

REVIEW OF MOTION PICTURE COMPETITIVENESS PROGRAM

SCOPE AND OBJECTIVES

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STATE OF WASHINGTON
JOINT LEGISLATIVE AUDIT AND
REVIEW COMMITTEE

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Background

Second Substitute Senate Bill 6558 (2006) established a motion picture competitiveness program to provide incentives for motion picture production in the state. Specifically, the bill provides taxpayers with a business and occupation tax credit after they donate to an approved non-profit corporation that would operate the program. The nonprofit corporation will use the donations from taxpayers to provide funding assistance to motion picture production companies.

As directed by the bill, the state's Department of Community, Trade and Economic Development (DCTED) has adopted rules under which the non-profit corporation operates and awards funding. DCTED is also responsible for:

- Collecting survey information from the production companies;
- Providing the surveys to JLARC; and
- Reporting to the Legislature each September.

JLARC is responsible for evaluating the effectiveness of the program and reporting to the Legislature in December of 2010.

Study Scope

As directed by the Legislature, the overall scope of this project will be to determine the effectiveness of the motion picture competitiveness program, including:

- The amount of state revenue generated;
- The number of family wage jobs with benefits created; and
- Adherence to criteria used for providing funding assistance to motion picture productions.

Study Objectives

The study will include answers to the following questions:

- 1) Has the Department of Community, Trade and Economic Development implemented its responsibilities for the motion picture competitiveness program?
- 2) Has the program impacted motion picture production in the state of Washington?
- 3) Has the program directly impacted state revenue and employment (e.g., spending by motion picture production companies in the state)?
- 4) To the extent that data are available, has the program indirectly impacted state revenue and employment (e.g., increased tourism or market competitiveness)?
- 5) How does the program compare to motion picture production incentives in other states and regions?

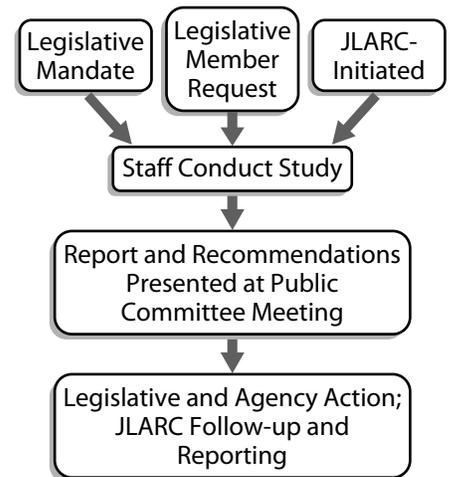
Timeframe for the Study

Staff will present the preliminary and final reports at the JLARC meetings in November and December of 2010.

JLARC Staff Contact for the Study

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JLARC Study Process



Criteria for Establishing JLARC Work Program Priorities

- Is study consistent with JLARC mission? Is it mandated?
- Is this an area of significant fiscal or program impact, a major policy issue facing the state, or otherwise of compelling public interest?
- Will there likely be substantive findings and recommendations?
- Is this the best use of JLARC resources? For example:
 - Is JLARC the most appropriate agency to perform the work?
 - Would the study be nonduplicating?
 - Would this study be cost-effective compared to other projects (e.g., larger, more substantive studies take longer and cost more, but might also yield more useful results)?
- Is funding available to carry out the project?