

A-Engrossed
Senate Bill 635

Ordered by the Senate June 21
Including Senate Amendments dated June 21

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

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

[Increases] **Modifies** maximum reimbursement from Oregon Production Investment Fund for film or television production. *[Increases maximum tax credits for certified film production development contributions to Oregon Production Investment Fund.]* Applies to films starting principal photography on or after January 1, 2007.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to the Oregon Production Investment Fund; creating new provisions; amending ORS
3 284.368; and prescribing an effective date.

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

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

6 284.368. (1) As used in this section:

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

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

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

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

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

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

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

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

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.
New sections are in **boldfaced** type.

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

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

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

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

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

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

20
