

Senate Bill 309

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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 **as introduced**.

Requires that reimbursements to filmmakers from Oregon Production Investment Fund be made after completion of film.

Applies to reimbursements made in fiscal years beginning on or after July 1, 2013.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to tax credits for film production; creating new provisions; amending ORS 284.368; and
3 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 Oregon expenses" means the costs paid in Oregon for principal photography, pro-
8 duction or postproduction in Oregon of a film, including but not limited to the purchase or rental
9 cost of equipment, food, lodging, real property and permits and payments made for salaries, wages
10 and 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 (c) "Filmmaker" means a person who owns a television or film production company.

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

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

18 (2)(a) The Oregon Business Development Department may reimburse a filmmaker for a portion
19 of the actual Oregon expenses incurred by the filmmaker.

20 (b) Maximum reimbursement for a single film shall be the total of:

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

23 (B) 20 percent of all other actual Oregon expenses.

24 (c) To qualify for reimbursement under this subsection, total actual Oregon expenses for the film
25 must equal or exceed \$750,000.

26 (3)(a) The department may reimburse a local filmmaker for all or a portion of the actual Oregon
27 expenses incurred by the local filmmaker.

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

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

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 \$750,000;

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

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

6 (4) Reimbursement under this section shall **occur after completion of the film, and shall** be
 7 made from moneys credited to or deposited in the Oregon Production Investment Fund during the
 8 biennium in which the actual Oregon expenses were paid or any prior biennium. A reimbursement
 9 may not be made to the extent funds are not available in the fund to make the reimbursement.

10 (5)(a) Total actual Oregon expenses supporting a claim for reimbursement under this section
 11 must be verified by the Oregon Film and Video Office. The filmmaker must submit to the office proof
 12 of the actual Oregon expenses. The proof must include any documentation that may be required by
 13 the office in its discretion to verify the actual Oregon expenses.

14 (b) The office may charge the filmmaker for costs reasonably incurred to verify the actual
 15 Oregon expenses, including but not limited to the cost for a review or audit of the supporting doc-
 16 umentation by an accountant or auditor. The office may require the department to deduct the costs
 17 incurred by the office in performing its review or audit from any reimbursement made to the
 18 filmmaker under this section.

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

21 **SECTION 2. The amendments to ORS 284.368 by section 1 of this 2013 Act apply to re-**
 22 **imbursements made in fiscal years beginning on or after July 1, 2013.**

23 **SECTION 3. This 2013 Act takes effect on the 91st day after the date on which the 2013**
 24 **regular session of the Seventy-seventh Legislative Assembly adjourns sine die.**