

**REVENUE: Revenue statement issued**

**FISCAL: Fiscal statement issued**

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<b>Action:</b>	Do Pass as Amended, Be Printed Engrossed, and Be Referred to the Committee on Tax Credits by Prior Reference and then Be Referred to the Committee on Ways and Means by Prior Reference
<b>Vote:</b>	10 - 0 - 0
<b>Yeas:</b>	Bentz, Cameron, Davis, Doherty, Gorsek, Lively, McKeown, Nathanson, Parrish, Read
<b>Nays:</b>	0
<b>Exc.:</b>	0
<b>Prepared By:</b>	Troy Rayburn, Administrator
<b>Meeting Dates:</b>	2/25, 3/13

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**WHAT THE MEASURE DOES:** Provides that moneys appropriated to Oregon Production Investment Fund (the Fund) for purposes of making reimbursements to local filmmakers may, if unexpected or unallocated at close of previous fiscal year, be used by Oregon Business Development Department for purpose of making reimbursements to filmmakers other than local filmmakers. Increases minimum amount of total actual Oregon expenses required for filmmaker other than local filmmaker to qualify for reimbursement. Increases credits for certified film production development contributions for fiscal year. Applies to fiscal years beginning on or after contributions for fiscal year. Takes effect on 91<sup>st</sup> day following adjournment sine die.

**ISSUES DISCUSSED:**

- Contributions to Oregon's Economy
- Role in profiling Oregon on a national and international stage
- Recognition of Oregon's highly skilled work force and savings to film producer
- Manufacturing aspects of the film industry
- Other benefits to Oregon's economy, including eateries and caterers, trucking industry, landscape industry, rental supply businesses, academic programs / colleges, etc.
- Amendment(s)
  - expand the scope of work allowable in the 5% indigenous reserve fund
  - video game (interactive media) and post production companies be allowed to apply for OPIF funding just as local film and television producers do now
  - careful to not allow anyone to double dip into OPIF funding
  - confirm commercial work, which is currently not allowed for application under any part of the Fund, is not affected by this amendment
- Committees members unanimous support for the bill and the film industry in Oregon

**EFFECT OF COMMITTEE AMENDMENT:** Confirms terms and/or definitions of language. Modifies language to include local media production services companies total annual reimbursements to local media production services companies may not exceed five percent (5%) of moneys deposited annually in the fund.

**BACKGROUND:** In recent years Oregon has seen a large increase in interest from the film and television industry. In 2011, a record \$110 million was spent on projects that qualified for Oregon Production Investment Fund (OPIF). The proponents of the measure note that several other film and television project backers have inquired about OPIF in the past but chose to film elsewhere in the U.S. due to a lack of available funds.

The Oregon Production Investment Fund is established in the State Treasury, separate and distinct from the General Fund. To qualify for reimbursement, total actual Oregon expenses for the film must equal or exceed \$1 million. The Oregon Business Development Department, which administers the Fund, may reimburse a local filmmaker for all or a portion of the actual Oregon expenses, not to exceed \$1 million, incurred by the local filmmaker. To qualify for reimbursement, total actual Oregon expenses paid for the film must be at least \$75,000. The local filmmaker must have 80 percent of the film's payroll on employees who are residents of Oregon and the local filmmaker must have employed or contracted with a certified public account. Expense claim must be verified by the Oregon Film and Video Office.

HB 2267-A increases the annual allocation of OPIF tax credits to \$12 million and makes adjustments to the local filmmaker program.