

House Bill 4040

Sponsored by Representative NOSSE, Senator LAWRENCE SPENCE (Presession filed.)

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**.

Appropriates moneys to Oregon Business Development Department to develop and implement program to award grants to Oregon cultural organizations in response to negative impact of COVID-19 pandemic on organizations' earned revenue.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1 Relating to pandemic relief for Oregon cultural organizations; and declaring an emergency.

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

3 **SECTION 1.** There is appropriated to the Oregon Business Development Department, for
4 the biennium ending June 30, 2023, out of the General Fund, the amount of \$50,000,000 for
5 the purpose of carrying out the provisions of section 2 of this 2022 Act.

6 **SECTION 2.** (1) As used in this section:

7 (a)(A) "Earned revenue" means income from the sales of goods or services, including,
8 but not limited to, admission tickets, merchandise, food and beverages, advertising sales and
9 contracted presentation income.

10 (B) "Earned revenue" does not include other sources of income, including, but not limited
11 to, donations, federal, state and local governmental assistance or returns on investments.

12 (b) "Oregon cultural organization" means a public or private entity, whether operated for
13 profit or as a nonprofit, that:

14 (A) Has its business headquarters, and operates primarily, in this state; and

15 (B) Operates primarily for the purpose of producing, promoting or presenting the arts,
16 culture, humanities, heritage or entertainment, other than adult entertainment, to the pub-
17 lic.

18 (2)(a) The Oregon Business Development Department shall develop and implement a
19 program for awarding grants directly to Oregon cultural organizations.

20 (b) To be eligible for a grant, an Oregon cultural organization must demonstrate to the
21 department's satisfaction that, at any time after February 29, 2020, and before January 1,
22 2022, the organization experienced a significant loss in earned revenue because of statewide
23 mandates, or guidance of the Oregon Health Authority, in response to the COVID-19
24 pandemic.

25 (3)(a) The department shall prescribe the form and process by which Oregon cultural
26 organizations may apply for and be awarded grants under the program.

27 (b) The application period shall open on the operative date specified in section 3 of this
28 2022 Act for a period not to exceed eight weeks.

29 (c) Applications must be accompanied by a verification of the Oregon cultural
30

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 organization's need, as described in subsection (4) of this section, in the form of:

2 (A) The organization's federal tax return for the periods to which the application relates;
3 and

4 (B) For organizations seeking \$750,000 or more in grant moneys, a financial statement
5 audit.

6 (4) Subject to subsections (5) and (6) of this section, grant moneys shall be awarded with
7 priority given to the applicants demonstrating the greatest dollar amount of need, deter-
8 mined as follows:

9 (a) An Oregon cultural organization's estimated loss of earned revenue shall be deter-
10 mined by subtracting earned revenue for each fiscal year to which the application relates
11 from the organization's earned revenue for fiscal year 2019.

12 (b) The difference determined under paragraph (a) of this subsection shall be multiplied
13 by 25 percent.

14 (c) The product determined under paragraph (b) of this subsection shall be multiplied by
15 one plus the percentage change in the monthly averaged Consumer Price Index for All Urban
16 Consumers, West Region (All Items), as published by the Bureau of Labor Statistics of the
17 United States Department of Labor, for the fiscal year to which the application relates
18 compared to the monthly averaged Consumer Price Index for All Urban Consumers, West
19 Region (All Items), for the fiscal year that ended on June 30, 2020.

20 (5) Subject to subsection (6) of this section, grant moneys shall be awarded proportion-
21 ately among the geographic regions of this state based on the relative population, and the
22 number and total budgets of cultural organizations, in the regions.

23 (6) Grant moneys shall be awarded in the following proportions:

24 (a) Sixty percent to Oregon cultural organizations that operate cultural venues, per-
25 forming arts organizations and museums; and

26 (b) Forty percent to Oregon cultural organizations that operate cultural support busi-
27 nesses.

28 (7) Before awarding grants, the department may withhold an amount not to exceed five
29 percent of the total amount appropriated under section 1 of this 2022 Act to reimburse the
30 department for the actual costs of developing and implementing the program.

31 (8) Notwithstanding any other provision of law, this section shall apply to any grant
32 moneys that the department awards to an Oregon cultural organization on or after the ef-
33 fective date of this 2022 Act in response to the negative impact of the COVID-19 pandemic
34 on the organization's business.

35 **SECTION 3.** (1) Section 2 of this 2022 Act becomes operative on July 1, 2022.

36 (2) Notwithstanding the operative date specified in subsection (1) of this section, the
37 Oregon Business Development Department may take any action before the operative date
38 specified in subsection (1) of this section that is necessary for the department to exercise,
39 on and after the operative date specified in subsection (1) of this section, the powers, duties
40 and functions conferred on the department under section 2 of this 2022 Act.

41 **SECTION 4.** This 2022 Act being necessary for the immediate preservation of the public
42 peace, health and safety, an emergency is declared to exist, and this 2022 Act takes effect
43 on its passage.