

INTERIM STUDY PROPOSAL 2023-095

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2
3 REQUESTING THAT THE ARKANSAS LEGISLATIVE COUNCIL REFER TO THE
4 HOUSE COMMITTEE ON AGRICULTURE, FORESTRY, AND ECONOMIC
5 DEVELOPMENT A STUDY CONCERNING THE DEVELOPMENT OF A STRATEGY TO
6 INCENTIVIZE LONG-TERM DEVELOPMENT OF FILM AND TELEVISION
7 PRODUCTION WITHIN THE STATE OF ARKANSAS.
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9 WHEREAS, the American film industry employs two million four hundred
10 thousand (2,400,000) people and in 2022 paid one hundred eighty-six billion
11 dollars (\$186,000,000,000) in annual wages; and
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13 WHEREAS, in 2005, Georgia passed its television and film initiative act
14 and has since turned a meager film business into a thriving enterprise
15 creating an enormous economic impact of four billion one hundred million
16 dollars (\$4,100,000,000) on almost all areas of the state; and
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18 WHEREAS, Oklahoma has also created a thriving film industry and
19 attracted major movie productions to its state, such as the feature film
20 "Killers of the Flower Moon"; and
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22 WHEREAS, in 2022 in Louisiana, the television and film industry paid
23 two hundred eighty-six million dollars (\$286,000,000) in resident payroll and
24 six hundred seven million dollars (\$607,000,000) in in-state expenditures;
25 and
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27 WHEREAS, efforts are mounting in Texas to build a television and film
28 industry similar to Georgia, Oklahoma, and Louisiana, and if Texas succeeds,
29 the State of Arkansas will miss an opportunity to establish its presence in
30 the film and television market; and
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32 WHEREAS, actors, writers, directors, and producers are leaving
33 Hollywood and seeking new locations where they can produce films and
34 television affordably and provide employees a lifestyle that is attractive,
35 comfortable, and conducive to film production; and
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1 WHEREAS, the film industry is currently comprised of one hundred
2 twenty-two thousand (122,000) businesses of which ninety-two percent (92%)
3 employ fewer than ten (10) people that can easily relocate if there are
4 incentives and other alluring features; and
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6 WHEREAS, the State of Arkansas is poised to attract those small
7 businesses if an ambitious and competitive film incentive program is
8 constructed; and
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10 WHEREAS, the State of Arkansas is centrally located in the country and
11 has an abundance of scenic beauty, diverse topography, and small towns ideal
12 for movie sets; and
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14 WHEREAS, Hot Springs, Arkansas, has affordable housing and an
15 accessible airport and is known as a tourist destination for its attractive
16 lakes, bathhouse spas, racetrack, casino, entertainment, restaurants, and
17 historic downtown; and
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19 WHEREAS, relocating the Film Office of the Arkansas Economic
20 Development Commission to Hot Springs could attract producers to Arkansas;
21 and
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23 WHEREAS, state funding should be used to incentivize movie production
24 through rebates to begin competing in the television and film market; and
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26 WHEREAS, Arkansas has a population of three million forty thousand
27 (3,040,000), and an investment of thirty million dollars (\$30,000,000) would
28 equate to less than ten dollars (\$10.00) per resident to create a thriving
29 film industry in Arkansas; and
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31 WHEREAS, the film incentive rebates provided by the state should be
32 competitive with other states by being increased to as high as forty percent
33 (40%) in some cases; and
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35 WHEREAS, according to industry analysis, on average, for every rebate
36 dollar granted, four (4) times that amount is spent in the local economy; and

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WHEREAS, the State of Arkansas should create a public and private partnership unique to the film industry in which corporations or private businesses may match state funds with tax-free contributions in the form of write-offs to a nonprofit film initiative forum under the stewardship of the Film Office of the Arkansas Economic Development Commission; and

WHEREAS, the Film Office of the Arkansas Economic Development Commission should add several new positions to prepare for a thriving film industry, including without limitation a secretary, a location coordinator, a project supervisor, and a film commissioner; and

WHEREAS, a film commission board that represents all geographic areas of the state should be established to create a film industry that is beneficial to the entire state and supervise the Film Office of the Arkansas Economic Development Commission to ensure that film production is distributed throughout the state,

NOW THEREFORE,
BE IT PROPOSED BY THE ARKANSAS LEGISLATIVE COUNCIL OF THE NINETY-FOURTH GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

THAT the House Committee on Agriculture, Forestry, and Economic Development study the development of a strategy to incentivize the long-term development of film and television productions in the state, including without limitation:

- (1) Aspects of television and film initiative acts in neighboring states that could benefit the development of Arkansas's film and television incentive program;
- (2) Increased and additional film incentives for long-term development of the film and television industry in the state;
- (3) State funding strategies to create a thriving film and television industry in the state;
- (4) The creation of a public and private partnership in which corporations or private businesses may match state funds with tax-free contributions to increase the overall film initiative fund amount;

1 (5) The expansion of the Film Office of the Arkansas Economic
2 Development Commission;

3 (6) The creation of a Film Commission Board; and

4 (7) Any other strategies identified by the committee to
5 incentivize the long-term development of film and television production in
6 the state.

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8 Respectfully submitted,

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12 Representative Charlene Fite

13 District 24

14 Prepared by: EGL/EGL
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