SENATE TAXATION
EXHIBIT NO. 13
DATE 4-12-05
BILL NO. HB 584

March 26, 2004

To the members of the Senate Taxation:

My name is Brian Murphy, and I am in strong support of HB 584. I have lived most of my life in Montana. I grew up in the Clancy area. I attended Jefferson High School in Boulder, which has one of the best theatre departments in the entire country. I won many awards for my acting, was a member of the school's Honor Society, and received the Citizenship Award from then Secretary of State and current Montana Senator Mike Cooney for my involvement in my community. After graduating high school in 1999 I enrolled in the Media and Theatre Arts department at MSU-Bozeman where I studied many aspects of film, TV, photography, and theatre. I graduated in May 2003, and am currently one of the cameramen filming this session of the Montana legislature. I am not a Democrat or Republican, and have been given permission from my employer to speak on this bill when I am "off the clock."

MSU has one of the best film school's in the nation, and the enthusiasm and professionalism of the student body are hard to match. The work ethic and attitude of the people I graduated with is astounding. Unfortunately, Montana is a terrible place to try and work in this field. At least 90 % of the people I graduated with left Montana left within months of graduating. Why? Because the work in our field is very hard to find, and if you do find work it is not steady or well paying. I am one of the lucky ones with this job filming and broadcasting the legislature. The work has been consistent and the pay is good (for Montana). But here's the thing: I don't live in Montana. I live in Boise, ID now. I stayed in Montana for a year after I graduated to try and find good work in my field, but was unsuccessful like almost everybody in my graduating class. Once the legislature wraps up, I will be going back to Boise because the best thing in this field in Montana only happens for a few months every other year). I wish you guys met in session year-round (but I'm pretty sure that would drive some of you nuts!)

Since I have been filming the legislature I have heard some inaccuracies from opposition about HB 584, and I would like to address these concerns, and therefore clear off any problems on the table about it, and help it move smoothly through the House and Senate.

"This bill is written by Hollywood producers."

Completely false. Representative Harris and Sean Becker, who operates an art-consulting department in Bozeman, wrote the bill. They interviewed some people in Montana in the film business, plus one person in Louisiana, about there problems in trying to make a living here in Montana to make sure that the drafting of the bill covered their needs and concerns. No one in Hollywood was consulted.

This bill is for an industry that has never tried to fix their problems on their own, and this bill is a "hand-out" for it.

Wrong. The film business was good in Montana until about six years ago. Before then there has been no legislation to help jump-start this field. It was doing fine before, and it can do great again with this passing of this bill.

Montanans have tried in the past to increase the number of quality productions in the state without help from the government. For example, in February 2003 Livingston was host to

the Film Economic Conference. I was one of the organizers, and many people attended. A wide range of people were a part of the discussion tables, including MSU faculty, Montana talent from behind the scenes and in front of the camera, and some Hollywood producers. We tried to improve the solution on our own without the results we need, so we have come to the legislature with a "do or die" situation in the state.

The film industry is like many industries in Montana: it is struggling big time. Since the start of the new millennium you have probably noticed that it is very hard for people in many fields to make a decent livable wage, and numerous industries are struggling or have left Montana altogether.

One of my friends was searching on a website for some media jobs before deciding to leave Montana. The web page listed work in 49 states. Which state wasn't included? That's right: Montana. Why? There is nothing there because nothing is here.

This is not a "band-aid" or a "hand-out" for the problem; it is a blood transfusion. The film industry is barely alive here. Without HB 584, things will not improve. The bill is essential. Many of the few talented people who work here have threatened to leave if this bill doesn't pass, therefore drying up a pool of talent that can be very vital to the state if it passes.

"A lot of people in Montana who work on these productions will go on unemployment when the productions are finished."

This is false. Montanans will be hired as independent contractors, like I am for the legislature. Independent contractors in any field are not allowed to file for unemployment and they know ahead of time that the employment is temporary. Plus, a big point of HB 584 is to have enough productions coming here consistently that people won't be out of work a long periods time.

"This bill is about competing with the Canadian dollar."

Okay, this is partly true, but this is not the only problem that the Montanan film industry faces. Yes, we are competing against the Canadian dollar, and we know the MT legislature can't change the value of our country's currency. But, Canada also gives a tax break to production companies, similar to the one that HB 584 is offering. Without this bill, Canada is like a big, giant Wal-Mart Supercenter, and the film industry here is like a small Montana business located right next to the big box store. Tough, tough competition. Not only that, many other states in the U.S. already have legislation that give tax breaks like this bill proposes. So not only are we competing against Canada, we have to compete against other states as well.

Montana has lost a lot of current films that could have been shot here, even if the story in the film doesn't take place in Montana. This is done all the time; Vancouver is made to look like New York frequently. One of the biggest success stories of last year was a small movie called *Napoleon Dynamite* (almost every teenager knows about this movie). Watching it you can see that it could have easily been shot in eastern Montana. Just because the story does not take place in Montana does not mean it can't be shot here.

"This is bribery."

Wow. Where to start on this? First of all, when a business, like a small MT grocery store, says that it has a better price on a particular item than another store, like Albertson's or

Wal-Mart, is this store trying to bribe the consumer? Or is it creating an incentive to shop at that store? If this bill is about bribing production companies, then Canada and a lot of other states have allowed "bribery" to occur. This bill is about competing fairly in a free-market economy. HB-584 is about creating an incentive for productions to come here. HB 584 is saying, "Montana is open for business, and look what we can offer you!" just like all the other states that do have a similar tax break offered as well.

This is about giving rich Hollywood studios a tax break.

Yes, a studio like Paramount for example can get a tax break, but the business that Paramount will do while here will be great for Montana businesses that are here. Local grocery stores, taverns, hotels, hardware stores, etc. This list is huge. Plus the businesses in the film industry, like Film Lites in Bozeman, that are based here in Montana will get huge profits.

Plus, this bill is not just for Hollywood. Any production company from *any* state can take advantage of hiring Montana talent, and get the tax break if they meet the requirements.

I feel I have covered these issues thoroughly, but if you need more information please feel to call or email me, and I will respond to you when I am not "on the clock", or have someone more knowledgeable respond for me.

I urge your support for this bill. It can only help the state of the film industry in Montana… because it cannot get any worse than it is.

Sincerely,

Brian Murphy
Phone: (208) 871-3465, (406) 442-8804
E-mail: aeromurph@hotmail.com