

MAINE STATE LEGISLATURE

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Date: 6/3/11

L.D. 1069
(Filing No. H-517)

LABOR, COMMERCE, RESEARCH AND ECONOMIC DEVELOPMENT

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
125TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 804, L.D. 1069, Bill, "An Act To Provide Maine Tourism and Industry Collaborative Film Grants"

Amend the bill by striking out the title and substituting the following:

'An Act To Promote Visual and Digital Media Productions, Tourism and Job Creation in the State'

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

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

§13090-M. Visual and Digital Media Loan Program

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

A. "B-roll" means scenic background film footage that does not include actors and is not used in the final visual media production.

B. "Digital media project" has the same meaning as in section 13090-L, subsection 2-A, paragraph A.

C. "Fund" means the Visual and Digital Media Loan Fund, established pursuant to Title 10, section 1023-O.

D. "Program" means the Visual and Digital Media Loan Program established in subsection 2.

E. "Visual media production" has the same meaning as in section 13090-L, subsection 2-A, paragraph D.

2. Administration. The Visual and Digital Media Loan Program is established to promote digital media projects and visual media productions in the State that will assist in job creation and promote tourism in the State. The commissioner shall administer the program in accordance with this section.

COMMITTEE AMENDMENT

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1 **3. Loan conditions.** The commissioner may use the fund to provide loans for digital
2 media projects or visual media productions of up to \$500,000 per project or production,
3 not to exceed 20% of the project's or production's proposed preproduction and production
4 budget. A loan from the fund is subject to terms and conditions prescribed by rule by the
5 commissioner and by the Finance Authority of Maine pursuant to Title 10, section
6 1023-O. The rules may also provide a mechanism for reserving funds for, or giving
7 priority to, projects or productions determined by the commissioner to most effectively
8 promote tourism and job creation in the State. Rules adopted pursuant to this subsection
9 are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A. When
10 considering loans under this section, the commissioner shall consult with the Finance
11 Authority of Maine.

12 **4. Loan forgiveness criteria.** A borrower under a loan under subsection 3 may
13 apply to the commissioner for loan forgiveness upon completion of the digital media
14 project or visual media production. The borrower must demonstrate to the satisfaction of
15 the commissioner that the following criteria have been met:

16 A. The project or production has a total budget, including preproduction, production
17 and postproduction costs and expenses, that exceeds \$100,000;

18 B. Seventy-five percent of the completed project or production has been filmed in
19 the State;

20 C. A marketing plan with respect to the project or production includes promotion and
21 acknowledgment of the project's or production's filming in the State;

22 D. A signed agreement with the department provides the department with access to a
23 film trailer and all b-roll footage, if applicable, provided free of charge to the State
24 for tourism promotion activities; and

25 E. A signed agreement with the department provides that the project or production
26 will not be the basis for a claim for an income tax credit under Title 36, section
27 5219-Y or reimbursement under Title 36, chapter 919-A.

28 **5. Certification by commissioner.** The commissioner must certify a digital media
29 project's or visual media production's eligibility for a loan under subsection 3 to the
30 Finance Authority of Maine prior to the disbursement of any funds by the authority
31 pursuant to Title 10, section 1023-O.

32 **6. Administration.** The commissioner may contract with the Finance Authority of
33 Maine to assist in the administration of this section.

34 **7. Repeal.** This section is repealed December 31, 2015.

35 **Sec. 2. 10 MRSA §1023-O** is enacted to read:

36 **§1023-O. Visual and Digital Media Loan Fund**

37 **1. Fund established.** The Visual and Digital Media Loan Fund, referred to in this
38 section as "the fund," is established. The fund must be deposited with and maintained by
39 the authority. The fund must be administered by the Commissioner of Economic and
40 Community Development in accordance with Title 5, section 13090-M. The authority
41 and the Department of Economic and Community Development may receive money for

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1 deposit into the fund from the Treasurer of State and from any other gift, grant or other
2 source of revenue for use pursuant to this section. All money received by the authority
3 from any source for the development and implementation of the fund must be credited to
4 the fund. Repayment of loans and interest on loans from the fund must be credited to the
5 fund and may be used for the purposes stated in Title 5, section 13090-M. Interest earned
6 on money in the fund and interest earned on loans made from the fund may be used to
7 pay the administrative costs of processing loan applications. The authority may, in
8 collaboration with the Commissioner of Economic and Community Development,
9 establish by rule prudent terms and conditions for loans, including requiring adequate
10 collateral for the loans.

11 2. Rulemaking. Rules adopted pursuant to this section are routine technical rules as
12 defined in Title 5, chapter 375, subchapter 2-A.

13 3. Repeal. This section is repealed December 31, 2015.

14 **Sec. 3. Appropriations and allocations.** The following appropriations and
15 allocations are made.

16 **ECONOMIC AND COMMUNITY DEVELOPMENT, DEPARTMENT OF**
17 **Office of Tourism 0577**

18 Initiative: Allocates one-time funds for the start-up costs of the Visual and Digital Media
19 Loan Program.

20	OTHER SPECIAL REVENUE FUNDS	2011-12	2012-13
21	All Other	\$5,000	\$0
22			
23	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$5,000</u>	<u>\$0</u>
24			

25 **SUMMARY**

26 This amendment replaces the bill. It establishes the Visual and Digital Media Loan
27 Program within the Department of Economic and Community Development to promote
28 tourism and job creation through loans to the producers of visual and digital media
29 projects and productions. The Visual and Digital Media Loan Fund is established to
30 provide loans for eligible digital media projects or visual media productions of up to
31 \$500,000 per eligible project or production, not to exceed 20% of its proposed
32 preproduction and production budget. It establishes a loan forgiveness process for
33 borrowers if they demonstrate to the satisfaction of the Commissioner of Economic and
34 Community Development that the following criteria have been met upon completion of
35 the project or production:

- 36 1. The project or production has a total preproduction, production and
37 postproduction budget that is above \$100,000;
- 38 2. Seventy-five percent of the project or production has been filmed in the State;
- 39 3. A marketing plan includes promotion and acknowledgment of the project's or
40 production's filming in the State;

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4. A signed agreement provides the department with access to a film trailer and all b-roll footage, provided free of charge to the State for tourism promotion activities; and

5. A signed agreement provides that the project or production will not be the basis for an income tax credit or tax reimbursement for visual media productions.

It authorizes the commissioner to contract with the Finance Authority of Maine to administer the fund for the program. It also provides that the program is repealed December 31, 2015.

It also adds an appropriations and allocations section.

FISCAL NOTE REQUIRED

(See attached)

COMMITTEE AMENDMENT



125th MAINE LEGISLATURE

LD 1069

LR 1251(02)

An Act To Provide Maine Tourism and Industry Collaborative Film Grants

Fiscal Note for Bill as Amended by Committee Amendment "A"
 Committee: Labor, Commerce, Research and Economic Development
 Fiscal Note Required: Yes

Fiscal Note

	FY 2011-12	FY 2012-13	Projections FY 2013-14	Projections FY 2014-15
Appropriations/Allocations				
Other Special Revenue Funds	\$5,000	\$0	\$0	\$0

Fiscal Detail and Notes

This bill includes a one-time Other Special Revenue Funds allocation of \$5,000 in fiscal year 2011-12 to the Office of Tourism within the Department of Economic and Community Development for the start-up costs associated with establishing the Visual and Digital Media Program. The Office has sufficient funds within its existing budgeted resources to support the one-time cost.

This legislation allows the Department of Economic and Community Development to contract with the Finance Authority of Maine (FAME) to administer the Visual and Digital Media Loan Fund. The Authority anticipates that the provisions in this legislation that allow for interest earned on money in the fund and on loans made from the fund to be used to pay for the costs of administering the Fund will be sufficient to cover the costs to the Authority.