

House Bill 6066 as enrolled
Public Act 508 of 2002
Second Analysis (7-25-02)

Sponsor: Rep. Jason Allen
House Committee: Commerce
**Senate Committee: Government
Operations**

THE APPARENT PROBLEM:

The Michigan Film Office is the state agency charged with trying to attract film, television, and related media business to Michigan. It is now housed in the newly created Department of History, Arts, and Libraries. The director of the office (and its only full-time employee) has said, "Bottom line: we want the production companies to come here to film their projects, from movies to commercials to talking heads to catalogue layouts, hire our crews, stay in our hotels, buy our food, rent our equipment, and promote Michigan for us via visual images". The office says it provides information on crews and equipment through a production guide; maintains files of location photographs (on CD-ROM) and will shoot photos on request; assists with hotel accommodations; meets on prospective projects with business agents for local entertainment-related unions (although the office says it does not bargain on anyone's behalf); establishes contacts with local units of government, including police and fire departments; and helps with obtaining state permits, from the Departments of Transportation and Natural Resources, among others.

Michigan is said to rank 21st among the states in the film business and in the top 10 for production of commercials. Reportedly, the state hosted seven film "shoots" in 2001 and the estimated economic impact for that year from film-related projects has been put as high as \$20 million (which the film office says would be a record). People in the field say the state has many of the assets needed to attract business, including its wide variety of rural and urban locations; experienced crews; and post-production facilities. Obviously, when film producers select an area as a location for filming, there are substantial economic benefits, from work for Michigan-based crews and actors and similar "talent", to hotel and meal expenses, carpentry and construction work, costuming supplies, and so on. Film locations tend to attract tourists, as well, and the finished products can

sometimes attract people to the state. Michigan is in competition not only with surrounding states but with Canada, which is said to aggressively recruit business through economic incentives (such as refunds of business expenses) and has recently also had the advantage (for that purpose, at least) of a weak dollar. Some people believe the state's one-person film office needs additional support. One proposal would create an advisory commission, made up of people both in the entertainment industry and out, to assist the one-person office in its task of promoting and developing the state's film, television, and video production industries.

THE CONTENT OF THE BILL:

The bill would amend the History, Arts, and Libraries Act to create a Michigan Film Advisory Commission. The commission membership would include 13 members appointed by the governor, one member appointed by the Speaker of the House of Representatives, one member appointed by the Senate Majority Leader, and the state film commissioner, who would serve as an ex officio nonvoting member. The bill also would establish the Michigan Film Office in the Department of History, Arts, and Libraries, and authorize the director of the department to appoint an individual to serve as the film commissioner, who would be the head of the film office.

Role of the Commission. The commission would be authorized to do the following.

- Advise the governor, department, film office, and legislature on how to promote and market Michigan's locations, crews, facilities, technical production facilities, and other services used by film, television, and related industries.

- Encourage community and Michigan film and television production industry participation in, and coordination with, state efforts to attract film, television, and related production to the state.
- Assist the office of film in promoting, encouraging, and facilitating film, television, and related production in the state.
- Develop strategies and methods to attract film, television, and related business.
- Under direction of the film office, provide assistance to film, television, and related personnel who use Michigan as a business location.
- Sponsor and support official functions for film, television, and related industries.
- Assist in the establishment of film and television ventures and other related matters the film office and department consider appropriate.

Membership of the Commission. The governor would appoint five members associated with broad areas of film and motion picture making, production of television programs and commercials, and related industries in the state; two members representing theater owners, of which at least one would be the owner of a theater 10 screens or more or that seats 1,000 or more individuals; two members from film, television, or related industry unions; three members from the public at large and not active in the industry; and one member representing local units of government. One member would be appointed by the Speaker of the House and one by the Senate Majority Leader (with no criteria as to representation). The term of office would be three years (and until the appointment and qualification of a successor). The state's film commissioner would serve as an ex officio nonvoting member. The governor would appoint one of the members as the chairperson for a one-year term (and could reappoint that person for an additional one-year term). Members would serve without compensation but could receive reimbursements for actual and necessary expenses while attending meetings or performing other authorized official business (subject to appropriations).

Commission operations. The commission would be required to meet at least three times per year. The commission would also meet at the call of the chairperson. The commission would be subject to the Open Meetings Act and the Freedom of Information Act. However, a writing prepared, owned, used, in

the possession of, or retained by the commission when performing business of the commission could be kept confidential for up to six months after a request to inspect, obtain, or copy it was received if, in the judgment of the commission chairperson, disclosure of the record would compromise or otherwise undermine the ability of Michigan industry to compete in the promotion and marketing of Michigan's locations, crews, facilities, and technical production and other services. The bill also would specify that the commission could not use for personal gain information obtained while performing commission business. A commission member would also be prohibited from disclosing confidential information obtained while conducting commission business, except as necessary to perform commission business.

The act currently refers in several places to "locations, talent, facilities, and technical production and other services". The bill would add the word "crews" to that list.

Delegation of Department Duties. The bill would also allow the Department of History, Arts, and Libraries to enter into cooperative agreements, contracts, and other agreements with one or more governmental entities to use the personnel, services, or facilities of the entity to assist in carrying out the duties, functions, and responsibilities of the department.

MCL 399.702 et al.

FISCAL IMPLICATIONS:

The House Fiscal Agency reports that there could be a small indeterminate increase in operational costs to state government since commission members are to be reimbursed for actual and necessary expenses while attending meetings or performing other authorized official business. The creation of the commission could also increase the opportunities for media productions in the state, which would result in an indeterminate increase in revenues to local communities. The HFA notes that the Office of Film and Television Services, within the Department of History, Arts, and Libraries, has a fiscal year 2002-2003 appropriation of \$143,500, which includes one full-time position. The bill would maintain current funding levels. (HFA analysis dated 7-9-02)

ARGUMENTS:***For:***

A veteran observer has said that no agency gives the state "more bang for the buck" than the Michigan Film Office, which helps to attract producers of films, television, and other related entertainment productions to the state. This one-person office, created in 1979, serves as a clearinghouse for information about production crews and facilities, locations, and other assets for people in the entertainment industry. Reportedly, every state has such an office, and some states have several, with regional jurisdictions promoting their own areas. There are said to be nearly 300 film commissions around the world. Of neighboring states, Illinois and Ohio have three film offices and Wisconsin and Minnesota two. Canada has an aggressive national program to attract the film and television industries. Experts in the field say that Michigan has most of the key assets needed, including a variety of locations, experienced crews, and available post-production facilities. House Bill 6066 is intended to give the state film office a boost by creating an advisory commission that can help devise strategies for promoting and marketing the state to film, television, and related industries, to provide assistance to Michigan-based entertainment enterprises and workers, and sponsor official functions to recognize work in the industry, among other things. The state is said to have had such a commission in years past; the bill would bring it back and put it into statute. The commission would have wide representation from inside and outside the film and television production industry.

Response:

While there is not opposition to the creation of the commission, some questions have been raised about its membership. Why, some ask, do theater owners have a prominent role, particularly large screen owners? Why shouldn't there be a larger role for those in the industry, including specific places for "talent", such as actors and announcers? On what basis, or following what criteria, will the governor and legislative leaders make these appointments? Doesn't the film office need more financial resources and more staff if it is to more effectively attract business to the state? Doesn't the state need to provide incentives to attract more business, as some other states and Canada do?

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.