

House Bill 2911

Sponsored by Representatives GOMBERG, OWENS, SMITH G, MARSH (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**.

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

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to pandemic relief for Oregon cultural organizations; creating new provisions; amending
3 ORS 285B.290; and declaring an emergency.

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

5 **SECTION 1. There is allocated for the biennium beginning July 1, 2023, from the Admin-**
6 **istrative Services Economic Development Fund, to the Oregon Business Development De-**
7 **partment, the amount of \$20,000,000, for deposit in the Industry Competitiveness Fund**
8 **established under ORS 285B.290, to be used for the purpose of awarding grants under section**
9 **3 of this 2023 Act.**

10 **SECTION 2. As used in sections 2 and 3 of this 2023 Act:**

11 (1)(a) **"Earned revenue" means income from the sale of goods or services, including, but**
12 **not limited to, admission tickets, rentals, merchandise, food and beverages, advertising and**
13 **contracted services and performances.**

14 (b) **"Earned revenue" does not include other sources of income, including, but not limited**
15 **to, donations, federal, state and local governmental grants or returns on investments.**

16 (2) **"Oregon cultural organization" means a public or private entity, whether operated for**
17 **profit or as a nonprofit, that:**

18 (a) **Has its business headquarters, and operates primarily, in this state;**

19 (b) **Operates primarily for the purpose of producing, promoting or presenting the arts,**
20 **culture, humanities, heritage or live cultural entertainment, other than adult entertainment,**
21 **to the public; and**

22 (c)(A) **Operates as a public facility, performing organization, museum, historical site or**
23 **visual arts organization;**

24 (B) **Produces cultural projects or programs for the public; or**

25 (C) **Operates a county fair.**

26 (3) **"Oregon cultural support business" means a private entity, whether operated for**
27 **profit or as a nonprofit, or an independent contractor, that:**

28 (a) **Professionally supports Oregon cultural organizations;**

29 (b) **Has its business headquarters, and operates primarily, in this state; and**

30 (c) **Operates primarily to provide the services of a musician, lighting designer or opera-**

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 tor, makeup artist or hair stylist, cultural content provider, historic preservationist,
 2 archivist or other independent artist or cultural support contractor.

3 **SECTION 3.** (1) The Oregon Business Development Department shall develop and imple-
 4 ment a program for awarding grants directly to Oregon cultural organizations and Oregon
 5 cultural support businesses.

6 (2)(a) To be eligible for a grant, an Oregon cultural organization must demonstrate to the
 7 department's satisfaction that, at any time after February 29, 2020, and before January 1,
 8 2023, the organization experienced a significant loss in earned revenue because of statewide
 9 mandates, or guidance of the Oregon Health Authority, in response to the COVID-19
 10 pandemic.

11 (b)(A) To be eligible for a grant, an Oregon cultural support business must demonstrate
 12 to the department's satisfaction that:

13 (i) In fiscal year 2019 at least 75 percent of the business's total earned revenue derived
 14 from cultural support activities; and

15 (ii) The business sustained a significant loss of earned revenue in the period beginning
 16 after February 29, 2020, and before January 1, 2023, from the cancellation or nonrenewal of
 17 agreements to provide services to Oregon cultural organizations.

18 (B) An Oregon cultural support business's loss is eligible only with respect to earned
 19 revenue directly related to the business's professional support of Oregon cultural organiza-
 20 tions.

21 (3)(a) The department shall prescribe the form and process by which Oregon cultural
 22 organizations and Oregon cultural support businesses may apply for and be awarded grants
 23 under the program.

24 (b) For purposes of reviewing applications, the department may require applicants to
 25 demonstrate need, as described in subsection (4) of this section, in the form of:

26 (A) The organization's or business's federal tax return for the periods to which the ap-
 27 plication relates; and

28 (B) Financial documentation, including, but not limited to, audited financial statements
 29 or financial statements that have been approved by a certified public accountant.

30 (4) The department shall develop an equitable funding allocation so that grant moneys
 31 shall be awarded, subject to subsections (5) to (7) of this section, with priority given ac-
 32 cording to the greatest ratio of an applicant's total lost earned revenue to the applicant's
 33 total earned revenue for each fiscal year, beginning with fiscal year 2019, to which the ap-
 34 plication relates.

35 (5) Subject to subsections (6) and (7) of this section, the department shall develop award
 36 allocation options that take into account an equitable percentage of an applicant's fiscal size
 37 and eligible loss and available funding.

38 (6) Subject to subsection (7) of this section, grant moneys shall be awarded proportion-
 39 ately among the geographic regions of this state, as defined by the department, based on the
 40 relative population, and the eligible applications received from Oregon cultural organizations
 41 and Oregon cultural support businesses located, in each region.

42 (7) Grant moneys shall be awarded in the following proportions:

43 (a) No less than 60 percent and no more than 80 percent to Oregon cultural organiza-
 44 tions; and

45 (b) No less than 20 percent and no more than 40 percent to Oregon cultural support

1 **businesses.**

2 **(8) Before awarding grants, the department may withhold an amount not to exceed five**
3 **percent of the total amount allocated under section 1 of this 2023 Act to reimburse the de-**
4 **partment for the actual costs of developing and implementing the program.**

5 **(9) Notwithstanding any other provision of law, this section shall apply to any grant**
6 **moneys that the department awards to an Oregon cultural organization or an Oregon cul-**
7 **tural support business on or after the effective date of this 2023 Act in response to the**
8 **negative impact of the COVID-19 pandemic on the organization's business.**

9 **SECTION 4. (1) Sections 2 and 3 of this 2023 Act become operative on December 1, 2023.**

10 **(2) Notwithstanding the operative date specified in subsection (1) of this section, the**
11 **Oregon Business Development Department may take any action before the operative date**
12 **specified in subsection (1) of this section that is necessary for the department to exercise,**
13 **on and after the operative date specified in subsection (1) of this section, all of the duties,**
14 **functions and powers conferred on the department by sections 2 and 3 of this 2023 Act.**

15 **SECTION 5. ORS 285B.290 is amended to read:**

16 **285B.290. (1) The Industry Competitiveness Fund is established in the State Treasury, separate**
17 **and distinct from the General Fund.**

18 **(2) The Industry Competitiveness Fund shall consist of all moneys credited to the fund, including**
19 **moneys from the Administrative Services Economic Development Fund. Interest earned by the In-**
20 **dustry Competitiveness Fund shall be credited to the fund.**

21 **(3)(a) Except as provided in paragraph (b) of this subsection, moneys in the fund are con-**
22 **tinuously appropriated to the Oregon Business Development Department to provide funds for activ-**
23 **ities outlined in ORS 285B.286.**

24 **(b) Moneys in the fund that are deposited or otherwise credited to the fund for the pur-**
25 **pose of awarding grants under section 3 of this 2023 Act are allocated to the department for**
26 **such purpose and may not be used for any other purpose.**

27 **SECTION 6. This 2023 Act being necessary for the immediate preservation of the public**
28 **peace, health and safety, an emergency is declared to exist, and this 2023 Act takes effect**
29 **on its passage.**

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