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Chairman Terhar, Vice Chair Roegner, Ranking Member Williams, and members of the Committee. Thank you for the opportunity to provide sponsor testimony on SB 37.

SB 37 is designed to provide more accountability and effectiveness to Ohio's Motion Picture Tax Credit program. It was drafted with the input of Development Services Agency, which has jurisdiction over the program.

The following are some of the key provisions of the legislation:

- It makes the economic development requirement more effective by stipulating that applications be ranked in order of their economic impact rather than current law where applications are merely ranked on a first come first serve basis.
- It clarifies that economic impact is defined by the total expenditures made in Ohio and also the Ohio jobs that are hired. The jobs requirement primary focus will be on the number of jobs and secondarily the amount of payroll.
- Ensures that there will be more opportunities for a production to be approved by establishing two six month cycles in a year versus just once a year under current law.
- Provides safe guards to ensure that the economic impact that was listed on the application is fulfilled. It requires a CPA to certify the economic impact of the production and the state and local taxes generated from it. If it was less than what was listed on the application, the Development Services Agency Director can make a proportional reduction to the tax credit.
- Stipulates that the applicant must go into production 90 days after the application is approved to ensure the project is real and the economic impact will be forthcoming in the near future.

- Adds off Broadway theatrical production to be eligible for credits in an effort to have a steady and regular demand for the Ohio workers who are needed for theatrical, motion picture and television productions. Accordingly, helping to create a permanent Ohio workforce.
- It has no impact on Ohio's budget in that it does not increase the dollar amount for the credit that is allowed under current law.

In summary Mr. Chairman, members of the committee, SB 37 will improve the efficiency of Ohio's Motion Picture Tax Credit Program and provide more opportunities for economic growth.