



# 125th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2011

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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)

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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.

1 **8. Review and report.** Beginning January 15, 2013, and every 2 years thereafter,  
2 the office shall review all aspects of the program, including the level of participation, the  
3 amount rebated from the fund and the amount retained by the office, and submit a report  
4 to the joint standing committee of the Legislature having jurisdiction over economic  
5 development matters. The report must include any recommendations of the office for  
6 improvements or changes to the program.

7 **Emergency clause.** In view of the emergency cited in the preamble, this  
8 legislation takes effect when approved.

9 **SUMMARY**

10 This bill establishes the Tourism and Industry Film Production Cash Rebate Program  
11 in the Department of Economic and Community Development, Office of Tourism. The  
12 purpose of the program is to attract film production companies to Maine by providing  
13 cash rebates for certain expenses of the film production company. In order to qualify, the  
14 company must spend at least \$50,000 for direct production costs in Maine and at least  
15 \$250,000 in investment in infrastructure in this State and have ties to Maine, such as  
16 using a Maine bank and payroll processor. The amount of the available rebate ranges  
17 from 27% of the expenses related to infrastructure to 51% of the costs of training and  
18 employment of Maine residents.