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TO: The Honorable Detroit City Council

FROM: David Whitaker, Director

Legislative Policy Division Staff

DATE: June 11, 2024

RE: RESOLUTION TO RE-ESTABLISH FILM INCENTIVES IN MICHIGAN

Council President Mary Sheffield requested that the Legislative Policy Division (LPD) draft a resolution urging the Michigan legislature to re-establish incentives for film productions in the state of Michigan.

Please contact us if we can be of any further assistance.

BY COUNCIL PRESIDENT MARY SHEFFIELD

RESOLUTION TO RE-ESTABLISH FILM INCENTIVES IN MICHIGAN

- WHEREAS, In 2008, Michigan began providing various tax incentives to film productions that filmed in the state as part of an effort to boost tourism and local economies; and
- WHEREAS, The Michigan legislature repealed those film incentives in 2015, with critics arguing that the \$500,000,000 spent by the state over the life of the program had failed to produce significant revenue or full-time jobs in Michigan; and
- **WHEREAS,** Michigan is now considering reviving incentives for film production in the state with the introduction of House Bills 4907 and 4909 of 2023; and
- WHEREAS, Since Michigan initially began providing tax incentives for film production, states have increasingly adopted various incentive programs for the film industry, with 38 states currently offering some form of incentive; and
- **WHEREAS**, Michigan legislators who are in favor of reviving film incentives are attempting to incorporate best practices from other states and provide safeguards to ensure that the money invested in the program remains in the state and provides a benefit to Michigan residents; and
- WHEREAS, In its current form, the program would provide \$2 billion over ten years, and it includes higher incentives to film productions that hire Michigan workers and promote tourism in the state; and
- WHEREAS, Proponents of new film incentives believe that they are essential in order for Michigan to be competitive with other states hoping to attract film and media industries to the state, and they expect that communities who host film productions will receive an influx of spending from the productions themselves as well as the potential to increase tourism; and
- WHEREAS, Film incentives are also intended to retain young Michigan residents that wish to pursue careers in film and media, but who are often required to seek career opportunities in other states due to the current lack of production; NOW THEREFORE BE IT
- **RESOLVED,** The Detroit City Council strongly urges the Michigan legislature to re-establish film incentives in the state of Michigan and to provide sufficient safeguards to ensure that those incentives provide the greatest benefit possible benefit to Michigan residents; **THEREFORE, BE IT FINALLY**
- **RESOLVED,** That the Detroit City Clerk is directed to send this resolution to the Detroit delegations of both the Michigan State House and Senate, in addition to Governor Gretchen Whitmer.

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 $^{^{1}\,\}underline{https://www.nytimes.com/2024/03/21/arts/states-hollywood-film-tax-incentives.html}$