

May 7, 2025

Dear Chair Rest,

On behalf of Explore Minnesota, I am writing to provide feedback on the Senate Taxes Committee SF 2374 omnibus tax bill. Thank you to the committee members and staff working to craft this bill under challenging circumstances.

Explore Minnesota welcomed the Explore Minnesota Film Office in July 2024. Prior to its establishment, the state's Film and Television Production Credit was administered by Minnesota Film & TV, a 501(c)(3) nonprofit organization, and the Department of Employment and Economic Development (DEED). At that time, Minnesota did not have a centralized office focused on attracting new productions and managing the tax incentive program.

While we acknowledge that Minnesota has yet to attract a significant number of productions since the incentive funding was increased in 2023, we view this as an opportunity to refine the program's structure to better compete on both national and global stages. Explore Minnesota Film requires new marketing efforts and a dedicated team to ensure projects are successful. We strongly support keeping the incentive funding at \$25 million annually. We are already seeing increased interest from producers across the country, and we believe Minnesota is well-positioned to welcome the next great film or television production. Now is the time to ensure we have a robust and responsive program ready to meet that demand.

Minnesota's Film Production Tax Credit has issued more than 12 credit certificates totaling over \$4.4 million. These credits have supported a wide range of productions, including feature films, documentaries, and commercials. The program strengthens our state's creative economy by supporting a vibrant film industry that includes crew members, actors, writers, directors, and skilled laborers. Currently, we have over 20 active inquiries from producers interested in bringing their projects to Minnesota.

Since July 2024, Explore Minnesota Film has hired three permanent employees, successfully transferred the incentive program's operations to the office, developed new marketing materials, and launched a campaign to attract productions to our great state. We are growing this program and aim to be one of the best states in the country to produce films and television.

Beyond the benefits of bringing \$1 million-plus productions to Minnesota to utilize this program, we are seeing significant economic and promotional impacts. Productions invest heavily in local economies—spending on hotels, restaurants, event venues, and a wide range of services. They also develop content that highlights the state for years to come. For instance, a recent production of the Netflix series "Love is Blind" spent \$1.9 million on hotels, restaurants, event venues, and other locations throughout Minnesota. This series ranks among the top 10 on Netflix, with a reported 6 billion minutes watched worldwide. Our tourism office could never afford such



extensive marketing on its own. Yet, we have successfully leveraged the show to gain additional media coverage, attracting the interest of national publications eager to highlight the places visited by the participants.

A recent production titled “Hope in the Water,” produced by David E. Kelley, Andrew Zimmern, and Martha Stewart, was nominated for a News & Documentary Emmy, as announced on May 1, 2025. This production received the Minnesota Film & Television Production Credit, employed 21 individuals, and spent over \$950,000 in wages, contributing more than \$1.2 million to the Minnesota economy.

Reducing Minnesota's annual film incentive funding would hinder the state's ability to attract and support major productions—including feature films, television pilots, documentaries, music videos, and commercials with budgets exceeding \$1 million spent in the state. Such a reduction would also be detrimental to the thousands of talented workers who have chosen to build their film and production careers in Minnesota.

Nearly every state has an established film office, and over half operate under state tourism departments. This structure facilitates the promotion of each state's unique narratives on a global platform. At a time when our neighbors in the region continue to invest in film incentive programs, we cannot afford to fall behind. In 2024, Illinois reported \$653 million in film production revenue, estimated wages of \$351 million, and the creation of approximately 18,200 jobs within the industry. This data illustrates the substantial impact that film funding programs can have on a state's economy.

We respectfully request that the Committee and Senate members reinstate the full incentive amount. Explore Minnesota appreciates your continued support in fostering an environment where revenue-generating programs can flourish.

Sincerely,

A handwritten signature in black ink, appearing to read 'Lauren Bennett McGinty'.

Lauren Bennett McGinty
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