

EXHIBIT 15
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HB 584**Lights, camera, action**

By JOHN HARRINGTON - IR Business Editor - 02/13/05

The economic impact from film production in Montana in 2003 was \$5.7 million, with a similar figure posted last year. While those are impressive numbers, they're substantially below some years in the 1990s, when movie companies and ad agencies spent anywhere from \$10 million to \$15 million a year here.

The reason for the decline? The folks at the Montana Promotion Division believe it's because other states and countries began offering huge economic incentives for companies to film there. Suddenly, movies ostensibly taking place in Montana are filmed in Alberta, for instance.

Enter the Big Sky on the Big Screen Act - a bill sponsored this session by Rep. Chris Harris, D-Bozeman, designed to lure production companies, and their checkbooks, to Montana.

The bill offers a pair of tasty incentives to anyone interested in making a movie, television show, commercial or print ad in Montana. There's a 15 percent rebate on wages paid to Montanans hired to work on the production (good on the first \$50,000 paid to a person), and a 10 percent rebate on any purchases made in the state to support the production. That could include anything from hotel rooms and rental cars to groceries, hardware or helicopter rentals. Production companies already based in Montana are eligible.

"We do a few things better than other states," said Sten Iversen, manager of the Montana Film Office. "We already have no sales tax, and coupled with these incentives, this becomes an attractive and competitive package."

In addition to the lack of a sales tax, Montana offers other incentives that entice filmmakers. Out-of-state vehicles used in filmmaking are exempt from licensing requirements for 180 days. And the accommodations tax is waived for people staying longer than 30 days.

Iversen said other states have seen movie activity soar after passing incentives. New Mexico, he said, enjoyed \$8 million in production spending the year before its incentives were installed, and \$80 million the next year.

According to the Motion Picture Association of America, New Mexico offers producers a choice of either a sales tax exemption or an income tax credit on qualifying projects, along with the possibility of up to \$7.5 million in state loans.

It's a trend that's sweeping the country. According to a report at stateline.org, 36 states have installed incentives to lure filmmakers. The federal government is in on the act too, allowing certain expenses to be deducted from tax returns to keep movies made in America.

Tax credits and rebates like the ones under consideration here are by far the most popular, though some states have offered other carrots. Some states waive lodging taxes, while Maine and Tennessee let filmmakers shoot for free on state property.

In addition to the direct economic impact of production companies spending their money here, there's the real, though difficult to measure, benefit of movies and commercials showing off Montana's grandeur, according to Betsy Baumgart, head of the Montana Promotion Division.

"The thing that happens when you have a film or commercial made in Montana, you have a lasting image of the state for years and years."

She said that foreign filmmakers and tourists alike still perk up when they hear the name of "A River Runs Through It," even though that movie was shot some 14 years ago.

"Statewide, it still sells the image of Montana as a vacation destination," she said.

Other lobbying groups are cautious about the bill. Mary Whittingill of the Montana Taxpayers Association said her group will take no position on the proposal before hearing testimony this week.

Webb Brown of the Montana Chamber of Commerce said his organization offers tepid support.

"We would like to see more film activity in the state," he said. "Quite frankly, it's nice to bring business to Montana, but we can also do that by just lowering the existing tax burden on folks that are already in business here. I would hate to see this all go to Ted Turner."

The Big Sky on the Big Screen Act will be heard by the House Taxation Committee Wednesday morning. For more information on the film industry in Montana, go to www.montanafilm.com.