

March 9, 2023

TO: House Economic Development Finance & Policy Committee

RE: In support of HF2059

Dear Legislators,

My name is Sara Hamilton, and I live in Rochester, Minnesota. I'm an independent film, episodic and commercial media producer and a part of the Minnesota Film&TV community. I'm also a Board member of FilmNorth, a 501(c)(3) nonprofit organization that empowers artists to tell their stories, launch and sustain successful careers, and advance The North as a leader in the national network of independent filmmakers. I am writing to urge your support of HF2059, which would increase our Production Tax Credit Incentive and enable us to attract more and larger budget productions to Minnesota, encouraging long-term growth of the industry in our state.

The film and TV industry is a thriving business. Minnesota was once in the top five states for film and TV production — and our goal is to make it back on that list! The passage of the first Minnesota Production Tax Credit Incentive in 2021 was a game-changer that allowed us to enter the race...and over the past year we have been able to prove the incentive works. However, we're currently losing larger productions, episodic projects — and a lot of jobs and money — to other states that offer more competitive tax incentives...and the longer Minnesota remains out of the running, the further we move down the list. Support of HF2059 would offer a long-term positive effect on our state's economy and job market, along with an immediate boost in the livelihood of Minnesotans in this industry. This is NOT about subsidizing Hollywood. This initiative is critical to your constituents and small businesses — and to the future of economic and workforce development in our state.

While the tax credit incentive is designed to attract large budget projects and millions of dollars in new spending to the state as a whole, local workers and businesses will reap benefits from the jobs created by production. The production industry supports indirect jobs and wages in companies with which it does business, such as retail outlets, caterers, dry cleaners, restaurants, hotels, florists, hardware and lumber suppliers, software, and digital equipment suppliers. Up to \$250,000 per day can be introduced into local economies when a film shoots on location. An enhanced tax credit incentive will attract film and TV production to every region of Minnesota.

I've produced indie films and corporate productions in and around Rochester, and I've been a part of productions in the Twin Cities, Winona and Duluth as well. I know first-hand the business and economic impact even a small independent film or series can make. As an example, I was a producer on an independent feature film that was shot in Rochester before the pandemic. We had 35 cast and crew on set in our city for over three weeks. This brought money into our local economy through labor, vendor services and purchases — from HyVee catering and big orders at local restaurants, recreation at bars and local venues, hotel rooms and Air BnB rentals, and purchases at retail stores (including a small local frame shop). The production also employed local crew and actors, including talent from the local theater. This film and other productions shot in Rochester and other cities over the past several years have also provided educational opportunities for local high school and college students. In addition, these productions are amazing for tourism and exposure, and they build excitement and good will for members of the community.

I have witnessed the incredible growth of this industry within the past year because of the introduction of the Production Tax Credit Incentive, and I have seen the energy, hope and excitement building

throughout the production community around the entire state — including here in Rochester. For decades, Minnesota had been losing some of our top cast and crew members and professionals to other states because they believed they needed to move in order to find the level of productions that would provide increasing levels of experience and higher wages. Now, due to increased production and exposure for our state due to the tax credit, many professionals are moving back to Minnesota and establishing new businesses here. With the passage of HF2059, our state will be positioned for future growth and we will be able to not only retain but also attract professionals in the production industry.

A few years ago, I thought I might need to leave the state to pursue more enriching opportunities in this field. However, I was incredibly fortunate to have met and joined partnered with some dynamic professionals within the Minnesota Film and TV Community, and I have been honored to be a part of the team advocating for our industry. Our team's work and accomplishments over the past years inspired a new career path for me as well; and with the support of Minnesota Film&TV, I completed coursework and received certification as a film commissioner from the Association of Film Commissioners International. This certification has enabled me to be an even stronger and more vocal advocate for the production industry in Minnesota.

Over the past several months, I have been acting as an evangelist for our state's production community and speaking at virtual and in-person industry events and festivals, including the Sundance Film Festival in January. I'm thrilled to report production companies and filmmakers are excited about what Minnesota is offering, and we're currently working with several of them to lock down narrative features ranging from \$2-\$5million that plan to shoot in Minnesota within the next year. None of this would be possible without our state's current Production Tax Credit Incentive. And although it is an incredible start, we could be doing SO much more! We have proven over the past year that there is a viable market for what our production industry in Minnesota has to offer. With your support of HF2059, we can help Minnesota win more and larger budget productions — and bring economic development, new business and jobs to the state!

Thank you for your consideration and your support.

With gratitude,

Sara Hamilton
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**Production Tax Credit Incentive amounts in other states*

the success of the program is well documented and could negatively affect thousands of jobs across the state.

*I can personally attest to the incredible impact of this program. ******(Insert your story here.)*******

The success of the Ohio Motion Picture Tax Credit is real and demonstrable. The Motion Picture Association of America (MPAA) recently reported that nearly 35,500 people are directly and indirectly (hotels, caterers, carpenters, dry cleaners, etc.) employed by the motion picture and television industries in Ohio, with total wages earned exceeding \$1.2 billion.

This is a successful program that is putting Ohioans to work and putting hundreds of millions of dollars into their pockets right now. These aren't just people working on movies and television shows, but also small business owners who have found a niche supporting this industry or whose businesses have found more paying customers from the growth of the industry in Ohio. We often say that producing media content is the manufacturing of the modern age, and it creates economic impact wherever it is fostered.

In 2008, Georgia passed a motion picture tax incentive that transformed their economy to the tune of \$9.5 billion of economic impact in 2017 alone and made them arguably the media production capital of the world. New Mexico has seen similar success with their incentive. Netflix recently bought Albuquerque Studios and plans to invest over \$1 billion in the state by driving production there.

With the multitude of film programs in our area including The Ohio State University, Columbus College of Art & Design, Capital University, Kenyon College, Ohio University, and others, growing this industry is a chance to grow something special in Ohio. This is a chance to stop our state from losing bright, young people and keep them engaged – and employed – with an industry that's not only hip and exciting but expanding daily and filled with tremendous opportunity. This is also a chance to keep and bring skilled tradespeople back to Ohio to live, work, support local economies and pay state taxes.

I strongly urge you to retain the Ohio Motion Picture Tax Credit. To scrap the program would be a grave error that would do great damage to our economy and to so many Ohio taxpayers who either work in media production, run a business that works with the media production industry or perhaps dream of someday working in this industry right in their own backyard.

Let us continue to grow this industry and make Ohio a global production destination so that we can bring even more jobs and economic impact to our great state.

Sincerely,

Economic impact studies have been completed in Columbus, Cleveland, and Cincinnati. The three studies were completed by different institutions or firms and did not reference each other. All three studies came to the same conclusion that for every \$1 that is put into the program the state reaps approximately \$2 in return. To read the Columbus study click [HERE](#). This study makes an assumption of two low-budget films shooting in Columbus.

Senator Larry Obhof | The Ohio Senate
Dear President Obhof,

I am writing you today to thank you for reinstating the Ohio Motion Picture Tax Credit into the budget. I would now encourage you to increase the cap for the program to \$100 million per year. This will help us create a permanent industry in Ohio and will allow for the building of new sound stages.

The success of the Ohio Motion Picture Tax Credit is real and demonstrable. Over 5,000 full-time-equivalent (FTE) jobs have been created since the Ohio Motion Picture Tax Credit was enacted in 2009. If the program is discontinued, most of those people will have to seek employment in other states. According to a study by the Motion Picture Association of America (MPAA), over 850 businesses have been used in the state. The program has had an economic impact of nearly \$700 million. For every

dollar that is spent on the program, \$2.01 has come back to Ohio's economy, according to a 2017 University of Cincinnati Economic Center study. The average salary in the media industry in Ohio is over \$60,000 per year.

I can personally attest to the incredible impact of this program. (Insert your story here).

Again, thank you for your help.

Let us continue to grow this industry and make Ohio a global production destination so that we can bring even more jobs and economic impact to our great state.

Sincerely,

"Oklahoma's film industry has experienced tremendous growth, creating great jobs and economic development in an exciting industry," said Jennifer Loren, acting chairman of the OKMPA and Director of the Cherokee Nation Film Office. "Thanks to state leaders and the bipartisan support of recent increases to Oklahoma's film rebate program, the industry is paying attention to Oklahoma. Over the last few years, Oklahoma has transitioned from a flyover state to a fly-to-state."

Legislative updates will occur from 3-5 p.m. Representative Scott Fetgatter will speak about the importance of the film industry, followed by Tava Maloy Sofsky, Director of the Oklahoma Film + Music Office, who will report on the economic impact that film creates in the state. Senator Chuck Hall will provide remarks at approximately 5 p.m.

"The Filmed in Oklahoma Act of 2021 raised the annual film incentive to \$30 million and led to more local jobs, more investment from the private sector, and created the framework to support our growing industry by increasing the number of productions coming to Oklahoma," said Tava Maloy Sofsky, Oklahoma Film + Music Office Director.