SB0452/813620/1

BY: Budget and Taxation Committee

AMENDMENTS TO SENATE BILL 452

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in the sponsor line, strike "and Watson" and substitute "Watson, Bailey, Benson, Hester, Hettleman, McCray, Rosapepe, and Zucker"; in line 2, strike "Income Tax –"; in the same line, after "Activity" insert "Income"; in the same line, after "Alterations" insert "and Maryland Entertainment Council"; in line 7, after "credit;" insert "establishing the Maryland Entertainment Council to study and make recommendations regarding Maryland's film, television, and entertainment industry;"; and in line 9, after "credit" insert "and the Maryland Entertainment Council".

AMENDMENT NO. 2

On page 2, in line 12, strike "OR"; and in line 13, after "SHOW" insert "; OR

9. A LIVE TO TAPE EVENT".

On page 6, in line 25, strike "2023" and substitute "2024"; in line 26, strike "YEAR 2024" and substitute "YEARS 2025 THROUGH 2028"; in line 27, strike "2025" and substitute "2029"; and in line 28, strike "\$50,000,000" and substitute "\$12,000,000".

On page 8, strike in their entirety lines 7 and 8 and substitute:

"SECTION 2. AND BE IT FURTHER ENACTED, That:

- (a) There is a Maryland Entertainment Council.
- (b) (1) Subject to paragraph (2) of this subsection, the Council consists of:

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- (i) one member of the Senate of Maryland, appointed by the President of the Senate;
- (ii) one member of the House of Delegates, appointed by the Speaker of the House;
- (iii) the Governor's appointed Senior Advisor on Film, Television, and Entertainment; and
 - (iv) the following members, appointed by the Governor:
- 1. one expert in the business of the film, television, and entertainment industry, such as an executive, producer, studio representative, or an individual holding a leadership role within the industry;
- <u>2.</u> <u>one expert in workforce development or higher</u> education related to the film, television, and entertainment industry;
- 3. one expert in emerging technologies or specialties of the film, television, and entertainment industry, such as an expert in gaming, artificial intelligence, visual effects, animation, post-production, or another related specialty;
- <u>4.</u> <u>one expert in legal or policy fields specific to the film, television, and entertainment industry;</u>
- <u>5.</u> <u>one representative of the independent film and television community;</u>
- <u>6.</u> <u>one representative of nongovernmental entities or philanthropic institutions that support film, television, or entertainment directly or creative economies more broadly; and</u>

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- 7. one representative of organized labor in the entertainment industry.
- (2) The Governor may appoint up to three additional individuals as honorary cochairs of the Council who are:
- (i) <u>individuals with extraordinary cultural capital and commanding significant influence within the film, television, and entertainment industry;</u>
- (ii) <u>business leaders commanding a significant stake within the</u> <u>film, television, and entertainment industry; or</u>
- (iii) individuals who have defined the current cultural brand of the film, television, and entertainment industry within the State.
- (3) An individual appointed as an honorary cochair of the Council shall be a nonvoting member of the Council whose responsibilities shall be limited to the promotion and business development of Maryland's film, television, and entertainment industry.
- (c) The Senior Advisor on Film, Television, and Entertainment shall chair the Council.
 - (d) The Department of Commerce shall provide staff for the Council.
 - (e) A member of the Council:
 - (1) may not receive compensation as a member of the Council; but
- (2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

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(f) The Council shall:

(1) <u>assess Maryland's existing assets, opportunities, and competitive</u> position within the film, television, and entertainment industry;

(2) study:

- (i) Maryland's State, local, and private assets that currently support Maryland's film, television, and entertainment industry, including key infrastructure, existing workforce, workforce pipelines, scenic profile, emerging specialties, and independent creative communities;
- (ii) existing State programs, agencies, offices, grant programs, and commissions across State agencies that support the film, television, and entertainment industry;
- (iii) models, competitive profiles, methods, and legislation that states have utilized to incentivize necessary infrastructure and workforce to support the film, television, and entertainment industry;
- (iv) industry needs, disruptive trends, and emerging technologies within the film, television, and entertainment industry; and
- (v) complementary industries, aligned businesses, and potential corporate, philanthropic, and other partners for the film, television, and entertainment industry; and
- (3) make recommendations on the development of a coordinated, comprehensive strategic plan to position Maryland as an emerging leader in the film, television, and entertainment industry.

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- (g) On or before December 1, 2023, the Council shall submit a preliminary report to the Governor, the Secretary of Commerce, and, in accordance with § 2-1257 of the State Government Article, the General Assembly that includes:
- (1) an assessment of Maryland's existing infrastructure, creative profile, and core structural advantages that the State is uniquely positioned to leverage;
- (2) recommendations on how to best utilize existing State offices, commissions, and programs to advance Maryland's film, television, and entertainment industry and what, if any, additional investments should be made to support these State functions;
 - (3) a clear definition of Maryland's creative and competitive profile; and
- (4) recommendations to measure the economic impact of additional investment in the film, television, and entertainment industry.
- (h) On or before September 1, 2024, the Council shall submit its final report to the Governor, the Secretary of Commerce, and, in accordance with § 2-1257 of the State Government Article, the General Assembly on:
 - (1) the matters included in the Council's preliminary report;
- (2) recommendations to strengthen the structure and funding of the State's existing film and theatrical production incentives to ensure a greater return on investment on Maryland's investment in the film, television, and entertainment industry;
- (3) recommendations for additional State investment to bolster identified specialties and high-leverage growth opportunities in the film, television, and entertainment industry;

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- (4) recommendations to support and grow Maryland's independent creative community and incentivize export promotions of Maryland-based talent;
- (5) methods to bolster film—, television—, and entertainment—related business development and identify potential industry partnerships;
- (6) methods to sustainably grow the film, television, and entertainment workforce and identify potential workforce development and higher education partners; and
- (7) other recommendations, as appropriate, to support and grow the economic impact of Maryland's film, television, and entertainment industry.

SECTION 3. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall be applicable to all taxable years beginning after December 31, 2022.

SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2023. Section 2 of this Act shall remain effective for a period of 2 years and, at the end of June 30, 2025, Section 2 of this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.".