

February 4, 2025

House Taxation Committee

Testimony in Support of House Bill 2038

Chairman and Members of the Committee,

I am Shawn Rhodes, the new Director of Digital Services for R3Store Studios US based in Wichita, a division of Underground Vaults and Storage in Hutchinson Kansas. We were founded in 1959 by local Kansas families, and we continue to expand our capability in and around the media and entertainment industry. Recently UVS purchased R3Store Studios, an award-winning film restoration company, from London, England to support our film and media clients in the UK and the US.

To give some perspective, UV&S has 50 acres equaling over 140 football field sized vaults, 650 feet underground in the Hutchinson Salt Mine, of which many of these vaults are full of millions of Motion Picture films and commercial television programs. As well as archival video, audio and historical assets. Our clients are among the biggest names in the entertainment business.

My job is to duplicate the London R3Store operations at the highest quality levels, scan the film at resolutions from 4 to 13k, restore, color correct and preserve the film for the next generations.

In the last few months UVS has made a significant investment in a state-of-the-art film digitization and preservation lab in Wichita. With an enormous task ahead of us, and the volume of film we are responsible for, we will need to greatly scale our operation by offering internships and hiring qualified people. We have an interest in supporting the bill to encourage the filmmaking infrastructure here in Kansas, and our plan is to further expand our services to help the film industry grow and develop in our state.

As a long-time independent filmmaker, I am personally invested in making this happen for the community of filmmakers and businesses in Wichita and the state of Kansas. It will be a winning situation for everyone involved.

For the last 15 years, I have been very involved with productions of film and television coming to our state. The first question is always: Do you have tax incentives for film in the state of Kansas. Unfortunately, my answer is no and is followed by "thanks for your time, goodbye."

If we do not have the tax incentives in place, the business of filmmaking will go to another state. If they go to another state, so will the money. If film productions get a percentage of tax dollars that they spend in Kansas back, the state will still benefit by collecting tax money that would otherwise be spent elsewhere. That includes the money the film industry will be spending on hiring local crew who pay income taxes. The filmmakers from outside of the state will be frequenting our restaurants, hotels, grocery stores, shops, and the list goes on. Cowtown would probably be booked every day of the year profiting from the filming of popular Westerns. Our Shocker Studios and other college graduates would not have to leave the state to get a job.

This is all just the tip of the iceberg. If the state gives back 30% of the qualified tax revenue collected to the filmmakers, the state of Kansas will keep 70% of the funds collected. 70% of Zero funds collected = Zero!

Without this bill passing we will be at a disadvantage to our surrounding states. Allow us filmmakers to have a level playing field so that we might compete with our skills and talent instead of forcing us to leave to get a job in another state working our craft. We can build this money-making industry right here in Kansas, and it will benefit all Kansans.

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