



**Representative Lauren McNally
59th House District**

**House Bill 521 Sponsor Testimony
Commerce and Labor Committee
Tuesday, December 3, 2024**

Good afternoon, Chair Johnson, Vice Chair Manchester, and members of the Commerce and Labor Committee, thank you for allowing myself and my joint sponsor Representative Michele Grim to share details about House Bill 521, legislation addressing the employment of minors in the entertainment industry.

All of Ohio's children have many talents and should be encouraged to explore them. Among these could be the flair for performance. For both children, and adults, the entertainment industry can be a rare yet highly lucrative opportunity, making it ripe for exploitation. HB 521 intends to curb that potential exploitation and to create guardrails for performers and employers, ensuring children in the entertainment industry are kept safe now and into the future.

"Making it" in the entertainment industry, or earning a living from acting, is possible for less than an estimated 2% of people.¹ Children who do "make it" can earn about \$1000 for one 30-60-minute-long episode in a TV show.² An estimate for weekly pay for a child actor is around \$3,500, with a Broadway actor potentially earning an average of \$2,000 per week for their work on a live show.³ Maintaining productive, consistent work in these lucrative careers is rare.⁴

Because HB 521 is legislating the entertainment industry as it relates to children, it's important to emphasize that these are, indeed, potential careers and this is, indeed, work. A popular TV

¹ <https://www.nature.com/articles/s41467-019-10213-0>

² <https://kidscasting.com/academy/how-much-do-child-actors-get-paid>

³ <https://marketrealist.com/jobs/how-much-do-child-actors-make/#:~:text=An%20estimate%20for%20weekly%20pay,work%20on%20a%20live%20show.>

⁴ <https://www.backstage.com/magazine/article/what-percentage-of-actors-make-it-76897/>

show can earn hundreds of millions of dollars annually.⁵ A popular Broadway show can earn millions of dollars each week.⁶ A popular movie can make billions of dollars.⁷

In particular, G-rated movies, movies that are suitable for all ages and contain nothing that would be inappropriate or scary for children, have the highest total revenue per film, with the majority of that coming from video.⁸ In 2011, G-rated movies averaged \$53.8 million in revenue, while R-rated movies averaged only \$15.3 million.⁹ Kid-content is big business and while these earnings may not be realized for every venture, the upfront production costs do become potential revenues for the cities and states where they are made.

That is why Ohio is clearly interested and invested in the entertainment industry as a revenue producer for the state. Created in 2009, the [Ohio Motion Picture Tax Credit Program](#) provides a refundable tax credit of 30% on production cast and crew wages and other in-state spending for eligible productions, including feature-length films, documentaries, pre-Broadway productions, miniseries, video games, and music videos.

This February, the state paid out \$44M in tax credits for the filming of TV series and feature films across Ohio.¹⁰ In July, the state paid out \$36.7 million in state tax credits supporting 17 theatrical, television, and film production projects in Ohio.¹¹ The fourteen feature films, one television mini-series, one television series, and one Broadway/theatrical production are expected to create around 500 new jobs, nearly \$122 million in eligible production expenditures, and \$150 million in total production expenses making the return on investment high.¹²

As our state continues increasing our investment in the entertainment industry, so too will it hopefully stimulate and create additional revenues. As one of 17 states that do not regulate child entertainment at all,¹³ passing HB 521 is critical or Ohio risks becoming “THAT” state or workplace where former child entertainers age and reflect back on how they were taken advantage of. The recent exposé of Nickelodeon’s treatment of its child stars has underscored the importance of protecting minor performers from exploitation and harm, with many former child

⁵ <https://letter.ly/how-do-tv-shows-make-money/#:~:text=How%20much%20profit%20do%20TV,the%20fandom%20is%20big%20enough>.

⁶ <https://thehustle.co/the-economics-of-broadway-shows#:~:text=In%20terms%20of%20revenue%2C%20Broadway%20was%20as.2018%2D19%20season%2C%20according%20to%20the%20Broadway%20League>.

⁷ <https://www.investopedia.com/financial-edge/0611/why-movies-cost-so-much-to-make.aspx>

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<https://scholarworks.qvsu.edu/cgi/viewcontent.cgi?article=1021&context=sbr#:~:text=Movies%20with%20a%20G%20rating,categories%20by%20a%20significant%20margin>.

⁹ <https://www.movieguide.org/news-articles/the-most-family-friendly-movies-earn-more-money-annual-movieguide-report-shows.html>

¹⁰ [https://development.ohio.gov/home/news-and-events/all-news/2024-0214-state-awards-44-million-in-tax-credits-for-tv-film-production-in-ohio#:~:text=\(COLUMBUS%2C%20Ohio\)%20%E2%80%94%20The.and%20feature%20films%20across%20Ohio](https://development.ohio.gov/home/news-and-events/all-news/2024-0214-state-awards-44-million-in-tax-credits-for-tv-film-production-in-ohio#:~:text=(COLUMBUS%2C%20Ohio)%20%E2%80%94%20The.and%20feature%20films%20across%20Ohio).

¹¹ <https://development.ohio.gov/home/news-and-events/all-news/2024-0729-Governor-DeWine-Announces-36-7-Million-in-Support-to-Produce-New-Broadway-TV-Film-Projects-in-Ohio>

¹² cont.

¹³ <https://www.dol.gov/agencies/whd/state/child-labor/entertainment>

actors coming forward with accounts of sexual abuse, abusive work environments, and racial and gender discrimination. Ohio needs to do more to protect young performers who work in our state.

We've shown you the numbers and can confidently say the entertainment industry earns a great deal of money from child actors, but child actors themselves rarely have enough left after commissions to support themselves or a family.¹⁴ Child actors pay taxes like everyone else, which can be as high as 40%.¹⁵ Agents typically receive 10% commission, managers receive 10–15%, and lawyers may receive 5%.¹⁶ If the child is in the union, and you hope they will be, apart from the \$3,000 initiation fee, the average dues for SAG-AFTRA and AEA are about \$150 each.¹⁷ They also receive a percentage of total yearly earnings, 1.575% and 2.25%, respectively.¹⁸

No one expects minors to understand and fiscally manage these earnings. Similarly, no one expects a child to stand up to a boss and demand safer working conditions. Ensuring that this work is performed with the best interest of the child in mind, the child who is responsible for these wages, as opposed to a parent or other authority figure who could exploit them, is why the law must step in. Ohio law has yet to do this.

The Federal Fair Labor Standards Act specifically carves out the Entertainment industry and leaves child actor laws up to the individual states to decide. When deciding, states have created rules centering on a few key themes such as safety, health, finances, and overall welfare. This can include:

- Requiring a work permit for minors.¹⁹
- Requiring a letter from the child's school.²⁰
- Creating guidelines on the number of hours a child actor can work, usually dependent on their age.²¹
- Requiring a certain amount of time each day be set aside for schooling.²²
- Regulating meal breaks and rest periods while on set.²³

¹⁴ [https://izea.com/resources/child-actors/#:~:text=Daily%20base%20rate:%20\\$1%2C030%20\(for,from%20a%20child%20actor's%20income.](https://izea.com/resources/child-actors/#:~:text=Daily%20base%20rate:%20$1%2C030%20(for,from%20a%20child%20actor's%20income.)

¹⁵ <https://hometowntohollywood.com/who-gets-the-money-when-a-child-actor-works/#:~:text=Where%20does%20the%20money%20go,your%20relationship%20with%20your%20child.>

¹⁶ cont.

¹⁷ <https://www.backstage.com/magazine/article/much-cost-raise-child-star-9990/#:~:text=Business%20Fees,vary%20from%20state%20to%20state.>

¹⁸ cont.

¹⁹ <https://www.sagaftra.org/membership-benefits/young-performers/state-statutes/#:~:text=Laws%20pertaining%20to%20work%20permits,rules%20through%20the%20following%20links:>

²⁰ cont.

²¹ <https://www.backstage.com/magazine/article/child-actor-laws-76778/>

²² cont.

²³ cont.

- Providing adequate safety and health instructions to the child actor and their parent or guardian.²⁴
- Requiring proof of trust accounts that hold automatic deductions from a child actor's paycheck for them to receive access upon reaching the age of majority (commonly referred to as Coogan Accounts²⁵ where a child legally owns the money but a guardian manages it until they turn 18).²⁶

These rules exist because the government had to react when a once unregulated work environment caused harm to kids, no differently than in other sectors of the economy for any other worker. For example, in the 1950's when child star Shirley Temple married at 22, she asked her father, who had managed her money, how much was in her bank account.²⁷ He informed her that only \$44,000 was left of the approximately \$3.4 million she had made as a child star.²⁸

In the 1920's, Jackie Coogan became one of the first child stars in the United States, appearing in *The Kid* with Charlie Chaplin in 1921.²⁹ You may also know him from other roles like Uncle Fester in the 1960s sitcom, *"The Addams Family."*³⁰ When Coogan turned 21 in 1938, he discovered that his mother and stepfather had spent all of his earnings.³¹

He sued his parents in court, but only recovered a small portion of his earnings, leading to the State of California's 1939 enactment of the Coogan Act or the California Child Actor's Bill.³² The Coogan Act is a first-of-its-kind child protection law requiring that a percentage of a child actor's earnings be placed into a trust that they'll be able to access once they turn 18.³³ It also applies to children who model and do voice work.³⁴

Since then, many states have adopted traditional child actor laws and California has expanded theirs as time and technology in the entertainment space has changed and new revenue streams

²⁴ cont.

²⁵ <https://blogs.loc.gov/law/2022/06/more-than-pocket-money-a-history-of-child-actor-laws/#:~:text=It%20is%20now%20necessary%20for.%E2%80%9D%20or%20%E2%80%9Csecretarial%E2%80%9D%20fees.>

²⁶ <https://hometowntohollywood.com/who-gets-the-money-when-a-child-actor-works/#:~:text=Where%20does%20the%20money%20go.your%20relationship%20with%20your%20child.>

²⁷ https://www.yahoo.com/entertainment/shirley-temple-lost-million-dollar-185137636.html?guccounter=1&guce_referrer=aHR0cHM6Ly93d3cuZ29vZ2xlLmNvbS8&guce_referrer_sig=AQAAAEkFoLXm3iBGv-0DvyT5n3OQJf2maz0EU2GhFcU7322KD2NAnMpsX7uLnbiWPM-oKDaYZQ9VJhRSKvdfIUhFao062TtWUJFBLz-sFJWzbcBkLrKwG8WnM4hElz_kuF6N6huCySPALMpi8jju-MoAfiERkl4RiTe6VU6suDo99vF

²⁸ cont.

²⁹ <https://walkoffame.com/jackie-coogan/>

³⁰ cont.

³¹ <https://www.morganstanley.com/articles/trust-account-for-child-performer#:~:text=Coogan%20Accounts:%20A%20Brief%20History,until%20the%20child%20reaches%20adulthood.&text=The%20Coogan%20Act%20provides%20that,funds%20from%20large%20management%20companies.>

³² <https://www.sagaftra.org/membership-benefits/young-performers/coogan-law>

³³ cont.

³⁴ cont.

and advertising opportunities have been created. That said, as of April 2024, there are still 17 states that do not have laws to protect child actors: Arizona, Kansas, Kentucky, Maine, Mississippi, Montana, Nevada, New Hampshire, Oklahoma, Rhode Island, South Carolina, South Dakota, Tennessee, Utah, West Virginia, Wisconsin, and **Ohio**.³⁵

These Ohio minors are vulnerable and voiceless. While child entertainers may be protected by trade unions or general child labor laws³⁶, we've seen legislation in this committee and G.A. attempting to roll back those existing provisions. Furthermore, these existing rules are not nimble or niche enough to adequately address the unique demands of this industry, particularly as it relates to the minor's finances and education.

For example, Ohio's current labor laws state that minors must be at least 14-years-old to work, ages 14–15 can work up to 3 hours per school day and 18 hours per week, and under 16 cannot be employed during school hours, among other provisions addressing safety and wellness.³⁷ While it carves out a broad exemption for child entertainers,³⁸ which enables their work in the state in this industry, it does not therefore impose any restrictions or protections for these kids.

That is what makes HB 521 important and necessary legislation. It takes steps toward protecting minor performers in motion picture, theatrical, radio, and television productions from employment that is detrimental to the minor's life and health, including placing restrictions on the number of hours they can work per week to no more than 18 hours when school is in session or no more than 40 hours when school is not in session. It also requires that the minor be examined by an independent physician to verify they are physically capable of the nature and duration of the employment.

HB 521 also provides further protections to minor performers by requiring that the minor's parent or guardian accompany them to all rehearsals, appearances, performances, and sessions that occur in connection with the minor's employment as a performer. The minor's parent or guardian must also establish a trust account for the child's benefit. 15% of their earnings will be deposited into this account, an account that will be available to them upon reaching the age of 18.

We appreciate the need for the likeness of children in the art we see and hear and we want productions in Ohio to reflect the real lives of the people in this state and around the world. HB

³⁵ <https://www.backstage.com/magazine/article/child-actor-laws-76778/#:~:text=For%20anywhere%20else%2C%20the%20Department.%2C%20West%20Virginia%2C%20and%20Wisconsin.>

³⁶ <https://blogs.loc.gov/law/2022/06/more-than-pocket-money-a-history-of-child-actor-laws/#:~:text=Child%20entertainers%20are%20exempt%20from.the%20better%20as%20a%20result.>

³⁷ <https://codes.ohio.gov/ohio-revised-code/chapter-4109>

³⁸

521 will do that while ensuring those children whose likeness entertains us will have something to show for the work and sacrifice they have made.

Chair Johnson, Vice Chair Manchester, and members of the Commerce and Labor Committee, thank you for your time and the opportunity to testify. I'm proud to turn it over to my joint sponsor State Representative Michele Grim.