

Enrolled
Senate Bill 863

Sponsored by Senator TELFER

CHAPTER

AN ACT

Relating to reimbursement of local filmmaker productions; creating new provisions; and amending ORS 284.367 and 284.368.

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.

(c) "Filmmaker" means a person who owns a television or film production company.

(d) "Local filmmaker" means a person who owns a television or film production company that has its principal place of business in this state.

(e) "Resident of this state" has the meaning given that term in ORS 316.027.

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

(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*] **To** qualify for reimbursement under this [*section*] **subsection**, total actual expenses paid for the film must equal or exceed \$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) **The department may reimburse a local filmmaker for all or a portion of the actual expenses incurred by the local filmmaker to produce a film.**

(b) **To qualify for reimbursement under this subsection:**

(A) **Total actual expenses paid for the film must be at least \$75,000 and less than \$750,000;**

(B) The local filmmaker must have spent 80 percent of the film's payroll on employees who are residents of this state; and

(C) The local filmmaker must have employed or contracted with a public accountant certified under ORS 673.040 for the provision of payroll services.

(4) 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)] **(5)(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] **filmmaker** 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] **filmmaker** 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] **filmmaker** under this section.

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

SECTION 2. ORS 284.367 is amended to read:

284.367. (1) The Oregon Production Investment Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Oregon Production Investment Fund shall be credited to the fund.

(2) Moneys in the Oregon Production Investment Fund shall consist of:

(a) Amounts donated to the fund;

(b) Amounts appropriated or otherwise transferred to the fund by the Legislative Assembly;

(c) Other amounts deposited in the fund from any source; and

(d) Interest earned by the fund.

(3) [All] **Ninety-five percent of** moneys in the fund are continuously appropriated to the Economic and Community Development Department for the purposes of making:

(a) Reimbursements [authorized] **to filmmakers** under ORS 284.368;

(b) Payments to a tax credit marketer for marketing services provided by the marketer as described in ORS 284.369; and

(c) Refunds described in ORS 315.514 (6).

(4) Five percent of moneys in the fund are continuously appropriated to the department for the purpose of making reimbursements to local filmmakers under ORS 284.368 (3).

[(4)] **(5)** Expenditures from the fund are not subject to ORS 291.232 to 291.260.

SECTION 3. The amendments to ORS 284.368 by section 1 of this 2009 Act apply to actual expenses incurred by local filmmakers on or after the effective date of this 2009 Act.

Passed by Senate May 5, 2009

.....
Secretary of Senate

.....
President of Senate

Passed by House June 3, 2009

.....
Speaker of House

Received by Governor:

.....M,....., 2009

Approved:

.....M,....., 2009

.....
Governor

Filed in Office of Secretary of State:

.....M,....., 2009

.....
Secretary of State