

Resolution No. 342-2019

Council Members: Kelley, Polensek and Griffin

An emergency resolution supporting Ohio Senate Bill 37 that extends eligibility for and revises the Motion Picture Tax Credit; and urging the Senate to expand the maximum amount of credits that may be awarded annually to \$100 million.

WHEREAS, Senate Bill 37, which extends eligibility for and revises the Motion Picture Tax Credit, was introduced in the Ohio Senate on February 12, 2019, and sponsored by Senator Kirk Schuring; and

WHEREAS, a strong Ohio film industry will help retain Ohio's vast population of young talent by creating jobs, provide retraining opportunities and jobs for displaced workers, and bring new businesses and job opportunities for Ohioans, according to the Greater Cleveland Film Commission's President, Ivan Schwarz; and

WHEREAS, since passage of the Ohio Motion Picture Tax Credit in 2009, which reimburses motion picture production companies 30 percent of what they spend in Ohio for goods, services and payroll, media production has brought in over \$572 million in economic impact to the state and paid for the equivalent of 4,162 full-time jobs, according to a Cleveland State University study; and

WHEREAS, this study confirms that Ohio has benefited economically from a return on investment of \$2.01 for every \$1 invested by the tax incentive; and

WHEREAS, despite these economic benefits, Ohio has lost over a billion dollars in production that would have filmed here if the incentive were higher, and if we had infrastructure in place; and

WHEREAS, our neighboring states, including Illinois and Pennsylvania, currently have higher caps in their tax incentive programs; and

WHEREAS, Senate Bill 37 extends eligibility for the tax credit to certain Broadway theatrical productions; adds post-production advertising, and promotional expenses to the expenditures for which the credit may be claimed; disqualifies any production that does not begin within 90 days after being certified as eligible; stipulates that tax credit certificates are to be awarded in two rounds each fiscal year; and requires each round's applications to be ranked and granted on the basis of the economic and workforce development impact of the production; and

WHEREAS, Senate Bill 37 should also increase the annual cap on the total amount of tax credits allowed from \$40 million to \$100 million dollars; and

WHEREAS, this Council recognizes the economic benefits from the Motion Picture Tax Credit, and supports Senate Bill 37 in order to expand these benefits in Cleveland and throughout Ohio; and

WHEREAS, this resolution constitutes an emergency measure for the immediate preservation of public peace, property, health or safety, now, therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF CLEVELAND:

Section 1. That this Council supports Ohio Senate Bill 37 that extends eligibility for and revises the Motion Picture Tax Credit; and urging the Senate to expand the maximum amount of credits that may be awarded annually to \$100 million.

Section 2. That this resolution is hereby declared to be an emergency measure and, provided it receives the affirmative vote of two-thirds of all the members elected to Council, it shall take effect and be in force immediately upon its adoption and approval by the Mayor; otherwise it shall take effect and be in force from and after the earliest period allowed by law.

Adopted March 18, 2019.

Effective March 19, 2019.