

Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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House Bill 6066 (Substitute H-2 as passed by the Senate)
Sponsor: Representative Jason Allen
House Committee: Commerce
Senate Committee: Government Operations

Date Completed: 6-27-02

RATIONALE

The Michigan Film Office, established by Executive Directive in 1979, is now housed in the Department of History, Arts, and Libraries. According to the office, it provides information to film, television, and related entertainment industries 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 (but 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, primarily from the Departments of Transportation and Natural Resources. The office reports that seven film shoots took place in Michigan in 2001, resulting in an expected economic impact of approximately \$20 million. In film business, Michigan ranks 21st among the states, according to the office, and in the top 10 states for the production of commercials. While Michigan appears to be well-positioned in these businesses, the office points out that the top states in film production report economic impacts in the hundreds of millions of dollars, and California in the billions.

The Michigan Film Office presently consists of one employee. It has been suggested that an advisory commission be created to assist the office in promoting and developing the State's entertainment industry and in attracting entertainment business.

CONTENT

The bill would amend the History, Arts, and Libraries Act to do the following:

- **Create the Michigan Film Advisory Commission in the Department of History, Arts, and Libraries.**
- **Prescribe the appointment of 15 members to the Commission.**
- **Specify that the Michigan Film Office would be created in the Department, and would be headed by the Michigan Film Commissioner who would be appointed by the Department Director.**
- **Authorize the Commission to advise the Governor, the Department, the Michigan Film Office, and the Legislature on how to promote and market Michigan's locations, crews, facilities, and technical production facilities and other services used by film, television, and related industries.**
- **Prescribe other powers and duties of the Commission.**

The bill also would allow the Department to enter into cooperative agreements, contracts, or other agreements with one or more governmental entities to use the personnel, services, or facilities of the entity to assist with carrying out the duties, functions, and responsibilities of the Department as provided in the Act, and as otherwise provided by law. Further, the bill would allow the Director to delegate his or her authority to execute such an agreement to another officer or employee of the Department, under terms the Director considered appropriate.

The bill provides that the Michigan Film Advisory Commission would consist of one member appointed by the Senate Majority Leader, one member appointed by the Speaker of the House, and 13 members appointed by the Governor as follows:

- Five associated with broad areas of film and motion picture making, production of television programs and commercials, and related industries in Michigan.
- Two representing Michigan-based theater owners, including one who owned a large theater (a theater with 10 screens or more or that seated at least 1,000 individuals).
- Two from film, television, or related industry unions.
- Three appointed from the public at large and not active in the film, television, and related industries.
- One representing local units of government.

The Governor would have to appoint one member of the Commission to serve as chairperson, but the individual could not serve as chairperson for more than two consecutive years. Members of the Commission would serve three years, without compensation, except for reimbursement for their actual and necessary expenses while attending meetings or performing other authorized Commission business.

The Commission could encourage community and Michigan film and television production industry participation in, and coordination with, State efforts to attract film, television, and related production to Michigan, and assist in the establishment of film and television ventures and such related matters as the Michigan Film Office or the Department considered appropriate. Further, the Commission could assist the office in promoting, encouraging, and facilitating film, television, and related production in Michigan; develop strategies and methods to attract film, television, and related business to Michigan; under direction of the office, provide assistance to film, television, and related service personnel who used Michigan as a business location; and sponsor and support official functions for film, television, and related industries.

The Commission would have to meet at least three times each year, and at the call of its chairperson. A meeting would have to be conducted as a public meeting in compliance with the Open Meetings Act.

Written materials of the Commission would be subject to the Freedom of Information Act except that a writing could be kept

confidential for up to six months after the date a request to inspect, obtain, or copy the writing 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.

A member of the Commission could not use for personal gain information obtained by the member while performing business of the Commission, nor could a Commission member disclose confidential information he or she obtained while conducting Commission business, except as necessary to perform that business.

MCL 339.702 et al.

BACKGROUND

Many feature films have been shot (filmed or partially filmed) in Michigan in the past 50 years. According to the film office, shoots have been done in Michigan for the following films in the last three years:

Year	Film
2000	"Driven"
2000	"61"
2000	"Hardball"
2001	"American Pie 2"
2001	"China"
2001	"Road to Perdition"
2001	"Below"
2001	"Super Sucker"
2001	"Eight Mile"
2002	"An Ordinary Killer"
2002	"Mongol King"

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

The Michigan Film Office helps to attract producers of film, television, and other related entertainment productions to the State. The one-person office provides 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. Canada has an aggressive national program to attract the film and television industries. Michigan has most of the key assets needed for the industry, including a variety of locations, experienced crews, and available postproduction facilities, but is competing with Canada and the surrounding states for the business. As a report from the office says, "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 crew, stay in our hotels, buy our food, rent our equipment and promote Michigan for us via visual images."

The bill would give the film office a boost by creating a Film Advisory Commission that could 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 to sponsor official functions that recognize work in the industry, among other things. The Commission would have wide representation from inside and outside the film and television production industry.

Legislative Analyst: George Towne

FISCAL IMPACT

The bill would create in the Department a new Commission that would be eligible for reimbursement of expenses. These costs would be an increase for the Department, but without any information as what they would total in one year, the fiscal impact is unknown at this time.

Fiscal Analyst: Maria Tyszkiewicz

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.