

The Alaska Film Office 2009 Report to the 26th Legislature



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Revised April 10, 2009
Alaska Film Office
www.alaskafilm.org

Alaska Office of Economic Development
www.commerce.state.ak.us/oed

**The Alaska Film Office
2009 Report to the 26th Legislature**

The Alaska Film Office was created by the 25th Legislature through SB 230. It was signed into law on June 4, 2008. The enabling legislation (AS 44.33.231-AS 44.33.239) instructs the Alaska Film Office to:

- (1) cooperate with organizations in the private sector for the expansion and development of the film production industries in the state;
- (2) promote Alaska as an appropriate location for film production;
- (3) provide production assistance through connecting film directors and makers, and producers with Alaska location scouts and contractors, including contractors providing assistance with permit applications;
- (4) certify Alaska film production internship training programs and promote the employment of program interns by eligible productions; and
- (5) in cooperation with the Department of Revenue, administer the Alaska Film Production Incentive Program.

Establishing the Alaska Film Office and the Alaska Film Production Incentive Program in the spirit of AS 44.33.231-AS 44.33.239 has been a significant undertaking. Nonetheless, I am confident that the time dedicated to developing supporting regulations and administrative mechanisms will assure that spirit of SB 230 will be secured and the program will be managed in the best interest of Alaskans.

The history of our work since the signing of SB 230, as well as the current status of the Alaska Film Office and the Alaska Film Production Incentive Program is included in this report (as required by AS 44.33.231(b)).

The Office of Economic Development has maintained professional contact with the Alaska Film Group, visitors bureaus, universities, and other interested parties in order to keep them informed on the progress the Alaska Film Office and the Alaska Film Production Incentive Program. I look forward to continued collaboration with them and with the Legislature in order to make this program a success.

Sincerely,

Joe Austerman
Director

Alaska Office of Economic Development
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Alaska Film Office Personnel

The process to develop and advertise the Film Development Specialist II position took four months. In the last week of November 2008, OED selected a candidate who we determined to be the most qualified to administer and promote the Alaska Film Office in the spirit of the initiative that created it. In January 2009, we received final approval from the Division of Personnel to hire the Development Specialist II and the position is now based in Anchorage. Top priorities and expectations for the Film Development Specialist are to implement the directives of the Legislature, and to develop a business plan to propose how the Alaska Film Office will accomplish the directives.

Regulations for the Alaska Film Production Incentive Program

The OED immediately started the regulatory process after Governor Sarah Palin signed the bill into law on June 4, 2008. The Office of Economic Development, Department of Revenue, and Department of Law met routinely to draft a regulatory package that is best suited in administering SB230, as well as, maintain the intent of the initiative. Our primary goal in the development of the regulations was to assure that proper mechanisms are established, thus guaranteeing that the initiative's objective of diversifying Alaska's economy is achieved. Essentially, if we award a dollar in tax credits, we would like to measure three dollars of new money to our state.

The OED released a Notice of Proposed Changes to Regulations in the Department of Commerce, Community and Economic Development and initiated a public comment period on the draft regulations on January 9, 2009, with a deadline to receive public comment on February 11, 2009. The OED has extended the comment period to March 18, 2009.

Pre-qualification Application Process

The effective date of the enabling legislation creating the Alaska Film Production Incentive program was September 2, 2008. Many film producers assumed that the effective date would be the day they could begin making qualifying expenditures in Alaska. Since the regulatory process could not be completed by this date, OED worked with the Department of Law on a process to accommodate producers wishing to begin work in Alaska by the effective date of the bill.

The Alaska Film Office is currently accepting and approving pre-qualifying applications. When the Alaska Film Office pre-approves a project, it sends an approval letter to the producer with disclosure language that indicates that OED is still in the regulatory process for the Alaska Film Production Incentive Program and that potential tax credits can not be confirmed until the regulatory process is complete. Nonetheless, the Alaska Film Office has already pre-approved four productions for filming in Alaska and production work is underway.

Under AS 44.33.231(b), the film office is instructed to “make available to the legislature, within 30 days after the start of each regular session, a report of the activities conducted by the film office under AS 43.33.231 - 43.33.239. As specified, this report will include

- (1) the number of applications received under AS 44.33.234;
- (2) the number of applications approved by the film office; and
- (3) the number of, and amount of, tax credits disbursed under AS 44.33.232.”

As of March 1, 2009, the Alaska Film Office received and approved four applications from applicants requesting to prequalify for a film production tax credit under AS 44.33.234. To date no tax credits have been disbursed under AS 44.33.232.

Marketing and Networking

Although OED is still in the process of establishing the Alaska Film Office, we have placed advertising in two high profile trade publications (*P-3 Update* and the *Hollywood Reporter*) in October 2008 and January 2009. Our Film Development Specialist participated in a film incentives panel in Los Angeles, making contact with 200 producers. In partnership with the Alaska Film Group, we are preparing for a major locations trade show organized by the Association of Film Commissioners International in April 2009. The OED expects these activities to grow once our Film Development Specialist is fully engaged and a marketing plan is in place.