

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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SENATE BILL 1460

Short Title: Film Industry Incentives.

(Public)

Sponsors: Senators Lee; Ballantine, Carter, Garrou, Jordan, and Metcalf.

Referred to: Finance.

May 25, 2000

A BILL TO BE ENTITLED

AN ACT TO PROVIDE INCENTIVES FOR DEVELOPMENT OF THE FILM
INDUSTRY IN NORTH CAROLINA.

The General Assembly of North Carolina enacts:

Section 1. Part 2 of Article 10 of Chapter 143B of the General Statutes is amended by adding a new section to read:

"§ 143B-434.3. Film Industry Development Account.

(a) Creation and Purpose of Account. – There is created in the Department of Commerce, Division of Travel and Tourism, the Film Industry Development Account to provide annual grants as incentives to production companies that engage in production activities in this State. The Division of Travel and Tourism shall administer this program in accordance with the following provisions:

(1) To be eligible for a grant, a production company must engage in production activities in this State.

(2) A grant may not exceed fifteen percent (15%) of the amount the production company spends for goods and services in this State during the calendar year.

(3) A grant may not exceed two hundred thousand dollars (\$200,000) per production.

1 (b) Production Company Defined. – As used in this section, the term 'production
2 company' has the meaning provided in G.S. 105-164.3.

3 (c) Reports. – The Department of Commerce shall report annually to the General
4 Assembly concerning the applications made to the account, the payments made from the
5 account, and the effect of the payments on job creation in the State. The Department of
6 Commerce shall also report quarterly to the Joint Legislative Commission on
7 Governmental Operations and the Fiscal Research Division on the use of the moneys in
8 the account, including information regarding to whom payments were made and in what
9 amounts."

10 Section 2. There is appropriated from the General Fund to the Department of
11 Commerce, Division of Travel and Tourism, the sum of five million dollars (\$5,000,000)
12 for the 2000-2001 fiscal year, for the Film Industry Development Account created in this
13 act. It is the intent of the General Assembly to appropriate to the Film Industry
14 Development Account the sum of five million dollars (\$5,000,000) in each fiscal year of
15 the 2001-2003 fiscal biennium.

16 Section 3. G.S. 143-341(4) is amended by adding a new sub-subdivision to
17 read:

18 **"§ 143-341. Powers and duties of Department.**

19 The Department of Administration has the following powers and duties:

20 ...

21 (4) Real Property Control:

22 ...

23 o. To provide that no fee, other than reimbursement of actual costs
24 incurred and actual revenues lost by the State, shall be charged
25 when State buildings are made available to a production
26 company for a production. As used in this subdivision, the term
27 'production company' has the meaning provided in G.S. 105-
28 164.3.

29 "

30 Section 4. Article 10 of Chapter 143 of the General Statutes is amended by
31 adding a new section to read:

32 **"§ 143-162.2. Use of public property by production companies.**

33 If a State agency makes real property available to a production company for a
34 production, it shall not charge any fee other than reimbursement of actual costs incurred
35 and actual revenues lost by the agency. As used in this subdivision, the term 'production
36 company' has the meaning provided in G.S. 105-164.3. This section does not require a
37 State agency to make real property available to a production company for a production."

38 Section 5. G.S. 105-164.3 is amended by adding a new subdivision to read:

39 "(11c) 'Production company' means a person engaged in the business of
40 making original motion picture, television, or radio images for
41 theatrical, commercial, advertising, or educational purposes."

42 Section 6. G.S. 105-164.13(22a) reads as rewritten:

1 "(22a) Sales of audiovisual masters made or used by a production
2 company in making visual and audio images for first generation
3 reproduction. For the purpose of this subdivision, an "audiovisual
4 master" is an audio or video film, tape, or disk or another audio or
5 video storage device from which all other copies are made. ~~For the
6 purpose of this subdivision, a production company is a person engaged in
7 the business of making motion picture, television, or radio images for
8 theatrical, commercial, advertising, or educational purposes."~~

9 Section 7. G.S. 105-164.14 is amended by adding a new subsection to read:

10 "(j) Production Companies. – A production company is allowed an annual refund
11 of part of the State sales tax it pays under G.S. 105-164.4(a)(3) on the rental of transient
12 accommodations for occupancy by its employees. If an employee of the production
13 company occupies a transient accommodation for a continuous period of more than 30
14 days but less than 90 days, the production company is allowed a refund of the State sales
15 tax it paid on the rental for the entire rental period. Notwithstanding any other provision
16 of law, the refund allowed in this subsection does not apply to general local sales and use
17 taxes levied under Subchapter VIII of this Chapter, Chapter 1069 of the 1967 Session
18 Laws, or any other local act.

19 A request for a refund must be in writing and must include any information and
20 documentation required by the Secretary. A request for a refund is due within six months
21 after the end of the State's fiscal year. Refunds applied for after the due date are barred."

22 Section 8. Sections 1 and 2 of this act become effective July 1, 2000. Section
23 7 of this act becomes effective October 1, 2000, and applies to taxes paid on or after that
24 date. The remainder of this act is effective when it becomes law.