

MAINE STATE LEGISLATURE

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125th MAINE LEGISLATURE

FIRST REGULAR SESSION-2011

Legislative Document

No. 384

H.P. 310

House of Representatives, February 8, 2011

An Act To Provide Incentives To Foster Economic Growth and Build Infrastructure in the State

(EMERGENCY)

Reference to the Committee on Labor, Commerce, Research and Economic Development suggested and ordered printed.

A handwritten signature in cursive script, reading "Heather J.R. Priest".

HEATHER J.R. PRIEST
Clerk

Presented by Representative PICCHIOTTI of Fairfield.
Cosponsored by Senator WHITTEMORE of Somerset and
Representatives: HARVELL of Farmington, KNIGHT of Livermore Falls, MITCHELL of the
Penobscot Nation, MORISSETTE of Winslow, SANDERSON of Chelsea, Senators: MARTIN
of Kennebec, TRAHAN of Lincoln.

1 **Emergency preamble. Whereas,** acts and resolves of the Legislature do not
2 become effective until 90 days after adjournment unless enacted as emergencies; and

3 **Whereas,** this legislation fosters economic growth in the State by providing
4 incentives to film companies; and

5 **Whereas,** film production is especially amenable to incentives because it is highly
6 mobile, environmentally safe, capital and labor intensive and effective in promoting
7 tourism; and

8 **Whereas,** it is important that these incentives be made available quickly to
9 encourage film production companies to come to Maine as soon as possible, thus
10 benefiting the economy and people of Maine; and

11 **Whereas,** in the judgment of the Legislature, these facts create an emergency within
12 the meaning of the Constitution of Maine and require the following legislation as
13 immediately necessary for the preservation of the public peace, health and safety; now,
14 therefore,

15 **Be it enacted by the People of the State of Maine as follows:**

16 **Sec. 1. 5 MRSA §13090-M** is enacted to read:

17 **§13090-M. Tourism and Industry Film Production Cash Rebate Program**

18 **1. Definitions.** As used in this section, unless the context otherwise indicates, the
19 following terms have the following meanings.

20 A. "Below-the-line personnel" means nonstarring cast members and the technical
21 production and postproduction staff of a film company.

22 B. "Fund" means the Film Production Cash Rebate Program Fund established in
23 subsection 3.

24 C. "Office" means the Department of Economic and Community Development,
25 Office of Tourism.

26 D. "Program" means the Tourism and Industry Film Production Cash Rebate
27 Program established in subsection 2.

28 E. "Qualifying film company" means a film company that meets the criteria specified
29 in subsection 4.

30 **2. Program established.** The Tourism and Industry Film Production Cash Rebate
31 Program is established in and administered by the office to promote tourism, increase
32 opportunities for employment and foster economic growth in this State by encouraging
33 the film industry to use the State as a production location.

34 **3. Fund established; revenue sources.** The Film Production Cash Rebate Program
35 Fund is established in the office as a nonlapsing dedicated account. The fund receives
36 money deposited by the Treasurer of State and any other gift, grant or revenue from any

1 other source to be used by the office to provide cash rebates to qualifying film companies
2 under the schedule established in subsection 5.

3 **4. Qualifications.** In order to be eligible to participate in the program, a film
4 company must spend at least \$50,000 for direct production costs in this State, including
5 employment of residents of this State, as specified in paragraph A, and at least \$250,000
6 in investment in infrastructure in this State. Additionally, the film production must:

7 A. Employ below-the-line personnel, at least 50% of whom are residents of this
8 State;

9 B. Have a production office located in this State;

10 C. Own or operate at least one film stage in this State;

11 D. Contract with a travel company located in this State;

12 E. Contract with a payroll processing company licensed by this State pursuant to
13 Title 10, chapter 222 and located in this State;

14 F. Use a financial institution located and authorized to do business in this State; and

15 G. Perform at least 80% of the filming, by time, in this State, including second unit,
16 stunt and aerial filming.

17 **5. Rebate amount.** A qualifying film company is entitled to a rebate of
18 expenditures according to the following schedule:

19 A. Except as provided in paragraph B, for production expenditures, 45% of those
20 costs;

21 B. For production expenditures made in rural communities, 47% of those costs;

22 C. For expenditures for below-the-line personnel who are not residents of this State,
23 32% of those costs;

24 D. For expenditures for below-the-line personnel who are residents of this State,
25 51% of those costs, including any costs related to job training for those personnel;

26 E. For any infrastructure expenditures in this State, 27% of those costs; and

27 F. For travel expenditures, 30% of those costs.

28 **6. Application; fees.** A film company that chooses to participate in the program
29 shall pay an application fee of \$200 to the office. The office shall accept or deny the
30 participation of the company within 2 weeks of receipt of the application and fee. The
31 office shall withhold 0.5% of any rebate provided to a qualifying film company pursuant
32 to subsection 5 for expenses related to the administration of this section.

33 **7. Rules.** The office shall adopt rules necessary for the administration of the
34 program, including establishing methods to determine whether a film company qualifies
35 for a rebate and the amount of the expenditures subject to rebate. Rules adopted pursuant
36 to this subsection are routine technical rules as defined in chapter 375, subchapter 2-A.

