**Interested Party Testimony for HB 166**

**Senate Finance Committee**

**Kristen Schlotman, Executive Director, Film Cincinnati**

**May 23, 2019**

Chairman Dolan, Vice Chair Burke, Ranking Member Sykes and members of the Senate Finance Committee, thank you for the opportunity to appear before you today as an interested party regarding House Bill 166 and in favor Ohio’s Motion Picture Tax Credit.  My name is Kristen Schlotman and I am honored to serve as the Executive Director of Film Cincinnati. Some of you may recall my testimony before the Senate Ways and Means Committee last month.

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. Every dollar awarded as a tax credit resulted in nearly $2 in direct new spending in the state. 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.

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. I am joined today by a number of professionals working in the industry in Cincinnati and have included letters of support from the Teamsters Local Union 100 and the International Alliance of Theatrical Stage Employees Local 209.

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. I applaud some of the changes made in Senate Bill 37 to address the issue of clearing out the queue and requiring approved productions to use or lose their credits.

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. I respectfully suggest that repeat business is an important element of economic impact. 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, is an important factor of calculating return on the state’s investment.

I want to thank the Senate for your commitment to the film industry in Ohio and the jobs it supports. I ask that you please restore the tax credit program in House Bill 166 and fight for it in the conference committee process. As an industry, we are committed to working with the General Assembly and Administration to continue to make improvements to the program that are good for the industry and Ohio taxpayers.

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

Attachments: Teamsters Local 100 letter

 IATSE Local 209 letter