



Film Industry Financial Incentive (FIFI)

A program created to make Wyoming more competitive by bringing the jobs, economic impact and tourism promotion that on-location filming contributes to a state.

Under Wyoming Const. Art. 16, § 6: 1) a **public purpose** must be served, 2) **adequate consideration** must be received by the state and 3) **statutory authority** must exist.

Public Purpose:

Are there opportunities that provide direct advantages and benefits to the public at large?

- *Economic Development* - Promote economic development at the city, town and county level in order to create additional economic health and a diversified state economy; thru the purchase of goods and services, on location production creates direct economic benefit and to local businesses and thus creates additional sales tax revenues for cities, counties and the State of Wyoming.
- *Jobs* - Provide employment opportunities within Wyoming for Wyoming workers;

Adequate Consideration:

What will the State of Wyoming receive in return?

- Added marketing value augmenting the advertising budget, audience, venues for tourism promotion, including but not limited to:
 - Storyline set in Wyoming
 - Additional Wyoming behind the scenes DVD footage
 - Wyoming props and/or product placement
 - "Filmed in Wyoming" credit

Statutory Authority:

Currently, the budget footnote provides the statutory authority. Previously, statutory authority existed under W.S. 9-12-402 thru 9-12-406.

Current Legislation Recap:

- The Film Industry Financial Incentive (FIFI) program is a result of a Wyoming industry task force exploring economic development opportunities in Wyoming.
- Passed in February 2007 and reauthorized in 2011, the program is a cash rebate for production companies of up to 15% on dollars spent in Wyoming during a film shoot.
- Currently, the production company must spend a minimum amount of \$200,000 to qualify.

- When film or ad companies work in Wyoming, the production company contributes significantly to the local economy through local crew hires, rentals and purchases.
- Viewing Wyoming locations/tourism destinations on the motion picture or television screen also impacts potential tourists significantly, and may affect their decision to visit Wyoming.

Program Results (inception to date):

- Growing Local Economies – production companies have spent a total of \$12.2 million dollars purchasing goods and services from Wyoming businesses while on location, generating \$223,741 in state sales tax alone.
- Eyes on Wyoming – FIFI approved film projects have worldwide distribution via theatrical release, Sportsman Channel, Wild TV, Outside TV, the New York Times, National Geographic Channels and affiliates, PBS, NBC World of Adventure Sports, VOD channels like Vimeo and iTunes, as well as DVD sales and social media channels.
- Marketing Value – Whether large screen or small screen, this content is viewed by millions of potential travelers each year, and acts as a form of Wyoming tourism marketing, enhancing and extending our marketing budget. By comparison, purchase of programming on National Geographic equates to \$530,640 and NBC Sports Network equates to \$129,060 for a single one-hour episode.
- Jobs for Wyoming Residents – 431 local crew hires totaling over \$9.1 million in wages for Wyoming workers.

Film incentive programs exist worldwide including 36 U.S. states and they are all structured differently offering 5%-35% in tax incentives, transferable credits and cash rebates. There have been numerous conversations about the benefits and challenges associated with state incentive programs. Here are some of those discussions and how Wyoming's program stacks up.

- ***Film incentives don't create permanent jobs or enough tax revenue to offset their cost (Source: Hartford Courant)***
 - **Wyoming's film incentive program** was set up at a competitive level of 12%-15% with the intent to promote economic development and a diversified state economy; provide new employment opportunities for Wyoming workers; and provide public visibility of Wyoming as a tourist or business destination.
- ***Questionable data, hard to find exact impact of in-state film production (Source: Governing Magazine)***
 - **Wyoming's film incentive data** is provided by the production company through contractual requirements of submitting receipts for all in-state expenditures and all Wyoming crew hires. Those expenditures go through an auditing process before any data is published.

- **Management and oversight of state film incentive programs (Source: Governing Magazine)**
 - **Wyoming’s film incentive program** requires production companies to enter in to a contractual agreement with the Wyoming Office of Tourism (WOT), which is approved by the Attorney General and agree to FIFI rebate requirements. After production is complete the company must submit qualified expenditure receipts that are audited by the WOT Director of Business Operations and the Wyoming Business Council Comptroller before any payment is received. An annual FIFI report is submitted to the Joint Appropriations Committee.
- **Transferable tax credits being redeemed at a later date (Source: Governing Magazine)**
 - **Wyoming’s film incentive program** is a cash rebate and is only subject to be paid out once contractual agreements are fulfilled and expense receipts audited. A review committee determines the eligibility of each project and funds are only encumbered for approved projects.

Incentives provided by surrounding western states:

<i>Wyoming</i>	Cash rebate up to 15% on dollars spent in Wyoming during a film shoot; minimum spend of \$200,000
<i>Montana</i>	Refundable discretionary grant; no project cap; minimum spend of \$300k; total budget is discretionary
<i>Utah</i>	a) 20% tax credit for projects >\$500; 5% tax credit for projects >\$1M; No cap per project; total budget \$6.79M b) 20% rebate for projects >\$500k<\$1M; per project cap \$500K; total budget \$1.5M
<i>Colorado</i>	20% rebate with minimum spend of \$100K or \$1M; no project cap; total budget at \$750K for FY 2018
<i>New Mexico</i>	10% rebate; minimum spend of \$150K film/pilot project cap, \$250K TV/internet EPS; minimum spend of \$500K; total budget \$1.5M per calendar year

Recent Wyoming storylines filmed elsewhere due to attractive competitive incentives:
Wind River (Utah), *Yellowstone* (Montana), *Longmire* (New Mexico).

Request before the Travel, Recreation, Wildlife, and Cultural Resources Committee:

1. **Reauthorize FIFI with a beginning date of July 1, 2019**
2. **No additional appropriation.**

Making FIFI Smarter:

- **Capture Opportunity as it Arises:** If and when a major motion picture comes along, there will be a vehicle in for Wyoming to be competitive as a production location.
- **Continue to Support Local Production Industries:** Restructuring local productions as a co-op program with local lodging tax boards to continue the growth of the in-state film industry.
- **Branded Entertainment:** Branded entertainment means additional co-marketing opportunities. Recent examples include efforts with WZRD Media on “Unlikely Hero: Brodin Majejje” through a partnership with the Jackson Hole Travel and Tourism Board and Jackson Hole Mountain Resort. Another example would be the partnership with Wells Fargo for a downtown Casper photoshoot and commercial filming.