November 18, 2009
Remarks to the Joint House Tax Policy & New Economy and Quality of Life Committee Meeting

My name is Timothy F. Magee and I represent the over 1000 union film workers located across the State of Michigan. You might have expected to see a large number of my members here today to tell you of the profound effect that the film incentive legislation has had on their and their families lives since it was enacted in April 2008.
However, they are not able to attend this hearing, because they are all currently employed on the various productions shooting in the State. Currently there are eight (8) feature films, one (1) television movie of the week and one (1) cable series.

There are upwards of 500 to 600 people working on an average day. The average wage for these people is $1850.00 per week with an additional $540.oo per week in health and pension benefits.

If my members were here they would be telling you that 21 months ago there was 50%-60% unemployment in the industry. The bottom had fallen out of the Commercial/Industrial film market and they were missing mortgage payments and losing their health insurance. The future looked very bleak at that time until the talk started that maybe Michigan might try putting an incentive program in place to try to stimulate business and bring life back to the film industry.

A smaller version of what we have today was in place and it did bring in some additional filming. Shows such as "Jumper" and "Transformers" came to town to do some pick-up work for a few weeks at a time. But this program was a far cry from what was needed to rejuvenate an entire industry across the State.

Then the Governor and the Legislature stepped in and did something miraculous. They fashioned a program that was designed to leapfrog all the other programs that were spread across the country and overnight turn Michigan into a production center second to none. The program contained incentives for both above and below the line staffing in all departments, from camera and audio to makeup and lighting, from actors and directors to producers. But perhaps the most farsighted portion was the emphasis on the

infrastructure, the bricks and mortar, that would lay the foundation for the future of this industry in the State after the subsidies were scaled back.

This effort to diversify Michigan's economy beyond the manufacturing base that it has always relied on in the past was brought to a vote and passed unamouisly in a bi-partisan show of support in the House of Representatives and passed in the Senate with bi-partisan support with only on dissenting vote and then signed into law by Governor Granholm has been an unparalleled success.

This single piece of legislation has jumpstarted an industry on the verge of collapse and has been a bright spot over the last 20 months in an otherwise dismal economy. In looking back, I know of no other bill passed by this House that has offered so much hope to so many small businesses, from restaurants, hotels, and caterers, to hardware stores and lumberyards, all businesses that are used in the production of motion pictures. These motion pictures were produced in towns from Grand Rapids to Port Austin and Detroit to Escanaba.

My members and I know that there has been discussion regarding the return on investment to the State and that the program at this point is not yet returning a dollar of tax payments for a dollar spent. And while this may be an important consideration I ask you to remember that the economic activity generated by every dollar spent by the State has been a dollar fifty.

I believe that if you ask the thousands of people who have been impacted by this legislation what the most important question your might ask about this bill is, it would not be if it has returned a reasonable amount of money to the State Treasury in its first 20 months of life. The question would be if it has made a difference in the lives of the people whom you designed the bill to help and if it has started delivering the jobs that were hoped for. Speaking for my membership which has been growing at a thirty percent rate over the last twenty (20) months, we believe the answer to those questions is an emphatic "yes" it has.

To the honored members of these committees, I would like to thank you for your time and for your efforts in making the State of Michigan a powerhouse in motion picture production. What we hope will be an industry that will bring returns to the State for many years to come. And representing my membership, I relay to you a very heartfelt "Thank You".