



HOUSE BILL 301: Modify Film Grant.

2023-2024 General Assembly

Committee:	House Commerce. If favorable, re-refer to Rules, Calendar, and Operations of the House	Date:	April 4, 2023
Introduced by:	Reps. Faircloth, Hardister, Lambeth, K. Hall	Prepared by:	Greg Roney
Analysis of:	PCS to First Edition H301-CSTM-3		Staff Attorney

OVERVIEW: *The Proposed Committee Substitute (PCS) to House Bill 301 would modify the Film and Entertainment Grant Fund as follows:*

- *Set the minimum expenditure for a feature-length film to qualify for a grant to \$1 million.*
- *Increase the grant amount to 35% of qualifying expenses of the production if at least 75% of filming days of the production have all of the following located in tier one and tier two areas*
 - *Filming*
 - *Housing of a majority of the cast and crew*
 - *Offices of the production*

CURRENT LAW: Under G.S. 143B-437.02A, "North Carolina offers a 25% rebate on qualifying expenses and purchases made by productions while in-state as its film incentive. The rebate is funded through the North Carolina Film and Entertainment Grant, which currently has a designated recurring starting amount of \$31 million per fiscal year (Jul 1-Jun 30), with any unused funds carrying over from fiscal year to fiscal year." (from NC Film Office website)

BILL ANALYSIS: The PCS to House Bill 301 would modify the Film and Entertainment Grant Fund by setting \$1 million as the minimum expenditure for a feature-length film to qualify for a grant. Currently, the minimum expenditure is \$1.5 million for theatrical release and \$500,000 for made-for-television movie.

The PCS introduces a new 35% grant level for productions if at least 75% of filming days of the production have all of the following located in tier one and tier two areas: filming, housing of a majority of the cast and crew, and offices of the production.

EFFECTIVE DATE: The PCS to House Bill 301 would be effective when it becomes law and applies to qualifying expenses for productions incurred on or after that date.

BACKGROUND: The NC Film Office gives the following program summary on its website (edited for brevity):

Incentive Type:	Up to 25% rebate via funds from the NC Film and Entertainment Grant
Per Project Cap:	\$15 million per season for tv/streaming series
	\$7 million for feature-length films/made-for-tv/streaming movies
	\$250,000 for commercials

Jeffrey Hudson
Director



Legislative Analysis
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Minimum Spend: \$500,000 per episode average for tv/streaming series

\$1.5 million for feature-length films

\$500,000 for made-for-tv/streaming movies

\$250,000 for commercials

Qualified Labor: First \$1 million of each resident and nonresident qualify

Screen Credit: Yes, including a logo to be supplied by NC Film Office

Qualifying Expenses: Goods/Services/Compensation/Fringes/Per Diems/Living Expenses/Stipends

Qualifying Productions:

Episodic Television Series/Television Mini-Series/Movies of the Week/Feature Films/Direct-to-Video/Reality Television/Commercials/Documentaries/Animation Productions/Webisodes

Projects are ineligible if contain material that is "obscene" as defined in G.S. 14-190.1 or is "harmful to minors" as defined in G.S. 14-190.13