

House Bill 2898

Sponsored by Representative EVANS

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**.

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.

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 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.

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

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

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

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

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

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

7 (A) Total actual Oregon expenses paid for the film or media production services must be at least
 8 \$75,000;

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

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

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

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

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

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

31 **SECTION 2. The amendments to ORS 284.368 by section 1 of this 2015 Act apply to fiscal**
 32 **years beginning on or after July 1, 2015.**

33 **SECTION 3. This 2015 Act takes effect on the 91st day after the date on which the 2015**
 34 **regular session of the Seventy-eighth Legislative Assembly adjourns sine die.**

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