

# House Bill 2244

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Governor Kate Brown for Business Oregon)

## 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**.

Expands definition of "qualifying film production" to include large-scale, one-time sporting event, or group of closely related sporting events, of national or international significance.

Permits Oregon Film and Video Office to deduct from labor rebate amounts spent on workforce development and educational efforts for qualifying film production.

Extends sunset from January 1, 2018, to January 1, 2024.

## A BILL FOR AN ACT

1  
2 Relating to Greenlight Oregon Labor Rebate Fund; amending sections 1 and 1a, chapter 559, Oregon  
3 Laws 2005.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** Section 1, chapter 559, Oregon Laws 2005, is amended to read:

6 **Sec. 1.** (1) As used in this section:

7 (a) "Actual expenses" means the costs paid in Oregon for principal photography, production or  
8 postproduction in Oregon of a qualifying film production, including but not limited to the purchase  
9 or rental cost of equipment, food, lodging, real property and permits and payments made for salaries,  
10 wages and benefits for work in Oregon.

11 (b) "Commercial" means a moving image production created to advertise a product or service.

12 (c) "Qualifying compensation" means wages paid by an employer to an employee for services  
13 performed in Oregon in connection with a qualifying film production.

14 (d)(A) "Qualifying film production" means a production that occurs primarily in Oregon of:

15 (i) One or more commercials;

16 (ii) One or more episodes of a television show; *[or]*

17 (iii) A movie to be released in theaters, on video, on television, over the Internet or over any  
18 other distribution channel; **or**

19 **(iv) A large-scale, one-time sporting event, or a group of closely related sporting events,**  
20 **of national or international significance.**

21 (B) "Qualifying film production" does not include the production of one or more segments of a  
22 newscast or sporting event **except as described in subparagraph (A)(iv) of this paragraph.**

23 (2) The Oregon Film and Video Office shall pay a labor rebate to any person engaged in a  
24 qualifying film production for qualifying compensation paid by the person, if:

25 (a) The person has been certified by the office as eligible for a labor rebate;

26 (b) The person has made withholding payments under *[section 4 of this 2005 Act]* **ORS 316.220;**  
27 and

28 (c) The office has verified the actual expenses that support a claim for a labor rebate under this  
29 section and those expenses exceed \$1 million.

**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 (3) The amount of the labor rebate for a qualifying film production shall equal the amount  
 2 withheld under [section 4 of this 2005 Act] **ORS 316.220** with respect to the qualifying film pro-  
 3 duction and deposited in the Greenlight Oregon Labor Rebate Fund established in section 2 [of this  
 4 2005 Act], **chapter 559, Oregon Laws 2005**, less the expenses described in subsection (5)(b) of this  
 5 section.

6 (4)(a) A person seeking a labor rebate under this section shall apply to the office for certifica-  
 7 tion.

8 (b) The office shall certify a person intending to engage in a qualifying film production as eli-  
 9 gible for a labor rebate under this section if it is reasonably likely that the person will incur actual  
 10 expenses of at least \$1 million that are related to a qualifying film production and:

11 (A) If the qualifying film production consists of one or more episodes of a television series, the  
 12 actual expenses are associated with production that comprises no more than a single season of epi-  
 13 sodes;

14 (B) If the qualifying film production consists of one or more commercials, the actual expenses  
 15 are to be incurred within a single year; [or]

16 **(C) If the qualifying film production consists of a large-scale, one-time sporting event,**  
 17 **or a group of closely related sporting events, of national or international significance, the**  
 18 **actual expenses are associated with the event or events; or**

19 [(C)] **(D)** If the qualifying film production consists of a movie or other film production not de-  
 20 scribed in subparagraph (A) [or (B)] **to (C)** of this paragraph, the actual expenses are associated  
 21 with that movie or other film production.

22 (c) If the office decides to certify an applicant, the office shall send a written certificate to the  
 23 applicant and a copy of the certificate to the Department of Revenue.

24 (5)(a) Upon completion of the qualifying film production for which a certificate was issued under  
 25 subsection (4) of this section, the office shall verify the actual expenses supporting a claim for a  
 26 labor rebate under this section. The certificate holder shall submit to the office proof of the actual  
 27 expenses paid in Oregon to produce the qualifying film production. The proof must include any  
 28 documentation that may be required by the office in its discretion to verify the actual expenses.

29 (b) The office may deduct from the amount of the labor rebate costs reasonably incurred:

30 **(A)** To verify the actual expenses, including but not limited to the cost for a review or audit  
 31 of the supporting documentation by an accountant or auditor; **and**

32 **(B) For workforce development and educational efforts undertaken by the office in con-**  
 33 **nection with the qualifying film production, not to exceed one percent of the amount of the**  
 34 **labor rebate.**

35 (c) The office may adopt rules that establish procedures for the submission of proof of and ver-  
 36 ification of actual expenses, **the costs of workforce development and educational efforts** and the  
 37 payment of rebates.

38 (6)(a) Following verification of actual expenses by the office, the office shall pay a labor rebate  
 39 to the certificate holder in the amount determined under subsection (3) of this section.

40 (b) If the office is unable to verify that actual expenses of the certificate holder are at least \$1  
 41 million for the qualifying film production for which the certificate was issued, the office may not pay  
 42 a labor rebate to the certificate holder. Moneys in the Greenlight Oregon Labor Rebate Fund that  
 43 are attributable to withholding paid by a certificate holder for whom the office is unable to verify  
 44 sufficient actual expenses may be used for the purposes of the office.

45 **SECTION 2.** Section 1a, chapter 559, Oregon Laws 2005, as amended by section 16, chapter 730,

1 Oregon Laws 2011, is amended to read:

2       **Sec. 1a.** The Oregon Film and Video Office may not issue a qualifying film production labor  
3 rebate certificate under section 1, chapter 559, Oregon Laws 2005, on or after January 1, [2018]  
4 **2024.**

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