

Report on Competitiveness of Film Industry in Maryland

In Accordance with 2009 Joint Chairmen's Report
Page 180

**Submitted by
Maryland Department of Business and Economic Development**

January 2010

Background

During the 2009 deliberations on Maryland's FY2010 Budget, the budget committees, concerned with the State's ability to attract film and television productions, requested the Department of Business and Economic Development (DBED) to convene a stakeholder workgroup to review: 1) Maryland's existing program, 2) the programs used in other states, and 3) the status of the State's film and video production industry. The Department was required to report on the workgroup findings and include recommendations for legislation to modify or replace the current Film Production Wage Rebate Program if it is determined that the current program is not effective in attracting and retaining film and television production activities to the State.

Stakeholders

DBED convened thirteen individuals representing labor, economic development, tourism, education, film, law, and government. This group met at DBED's offices six times during the course of their work. The group also had conference calls and small group discussions while drafting their report. The members of the workgroup are:

Donna Edwards, AFL-CIO
Christine Duray Feldmann, Office of the Comptroller
Laura Gamble, Skipjack Partners LLC
Kwasi Holman, Prince George's County Economic Development Corporation
E. Scott Johnson, Esq., Ober/Kahler
Sig Libowitz, Esq., Venable
Douglas R. Mann, Maryland Institute College of Art
Keith Mehlinger, Morgan State University
Tom Noonan, Baltimore Area Convention and Visitors Association
William Ratchford, Consultant, State and Local Fiscal Policy
Tom Sadowski, Economic Alliance of Greater Baltimore
Vans Stevenson, Motion Picture Association of America
Bo Szczepaniak, Workforce Information, Dept. of Labor, Licensing and Regulation

Enclosed is the Film Production Workgroup Report. The report details the Workgroup's findings and recommendations which are based on its review of production incentive programs and economic impact studies from various states, the findings of an independent economic and fiscal assessment by the Sage Policy Group and the stakeholders' own research, experience and knowledge of the Maryland film and television industry. After numerous meetings, internal deliberations and consultations with the Sage Policy Group, the Workgroup has produced these findings and recommendations responsive to the Budget Committees' request.

These stakeholders are to be recognized for their commitment to preserving a vibrant film production industry in Maryland and we thank them for their contribution and time spent developing this report.

An Economic Assessment of Maryland's Film & Television Production Industry and Policy Implications

In order to respond to the request for information and to support the work of the stakeholder group, the Department contracted with Sage Policy Group, Inc. This firm prepared the attached report *An Economic Assessment of Maryland's Film & Television Production Industry and Policy Implications*. The report finds that incentives for film and television production are playing a larger role than ever before. In fact, the availability of incentives is an inherent part of the industry and the default position for states that wish to maintain or encourage the development of the industry.

Maryland has for many years been a leader in these activities, hosting a combination of prominent television shows and serving as backdrop for films with global appeal. These activities have spawned a significant infrastructure of people, equipment and facilities, as well as an infrastructure of local businesses that produce jobs and positive economic and revenue impacts for Maryland.

Maryland's program has been demonstrably effective in the past when sufficiently funded. A reasonable investment should be made to sustain Maryland's film industry until a time when fiscal circumstances would allow Maryland to better compete on a national and global level.