

MINUTES OF THE HOUSE ECONOMIC DEVELOPMENT COMMITTEE

The meeting was called to order by Chairperson Lana Gordon at 3:30 P.M. on February 22, 2005 in Room 526-S of the Capitol.

All members were present.

Committee staff present:

Renae Jeffries, Revisor of Statutes  
Helen Pedigo, Revisor of Statutes  
Carlene Maag, Committee Secretary

Conferees appearing before the committee:

Barbara Nash, Chairperson, Kansas Film Commission  
James Graham, Vice President, QuVIS, Inc.  
Larry Garrett, Allegro Media  
Matt Jordan, Department of Commerce

Others attending:

See attached list.

Representative Novascone made a motion to approve the minutes of the February 10, 2005 meeting and Representative Carlson seconded. The minutes were approved.

Representative Kuether made a motion to pass out **HB 2232** favorable for passage. Rep. Hill seconded the motion.

Representative Huntington proposed a substitute motion to amend **HB 2232**. The amendment would require that the Governor appoint a representative from each US Congressional District. Representative Keuther seconded the substitute motion. A vote was taken, motion carried.

Representative Kuether moved **HB 2232** favorable as amended for passage. Representative Carlin seconded the motion. A vote was taken, motion carried.

**HB 2442:** **Kansas film production growth act**  
**HB 2443:** **Kansas film production investment tax credit act**  
**HB 2444:** **Kansas film production tax credit act**

Staff gave a brief explanation of the bills. **HB 2442** would provide for investment in film production projects in Kansas. **HB 2443** would provide a tax credit for investors in film production. **HB 2444** would provide a tax credit for a film company that produces a film in Kansas.

Barbara Nash, Chairperson of the Kansas Film Commission, urged the Committee to consider the incentives passed by other states and then to make Kansas competitive in the film industry. **HB 2442, 2443 and 2444** would go a long way to keeping new talent at home. (Attachment 1)

Jim Graham, QuVIS, Inc., stated QuVIS would like to see the development of production workflow in Kansas to support a local indigenous industry. QuVIS would embrace the opportunity to support an initiative to encourage film production in Kansas. (Attachment 2)

Larry Garrett of Allegro Media spoke in support of **HB 2442, 2443 and 2444**. Two basic principles to keep in mind as legislation is formulated is that Kansas must be competitive with other states; and incentives should provide some level of up-front financing.

Mr. Garrett stated he thought some combination of **HB 2442** and **2443** would provide the strongest possible incentive structure. He thought it would be one of the strongest in the country and urged passage of these bills. (Attachment 3)

Matt Jordan from the Department of Commerce gave neutral testimony on **HB 2442, 2443** and **2444**.

CONTINUATION SHEET

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Commerce suggested funding sources other than EDIF should be utilized to support these initiatives. (Attachment 4)

Dave Wilson of the Kansas Arts Commission spoke in support of **HB 2442, 2443, and 2444**. He stated the project should be looked at through the broadest possible lense in regards to what it would do for the community and state. He feels the legislation is an opportunity to develop an art industry in the state of Kansas.

Written testimony only was submitted by the following:

- Nancy Nyberg, President, Kansas Connection (Attachment 5)
- Ronald Parker, Film Industry, Los Angeles, CA (Attachment 6)
- Mike Robel, President, Mike Robel Productions, Inc. (Attachment 7)
- Doug Curtis, Film Industry, Los Angeles, CA (Attachment 8)

Other information given to the Committee:

- 2004 State-By-State Tax Incentives for the Film Industry (Attachment 9)
- Improving your Film Vocabulary (Attachment 10)
- States that Kansas most frequently competes with in the United States (Attachment 11)
- Pamphlet from the Kansas Film Commission which can be obtained from the Kansas Film Commission, 1000 SW Jackson Street, Suite 100, Topeka, KS 66612-1354

Chairperson Gordon closed the hearing on **HB 2442, 2443, and 2444**.

Representative Burroughs made a motion to pass out **HB 2443** and **HB 2444** favorable for passage. Representative Roth seconded the motion.

Representative Brown made a substitute motion to amend **HB 2444** line 39 thru 42. If the film production company has complied with the requirements of this section, and the film has not been rated "R" or "X" by the MPAA, the Department of Revenue shall approve the film production tax credit and issue a document granting the tax credit only upon film completion after a rating has been assigned. Representative Holmes seconded the motion. A vote was taken, substitute motion failed.

Representative Huntington made a substitute motion to amend **HB 2443** and **HB 2444**. The amendment would allow the Department of Commerce to set up the rules and regulations to facilitate the implementation and administration of the tax credit program. Representative Loganbill seconded the motion. A vote was taken, motion carried.

Representative Burroughs made a motion to pass out **HB 2443** and **HB 2444** as amended favorably for passage. Representative O'Malley seconded. A vote was taken and motion carried.

The meeting adjourned at 5:40 p.m. The next meeting is scheduled for March 3, 2005.