

**Proponent Testimony for SB 37**  
**Senate Ways and Means Committee**  
**Kristen Schlotman, Executive Director, Film Cincinnati**  
**April 9, 2019**

Chairman Terhar, Vice Chair Roegner, Ranking Member Williams and members of the Senate Ways and Means Committee, thank you for the opportunity to appear before you today to speak in favor of Senate Bill 37 regarding Ohio's Motion Picture Tax Credit. My name is Kristen Schlotman and I am honored to serve as the Executive Director of Film Cincinnati.

Film Cincinnati was created in 1987 to attract, promote and cultivate film, television and commercial production throughout Greater Cincinnati. Since our inception, we have brought thousands of films, commercials, music videos, documentaries, and industrial videos to the region.

Ohio's Motion Picture Tax Credit has promoted significant economic development since its inception in 2009 and the program continues to improve thanks to the leadership of the General Assembly, in particular Senator Schuring, and the Development Services Agency.

The University of Cincinnati Economics Center completed an economic impact study in November 2018 regarding the benefits of the Film Industry in Cincinnati. The Ohio Motion Picture Tax Credit Program brought a positive economic impact to the Cincinnati region during fiscal years 2014 through 2018. Ohio awarded approximately \$35.6 million in Ohio Motion Picture Tax Credits to 30 productions filmed in the Cincinnati area during this period. Filming of these productions resulted in a total economic impact of \$142.0 million, an earnings impact of \$30.7 million, and an employment impact of 1,054 jobs between FY 2014 and FY 2018.

An existing component of this program that cannot be overshadowed is the job training and infrastructure program. In Cincinnati, we have resident production professionals who have moved to Ohio from Florida and other states because of the growing film industry and increased economic opportunities in the industry here.

The film industry is increasingly competitive both domestically and internationally. The availability of tax credits has become an extremely important factor in producers' decision-making process of where to shoot in the U.S. In Cincinnati, for example, we have lost approximately \$46 million of investment from just a few films in the last year or two because the state no longer had available tax credits. Those films went to New York, Mississippi, Kentucky, and Georgia.

For this reason, I support the language in SB 37 that establishes a timeline by which a production is to begin or the tax credits can be rescinded by the state. Films should not be able to hold onto credits for an unreasonable period of time at the detriment of those ready to put people to work. I strongly believe that this process modification will provide additional predictability and reliability for the program that is good for both businesses and taxpayers.

As with any business, we constantly strive at Film Cincinnati to have return customers. We work incredibly hard to make sure that the experience in Ohio is a positive one so producers will immediately consider us when they are putting together their next project. We have been fortunate to have repeat business in Cincinnati because of how the community has embraced the industry – from the hotels, restaurants and bars to the visitors bureaus and tourism networks to the IATSE Local 209.

I respectfully suggest that repeat business be considered as an addition to the economic impact formula. We have been blessed by clients returning over and over again. In some ways, repeat film business is like traditional economic development - job creators adding to retained employees while adding new jobs. While a single production may not be the largest dollar amount by comparison in the state, repeat investment in filming in Cincinnati and the repeat employment of our in-state talent pool it represents, should be a consideration of DSA as they consider tax credit allocations.

Finally, I ask that the General Assembly consider an increase to the annual allocation of credits to \$100 million per fiscal year. An increased allocation would support the film industry as well as Broadway productions. It would also allow Ohio to compete for more large-scale productions which result in more jobs, more local and state tax revenues and a strengthened film industry infrastructure. It also encourages Ohio-based companies to produce their commercials and videos at home rather than farming that work out to one of the coasts. We know through UC's study that the state's investment in film production in Cincinnati is highly leveraged and I know my peers in other parts of the state see similar returns on investment.

I want to thank the General Assembly and Administration again for your commitment to fostering the creation and retention of jobs and capital investment in Ohio. I strongly encourage you to pass this legislation quickly to unleash the capacity of the tax credit program and our thriving Ohio film industry.

Thank you again for your attention to this important economic development issue. I would be happy to answer any questions you may have.