

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2023**

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

Short Title:   Modify Film Grant.

(Public)

Sponsors:

Referred to:

March 8, 2023

1                                   A BILL TO BE ENTITLED  
2 AN ACT TO EXPAND THE FILM GRANT FUND.

3 The General Assembly of North Carolina enacts:

4                   **SECTION 1.** G.S. 143B-437.02A reads as rewritten:

5 "**§ 143B-437.02A. The Film and Entertainment Grant Fund.**

6       (a)   Creation and Purpose of Fund. – There is created in the Department of Commerce a  
7 special, nonreverting account to be known as the Film and Entertainment Grant Fund to provide  
8 funds to encourage the production of motion pictures, television shows, movies for television,  
9 productions intended for on-line distribution, and commercials and to develop the filmmaking  
10 industry within the State. The Department of Commerce shall adopt guidelines providing for the  
11 administration of the program. Those guidelines may provide for the Secretary to award the grant  
12 proceeds over a period of time, not to exceed three years. Those guidelines shall include the  
13 following provisions, which shall apply to each grant from the account:

14           (1)   The funds are reserved for a production on which the production company has  
15 qualifying expenses of at least the following:

16           a.    For a feature-length ~~film~~ film, one million dollars (\$1,000,000).

17                   1.   ~~One million five hundred thousand dollars (\$1,500,000), if for~~  
18                           ~~theatrical viewing.~~

19                   2.   ~~Five hundred thousand dollars (\$500,000), if a movie for~~  
20                           ~~television.~~

21                   ...

22           (2)   The funds are not used to provide a grant in excess of any of the following:

23           a.    An amount more than ~~twenty-five percent (25%)~~ thirty-five percent  
24                   (35%) of the qualifying expenses for the production if at least  
25                   seventy-five percent (75%) of (i) filming of the production and (ii)  
26                   where crew, cast, and offices of the production are both located in tier  
27                   one and tier two areas, as defined in G.S. 143B-437.08, or more than  
28                   thirty percent (30%) of the qualifying expenses for the production  
29                   any other production.

30           b.    An amount more than ~~seven million dollars (\$7,000,000)~~ twenty  
31                   million dollars (\$20,000,000) for a feature-length film, more than  
32                   fifteen million dollars (\$15,000,000) for a single season of a television  
33                   series, or two hundred fifty thousand dollars (\$250,000) for a  
34                   commercial for theatrical or television viewing or on-line distribution.

35           ...."

36           **SECTION 2.** G.S. 143B-437.02A(b) reads as rewritten:



1       "(b)   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          (7)   Qualifying expenses. – The sum of the amounts listed in this subdivision,  
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.