## GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2023

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## HOUSE BILL 301 Committee Substitute Favorable 4/18/23

Referred to:  March 8, 2023  A BILL TO BE ENTITLED  AN ACT TO EXPAND THE FILM GRANT FUND. The General Assembly of North Carolina enacts:  SECTION 1. G.S. 143B-437.02A reads as rewritten:  "§ 143B-437.02A. The Film and Entertainment Grant Fund.  (a) Creation and Purpose of Fund. – There is created in the Department of Commerce special, nonreverting account to be known as the Film and Entertainment Grant Fund to provid funds to encourage the production of motion pictures, television shows, movies for televisio productions intended for on-line distribution, and commercials and to develop the filmmakin industry within the State. The Department of Commerce shall adopt guidelines providing for the administration of the program. Those guidelines may provide for the Secretary to award the grap proceeds over a period of time, not to exceed three years. Those guidelines shall include the following provisions, which shall apply to each grant from the account:  (1) The funds are reserved for a production on which the production company hequalifying expenses of at least the following:  a. For a feature-length film:film, one million dollars (\$1,000,000).  1. One million five hundred thousand dollars (\$1,500,000), if feather itelevision.  (2) The funds are not used to provide a grant in excess of any of the following:  a. An amount more than twenty five percent (25%)-thirty-five percent (35%) of the qualifying expenses for the production if at lease veventy-five percent (75%) of (i) filming of the production and (i) where crew, cast, and offices of the production are both located in ti	Short Title: Modify Fi	Im Grant.	(Public)	
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one and tier two areas, as defined in G.S. 143B-437.08, or more that thirty percent (30%) of the qualifying expenses for the production. at other production.  b. An amount more than seven million dollars (\$7,000,000) twen million dollars (\$20,000,000) for a feature-length film, more that fifteen million dollars (\$15,000,000) for a single season of a television series, or two hundred fifty thousand dollars (\$250,000) for commercial for theatrical or television viewing or on-line distribution"	a. b.	An amount more than twenty-five percent (25 (35%) of the qualifying expenses for the pseventy-five percent (75%) of (i) filming of twhere crew, cast, and offices of the production one and tier two areas, as defined in G.S. 143E thirty percent (30%) of the qualifying expenses other production.  An amount more than seven million dollars million dollars (\$20,000,000) for a feature-lefifteen million dollars (\$15,000,000) for a single series, or two hundred fifty thousand dollars	he production and (ii) are both located in tier 3-437.08, or more than for the production.any (\$7,000,000) twenty ength film, more than e season of a television ars (\$250,000) for a	



- "(b) 1 Definitions. – The following definitions apply in this section: 2 3 (3) Highly compensated individual. – An individual who directly or indirectly 4 receives compensation in excess of one-five million dollars (\$1,000,000) 5 (\$5,000,000) for personal services with respect to a single production. An 6 individual receives compensation indirectly when a production company pays 7 a personal service company or an employee leasing company that pays the 8 individual. 9 10 Qualifying expenses. – The sum of the amounts listed in this subdivision, (7) 11 substantiated pursuant to subsection (d) of this section, and spent in this State 12 by a production company in connection with a production, less the amount 13 paid in excess of one-five million dollars (\$1,000,000) (\$5,000,000) to a 14 highly compensated individual: 15 16 **SECTION 3.** This act is effective when it becomes law and applies to qualifying 17
  - expenses for productions incurred on or after that date.