

ALASKA LEGISLATURE COMMITTEE FILES 2007-2008 SL&C 12630

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Alaskans Irked by Misrepresentation on Screen

ALEX CHADWICK, host:

Here's one thing Hollywood producers can agree on. They love Alaska - spectacular landscape, abundant wildlife, the pioneer mystique. This is a great place to base a film, but often in name only. Actually, most of the movies and TV shows about Alaska are shot somewhere cheaper and warmer. Now there is word that for a new Disney film starring Sandra Bullock - to be set in the quaint town of Sitka - the role of Alaska will be played by Massachusetts.

Elizabeth Arnold reports from Alaska.

ELIZABETH ARNOLD: The old adage location, location, location is just that - old. It's now all about incentives, incentives, incentives. And Alaska, it seems, is one of the last states to realize this. It's been a painful realization.

Take the Kevin Costner film "The Guardian," for example.

(Soundbite of movie, "The Guardian")

Unidentified Male: One hundred miles off the Alaskan coast, six members of a Coast Guard search and rescue team embarked on a mission.

ARNOLD: The movie grossed \$54 million. It was filmed in Shreveport, Louisiana because the state offered the film company a rebate.

Deborah Schildt of the Alaska Film Group.

Ms. DEBORAH SCHILDT (Alaska Film Group): What's really pathetic is when you realize that it reached the point that Shreveport, Louisiana can double for Alaska.

ARNOLD: And that's just one movie Alaska lost out on. There's the Disney movie "Snow Dogs," the Al Pacino thriller "Insomnia"; even a movie called "Alaska," all filmed somewhere else. Last Friday, the film group gathered some concerned Alaskans, politicians, chambers of commerce people, filmmakers and others, to hear why the state with so much to offer is losing out.

Consultant Dama Chasle, formerly with 20th Century Fox, says it takes more than natural beauty to lure Hollywood. She told the group Alaska is one of the few states that doesn't offer some kind of rebate, tax credit, no interest loan or exemption.

Ms. DAMA CHASLE (Consultant): You're not giving any financial incentives right now. You're one of the five that are sitting on nowhere land.

ARNOLD: Canada started courting the film business in the early 1990s, and other countries and states began following suit, competing for production companies the way they used to vie for automobile plants.

Ms. CHASLE: We talked today a little bit about the fact that a vampire movie based in Barrow, Alaska was filmed in New Zealand, which has a 15 percent rebate.

(Soundbite of movie, "30 Days of Night")

ARNOLD: And it's not just movies they're trying to lure; television series can be even more lucrative. (Soundbite of "Northern Exposure" theme music)

ARNOLD: Alaskans were mildly perturbed that the television hit series "Northern Exposure" was filmed in Roslyn, Washington. That was years ago. Still today, tourists visit Roslyn to walk the streets of what's supposed to be an Alaskan town. More recently, Alaska missed out yet again on a TV series supposedly based in Alaska.

(Soundbite of TV series, "Men in Trees")

Unidentified Man #2: And now a sneak peak of the season premiere of "Men in Trees."

Unidentified Man #3: Okay, people, the latest marine weather report still shows the Arctic cyclone passing well to the west of us, but...

ARNOLD: The new "Northern Exposure," "Men in Trees," is being shot in Canada. According to Chasle, the state is missing out on about a million and a half dollars a week for every episode. Jeffrey Begun of Axiom, a film payroll company in Los Angeles, says if Alaska were to offer some kind of rebate and loan program, it could be more than competitive.

Mr. JEFFREY BEGUN (Axiom International): Immediately, a number of studios will jump in because they like to jump with something new and when they're going to get something back on it. And the independents will start coming here. I think there'd be a whole move of people.

ARNOLD: Those attending the meeting hoped to capitalize on the attention the state's received from Sean Penn's recent movie that was shot in Alaska, "Into the Wild." Penn, however, is unusual in that he had a huge budget and was committed to authenticity. The film has generated tremendous interest in the state.

Deborah Schildt with the Alaska Film Group hopes it's a start. She says she's tired of seeing what's special about Alaska being duplicated someplace else.

Ms. SCHILDT: It's like, hey, but that's our quirkiness that you're cashing in on, that's our uniqueness, that's our mystique, and why not us? And we all need to look at that and make steps so that the next "Men in Trees" should be shot here. Our men in trees, our women in trees, our dogs in trees - it's ours.

ARNOLD: Schildt and others aim to introduce incentive legislation in the coming months to lure Hollywood north to the real Alaska.

For NPR News, I'm Elizabeth Arnold in Anchorage.



TV show heats up king crab market

'DEADLIEST CATCH': A restaurant chain will credit the Time Bandit.

By MARGARET BAUMAN
Alaska Journal of Commerce

(01/22/08 00:56:47)

Greater domestic retail demand, due in large part to a popular cable television series, has led to solid markets continuing for wild Alaska red king crab in the early days of 2008.

"If you are a buyer and need king crab right now, I couldn't tell you where to go and get it," said Dave Keen, a wholesale crab marketer with the Crab Broker, a major domestic distributor of high-end seafood.

At this point, with the king crab season all but over in Alaska waters, if you don't have a business relationship with one trader or another, it's certain that you will not be able to buy No. 1 red king crab, Keen said.

The snow crab harvest, meanwhile, was under way in earnest this month, with a number of processors posting an advance price of \$1.58 a pound, compared with about \$1.50 a year ago, said Greg White, a negotiator for the Inter Cooperative Exchange, which represents the bulk of Bering Sea king and snow crab harvesters.

Since the king crab harvests began in mid-October, vessels have harvested nearly all of the allowable catch of about 20 million pounds of wild king crab, according to reports compiled by the state Department of Fish and Game.

The popularity of the domestic red king crab has been so greatly enhanced by the "Deadliest Catch" cable television series that one major restaurant chain will be adding the name of the vessel that harvested its entrees to its menu, Keen said.

After representatives of the Oceanaire chain met captains of the crab vessel Time Bandit, the Crab Broker was able to purchase for the chain crab harvested by the vessel, he said.

Oceanaire, which normally buys on a spot basis, placed a large order this year for frozen as well as fresh king crab, Keen said, citing the contract as an example of the growing retail interest in wild Alaska king crab.

"Our business is selling crab throughout the year," he said. "The season starts in mid-October. Last year we ran out of crab about a month and a half before the start of the new season. We are thinking that because of demand that we may run out again."

Wholesale prices for the wild Alaska king crab are up about \$1 a pound because of the higher demand.

This year buyers paid \$8.95 for crab delivered to the dock in Seattle, compared with about \$7.65 a pound a year ago, he said. If there had been more competition from Russian king crab from the Barent Sea, prices would have been lower for the Alaska crab.

With this year's allowable snow crab quota at about 63 million pounds, compared with about 36 million pounds a year ago, White said he expects it to be a good season, despite diminished capacity in the processing sector.

"It will all get caught, because we got off to an early start," he said.

Snow crab fisheries normally begin to pick up about Jan. 15, when the snow crab have good infill, and the fishing continues through May, White said.

Last year only about 17 percent of the harvest went to Japan, but White said he expects Japanese buyers to take a higher percentage this year.

"Sometimes the Japanese market is stronger; sometimes the U.S. is stronger," he said.

While harvesters are not happy with the current posted advance price, "It's a fair price to go fishing for," he said.

Even with the anticipated robust harvest, Alaska harvesters and processors are eager to produce as much as possible before May. The Eastern Canada snow crab fishery, which produces about 200 million pounds of snow crab, begins in April, and prices become more competitive as May approaches.

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'Into the Wild' likely to inspire Alaska travel, contest entries

FAIRBANKS, Alaska (AP) — The new movie *Into the Wild* tells the story of Christopher McCandless, a young adventurer who wandered across the continent and died in the Alaskan wilderness in 1992 at the age of 24.

Fans of the movie may be inspired to visit some of the locales and landscapes featured in the film. You can even enter a contest to win a trip to Fairbanks, Alaska, part of a joint promotion between the movie and the Fairbanks Convention and Visitors Bureau, at <http://www.intothewild.com/>. (Click on "Adventure" for the entry form; the contest ends Oct. 26.)

But the *Fairbanks Daily News-Miner* reports that local tourism officials are also concerned about insuring the safety of tourists who might come on their own seeking to see the abandoned bus near Denali National Park in Alaska where McCandless died. The remote site is out of cellphone range, reachable only by hiking the Stampede Trail and fording the Teklanika River.

The newspaper reported that Fairbanks tourism officials plan to include an article about the book, movie and trail in an upcoming 2008 visitors guide, but that the article will include a cautionary note about potential dangers.

Alaska is only one of many places featured in the film, directed by Sean Penn and starring Emile Hirsch as McCandless. Scenes from the movie include shots of Hirsch camping in the Gran Desierto de Altar, part of Mexico's Sonoran Desert; taking a tram to California's San Jacinto Peak; visiting a bar in Carthage, S.D.; kayaking Colorado River rapids, and crossing the raging Teklanika River. A clickable map at <http://www.intothewild.com> offers shots from the film, links, and information about McCandless' odyssey.

Meanwhile, in a press release entitled "'Into the Wild' (and back again safely)," the Alaska Travel Industry Association is promoting trip ideas that offer a taste of adventure "with the assurance of survival."

The options include staying at one of Denali Park's lodges — Camp Denali, Northface Lodge, Denali Backcountry Lodge or the Kantishna Roadhouse; a floatplane trip to a bear-viewing site in Katmai National Park; glacier-trekking in Wrangell-St. Elias National Park, and visiting Gates of the Arctic National Park, which is accessible only by air and averages fewer than 5,000 visitors a year.

Another option for an unusual Alaska adventure is a new tour from the Travcoa company, which is offering an eight-day trip, Feb. 27-March 5, built around the famed Iditarod Trail Sled Dog Race. The trip — \$5,995 a person — takes an inside look at the life of a musher and includes stops at a wilderness lodge and a race checkpoint. Details at <http://www.travcoa.com>.

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New Tax Break Spurs Film Production in State

By C. J. HUGHES

THE New Haven Green, with its paths, lawns and trees, can do a decent impression of Central Park, which is why the makers of "The Bronx Is Burning" — a cable-television miniseries about the 1977 Yankees — filmed scenes there last year. New London, Norwich, Waterford and Mystic also stood in for New York, among other places.

Yet the real reason those cameras, and others belonging to major studios, have been rolling in Connecticut, producers say, is a generous new tax credit — the largest of its type in the country, state officials say.

As of July 1, 2006, moviemakers who spend \$50,000 can discount their tax bills by 30 percent, putting Connecticut in direct competition with states like North Carolina, New Mexico and Louisiana, which have become popular alternative locations to the twin powerhouses of California and New York.

Although Connecticut's incentive has been in place for seven and a half months, it already seems to be working some magic.

"In Bloom" and "Reservation Road," two major Hollywood productions, went to film in Connecticut as soon as the tax break kicked in. "In Bloom," which stars Uma Thurman, chose sites in New Haven and Norwalk, while "Reservation Road," with Joaquin Phoenix in the lead, opted for Stamford.

As spring approaches, Lions Gate, Warner and Disney are talking to state officials about bringing their projects to Connecticut, said Heidi Hamilton, director of the film division of the State Commission on Culture and Tourism.

"It's premature to do any name-dropping at this point, but we're getting phone calls and inquiries now from studios we've never heard from before," Ms. Hamilton said. "It signals that we're doing the right thing."

Producers declined to say how much they saved by shooting in the state. Giving corporations any kind of tax breaks — especially as high as 30 percent — can often elicit fierce opposition. Yet in Connecticut, naysayers have seemed relatively quiet.

The before-and-after figures may offer an explanation.



C. M. Green for The New York Times
EXTRAS Heidi Hamilton cleans costumes in Mystic Village for the cast of "The Bronx Is Burning."

Calls come in from studios never heard from before.

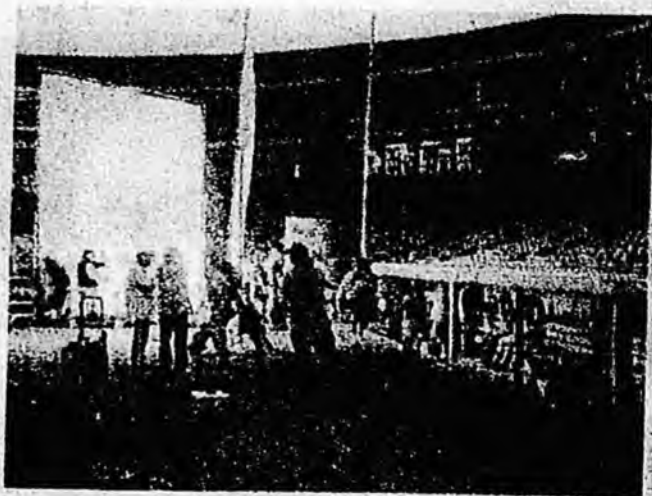
Before last year, movie productions spent \$1 million a year in Connecticut. (The pivotal showdown in the "War of the Worlds" in 2005, for example, was filmed at a former tire factory in Naugatuck, and in "Friday the 13th Part 2," Jason Voorhees stalked around North Spectacle Lake in Kent. Still, Connecticut's on-screen legacy is conspicuously limited.)

Last year, in contrast, moviemakers spent \$52 million in the state — including hotel rooms, rental cars, offices and security guards — with everything but \$700,000 being spent after July 1, according to Ms. Hamilton.

"Without the tax break, we wouldn't have gotten that money," she said.

For their part, producers said Connecticut offers benefits that are hard to quantify, like its proximity to New York City. Actors are more likely to accept a role if they can drive home at night, said Ron Semiao, a senior vice president of ESPN Original Entertainment, which is producing "The Bronx Is Burning."

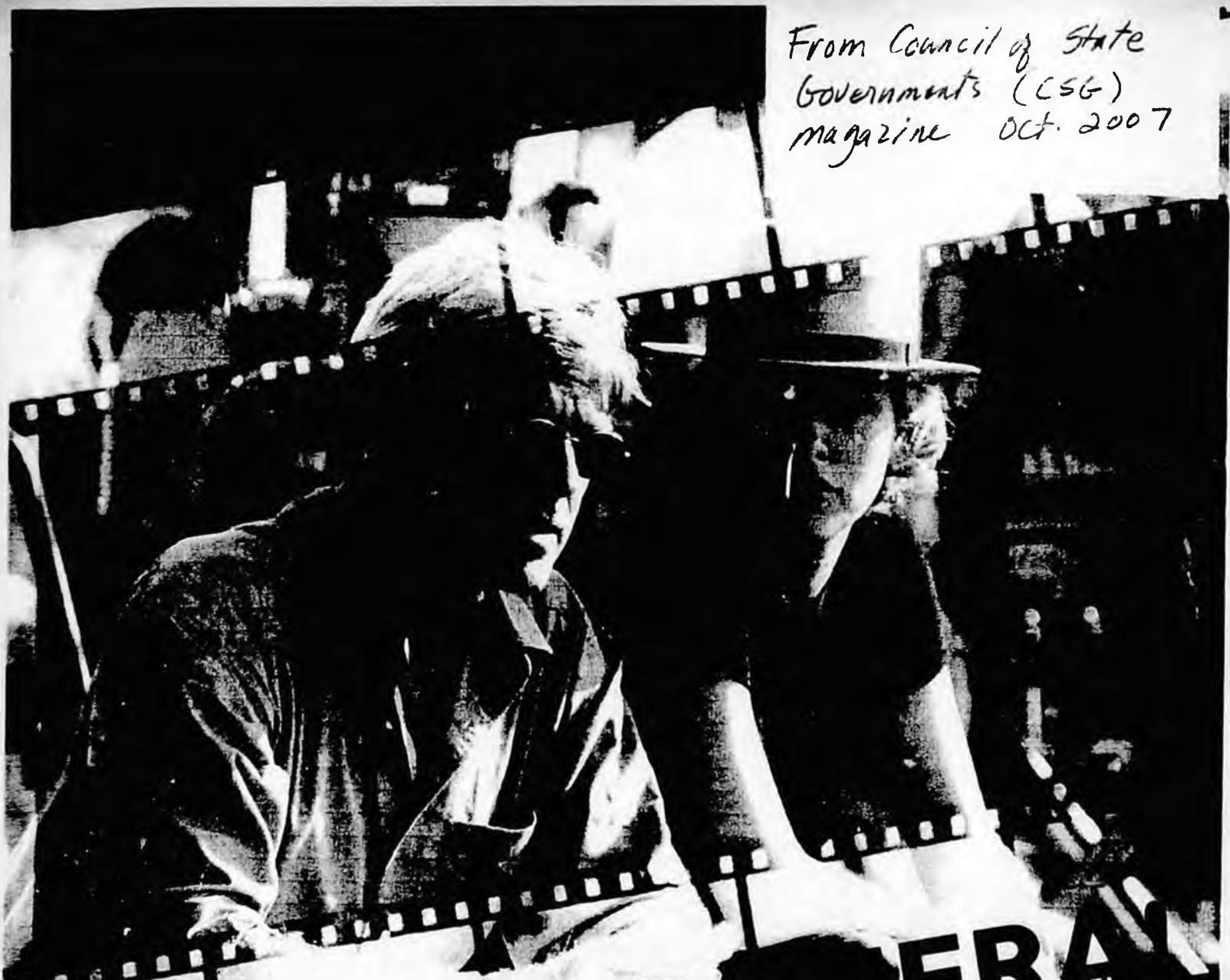
"We would seriously consider filming in the state again," Mr. Semiao said. "It was a terrific experience."



David Giesbrecht/ESPN

ON LOCATION Scenes for "The Bronx Is Burning" being filmed at Dodd Stadium in Norwich.

From Council of State
Governments (CSG)
magazine Oct. 2007




LIGHTS! CAMERA! ACTION!

The Southern states, led by Louisiana, have been successful in luring Hollywood production companies through various incentives. The payoffs are not only economic, but also through increased tourism.

*Richard and Charles
on the set of The
Cotton Patch, New Orleans,
LA*

*Richard and Charles
on the set of The
Cotton Patch, New Orleans,
LA*

By Sujit M. CanagaRetna



For more than a century, the motion picture industry—symbolized by Hollywood—has been recognized internationally as an American phenomenon.

Ever since 1891, when Thomas Alva Edison and his British assistant, William Kennedy Laurie Dickson, invented the Kinetograph, a device that synchronized film projection with sound from a phonograph record, America's influence in the development and advancement of this industry has been pre-eminent.

By the early 1920s, most American film production had moved from the East Coast to Hollywood, lured there by a range of incentives offered by the Los Angeles Chamber of Commerce.

That trend continues with nearly every state offering incentives to attract filmmakers to work within their borders. Thanks to a weakening U.S. dollar, technological advances and the high cost of production in California, states are getting a piece of the \$60 billion film industry pie.

Economics Lure Filmmakers Overseas

While California, specifically Hollywood, remains the fulcrum of the U.S. motion picture industry, the state, by its own admission and the analysis of independent observers, remains a high-cost location for many businesses, including the film industry.

In the late 1980s, movie producers saw an opportunity to lower overall costs by filming in foreign locations.

Another factor that allowed producers to effectively use this option was the tech-

nological advances in film production. This allowed films to be shot outside the major production centers in California.

In an effort to take advantage of studios seeking lower production costs, foreign countries began aggressively pursuing American filmmakers by offering a range of economic incentives.

Canada ranked very high among the foreign nations that pursued these U.S. productions and was successful in recruiting a plethora of movies filmed in the Canadian provinces.

Similarly, Britain, Mexico, Australia, the Czech Republic and other Eastern European locales soon ranked high as alternate filming locations for hundreds of U.S. movies and television shows. Consequently, by the late 1980s and throughout the 1990s, the blend of financial incentives offered by these foreign countries and a strong U.S. dollar made filming outside the U.S. a sound fiscal decision.

Declining Dollar Lures Film Industry Home

An interesting twist of events, however, turned things around for the American movie industry beginning around 2000. During the past seven years, the steady depreciation of the U.S. dollar has proved to be an unexpected boost to the domestic film industry.

During the 1980s and 1990s, American film producers took advantage of the U.S. dollar appreciating, vis-à-vis the major world currencies, and made films overseas. The steady erosion in the value of the U.S. dollar, however, made filming outside the

U.S. increasingly expensive. This development has led American movie producers to seriously consider locations at home in an effort to curtail their costs.

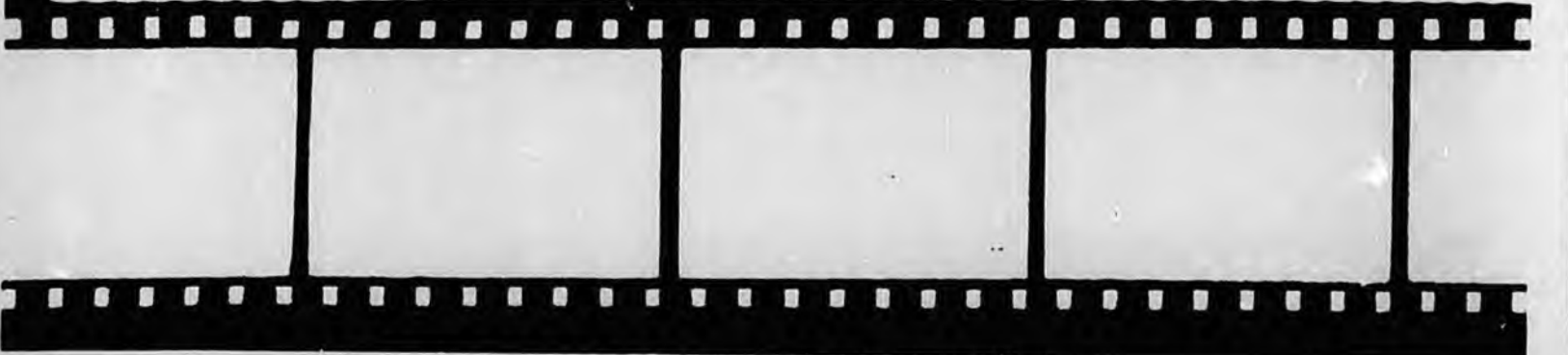
Alert state lawmakers deftly stepped into this fortuitous set of circumstances and quickly devised a range of incentives to further reinforce the likelihood that these movies would be made in the United States.

Led by the incentives introduced by Louisiana in 2002, a development that has resulted in the state now being referred to as Hollywood South, states in every part of the country offer a range of tax incentives and other benefits to lure filmmakers to operate within their borders. New Mexico, led by former Gov. Bill Richardson, is another state that saw the movie industry as a potential revenue generator and worked aggressively to market itself as a viable alternative to film producers.

Six Primary Incentives

The financial incentives offered by states to attract the movie industry have centered on the following six general areas:

- **Sales and Use Taxes:** Money spent within a state on goods and services by filmmakers are subject to state and local sales taxes. These taxes may be waived as part of the incentive package provided by a state. Generally, this is accomplished by providing the production company a state-certified coupon that waives sales tax at the point of sale, or the state may refund the sales tax after filmmakers submit expense reports breaking down the qualified expenditures.



- **Hotel Taxes:** Waiving the hotel tax for qualifying stays by filmmakers. Given that all out-of-state labor—or even out-of-area labor—requires overnight stays in area hotels, this benefit is a further incentive to filmmakers contemplating bringing in out-of-area labor. While a qualifying stay generally involves at least 30 days of consecutive nights, the tax credit or rebate is applied either to the total stay, or to all nights past the required minimum. This incentive is particularly attractive to feature filmmakers working in a location for extended periods.
- **Labor Taxes:** Subsidizing the cost of in-state labor. This incentive generally takes the form of a tax credit for a portion of the in-state labor costs. States provide this incentive so filmmakers hire local, rather than out-of-state.
- **Investment Credits:** This category includes some of the most generous incentives offered by states and enables filmmakers to recoup some of the costs of investing in the film's infrastructure.
- **Flat Rebate or Credit:** A blend of several incentives. For instance, states might provide a flat rebate or credit as a percentage of all spending that occurs in a state, such as labor, hotels, retail, investment and other qualifying expenditures.
- **Fee-Free Filming:** Many states provide state parks, municipal and state buildings, and other public property available, to filmmakers' free-of-charge. In certain settings, the state might also arrange for public employees, such as the police, to be available free of any charges.

Revenues and Jobs

The motion picture industry represents an economic engine that creates billions of dollars in positive economic flows and hundreds of thousands of jobs in practically every corner of America.

According to the latest 2007 economic impact report released by the Motion Picture Association of America (MPAA), the trade association of the American film industry, the motion picture and television production industries

- contribute \$60.4 billion to the U.S. economy;

- create jobs for more than 1.3 million Americans; and
- generate \$10 billion in income and sales taxes that translates into an estimated \$200,000 a day pouring into the coffers of the local governments in cities and towns across the United States.

At a time when America's trade deficit has soared to unprecedented heights, the motion picture industry maintains a positive, or surplus, balance of trade with the rest of the world, estimated at \$9.5 billion.

The Tourism Factor

Beyond the tremendous economic benefits associated with promoting the movie industry, state policymakers are also motivated by such additional benefits as the positive media attention and publicity for the state.

Then, the "tourism factor," or instances where movie locations have been transformed into major tourist attractions long after the filming of the movie, remains a motivating factor. For instance, tourists still travel to and eat pizza at Mystic Pizza because of the 1988 film by that name that starred Julia Roberts in Mystic, Conn.

In Georgia, tourists regularly travel to The Whistle Stop Cafe in Juliette, some 50 miles south of Atlanta, scene of the movie "Fried Green Tomatoes," more than 15 years after the movie was released. In North Carolina, the train wreck set from the scene of the 1993 film "The Fugitive" starring Harrison Ford is still a popular tourist attraction in Dillsboro.

Perhaps the most well-known example of a successful recent film converting its filming location to a huge tourist destination is the movie "Sideways" and Santa Barbara County, Calif.

Policymakers have also moved toward treating movie production companies as a growth industry akin to other major economic development projects with the opportunity to provide jobs for dozens of electricians, carpenters, make-up artists, camera crew and other workers who potentially make as much as \$350 a day.

And the opportunity to promote an industry that generates hundreds of millions of dollars with minimal negative environmental impacts remains another reason for promoting the industry at the state level.

Huge Economic Impact

The economic impact numbers for states in CSG's Southern Legislative Conference are staggering. In Louisiana, the state held up as the leader in the current wave of states establishing incentive packages, the estimated total output of the film industry—direct, indirect and induced outputs—has soared from \$22.1 million in 2002, to \$390.5 million in 2003, to \$721.1 million in 2004, to \$1 billion in 2005.

Another noteworthy achievement is that Louisiana currently ranks third in the number of films produced in the country behind California and New York, a ranking achieved as a result of the incentive package now in place.

In North Carolina, over a 25-year span from 1980 to 2005, the industry has created more than \$7 billion in revenues for local economies across the state. Georgia is another SLC state where, in 2006, 291 films and videos were produced with a direct value of \$251.1 million, with a total economic impact of \$448.3 million.

Filmmaking in Maryland hit record levels in fiscal year 2006, generating a \$158 million economic impact and more than doubling the prior year's total of \$66.3 million. Virginia's governor, in June 2006, announced that the state's film and video industry's 1,800 projects in 2005 had a direct economic impact of \$221.1 million, the highest ever reported and a 14 percent increase over the previous year.

As states continue to enact measures that attract the film industry, it remains to be seen how effective they will be in enhancing the more value-added aspects of the production process, particularly post-production activities, within their own borders. Continually enhancing these value-added processes will be critical in ensuring that states secure high-tech, high-wage jobs, which will reinforce America's competitive advantage in this rapidly changing and global industry.

—Sujit M. Canagaretna is senior fiscal analyst with The Council of State Governments' Southern office, the Southern Legislative Conference. This article is based on his report "Lights! Camera! Action! Southern States Efforts to Attract Filmmakers's Business" available at <http://www.slcatlanta.org/Publications/EconDev/LightsCameraAction.pdf> or e-mail scanagaretna@csg.org.

Feature



TOP 10 DOMESTIC AND INTERNATIONAL

By John Law

Singapore boat quay historic quarters

might be more a producer with a go project and not in a position to actually shoot it (business in the UK), but you're looking for the best tax incentives that will have an impact on your bottom line. Where do you go? Here is a list of the Top 10 tax incentives—both international and domestic—offering filmmakers the biggest tax incentives available.

INTERNATIONAL

UK

The year 2006 was the UK's second best year ever with 2052 million (£1.7 billion) of production spent on 194 films, a total of almost 50 percent over 2005. The reason why these productions came to the UK is a reader notes Tina McFarling of the **UK Film Council**. "The UK offers a combination of skills and talent base working in a cost-effective and professional manner, the camera and production support to accommodate several foreign films at once, a rich diversity of locations and a new competitive film tax relief, the location. We also have a number of new

co-production treaties with other countries. Our new tax relief, which came into effect at the beginning of the year, is clearer and simpler than the last, and designed especially for filmmakers with the benefit going direct to them. It makes the UK extremely competitive. With two rates of tax relief for low budget and high budget films (returning 25 percent and 20 percent (maximum) of UK spend to the filmmaker it is a good deal."

For more information on filming in the UK, details about the new tax relief for film and UK co-production treaties with other countries see: www.ukfilmcouncil.org.uk/filmmaking/filmingUK/taxrelief.htm

SINGAPORE

Backed by a \$10 million fund, the **Singapore Tourism Board's** Film in Singapore Scheme is aimed at encouraging leading international filmmakers and broadcasters to shoot and produce movie television programs and music videos in Singapore. The scheme will subsidize up to 50 percent of the qualifying expenses incurred by international film companies during their produc-

tion in Singapore. The Singapore Tourism Board also assists in meeting the Singapore legislative requirements and regulations, including permits, working visas, and a range of government agencies and industry offices. Caravita, Tax Director of International and the Media Development Authority, Singapore, explains that the MDA has made special efforts to encourage Singapore's media industry. "Singapore is one of the world's most competitive film-making hubs, and we have developed a comprehensive ecosystem, including award-winning co-production initiatives, a world-class location services and international multi-media centers to grow the media industry. And we welcome the Digital Content Development Fund to provide seed funding to encourage our partners to encourage the development of our original animated TV content, make the production of feature films and payable government film grants open to Singapore-registered companies."

For more information on the Film in Singapore Scheme, please visit www.film.gov.sg.

REPUBLIC OF KOREA

The Seoul Film Commission's Film Producer Support Program started in 2007 and the Seoul Film Commission provides grants for foreign production companies shooting on location in producing a movie in Seoul. The amount of the grants will be up to 25 percent of the portion of the production budget spent within Seoul and may not exceed \$100,000 per production. The applicant must be the producer of the film with shooting scenes in Seoul and there is no restriction on the applicant's nationality. Furthermore, production companies scouting shooting locations in Seoul are supported with free air tickets to the city and accommodations in Seoul. The Seoul Film Commission provides round-trip airline tickets for two people (economy class) and accommodations cost for Seoul location scouting for three nights (100 US\$ per day / per person) and logistical services of a domestic location coordinator to selected foreign producers. Any foreign director, assistant director, producer, director of photography, or location manager is eligible to apply.

Detailed information about the programs as well as the applications forms are available at the website, www.seoulfc.or.kr

TRINIDAD & TOBAGO

The **Trinidad & Tobago Film Company** has recently introduced a film rebate and incentive program. The program was implemented to increase the level of investment in the Trinidad and Tobago film industry. The rebate is designed to ensure that Trinidad and Tobago remains competitive in attracting a greater number of productions. The "Production Expenditure Rebate Program" provides cash rebates of up to 30 percent for expenditure accrued while filming on location. Located at the furthest end of the Caribbean archipelago, Trinidad & Tobago is possibly the region's best-kept secret. The two islands present unique contrasts with Trinidad's exuberant, cosmopolitan style, complemented by Tobago's quiet charm and soulful simplicity. Pristine coastlines, rainforests, mountains, savannas, quaint fishing villages, multi-cultural sites, and a variety of architectural styles offer productions a wide scope of filming backdrops.

Email: info@filmTNT.com

MANITOBA

Manitoba offers a labor based tax credit of up to 55 percent on eligible Manitoba salaries and there is a base tax credit of 45 percent, plus two additional eligible bonuses; a 5 percent rural bonus and a 5 percent frequent-filmer bonus.

According to Sebastien Nasse, the tax credit analyst for **Manitoba Film & Sound**, the financial incentive is structured so that any producer can access the extra five percent bonus by running their tax credits through a service-production company that has the frequent-filmer status or by co-venturing with a production company that has current frequent-filmer status. Other options include bundling their top tax credit of

55 percent with the 45 percent federal Film and Video Production Tax Credit (100% cash rebate) to receive a total credit of 100 percent with the 25 percent provincial rebate. Film or video production companies.

Manitoba's film industry is considered the leader in sales and production services to content creators and is a major employer. The province's infrastructure, including equipment, computer and software services, training, and production services, is world-class. Hence, the higher the production value, the more incentives the higher the production value. In fact, there

are no available caps on annual funds; Manitoba's financial incentives are a rebate not a finite fund meaning that you'll never have to wait for a new fiscal year to apply for the rebate. There is also no minimum or maximum budget requirement and no first-time producer requirement. Nasse adds that Manitoba pioneered the first frequent-filmer bonus in the world to reward repeat business and has one of Canada's longest running tax credits which was once again renewed until 2011. If there isn't a Manitoban who is qualified, qualified or willing (as approved by local labor



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organizations), a deeming provision exists to bring in Non-Manitoban crew and count their salary as local for the purposes of the tax credit.

www.mbfilmsound.mb.ca

DOMESTIC

MISSISSIPPI

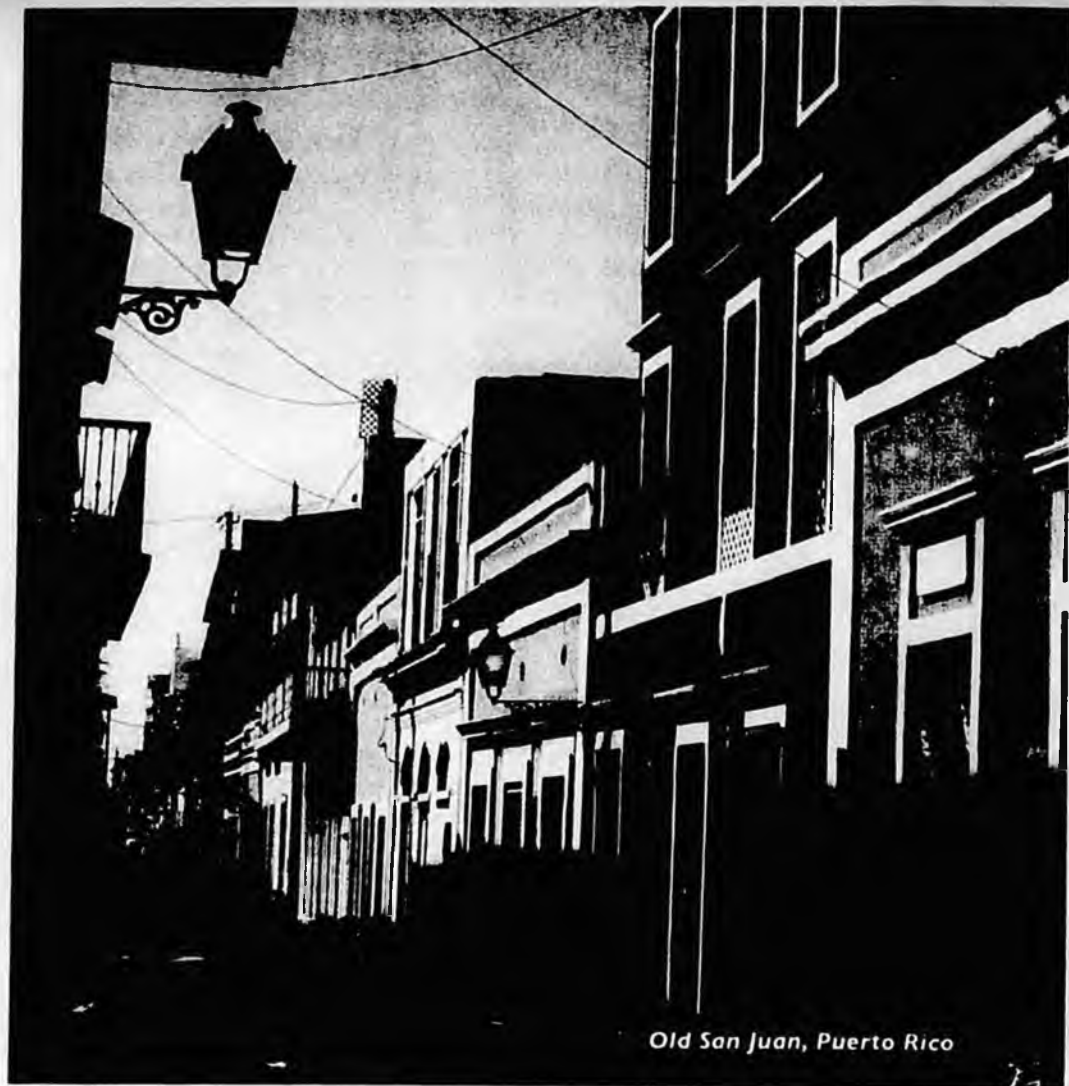
The state's new 2007 incentive program created a 20-30 percent rebate on a production's local spend, including local payroll, and a 10 percent rebate on the wages of non-resident cast and crew whose salaries are subject to Mississippi withholding taxes. There is an additional seven percent sales tax exemption on a long list of production items, and a 5½ percent tax reduction on production equipment. "There is a \$5 million per project rebate cap (approximately \$17.6 in local spend), and no annual cap, and there is no minimum spend, as we wanted to support small budget production: short films, documentaries, and commercials," reports Ward Emling of the **Mississippi Film Office**. "We have worked with the Mississippi State Tax Commission to create a clear and straightforward incentive program. The production applies to the Film Office, we validate the application through the Mississippi Development Authority, and the Tax Commission handles the audit and rebate process. From the moment of authorization by MDA, the application is active and valid. The Tax Commission will require a simple budget run: vendor information, item or service, and expenditure. We hope to reduce the time to rebate to 30 days."

NEW MEXICO

With a 25 percent tax rebate, Film Investment Loan and Film Crew Advancement Program, New Mexico offers the most comprehensive incentive package in the country. The 25 percent tax rebate is simple, has no minimum spend requirement, no cap per project per year and no sunset clause. Video games and stand-alone post also qualify. The unique loan program offers zero percent loans from \$2 to \$15 million dollars with backend participation. New Mexico also offers a 50 percent wage reimbursement for on-the-job training of residents who are moved up into advanced BTL positions. In addition to incentives, New Mexico has an exceptional and extensive crew base, dozens of dedicated industry vendors, over 300 days of sunshine, four temperate seasons, awe-inspiring locations, a green filmmaking program, over 50,000 photos on their searchable location database, infrastructure including stages from 2,000 to 48,000 square feet, film friendly communities and liaisons throughout the state, 22 Native American tribes, and a film office willing to jump through rings of fire.

PUERTO RICO

Cristina Caraballo of the Puerto Rico Film Office reports that, "Our incentives for the production of series, miniseries, films and Latin soap operas are the highest anywhere in the world



Old San Juan, Puerto Rico

and unique in the Latin production market. These incentives, combined with our first class infrastructure, same US commercial and banking laws, and no trade barriers with the US, same currency, labor subsidies, local talent, and fiscal autonomy (no federal taxes) make Puerto Rico an ideal destination for many productions."

The 40 percent is an incentive calculated on expenditures (40 percent on the in-spend) given in the form of a transferable tax credit. It has as a base, the Puerto Rico spend: equipment, crew, actors, travel (if through a local travel agency), hotels, stage ground rental, etc. Above and below the line, development, pre-production, produc-

tion and post production are included. The only requirements are that the payment has to be made to either a PR Company or a PR resident and at least 50 percent of principal photography has to be shot in Puerto Rico. "This program does not have a nationality requirement," adds Caraballo. "Through the law you can advance 50 percent of the estimated rebate before shooting. Our experience is that the rebate will net after transaction costs, about 35 percent of the in-spend."

Puerto Rico Film Commission

Cristina Caraballo
ccaraballo@puertoricofilm.com

Best Place to Film - 1 Hour from NYC

- Historic Town • Historic Street w/ mountain views
- Expansive Town Green • Elegant Homes • River and Lake Frontage
- Mountains • Cliffs • Pastures • Caves • Country Roads • Quarry • Farms and Orchards
- Historic Bridges • Historic Train Station • Antiques • Vintage Cars and Equipment



10 Main Street, New Milford, CT 06776 • 860-210-2089 • e-mail info@FilmNewMilfordCT.org

www.FilmNewMilfordCT.org

CONNECTICUT

George Norfleet of the **Connecticut Commission on Culture and Tourism** reports that, "There is a \$50,000 threshold for spending. If you have a film production company, you're in this state and you spend a minimum of \$50,000 on eligible expenses — and those would be things that generate a tax in Connecticut — then you qualify for our 30 percent tax credit program. Ninety days after your first spend in the state, you need to file for an eligibility certificate, and ninety days after your last spend in Connecticut you need to apply for your tax credit. You'll have to supply information about your spending and with what vendors, and then we will vet that and determine your tax credit." The state's current tax breaks went into force last year and Norfleet says that they have been "a huge success, with lots of large production companies coming here and spending money that is unprecedented in the state."

For more tax break details visit www.cultureandtourism.org and the film division section.

LOUISIANA

Louisiana now offers a 25 percent tax credit, which is earned on in-state expenditures and an additional 10 percent on Louisiana payroll. "We also offer a 40 percent tax credit on expenditures for qualifying infrastructure projects," says

Chris Stelly, director of film and television for the **Office of Entertainment Development of Louisiana Economic Development**

"As a result of our incentive program, we have seen approximately \$610 million in total production budgets for calendar year 2005 and so far for 2006 nearly \$610 million in total production. The 2006 numbers are still coming in as productions are finalizing their audits and we expect that number to increase. Also, it should be noted that our program changed a bit on January 1, 2006, which explains the decrease in production numbers. For calendar year 2007, we have \$502 million in total anticipated budgets that have applied for certification with approximately \$374 million being spent in Louisiana."

There were only 10 spots to fill for both domestic and international rankings. Although Massachusetts ranked number four in July's *Top 10 U.S. locations* and offers filmmakers who either shoot at least half their film or spend at least half their production budget, and Rhode Island ranked number three and offers a transferable income tax credit equal to 25 percent of any spend in the state, the 10 that made it on this list slightly overshadowed these two by offering higher amounts or rebates rather than credits. However, we felt that it was important to note what these two states have to offer. ☺

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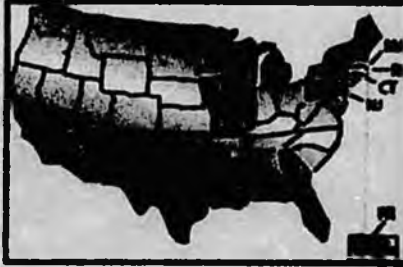
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States with Tradeable Film Tax Credits

Arizona
Connecticut
Georgia
Illinois
Iowa
Louisiana



Massachusetts
Missouri
New Jersey
New York
Pennsylvania
Rhode Island

[Click On State For Info](#)

[View Our State By State Comparison Chart](#)

TRADEABLE TAX CREDITS: STATE-TO-STATE COMPARISON (Updated 04-23-2007)

AREAS	FLM	10-30%	\$40 MILLION	5 YEARS	100%	NO	CORPORATE, INDIVIDUAL	http://www.areas.com/areas.asp?with=tradeabletaxcredits.asp Title 43, Indiv. Income Tax (Ch. 10) and Corp. Income Tax (Ch. 11)
CONNECTICUT	FLM	20%	UNLIMITED	3 YEARS	100%	NO	CORPORATE, INDIVIDUAL	http://www.cas.ct.gov/2007/ACT/P/A/07PA-0013R-0014R-04/PA-14.htm Public Act 07-334
GEORGIA	FLM	9% to 12% flow dependent	UNLIMITED	5 YEARS	100%	YES	CORPORATE, INDIVIDUAL	http://www.taxcredits.com/GA-Law.pdf Corp, Individual and wft. 48-3-12 and 48-7-48.28
ILLINOIS	FLM	20% production	UNLIMITED	5 YEARS	100%	NO	CORPORATE, INDIVIDUAL	www.revenue.state.il.us/Law/mon?Part199/index.html Chapter 281 sections A and B
IOWA	FLM	25%	TBD	TBD	TBD	TBD	ALL TAXPAYERS	http://www.taxcredits.com/IA-Law.pdf
LOUISIANA	FLM	20% to 25%	UNLIMITED	10 YEARS	100%	NO	CORPORATE, FIDUCIARY, FRANCHISE, INDIVIDUAL	http://www.lifilm.org/images/docs/2007/2007%20LAW%20SUMMARY%20AM/Acts
MASSACHUSETTS	FLM	20%	UNLIMITED	5 YEARS	100%	NO	ALL TAXPAYERS	http://www.taxcredits.com/MA-Law.pdf Chapter 62 and 63
MISSOURI	FLM	30%	\$100 MILLION	5 YEARS	100%	NO	CORPORATE	http://www.moss.state.mo.us/index/CI08-100110000710.HTM Chapter 143 (including 143.191 - 143.261) and Chapter 148
NEW JERSEY	FLM	20%	\$10 MILLION	7 YEARS	90%	NO	CORPORATE	http://is.njleg.state.nj.us P.L. 1995 c. 143 (S. 143-1 et seq) Mobile Gaming Statute to become law in 2008 http://www.taxcredits.com/NJ-Law.pdf
PENNSYLVANIA	FLM	25%	\$75 MILLION	NO	50%	NO	CORPORATE	http://www.taxcredits.com/PA-Law.pdf
PURITO ISCO	FLM	40%	\$15 MILLION	5 YEARS	100%	NO	CORPORATE	http://www.taxcredits.com/PR-Law.pdf
RHODE ISLAND	FLM	25%	UNLIMITED	3 YEARS	100%	YES	CORPORATE, INDIVIDUAL, PREMIUM	http://www.rifilm.state.ri.us/Statute/HTM%20RHS0007.HTM RI General Laws Title 44, Chapter 11, 14, 17, 20

NOTE 1: CPA certified Branches must be provided by production company

NOTE 2: Proposed Missouri Gaming Statute

UPDATED: 04/23/2007

ALASKA STATE LEGISLATURE

Senate Labor and Commerce
Committee, Chair

•
Legislative Budget and Audit
Committee

•
Senate Rules Committee

•
Committee on Committees



While in Session
State Capitol, Rm. 9
Juneau, AK 99801
(907) 465-3704
Fax: (907) 465-2529

While in Anchorage
716 W. 4th Ave, Ste. 440
Anchorage, AK 99501
(907) 269-0169
Fax: (907) 269-0172

SENATOR JOHNNY ELLIS SENATE MAJORITY LEADER

My office has received many letters of support for SB230, the Alaska Film Incentive Program. I have included a selection of these in the bill packet, but am happy to provide copies of any or all of these to you if you are interested. A list of the writers with their affiliations and hometowns appears below.

- William and Viola Amberg, Amberg Enterprises, Fairbanks
- Greta Artman, Affinity Films, Anchorage
- Stanley Austin, Anchorage
- Murray Bartholomew, Fishhook Sporting Goods, Anchorage
- Geo Beach, Tempest Studios, Homer
- Mayor Mark Begich, Municipality of Anchorage, Anchorage
- Kathleen Brady, Scout/Alaska, Anchorage
- Gordon and Rachel Carlson, CLI Construction, Cantwell
- Bob Crockett, Alaska Locations Inc., Anchorage
- Laura Dagon, Laura Model and Talent Agency, Anchorage
- Eric D'Amario, Redtree Productions, Boston, MA
- Frank Flavin, Flavin Photography, Anchorage
- Laura Ganis, independent film producer, Anchorage
- Nara Garber, Topiary Productions, Inc., Brooklyn, NY
- Laurence Goldin, Aurora Films, Anchorage
- George Guthridge, University of Alaska Fairbanks Bristol Bay Campus, Dillingham
- Marilyn and Pete Heddell, Honey Charters, Whittier
- Christopher Ho, First Catch Films, Bethel
- Bill Holden, Bill Holden Productions, Anchorage
- Dave Hunsaker, screenwriter, Juneau
- Toni Kahklen-Jones, Anchorage
- Mary Katzke, Affinity Films, Anchorage
- Greg Kern, Alaska Grip and Lighting, Anchorage
- Paul Andrew Lawrence, P.A. Lawrence, LLC., Anchorage
- Sandy Lorrigan, Pat Fager, David Malone, Ron Hauck, Lavonne Grun, and John Litten, Sitka Convention and Visitors Bureau, Sitka
- Heidi Lubke, Anchorage
- John Markel, Alaska Film Locations, LLC, Girdwood
- Chris Maynard, Alaska Snow Safaris, Inc., and Glacier Jet Alaska, LLC, Anchorage
- Tim McGhan, McGhan Construction Co. Inc., Big Lake

- Michele Miller, Alaska Moving Image Preservation Association, Anchorage
- Mike Miller, Alaska Wildlife Conservation Center, Portage
- Chris Osowski, Glacier Jet Alaska LLC, Anchorage
- Jackie Reed, Jumping Goat Coffee Co., Wrangell
- Carolyn Robinson, Alaska Film Group and Sprocketheads LLC, Anchorage
- Paul Roderick, Talkeetna Air Taxi, Talkeetna
- Steve Rychetnik, Sprocketheads LLC and International Cinematographers Guild Local 600, Anchorage
- Chris Scarafile, freelance cinematographer, New York, NY
- Deborah Schildt, Alaska Film Services, Anchorage
- Mayor Fred Shields, Haines Borough, Haines
- George Sikat III, CoCo Media, Inc., Wasilla
- Richard Hamilton Smith, Blue Lake Studios, LLC, Park Rapids, MN
- Dana Stabenow, author, Homer
- Colleen Stephens, Stan Stephens Cruises, Inc., Valdez
- Kelly Stevenson, Glacier Park, Sutton
- Joel Summers, ASRC Energy Corp., Anchorage
- Matt and Heather Szundy, The Ascending Path, LLC, Anchorage
- John Wedin, Eye-Cue Productions, Anchorage
- Stephanie White, Anchorage
- Brian Williams, 6th Avenue Outfitters, Anchorage
- Jennifer Wolf, Anchorage
- Pamela Wrede, Weinc Studios, Anchorage
- Hap Wurlitzer, Hatcher Pass Lodge, Palmer
- Suzi Yoonessi, independent filmmaker, New York City, NY

January 23, 2008

Sent via electronic mail:

Senator Johnny Ellis

Chairman, Senate Labor & Commerce Committee

State Capitol

Juneau, AK 99811-1182

Re: SB 230 - Alaska Film Incentive Program

Dear Senator Ellis:

I am a former President and current board member of the Alaska Film Group (AFG) and the Executive Producer and Owner of SprocketHeads, LLC. Our company is the only high-end film and high-definition (HD) production, production services and post-production company in Alaska. We also produce internationally distributed documentaries (e.g. *Aleut Story* narrated by Martin Sheen) and are the only IATSE commercial signatory in Alaska. From our office in Spenard we hire for virtually all crew positions and contract with hundreds of Alaska-based businesses.

Still, we're barely making ends meet. Alaska isn't on the producers' map as a film production location because our state does not have a film incentive program.

I was reared in Alaska and graduated from Dimond High School. I left Alaska to study film and ultimately stayed away in order to find real opportunities in my chosen field of film production. While producing in other states and in Europe I experienced what governments do to attract the lucrative film industry to shoot in their location. After almost a decade working Outside as a producer I returned to Alaska with the hope that our state was finally maturing and ready to nurture and grow a film industry. Instead, the State of Alaska film office was closed, a shortsighted decision based solely on petty politics.

Over the last ten years I have assisted producers and directors of network programs and feature films as they explored bringing their projects to Alaska. They were equally in awe of our state and its people. They were astounded that Alaska doesn't have a film incentive program or even a film office. Ultimately the studios took their productions elsewhere due to the State of Alaska's lack of support and understanding of this unique industry. Time after time, Alaskan workers and businesses lost out and the productions lost Alaska as a stunning backdrop.



In the late winter of 2007, SprocketHeads worked for two months on *Transformers*, building up to a one-day shoot. The script called for dramatic glacier backgrounds and DreamWorks' director Michael Bay and Producer Ian Bryce wanted to keep all production in the USA. In the dark days of winter dozens of Alaskans were hired and business were cash-infused, all for a dramatic one-day shoot.

In June of 2007, Bob Crockett, Steve Rychetnik and I met with Jerry Ketcham, the production executive at Disney Studios who is in charge of a Sandra Bullock film, *The Proposal*. The romantic comedy script is based in Sitka, Alaska, but just last week Disney informed me they opened up their production headquarters in Massachusetts. SprocketHeads' Director of Photography (DP), Steve Rychetnik, and a few other Alaskans may work for three or so days on the film to shoot locator shots, a far cry from Sitka being cash-slapped by Hollywood for seven months, hundreds of Alaskans being put to work and great fun.

For me, losing that *Alaskan film* to Massachusetts was the turning point, the last straw. Alaska is home, we love living here and our families are here, but the principals of our Anchorage-based company are discussing moving to Los Angeles. The SprocketHeads are an elite team of production professionals – Steve Rychetnik is the only Alaska-based DP that is a member of the International Cinematographers Guild – and we want to use and heighten our crafts instead of, for example, shooting locator shots and selling stock footage to ABC's fictitiously Alaska-based series *Men in Trees*.

I appreciate and applaud your sponsorship of the bill that would create a film incentive program for Alaska. Besides the obvious benefit of jobs and millions of green dollars, this program is a foundation for a time in the near future where starry-eyed Alaskans like me can stay in their home state to study their film industry craft and base their career. And, the SprocketHeads can remain living and working in the place they so dearly love, their home state of Alaska.

Senator Ellis, picture it this way—the TV guide description of this MOTW (movie of the week) goes like this—Major Hollywood studios circle Alaska like jumbo jets waiting for permission to land with movie stars, cast, crew, equipment and tons of money. Can the State find the switch for the runway lights?

Respectfully,

Carolyn

Carolyn K. Robinson



ALASKA FILM LOCATIONS, LLC

January 23, 2008

Senator Johnny Ellis, Chairman
Senate Labor and Commerce Committee
State Capital
Juneau, AK 99811-1182
Fax 907-465-2529

Dear Senator Ellis:

RE: SB 230-FILM PRODUCTION TAX CREDIT

Thanks very much for proposing this bill. It should be good for not only film but the tourism industry also stands to benefit.

Alaska does have a few "natural barriers" such as its distance from the lower 48 film production centers and the short, cold, winter days. However these barriers & obstacles are more or less offset by what Alaska has to offer, which is its spectacular natural beauty, environment, and mystique that will not be found else where on the planet. Production companies would like to film here however there are also other barriers or traps, crafted by our competition that intercepts most film projects scripted for Alaska.

The barriers that Alaska needs to overcome have been erected by the other states and countries that are competing for film production business. Typically these competitor states and countries have devised a gauntlet of traps and snares baited with incentives. These competing states and countries are basically hijacking the business that is bound for Alaska. It's a little like the foreign fishing fleets intercepting fish that are on route to Alaska. The Canadians in particular, have built up an impressive harvesting system that gets the majority of projects written for Alaska.

The feature film production could potentially have a very nice fit in Alaska. Productions could be attracted to Alaska during the low tourist season months of September - June. Alaska has lots of empty hotel rooms during these periods and many skilled vendors that can supply all the basic infrastructure the feature film production industry requires.

Alaska's competitors have been able to build their industries with similar state incentive packages. Its about time Alaskans are equipped to compete.

Currently I have been working on a Disney feature film that was scripted for Sitka and SE Alaska. It is a romantic comedy comparable to Sleepless in Seattle and it would be a 2 hour long Alaska travel commercial and would play worldwide. However the problem is that this movie is being filmed in Massachusetts. The Mass. state film incentive program has poached this feature project with a projected 30 million spend. This is a project scheduled to film during April and May of this year. The crews would have filled hundreds of empty hotel rooms and employed hundreds of local vendors with interesting high paying jobs. Boat, planes, helicopters, hotels, caters, trucks, cars, and lots of hands, everybody gets work. Everybody wins with this program. These projects mesh well with Alaskan life styles and skill sets, they create a small mini boom for the local economy. They leave lots of cash in the local economy. Upon completion they will continue to produce value for Alaska every time they are shown. These films will additionally serve as commercials for Alaska Tourism industry as they play to world wide audiences for years to come.

January 23, 2008

If Alaska had a film incentive program there is an excellent chance that this Disney Film would have already booked all the rooms in Sitka, and been making preparations to bring their entire shoot to the island and spend a ton of money.

In the past 10 years we have had dozens of feature projects attempting to shoot up in Alaska, BOND XX "Die Another Day" and The "Guardian", "Transformers", they all wanted to shoot here but their money managers always end up selling out to our competitors. When faced with the distances and the cost involved with sending everyone up here and also being offered large incentives by other states to not come here, they just have not been able to make it all work out. I think SB230 has potential to change this situation. This is a good industry for Alaska to develop!

Its like combat fishing, once the fish make to our waters, Alaskans know how snag them, gut and get them in the freezer better than anybody. Your bill may just help us to get in on some of the big runs!

Sincerely

John Markel

PS- I have also attached some information on my Alaska Locations Business and a list of the clients that I have worked with on past projects. Thanks again for your work on this!

BOX 891 • GIRDWOOD/ALASKA • 99587
PHONE & FAX: 907-783-2757
EMAIL JOHNMARKEL@HOTMAIL.COM



TOPIARY PRODUCTIONS, INC.

January 22, 2008

Senator Johnny Ellis, Chairman
Senate Labor and Commerce Committee
State Capitol
Juneau, AK 99811-1182

Re: SB 230 – Alaska Film Incentive Program

Dear Senator Ellis,

I am a New York-based filmmaker who has had the good fortune to work on several productions in your beautiful state, and I am writing this letter to express my full support for Senate Bill No. 230.

I should add that in my home state of New York, similar incentives were implemented a few years ago and generated unprecedented growth in the local film industry; only the Writer's Guild strike has slowed things down. New York obviously has a tremendous amount to offer, but I truly believe that Alaska is more multi-faceted and more viscerally cinematic. A city is, after all, at some point just a city. I have been lucky enough to film in three Native Alaskan villages, in ANWR, in and around Anchorage, in both summer and winter. Nowhere else have I experienced such a diversity of landscapes and culture in so contained an area. I therefore believe that filmmakers *and* moviegoers and Alaskans of all stripes would stand to benefit from this legislation.

On a completely selfish note, I am hopeful that the passage of this bill would allow me to film in Alaska with greater frequency and on a more ambitious scale. On my previous visits, I have worked as a director of photography on various projects for Mary Katzke of Affinity Films in Anchorage. One of these projects is still in-progress, and several more are in the works. My travels across the state with Mary and her crews have inspired me to draw up treatments for two films of my own, both of which I hope to pursue in the future. SB 230 would facilitate my existing collaboration with Affinity Films and encourage me to move forward with my own location projects.

In conclusion, I think many people would stand to gain from SB 230, and I sincerely thank you for lending this bill your support.

Sincerely,

Nara Garber



January 23, 2008

Senator Johnny Ellis, Chairman
Senate Labor & Commerce Committee
State Capitol
Juneau, AK 99811-1182

Re: SB 230 - Alaska Film Incentive Program

Dear Senator Ellis,

I'm writing to you from Redtree Productions, a Boston MA based commercial production company. Over the past few years, I have been lucky enough to produce three commercial projects in Alaska. I love the fact that my line of work has given me the opportunity to work in Alaska, and I can only hope to continue to do so.

It has recently come to my attention that the Alaska legislature will soon be considering SB230, which is a Film Incentive Program intended to draw additional film & television productions to the state. I can say from experience that these types of incentives do work. Massachusetts passed an incentive less than 2 years ago, and the community has flourished since. This past summer, we had no less than 7 major motion pictures shot in Boston alone. Films bring jobs to local crew, revenue to local hotels, restaurants and vendors of all types. There is no reason Alaska could not expect similar results.

I ask that you press the passing of SB230. It will help an already strong film community flourish, and is sure to have a positive impact on the state as a whole.

Thank you, Senator Ellis, for sponsoring SB230.

Kind Regards,

Eric D'Amario
Producer
Redtree Productions

PO Box 489
Homer, Alaska 99603
January 22, 2008

Senator Johnny Ellis, Chairman
Senate Labor & Commerce Committee
State Capitol
Juneau, AK 99811-1182

Re: SB 230 - Alaska Film Incentive Program

Dear Senator Ellis,

I'm Dana Stabenow, Homer resident and author of twenty-four novels and a dozen short stories, including fifteen (sixteen next year) Kate Shugak novels, which are set in Alaska.

There has been interest in the screen rights for the Kate Shugak novels from the first year of publication, but I have turned down all offers because no one will shoot the film or mini-series or television series in Alaska. The reason is always the same: They can shoot it cheaper elsewhere, in one of the states that does have film incentives, or more likely in Canada or New Zealand, which also do.

Quite apart from the fact that I'm hemorrhaging money myself in continually refusing offers, all Alaskans are losing out. Film companies who shoot here will eat here, sleep here, and shop here. They'll put Alaskans to work in the arts and in the transportation and service industries. There is also the satisfaction that will come to every Alaskan watching a film allegedly set in Alaska and actually seeing Alaska up on the screen, instead of British Columbia, Washington, Louisiana or Maine. No financial value may be attached to this last, but it sure would be good for the Alaskan soul.

This is why I am so glad to see your sponsorship of SB230. I cannot express strongly enough my support for this bill, and I'm happy to testify for it in front of the legislature in Juneau if you think it would help.

Thanks,



Dana Stabenow

CC Senator Gary Stevens
Representative Paul Seaton
Representative Mike Doogan

MH

BRISTOL BAY CAMPUS

527 Seward St.
PO Box 1070
Dillingham, AK 99576-1070



Fax (907) 842-5692

25 January 2008

Senator Johnny Ellis, Chairman
SENATE LABOR AND COMMERCE COMMITTEE
STATE CAPITOL
JUNEAU, AK 99811-1182

Re: SB230 - Alaska Film Incentive Program

Dear Senator Ellis:

I am writing to ask for your support of SB230 - the Alaska Film Incentive Program. I am writing not only for myself but also for ten of the most extraordinary students in the history of our state.

I came to Alaska in 1982, to teach high school in the Siberian Yupik village of Gambell, on St. Lawrence Island. The school was so out of control that it was under threat of closure. By a fluke, the kids ended up being entered in Future Problem Solving - then the most difficult academic competition in the nation.

Despite poor academic backgrounds and despite speaking English as a second language, the Gambell teams made it to the national finals. Seventy-eight percent of the teams they faced were from schools or programs for the gifted. But the Gambell students rose to the challenge. They studied while hauling water. They studied while (literally) hunting whales. They overcame those and other obstacles that stagger the imagination. And they became the only Native Americans ever to win national championships in academics - a feat they accomplished *twice*.

Their story was to be a movie - the sequel to *Stand and Deliver*. However, the script (which I did not write) was caught in the 1987/88 Hollywood Strike, and was never filmed. Frankly, I was relieved, because I knew that films about Alaska but made outside Alaska never live up to their billing.

I now have told their remarkable story in an extremely well-received book, *The Kids from Nowhere*. (Besides being an educator, I have a world award as a writer.) This story needs to be shown on the screen, to bring hope to young people, especially to minority students, everywhere. The "Kids from Nowhere," as the Gambell students proudly called themselves - "kids" who are now all in the thirties - want no money for themselves. They want to be role models for Native youth, and use any monies a movie might make to build a school for the poor.

You and other Alaska legislators can raise a wonderful and heartfelt voice in this noble cause. What a better way to give kids everywhere a model for making good choices! Alaska needs to have movies filmed *in* Alaska, movies that give Alaskans a real chance to voice our unique culture and our incredible stories - not movies made non-Alaskans (and often filmed outside the state) - movies that, as with *Mystery, Alaska*, call all Alaska Natives "Inuit."

Please support SB230.

Sincerely yours,

George Guthridge
Professor of English
rfglg@uaf.edu

24 January, 2008

Senator Johnny Ellis, Chairman
Senate Labor and Commerce Committee
State Capitol
Juneau, Alaska 99811-1182

Dear Senator Ellis:

I am a screenwriter based in Juneau and Santa Monica, California, and a member of the Writers Guild of America. I have written scripts for most of the major studios and for directors such as Tony Scott, Mel Gibson, Norman Jewison, Julie Taymor, and others. I have also done a lot of theatre work, including *Yup'ik Antigone*, and was artistic director of the internationally-known Naa Kahidi Theatre for 10 years.

Some of my past and present screenplays have been set in Alaska (as I have lived there for 35 years, and very much regard myself as an Alaskan writer), and I am eager to have them filmed here. I have had two scripts in the past which were filmed not in Alaska but in Canada, as is so often the case with pictures with Alaskan content. These two relatively low budget features still cost millions of dollars .. almost all of which was money that might have been spent in Alaska.

I have two upcoming features that are both set partly in Alaska. One (*The Firecracker Boys*) is being produced by HBO Films and the other (*Inside Passage*) by ShadowCatcher Entertainment. The producers of these two projects are willing to consider shooting in Alaska, but are being heavily lobbied by the province of British Columbia. The timing of your SB230 is perfect for these projects.

Thank you for sponsoring this bill. Those of us who love Alaska look forward to the day when our Great Land can play itself and not have some lesser state or province steal our thunder and the considerable revenue that motion picture production will bring.

Sincerely,



Dave Hunsaker



20130 Cohen Drive
Juneau, Alaska 99801
phone: (907) 789-3486
fax: (907) 789-5800

757 Ocean Avenue #213
Santa Monica, California 90402
phone/fax: (310) 899-0548
email: hunsaker@alaska.net



Senator Johnny Ellis, Chairman
Senate Labor & Commerce Committee
State Capitol
Juneau, AK 99811-1182

RE: SB 230- Alaska Film Incentive Program

Senator Ellis,

I would like to start by introducing ourselves, Gordon & Rachel Carlson, we reside in Cantwell, AK, and we own a small construction company, CLI Construction located in Denali Borough.

We encourage you to vote for the passage of SB 230, the incentives to bring the film industry to Alaska; many movies are made outside of Alaska whose location should be in Alaska. In those locations they encourage the film industry by incentives & tax breaks.

We need to encourage the film industry to come to Alaska, This would boost our economy, put people to work and give people the visual education of what Alaska actually really looks like. Alaska's tourism industry would also benefit greatly from this.

Our experience in the film "Into the Wild" brought millions of dollars to our borough let alone our little community of Cantwell, It affected our small construction company business, local restaurants, hotels, motels, carpenters, laborers and let alone what it did for the car rental companies in Anchorage. The timing of this movie was really shot in the arm because of when they choose to start filming in April a really boost to the start of the construction and tourist season, having movies film in Alaska will encourage more people to come visit our state to see where some of the these movie are film at.

We all look to our Senators and Representatives to make the best decisions for Alaska and we feel the passage of SB 230 would be an asset to our state,

Sincerely,
Gordon & Rachel Carlson
CLI Construction
P.O. Box 191
Cantwell, Alaska 99729
907-768-2008

PO Box 191
Cantwell, AK 99729
Business Tel (907)768-2008
Fax Tel (907) 768-2000



Stan Stephens Cruises, Inc.
PO Bo x1297
Valdez, AK 99686

January 23, 2008

RE: SB 230

To Whom It May Concern:

I am writing you this letter urging you to pass SB 230.

Our family business, Stan Stephens Cruises, Inc., is primarily a tourism business operating glacier and wildlife cruise in Prince William Sound May through September. However during our "off season" we have often become the beneficiaries for the Alaska film industry by supporting crews shooting movies and commercials.

The business that we have received from partnering with the film industry has allowed us to lengthen our operating season, therefore employing Alaskans for a longer period of time. In addition we with each charter we have increased our spending with other business in our area since we have had to supply our vessels with food, hardware and fuel.

The secondary benefit and possibly more beneficial aspect of recruiting film projects to Alaska is the exposure our State receives. With each image of Alaska in the market via commercials and film features we plant a seed of curiosity in the mind of perspective travelers to Alaska which ultimately supports the marketing dollars that the Alaska Travel Industry Association and local Convention and Visitors Bureaus invest in attracting visitors to Alaska.

We need to do as much as we can as Alaskans to encourage the film industry to look North to Alaska and consider our great State as a location for features and commercials. Thank you for supporting SB 230.

If you have any questions please feel free to contact me at any time.

Sincerely,

Colleen Stephens
Vice President
colleen@stephenscruises.com



Municipality of Anchorage

P.O. Box 196650 • Anchorage, Alaska 99519-6650 • Telephone: (907) 343-4431 • Fax: (907) 343-4499 <http://www.muni.org>

Mayor Mark Begich

Office of the Mayor

February 1, 2008

Senator Johnny Ellis, Chairman
Senate Labor and Commerce Committee
State Capitol
Juneau, AK 99801-1182

Re: SB 230-film production incentive

Dear Senator Ellis:

The City of Anchorage would like to commend you for your introduction of SB 230 which creates transferable tax credits as incentives to bring film productions to Alaska.

I am well aware of the impacts that large film productions can have on a local economy. In November, the Anchorage Convention and Visitors Bureau and the Anchorage Economic Development Corporation joined with AIDEA and the Alaska Film Group to sponsor a one-day workshop regarding the opportunities that could be developed in Alaska by the film industry. It was discovered that what was needed were incentives to put us on a level playing field with other states who have already benefited from the millions of dollars spent in their states by production companies, and SB 230 does just that.

With the release of recent films about Alaska, and the change in the exchange rates in Canada and Europe, some in the film industry are looking North to partake of the wonders that our state has to offer. This will be a welcome break from most films about Alaska which are filmed elsewhere. SB 230 will support the creation of a new industry and new jobs for Alaskans. It could bring millions of dollars into the economies of our communities. And this is new money circulating in the state with very little state support. The multiplier effects of these productions could be long term, creating new businesses, such as tourism-related venues which are operating across the country in the wake of film productions.

Please let me know if there is anything I can do help in this worthwhile endeavor. I look forward to welcoming film productions and the money and jobs they create to Anchorage and to Alaska.

Sincerely,

Mark Begich
Mayor

Community, Security, Prosperity



January 29, 2008

Senator Johnny Ellis, Chairman
Senate Labor & Commerce Committee
State Capitol
Juneau, AK 99811-1182

Re: SB 230 - Alaska Film Incentive Program

Dear Senator Ellis:

On behalf of the board of the Sitka Convention & Visitors Bureau (SCVB), we strongly support SB 230 to establish an Alaska Film Incentive Program.

Our city recently lost the opportunity to film a major motion picture that featured Sitka as part of its storyline. Another state, Massachusetts, was chosen because of existing film incentives. The pre-production team considered filming in Sitka, but chose the State of Massachusetts instead because they were offered a film incentive. The absence of Alaskan film incentives resulted in a significant loss to our community. A film of this magnitude would have contributed significantly to jobs, goods and services, housing, air and marine transportation, as well as marketed Sitka for decades after being produced.

The State of Alaska is one of a few states that does not have a state film office or film incentive program. We are losing opportunities to pursue and influence interested film companies to choose Alaska. Instead, surrounding regions or other states with incentive programs are selected by the lucrative film industry. A state film office could provide information on our state's needed film incentives, permitting process, familiarization trips, education and other necessary coordination with agencies, contractors and businesses.

Senator Ellis we encourage your sponsorship of SB230 for the State of Alaska to compete in the film industry market and bring diversity to our economic strength.

Respectfully Submitted:

Pat Fager (Chair), David Malone (Vice Chair), Ron Hauck,
Lavonne Grun, and John Litten

By:

Sandy Lorrigan, Executive Director
Sitka Convention and Visitors Bureau

P.O. Box 1226
Sitka, Alaska 99835
Ph: (907) 747-5940
Fax: (907) 747-3739
scvb@sitka.org
www.sitka.org



HAINES BOROUGH, ALASKA

P.O. BOX 1209 • HAINES, ALASKA 99827
Administration 907.766.2231 • (fax) 907.766.2716

Tourism 907.766.2234 • (fax) 907.766.3155

Police Dept. 907.766.2121 • (fax) 907.766.2128

Fire Dept. 907.766.2155 • (fax) 907.766.3373

February 1, 2008

Senator Johnny Ellis, Chairman
Senate Labor and Commerce Committee
State Capitol
Juneau, AK 99801-1182

Re: SB 230 - film production incentive

Dear Senator Ellis:


The Haines Borough appreciates your sponsorship of SB 230 which creates transferable tax credits as incentives to bring film productions to Alaska.

Film productions can positively affect a community. In the early 1990's, Disney filmed *White Fang* within the Haines Borough, and our local economy experienced a significant boost. Additionally, we have benefited from documentary projects that have occasionally been filmed here. We still get inquiries from large film companies because of the scenery and wildlife we have to offer, but the reality of the high costs of filming in Alaska undoubtedly contributes to alternate location decisions. I believe the proposed tax credit incentives in SB 230 would help to put us on a level playing field with other states that already benefit from the millions of dollars spent by production companies.

With the release of recent films about Alaska and the more favorable exchange rates, perhaps even the international film industry will become more interested in Alaska productions. How refreshing it would be to have a film about Alaska actually filmed here! SB 230 will support the creation of a new industry and new jobs for Alaskans. It could bring millions of new dollars into the economies of our communities with very little state support.

Please let me know if there is anything I can do to help in this worthwhile endeavor. I look forward to welcoming more film productions to Haines and Alaska, along with the money and jobs they will create.

Sincerely,



Fred Shields
Mayor

January 24, 2008

**Senator Johnny Elis, Chairman
Senate Labor and Commerce Committee
State Capitol of Alaska
Juneau, Alaska 99801-1182**

Re: SB 230- film production incentive

Dear Senator Ellis,

I work for ASRC Energy and support SB 230 and your efforts to stimulate the economy and in the process create valuable jobs for the State of Alaska. ASRC Energy is a diversified Native Corporation dealing mainly with oil and gas issues here in the state. We currently employ over six thousand workers around the state and the lower forty eight.

The language in this piece of legislation which creates transferable tax credits for corporate tax payers in Alaska can be a very valuable tool for the company to use in the future. Under this legislation, the corporation can receive tax benefits while helping to foster the growth of a new, multi million dollar business. I really believe it can help rural areas and provide much needed income in the future.

This can definitely prove to be a win-win situation for everyone involved. The film production companies can create new jobs, international exposure for Alaska and a stimulus to both urban and rural areas of the state in the form of new business opportunities.

Again your support on this valuable piece of legislation and the goal of bringing the film industry to Alaska is commendable. I'm sure I can speak for every person here at ASRC Energy in wanting to see this legislation pass. Thank you for taking the initiative to draw a new and innovative industry to the state. This is long overdue.

Sincerely,

**Joel L. Summers
CRP Manager**



MEMORANDUM

DATE: February 7, 2008
TO: Joe Austerman, Director
Office of Economic Development
FROM: Caryl McConkie, Development Specialist
Office of Economic Development
RE: Senator Stevens' question from 2/5/08 S L&C hearing on SB 230 Film
Office/Tax Credit

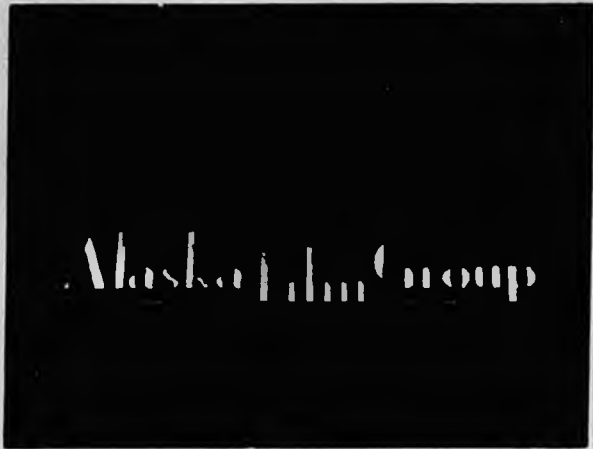
Inquiry: In a hearing of the Senate Labor & Commerce Committee Senator Gary Stevens asked about lessons learned from the former film office. He wondered if the former office may have been eliminated because it was ineffective. He asked if the department might offer insight on how to reestablish the office to avoid the same situation.

Response: The Department of Commerce, Community and Economic Development does not have any evidence or documentation to suggest that the previous Alaska Film Office was ineffective.

According to the Alaska Film Group based on their meeting records, Department leaders met with them in July, 1999, to let them know that the Alaska Film Office was unfunded because of budget shortfalls. At that time, Alaska was facing the biggest revenue shortfall in its history. Oil prices reached a low of \$9 barrel and the state had a billion dollar deficit or approximately half the money it needed to pay for day-to-day costs of running the government that year.


Despite lack of funding for the Alaska Film Office, the Department continues to respond, through interns and various staff who have other department responsibilities, to film inquiries that come to the state.

Unlike the situation with the previous film office, SB230 would provide an administrative way to track film activity, spending and performance. As required by the bill, this information will be reported to the Legislature on an annual basis.




WHO WE ARE

- A non-profit trade association with a diverse membership base.
- A voice for the film and video industry of Alaska.
- Advocates to create economic opportunities and jobs for our members and Alaska businesses.



**STATE OF ALASKA'S
GOALS
AFG'S GOALS**




- Progress
- Productivity
- Putting Alaskans to work.

AFG PRESENTS

**OUR NEXT GOLD RUSH!
SB 230!**

SENATE BILL-230



Creates:

- Diversification of our economy
- New private sector jobs
- New training programs
- Jobs for interns, crew, and native Alaskans
- Influxion of construction dollars
- Millions of dollars worth of P.R.
- Opportunities in rural Alaska
- Tax credits for corporations

WHO BENEFITS?

- Wage earners
- Air Service Providers
- Catering Companies
- Hotels
- Retailers
- Freight Companies
- Maintenance Firms
- Rental Companies
- Security Companies
- Tourism Businesses

HOUSTON WE HAVE A PROBLEM...

AND SO DO ...

- Big Lake
- Barrow
- Anchorage
- Fairbanks
- Juneau
- Kodiak
- Nome
- Palmer
- Sitka

Across Alaska we are missing out.

ECONOMIC IMPACTS "NORTHERN EXPOSURE"



- In production from 1990 - 1994 for a total of 110 episodes.
- 110 X \$839,000.00 = 92,290,000.00 M in total production costs.
- Total series ground spend = \$69,217,500.00 M

Source TV Guide 7/21/91

MEN IN TREES



- Ground Spend per yr. in British Columbia = 20 Million
- Value to tourism by having a television series shot in your state = PRICELESS

Source: Dana Hase, Film Incentives Specialist



STATE OF OUR STATE

TELEVISION
VS
FEATURES



CAPTURED:
Discover Channels
"DEADLIEST CATCH"
Season ground spend =
3.7 Million



LOST:
Sony Pictures
"THIRTY DAYS OF
NIGHT"
Estimated ground spend=
37.5 Million

Source: AOB and Amazon

GLOBAL COMPETITION



"INSOMNIA"
•Set in Alaska
•Shot in B.C. Canada
•Estimated ground spend of
37.5 Million.

Source: Louisiana Television Office and IMPLAN

U. S. COMPETITION LOUISIANA - ECONOMIC IMPACT



•Film Production went
from \$7 Million to \$343
Million in 2 years.
•2003 film spending
supported 5,437 jobs
•2005 film spending
contributed 13,445
additional jobs due to the
increase in film
expenditures.

Source: Louisiana Television Office and IMPLAN

LOUISIANA'S INCENTIVES

- 25% investor tax credit
- 10% credit on Louisiana payroll
- 40% credit on infrastructure development

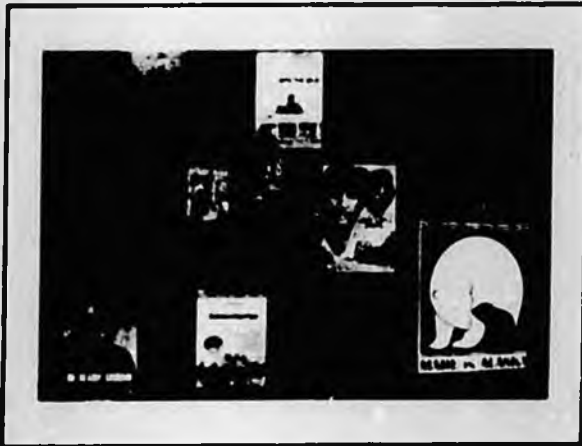


Source: Louisiana Film and Television Office

WELCOME TO SITKA, MASSACHUSETTS

- Incentives
- Rebates
- Tax Credits





WHY DOES IT MATTER?? FILM DEVELOPMENT DYNAMICS

STAKE HOLDERS

Films
Investors
Unions
Office of Film and Video

MARKETS

Demand for products
Connections to
production companies
Local Media

INFRASTRUCTURE

Airports, roads
Location opportunities
(future production
studios)

LABOR FORCE

Crew base
Arts community
"Industry: amusements"

Source: Economics Research Associates

PASSAGE OF SSSB 230

- Creates Jobs
- Diversifies the Economy
- Stimulates Tourism
- Builds Infrastructure & Support Services
- Opportunities for Rural Alaska
- Develops Educational & Internship Programs
- Provides Transferable Tax Credits for Alaskan Corporations

THE OSCAR GOES TO...



THE STATE OF ALASKA



DAMA CHASLE
Production Executive

Dama Chasle is a Production Executive, most recently working with Axum International Inc., as one of the foremost experts in governmental production incentives. Ms. Chasle works closely with studios and independent film productions planning to film in the U.S. to assist with identifying the best location and production incentive package for the project. She helped set up "Death Sentence" in South Carolina, "The Women" in Massachusetts, "The Killing Room" in Louisiana and "The Game" in New Mexico and served as Co-Executive producer on director David Breashear's "Remnants of Everest" airing in May, 2008. Chasle works with various state governments, film offices and producers to develop and enhance production incentive and tax credit programs.

Prior to joining Axum, Chasle served as Vice President, Tax Compliance for 20th Century Fox, where she was responsible for driving film projects such as "Because Of Winn Dixie," the FX series "Thief" and "Big Momma's House 2" to Louisiana, keeping "Walk The Line" in Tennessee and setting up "Prison Break" in Illinois. She began her entertainment career as an international tax manager at Warner Bros., became Vice President of Carolco Pictures in 1990, and was named the West Region Entertainment Tax director for Price Waterhouse in 1994. She has overseen the planning of films such as "Total Recall" (set in Mexico), "Terminator 2" (set in Los Angeles), "Basic Instinct," "Cliffhanger" (set in Italy), "Goldeneye" (set in the UK), "Michael Collins" (set in Ireland) and the pilot for "Farscape" (set in Australia). Her unique knowledge of motion picture production credits has enabled her to set up films in a variety of locations.

Chasle served on the Domestic Taxation Committee of the Motion Picture Association of America (MPAA) and has advised various states on their production incentive programs, including Louisiana, Illinois, South Carolina and Wisconsin. She is a member of the British Academy of Film and Television (BAFTA) and Women in Film and is a sought after panelist, recently speaking for the Directors Guild of America on the topic, "U.S. Incentives Update" and for AFM's "Practical Production Incentives" panels.

Chasle received a Masters of Business Taxation from the University of Southern California, and is a member of the California Bar.

###

January, 2008

SB

263

**SENATE COMMITTEE REPORT
First Committee of Referral**

DATE: 2/8/08

FURTHER:

Date of 5-Day Notice: _____
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: 3/20/08

Labor and Commerce Committee considered SENATE BILL NO. 263

SB 263 ARCHITECTS, ENGRS, SURVEYORS BD/EXEMPTION

"An Act relating to the State Board of Registration for Architects, Engineers, and Land Surveyors; and relating to an exemption for persons certified by the National Institute for Certification in Engineering Technologies who are engaged in the design of fire detection and suppression systems from registration as architects, engineers, land surveyors, or landscape architects."

and recommends:

- be replaced with SCS or CS SB 263 (LTC)
- adopt previous SCS or CS _____
- attached amendment(s)
- adopt _____ Letter of Intent
- further referral to _____ Committee

SENATE BILL:	
<input type="checkbox"/>	Same Title
<input checked="" type="checkbox"/>	New Title
<hr/>	
HOUSE BILL:	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	Technical Title Change
<input type="checkbox"/>	New Title w/ SCR # _____

NEW FISCAL NOTE(S):

CCED	3/10/08			✓
PS	3/20/08			✓

PREVIOUS FISCAL NOTE(S):

APPROPRIATION - no fiscal note

	<u>Bunde</u>	Bunde	✓		
	<u>Betty Davis</u>	DAVIS	✓		
	<u>Open</u>	STEVEN	✓		
CHAIR:	<u>J. Ellis</u>	ELLIS	✓		

25-LS1457C
Bullard
3/10/08

CS FOR SENATE BILL NO. 263()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIFTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s):

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to the State Board of Registration for Architects, Engineers, and Land**
2 **Surveyors; and relating to an exemption for persons authorized by the Department of**
3 **Public Safety who are engaged in the design of fire detection and suppression systems**
4 **from registration as architects, engineers, land surveyors, or landscape architects."**

5 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 *** Section 1. AS 08.48.011 is amended by adding a new subsection to read:**

7 (c) Notwithstanding (b) of this section, if a mining engineer who qualifies for
8 appointment to the board and is interested in serving on the board is not available, the
9 governor may appoint a petroleum or chemical engineer to the seat designated for a
10 mining engineer.

11 *** Sec. 2. AS 08.48.331(a) is amended to read:**

12 (a) This chapter does not apply to

13 (1) a contractor performing work designed by a professional architect,
14 engineer, or landscape architect or the supervision of the construction of the work as a

1 supervisor or superintendent for a contractor;

2 (2) workers in building trades crafts, earthwork, grounds keeping, or
3 nursery operations, and superintendents, supervisors, or inspectors in the performance
4 of their customary duties;

5 (3) an officer or employee of the United States government practicing
6 architecture, engineering, land surveying, or landscape architecture as required by the
7 person's official capacity;

8 (4) an employee or a subordinate of a person registered under this
9 chapter if the work or service is done under the direct supervision of a person
10 registered under this chapter;

11 (5) associates, consultants, or specialists retained by a registered
12 individual, a partnership of registered individuals, a corporation, a limited liability
13 company, or a limited liability partnership authorized to practice architecture,
14 engineering, land surveying, or landscape architecture under this chapter, in the
15 performance of professional services if responsible charge of the work remains with
16 the individual, the partnership, or a designated representative of the corporation,
17 limited liability company, or limited liability partnership;

18 (6) a person preparing drawings or specifications for

19 (A) a building for the person's own use and occupancy as a
20 single family residence and related site work for that building;

21 (B) farm or ranch buildings and their grounds unless the public
22 health, safety, or welfare is involved;

23 (C) a building that is intended to be used only as a residence by
24 not more than

25 (i) four families and that is not more than two stories
26 high and the grounds of the building; or

27 (ii) two families and that is not more than three stories
28 high and the grounds of the building, if the building is located in a
29 municipality that has adopted a building or residential code that applies
30 to the building and if the building complies with the building or
31 residential code;

1 (D) a garage, workshop, or similar building that contains less
2 than 2,000 square feet of floor space to be used for a private noncommercial
3 purpose and the grounds of the building;

4 (7) a specialty contractor licensed under AS 08.18 while engaged in
5 the business of construction contracting or designing systems for work within the
6 specialty to be performed or supervised by the specialty contractor, or a contractor
7 preparing shop or field drawings for work that the specialty contractor has contracted
8 to perform;

9 (8) a person furnishing drawings, specifications, instruments of
10 service, or other data for alterations or repairs to a building or its grounds that do not
11 change or affect the structural system or the safety of the building, or that do not affect
12 the public health, safety, or welfare;

13 (9) a person who is employed by a postsecondary educational
14 institution to teach engineering, architectural, or landscape architectural courses; in
15 this paragraph, "postsecondary educational institution" has the meaning given in
16 AS 14.48.210;

17 (10) an officer or employee of an individual, firm, partnership,
18 association, utility, corporation, limited liability company, or limited liability
19 partnership, who practices engineering involved in the operation of the employer's
20 business only, and further provided that neither the employee nor the employer offers
21 engineering services to the public; exclusions under this paragraph do not apply to
22 buildings or structures whose primary use is public occupancy;

23 (11) a person while involved in revegetation, restoration, reclamation,
24 rehabilitation, or erosion control for disturbed land;

25 (12) a person while maintaining or directing the placement of plant
26 material;

27 (13) an employee, officer, or agent of a regulatory agency of the state
28 or a municipality when reviewing drawings and specifications for compliance with the
29 building codes of the state or a municipality if the drawings and specifications have
30 been signed and sealed by a professional architect or professional engineer or the
31 preparation of the drawings and specifications is exempt under this section from the

1
2
3
4
5

requirements of this chapter; in this paragraph, "building codes" includes codes relating to building, mechanical, plumbing, electrical, and fire standards;

(14) a person who is designing fire detection or suppression systems and is authorized by the Department of Public Safety to design fire detection or suppression systems.

25th
ALASKA STATE LEGISLATURE

Senator Johnny Ellis, Chair
Senator Gary Stevens, Vice Chair
Senator Bettye Davis
Senator Lyman Hoffman
Senator Con Bunde



State Capitol, Room 9
465-3704

Senate Labor & Commerce Committee

SB 263 ARCHITECTS, ENGRS, SURVEYORS BD/EXEMPTION Changes from Original to L&C Version

P. 2., lines 3 – 5, Paragraph (14): Removed the requirement for certification to design fire detection or suppression systems by the National Institute for Certification in Engineering Technologies before a person can be exempted from the provisions of AS 08.48 (regulation of engineers).

Rationale: Current industry practice does not require such certification, and few practicing Alaska engineers are so certified.

ALASKA STATE LEGISLATURE



SENATOR JOE THOMAS

Sectional Analysis work draft CSSB 263() 25-LS1457/C

Section 1: Amends the composition of the State Board of Registration for Architects, Engineers and Land Surveyors to allow for the appointment of a petroleum or chemical engineer if a mining engineer is not available to serve.

Only 22 of Alaska's 4,000 registered engineers are resident mining engineers, which can make it difficult to find qualified and interested candidates.

Section 2: Exempts persons who design fire detection or suppression systems from AS 08.48 (regulation of engineers) if they are authorized to design fire detection or suppression systems by the Alaska Department of Public Safety.

The intent of this provision is to solidify in statute the current industry practice.

ALASKA STATE LEGISLATURE



SENATOR JOE THOMAS

Sponsor Statement SB 263

This bill modifies the requirement that one member of the State Board of Registration for Architects, Engineers and Land Surveyors be a mining engineer. Only 30 of Alaska's 4,000 registered/licensed engineers are mining engineers, which can make it difficult to find a qualified and interested candidate. SB 263 states that the governor may appoint a petroleum or chemical engineer if a mining engineer is not available. Each time that seat becomes vacant, the governor will first seek and appoint a mining engineer if one is available.

SB 263 also adds an exemption to the licensing requirement for individuals who design fire detection or suppression systems, if they are certified for that activity by National Institute for Certification in Engineering Technologies, and are authorized to design fire detection or suppression systems by the Alaska Department of Public Safety. The intent of this provision is to solidify the current industry practice, which could be interpreted to be in conflict with statute.

I believe this bill will increase the clarity of the engineering law and the efficiency of the board. I ask for your support.

**BOARD OF REGISTRATION FOR ARCHITECTS, ENGINEERS
AND LAND SURVEYORS**

2/22/08

Chemical Engineer	36	59	95
Civil Engineer	1356	1248	2604
Electrical Engineer	252	297	549
Mechanical Engineer	290	341	631
Mining Engineer	22	8	30
Petroleum Engineer	55	57	112
Architect	226	296	522
Land Surveyor	366	92	458
Landscape Architect	28	14	42



State of Alaska
Department of Public Safety
Division of

Fire and Life Safety

Sarah Palin, Governor
Walt Monegan, Commissioner

18 March 17, 2008

Committee Substitute Senate Bill 263

An Act relating to the State Board of Registration for Architects, Engineers and Land Surveyors; and relating to an exemption for persons certified by the National Institute for Certification in Engineering Technologies who are engaged in the design of fire detection and suppression systems from registration as architects, engineers and land surveyors or landscape architects.

The Department of Public Safety Division of Fire and Life Safety is in favor of (CS) SB 263. This legislation clarifies, simplifies and provides authority recognition for this limited class of fire detection and suppression system design professional and eliminates any potential confusion about who is responsible for the permit system. The State Fire Marshal has long maintained the permit system through Alaska Administrative Code for many years. These design professionals work daily with our plan review office staff on projects throughout the state and we are intimately familiar with their work.

We fully respect the AELS Board and will work with them to evaluate and incorporate potential recommendations for future programmatic changes in permit qualification and renewal. At the same time working with industry, the public and end users we want to address and improve the design permit program to meet ever changing design methodologies, technologies and codes.

Please support (CS) SB 263.

Sincerely

Kelly Nicoello
Assistant State Fire Marshal

Fire Alarm Systems

IA	Perform maintenance of fire alarm signaling systems and related devices
IB-Special	Perform installation only of fire alarm signaling systems and related devices
IB	Perform installation and maintenance of fire alarm signaling systems and related devices
IC-DO	Perform design only of fire alarm signaling systems and related devices
IC	Perform installation, maintenance, and design of fire alarm signaling systems and related devices

IA	23
IB-Special	280
IB	431
IC-DO	12
IC	127
Grand Total	873

Sprinkler Systems

IIA	Perform maintenance of fire sprinkler and standpipe systems beginning at the point water supply is used exclusively for the fire suppression system
IIB	Perform installation and maintenance of fire sprinkler and standpipe systems beginning at the point water supply is used exclusively for the fire suppression system
IIC-DO	Perform design only of fire sprinkler and standpipe systems beginning at the point water supply is used exclusively for the fire suppression system
IIC	Perform installation, maintenance, and design of fire sprinkler and standpipe systems beginning at the point water supply is used exclusively for the fire suppression system

IIA	33
IIB	208
IIC-DO	23
IIC	79
Grand Total	343

Special Hazard Systems

IIIA	Perform maintenance of special hazard systems
IIIB	Perform installation and maintenance of special hazard systems
IIIC-DO	Perform design only of special hazard systems
IIIC	Perform installation, maintenance, and design of special hazard systems
IV	Perform installation and maintenance of pre-engineered dry and wet chemical fire suppression systems for restaurant and commercial hoods, ducts, and associated cooking appliances

IIIA	21
IIIB	133
IIIC-DO	8
IIIC	61
IV	15
Grand Total	238

Department of Public Safety Regulations

13 AAC 50.035. Permit Required

(a) A company designing, installing, testing, or maintaining fire alarm signaling systems, or automatic fire suppression systems must employ sufficient personnel who hold valid permits in the appropriate classifications under this section to provide direct oversight and supervision of work being performed on the fire systems. A professional mechanical or electrical engineer registered under AS 08.48 who has relevant system design experience and the company that employs that engineer are exempt from the permit requirements of this section for system design. A plumber registered under AS 08.62 and certified by the manufacturer of the system may perform multi-purpose residential suppression system installations conforming to NFPA 13D. Notwithstanding the requirements of this subsection,

(1) owner maintenance may be performed without a permit; and

(2) fire alarm systems may be installed under the direction of an electrical administrator licensed under AS 08.40 without a permit required by this section provided that the final acceptance test and certification of the system is conducted by a qualified person who holds a valid permit under this section.

(b) Repealed 8/31/96.

(c) A company that engages in the design, installation, or maintenance of a system shall record its work by annotating plans, test certificates, inspection reports, and system inspection tags with the permit holder's permit number, or professional engineer's registration number or seal.

(d) A permit issued under this section expires three years from date of issuance. The authority of a permit holder to design, install, or maintain a system under a permit ceases immediately upon expiration of the permit. A permit may be renewed upon application to the state fire marshal on forms provided by the fire marshal.

(e) A company must employ at least one permit holder who holds a permit in the classifications specified in (f) of this section that cover the work the company wishes to perform. A company may only perform work within the scope of the permits held by its employees, except that system design drawings may be prepared for that company by another company or individual who has the necessary permits. If a permit holder terminates employment with the company, the company shall immediately stop all activities within the scope of work authorized by the permits held by that individual except that a company may complete work designed by a permit holder following the permit holder's termination of employment with the company if the design plans for that

work have been prepared and approved under 13 AAC 50.027 before the date of termination.

(f) A permit holder may, within the scope of the permit holder's permit classification as defined in (g) of this section, perform or supervise the preparation of technical drawings, and the installation, inspection, or maintenance of fire alarm signaling systems, fire suppression systems, or any part of a system.

(g) The state fire marshal will issue permits under this section according to the following classifications:

(1) Class IA: limited to the maintenance and testing of fire alarm signaling systems and related devices;

(2) Class IB: limited to the installation, maintenance, and testing of fire alarm signaling systems and related devices;

(3) Class IB-Special: limited to the installation of fire alarm signaling systems and related devices;

(4) Class IC: limited to the design, installation, maintenance, and testing of fire alarm signaling systems and related devices;

(5) Class IC-DO: limited to the design of fire alarm signaling systems and related devices;

(6) Class IIA: limited to the maintenance and testing of fire sprinkler and standpipe systems beginning at the point the water supply is used exclusively for the fire suppression system;

(7) Class IIB: limited to the installation, maintenance, and testing of water fire sprinkler and standpipe systems beginning at the point the water supply is used exclusively for the fire suppression system;

(8) Class IIC: limited to the design, installation, maintenance, and testing of water fire sprinkler and standpipe systems beginning at the point the water supply is used exclusively for the fire suppression system;

(9) Class IIC-DO: limited to the design of water fire sprinkler and standpipe systems beginning at the point the water supply is used exclusively for the fire suppression system;

(10) Class IIIA: limited to the maintenance and testing of special hazard systems;

(11) Class IIIB: limited to the installation, maintenance, and testing of special hazard systems;