

Executive Directors Peer Session – Breakout Report

NASAA Assembly 2008, September 11-13

FILM INCENTIVES AND PROMOTION

Saturday, September 13, 2008

Common Themes / Questions

- Film is a highly mobile industry: "light footed," agile and competitive. Many states are eager to attract this business.
- What drives this policy? A genuine economic opportunity, or the "glitz and glam" factor?
- Economic benefits are hard to measure and are a subject of significant debate. Positive economic impact is claimed by many film offices and reports. But it can be difficult to discern whether incentives are actually resulting in a net gain for the state, and sometimes conflicting numbers/assessments exist within a single state.
- Incentives need to incorporate mechanisms with clear benefits back to the state (e.g., dedicating some proceeds to work force development, etc.) not just out-of-state businesses.
- How can states make this a truly sustainable industry? A holistic, organic, and sustainable approach (that complements SAA goals) would include:
 - training
 - audience development
 - Hollywood productions
 - film festivals
 - education

Massachusetts

- A film explosion is under way in the state. Every region wants a movie.
- A tax incentive (a 25% rebate from the state) led to a film boom. Film production increased from 1 film per year to 6-15.
- No state film office exists, but a new nonprofit has been set up to promote the state as a destination for the film industry. (There is a funding earmark for this nonprofit organization through the state tourism office.)
- Film production is logistically intensive – those logistics are better handled at the local level.
- The film office asserts that the industry offers a sizable economic return (\$1 on every \$0.05). The Department of Economic Development, however, says that the state is losing millions.
- There is a troubling disconnect between creative locals and Hollywood productions.

Maryland

- A \$4-million incentive fund has been established. But the state is non-competitive, and advocacy has not been effective in increasing incentives.
- What would make this industry sustainable, beyond the occasional blockbuster?
- The Maryland State Arts Council, due to its arts advocacy success, was asked to help the film office. A newly formed 501c3 "Maryland film coalition" has secured a lobbying firm (funded by contributions from unions, hotel corporations and private dollars). Their goal is to identify an approach for upcoming legislative session.

Colorado

- No state film office exists. A separate non-profit promotes the industry, but it is very focused on increasing incentives and devotes less attention to comprehensive industry development.
- \$25 million was recently requested for film incentives. Only \$600,000 was appropriated. The arts council would like to see more discussion of how to make the most of these small assets.
- One legislator is pushing for University of Colorado film school. This would require \$300,000 for administration – funds that might be better spent on the promotion and development of the industry.
- There has been discussion of bringing the film commission into the arts council as an interim measure and creating a marketing and promotional entity to build the industry.
- Local film offices can deal with the logistical/production issues, but a film commission with influence and expertise is needed to provide leadership and expand opportunities.
- It is important to measure the actual state dollars generated by film productions, quantified in terms of tax and sales proceeds.

Canada

- Twenty years of aggressive marketing and attention to both supply and demand has met with much success. Canada has intentionally been working toward vertical integration of the industry.
- Winnipeg is particularly strong. Winnipeg has its own film organization and theatre/education facilities. Although Winnipeg studios didn't last, Vancouver has successfully sustained a studio production infrastructure.
- Despite this success, there is a need to combine education and audience development with film festivals, training and Hollywood production activities. Adequate work force training is a chief concern.
- Canada wants its own filmmakers to make Canadian films. To this end, \$25,000 grants to individuals are available to stimulate new film projects.

Resource

See the National Governors' Association Issue Brief, [Promoting Film and Media to Enhance State Economic Development](#).

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