

A-Engrossed
House Bill 2898

Ordered by the House April 13
Including House Amendments dated April 13

Sponsored by Representatives EVANS, HACK

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 amount of reimbursement from Oregon Production Investment Fund that is available to local filmmaker or media production services company. Applies to fiscal years beginning on or after July 1, 2015.

Extends sunset on tax credit for certified film production development contributions to Oregon Production Investment Fund.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to incentives for film production or media production; creating new provisions; amending
3 ORS 284.368 and section 77, chapter 736, Oregon Laws 2003; 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 Oregon expenses" means the costs paid in Oregon for principal photography, pro-
8 duction or postproduction in Oregon of a film, or for media production services, including but not
9 limited to the purchase or rental cost of equipment, food, lodging, real property and permits and
10 payments made for salaries, wages 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) "Local media production services company" means a media production services company that
18 has its principal place of business in this state.

19 (f) "Media production services" includes postproduction services and interactive video game
20 development. "Media production services" does not include the production of a commercial or one
21 or more segments of a newscast or sporting event.

22 (g) "Media production services company" means a person who is engaged in media production
23 services.

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

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

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

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

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

5 (c) To qualify for reimbursement under this subsection, total actual Oregon expenses for the film
6 must equal or exceed \$1 million.

7 (3)(a) The department may reimburse a local filmmaker or local media production services
8 company for all or a portion of the actual Oregon expenses, up to [*\$1 million*] **\$2 million**, incurred
9 by the local filmmaker or local media production services company.

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

11 (A) Total actual Oregon expenses paid for the film or media production services must be at least
12 \$75,000;

13 (B) The local filmmaker or local media production services company must have spent 80 percent
14 of the film's payroll on employees who are residents of this state; and

15 (C) The local filmmaker or local media production services company must have employed or
16 contracted with a public accountant certified under ORS 673.040 for the provision of payroll ser-
17 vices.

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

22 (5)(a) Total actual Oregon expenses supporting a claim for reimbursement under this section
23 must be verified by the Oregon Film and Video Office. The filmmaker or local media production
24 services company must submit to the office proof of the actual Oregon expenses. The proof must
25 include any documentation that may be required by the office in its discretion to verify the actual
26 Oregon expenses.

27 (b) The office may charge the filmmaker or local media production services company for costs
28 reasonably incurred to verify the actual Oregon expenses, including but not limited to the cost for
29 a review or audit of the supporting documentation by an accountant or auditor. The office may re-
30 quire the department to deduct the costs incurred by the office in performing its review or audit
31 from any reimbursement made to the filmmaker or local media production services company under
32 this section.

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

35 **SECTION 2.** Section 77, chapter 736, Oregon Laws 2003, as amended by section 1, chapter 913,
36 Oregon Laws 2009, and section 17, chapter 730, Oregon Laws 2011, is amended to read:

37 **Sec. 77.** ORS 315.514 applies to tax years beginning on or after January 1, 2005, and before
38 January 1, [2018] **2024**, and to tax credit certifications issued by the Oregon Film and Video Office
39 on or after July 1, 2005.

40 **SECTION 3.** The amendments to ORS 284.368 by section 1 of this 2015 Act apply to fiscal
41 years beginning on or after July 1, 2015.

42 **SECTION 4.** This 2015 Act takes effect on the 91st day after the date on which the 2015
43 regular session of the Seventy-eighth Legislative Assembly adjourns sine die.