

RESOLUTION

NO. R-21-134

CITY HALL: April 22, 2021

BY: COUNCILMEMBER MORENO

SECONDED BY:

A RESOLUTION in support of SB173 relative to the administration of the Motion Picture Production Tax Credit.

WHEREAS, Louisiana has become one of the top destinations in the world for motion picture production as filmmakers recognize the inherent benefits of well-trained and experienced Louisiana-based crews and world-class production facilities; this includes built-in infrastructure and assets, diverse shooting locations, as well as multi-million dollar soundstages and post-production houses; and

WHEREAS, according to Louisiana Entertainment, over the last ten years alone, Louisiana has hosted more than 400 film productions, numerous television series and documentaries; Louisiana's skilled crew base has grown by more than 400% demonstrating Louisiana has the local workforce to maximize the benefits of any production filming in the state; and

WHEREAS, in our state's history, there have been over 2,500 film and tv series shot in Louisiana serving as advertising for our state; Apple, Amazon, Netflix, Hulu, and Disney have all started to shoot productions here and are looking to increase their commitment over the coming year; and

WHEREAS, at present, there are over thirteen shows in pre-production or filming across our state from New Orleans to Baton Rouge to Lafayette; and

WHEREAS, a 2019 economic impact report prepared for Louisiana Economic Development (LED) notes that 7,500 jobs were created by the film industry providing \$325 million in earning for our residents with further positive impacts felt by other sectors in Louisiana including hospitality, real estate, tourism, and among local vendors; and

WHEREAS, this represents close to \$1 billion in sales in Louisiana - for every dollar of credits certified in 2018, the result is an additional \$6.24 in sales to local businesses and \$2.20 in earnings to Louisiana residents; and

WHEREAS, per Louisiana Film & Entertainment Association (LFEA), with over 1,100 I.A.T.S.E. Local 478 members, Louisiana is between 12 and 14 union crews deep with many other experienced non-union crews working throughout Louisiana; unions include the Local 600

Camera Guild, DGA, SAG-AFTRA, Teamsters Local 5 and 270, Carpenter's Local 1846, Hair & Makeup Local 798 and others; and

WHEREAS, per the 2015 report entitled *Economic Impacts of the Louisiana Motion Picture Investor Tax Credit* from HR&A Advisors, the total Louisiana motion picture and television employment increased by 594.4% from 2002 to 2013 from 868 jobs in 2002 to 6,029 jobs in 2013; during the same period, total U.S. motion picture and television employment increased by only 12.4%; and

WHEREAS, per HR&A, in 2013, visitor spending attributable to motion picture- and television-induced tourism in the state supported up to 22,720 jobs in Louisiana across all industries, generating up to \$766.6 million in personal income and up to \$2.401 billion in economic output in Louisiana; and

WHEREAS, per HR&A, in 2013 overall, including both production spending and visitor spending attributable to motion picture- and television-induced tourism, the Louisiana State Motion Picture Investor Tax Credit supported up to 33,520 jobs in Louisiana across all industries, generating up to \$1.238 billion in personal income and up to \$3.987 billion in economic output in Louisiana; production spending and visitor spending associated with motion picture- and television-induced tourism together generated state tax revenues of up to \$95.1 million and local tax revenues of up to \$85.9 million, for a combined total of up to \$181.0 million in state and local tax revenues; and

WHEREAS, New Orleans is now the #4 production city in the United States, putting New Orleans behind only Los Angeles, New York, and Atlanta; exemptions of this type create both skilled and unskilled high-paying job opportunities within a diverse industry; and

WHEREAS, Film New Orleans, an office within the Mayor's Office of Cultural Economy, tracks direct spending by productions within our region to include renting of studios, permitting by the city and agencies, salaries of cast and crew, catering, renting of furniture and props, costs for vendors such as film trucks and lighting equipment, lumber, and anything else with a direct connection to film production; for 2019, the most recent pre-pandemic year with data, this amounted to \$782,962,829 with spending from January to April in 2021 totaling \$427,000,000; and

WHEREAS, this is not just about dollars but also the workforce members of this sector: during COVID-19, the film and television industry implemented some of the safest work protocols of any industry across the country; safety protocols allowed the industry to return to work quickly and responsibly putting Louisianans to work and providing small businesses across the state with needed revenue; and

WHEREAS, the existing Motion Picture Production Tax Credit program remains competitive and fiscally responsible and accounts for less than 3% of all state exemptions; and

WHEREAS, SB173 helps guarantee programmatic stability and removes the loan guarantee program and deal closing fund from the permissible uses of the Louisiana

Entertainment Development Fund and adds state work force development programs and other motion picture and television related programs; makes the provision of a preliminary allocation of tax credits by year permissive; extends the program termination date from July 1, 2025 to July 1, 2031; requires the department to allocate tax credits in initial certification letters on a first-come, first-served basis or by any method determined to be beneficial to the program; allows the rollover of any credit cap in excess of credits granted in a fiscal year to be used in subsequent fiscal years; and increases the maximum per production cap to \$28 million regardless of project type; and

WHEREAS, we are seeing the ramifications of controversial voting laws in Georgia and the impacts those restrictions are having upon productions slated for filming; it is critical that Louisiana remain acutely aware of the consequences resulting from discriminatory and unhospitable legislation and the economic impacts those unjust legislative measures can have upon a variety of sectors; **NOW THEREFORE**

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF NEW ORLEANS, That the New Orleans City Council supports the passage of SB173 relative to the administration of the Motion Picture Production Tax Credit.

BE IT FURTHER RESOLVED, That the Clerk of Council transmit certified copies of this resolution to all members of the New Orleans delegation: Senator Karen Carter Peterson; Senator Troy Carter; Senator Sharon Hewitt; Senator Jimmy Harris; Senator Joseph Bouie; Representative Royce Duplessis; Representative Raymond E. Garofalo, Jr.; Representative Gary M. Carter; Representative Stephanie Hilferty; Representative Mandie Landry; Representative Aimee Adatto Freeman; Representative Matthew Willard; Representative Candace Newell; Representative Jason Hughes; and Representative Mack Cormier.

THE FOREGOING RESOLUTION WAS READ IN FULL, THE ROLL WAS CALLED ON THE ADOPTION THEREOF, AND RESULTED AS FOLLOWS:

YEAS:

NAYS:

ABSENT:

AND THE RESOLUTION WAS ADOPTED.