaries, wages and benefits for work in Oregon.

(b) "Film" means a television movie or one or more episodes of a single television series, or a movie produced for release to theaters, video or the Internet. "Film" does not include the production of a commercial or one or more segments of a newscast or sporting event.

(2)(a) The Economic and Community Development Department may reimburse a bona fide television or film production company for a portion of the actual expenses paid in Oregon by the television or film production company to produce a film.

*[(b) Maximum reimbursement for a single film, other than a television series, shall be 10 percent of actual expenses paid or \$250,000, whichever is less. Maximum reimbursement for one or more episodes of a television series shall be 10 percent of actual expenses paid or \$30,000 per episode produced in Oregon, whichever is less.]*

**(b) Maximum reimbursement for a single film or television series shall be the total of:**

**(A) 10 percent of payments made for employee salaries, wages and benefits for work done in Oregon; and**

**(B) 20 percent of all other actual expenses paid in Oregon.**

(c) In order to qualify for reimbursement under this section, total actual expenses paid for the film must equal or exceed [*\$1 million*] **\$750,000**.

(d) Reimbursement under this section shall be made from moneys credited to or deposited in the Oregon Production Investment Fund during the biennium in which the actual expenses were paid or any prior biennium. A reimbursement may not be made to the extent funds are not available in the fund to make the reimbursement.

(3)(a) Total actual expenses supporting a claim for reimbursement under this section must be verified by the Oregon Film and Video Office. The production company must submit to the office proof of the actual expenses paid in Oregon to produce the film. The proof must include any documentation that may be required by the office in its discretion to verify the actual expenses.

(b) The office may charge the production company for costs reasonably incurred to verify the actual expenses, including but not limited to the cost for a review or audit of the supporting documentation by an accountant or auditor. The office may require the department to deduct the costs incurred by the office in performing its review or audit from any reimbursement made to the production company under this section.

(c) The office may adopt rules that establish a procedure for the submission and verification of actual expenses.

**SECTION 2. The amendments to ORS 284.368 by section 1 of this 2007 Act apply to films starting principal photography on or after January 1, 2007.**

**SECTION 3. This 2007 Act takes effect on the 91st day after the date on which the regular session of the Seventy-fourth Legislative Assembly adjourns sine die.**

**Passed by Senate June 23, 2007**

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Secretary of Senate

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President of Senate

**Passed by House June 26, 2007**

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Speaker of House

**Received by Governor:**

.....M,....., 2007

**Approved:**

.....M,....., 2007

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Governor

**Filed in Office of Secretary of State:**

.....M,....., 2007

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Secretary of State