

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

S

3

SENATE BILL 1460
Finance Committee Substitute Adopted 6/21/00
Third Edition Engrossed 6/28/00

Short Title: Film Industry Incentives.

(Public)

Sponsors:

Referred to:

May 25, 2000

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE INCENTIVES FOR DEVELOPMENT OF THE FILM
3 INDUSTRY IN NORTH CAROLINA.

4 The General Assembly of North Carolina enacts:

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

7 **"§ 143B-434.3. Film Industry Development Account.**

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

13 (1) To be eligible for a grant, a production company must engage in
14 production activities in this State. A grant may not be used for political
15 or issue advertising.

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

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

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

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

12 Section 2. G.S. 143-341(4) is amended by adding a new sub-subdivision to
13 read:

14 **"§ 143-341. Powers and duties of Department.**

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

16 ...

17 (4) Real Property Control:

18 ...

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

25 "

26 Section 3. Article 10 of Chapter 143 of the General Statutes is amended by
27 adding a new section to read:

28 **"§ 143-162.2. Use of public property by production companies.**

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

34 Section 4. G.S. 105-164.3 is amended by adding a new subdivision to read:

35 "(11c 'Production company' means a person engaged in the business of
36 making original motion picture, television, or radio images for
37 theatrical, commercial, advertising, or educational purposes."

38 Section 5. G.S. 105-164.13(22a) reads as rewritten:

39 "(22a) Sales of audiovisual masters made or used by a production company in
40 making visual and audio images for first generation reproduction. For
41 the purpose of this subdivision, an "audiovisual master" is an audio or
42 video film, tape, or disk or another audio or video storage device from
43 which all other copies are made. ~~For the purpose of this subdivision, a~~

1 ~~production company is a person engaged in the business of making motion~~
2 ~~picture, television, or radio images for theatrical, commercial, advertising, or~~
3 ~~educational purposes."~~

4 Section 6. G.S. 105-164.14 is amended by adding a new subsection to read:

5 "(j) Production Companies. – A production company is allowed an annual refund
6 of part of the State sales tax it pays under G.S. 105-164.4(a)(3) on the rental of transient
7 accommodations for occupancy by its employees. If an employee of the production
8 company occupies one or more transient accommodations in the State for a continuous
9 period of more than 30 days but less than 90 days, the production company is allowed a
10 refund of the State sales tax it paid on the rental for the entire rental period. The refund
11 does not apply to tax paid on accommodations furnished to employees for the purpose of
12 engaging the employees in political or issue advertising. Notwithstanding any other
13 provision of law, the refund allowed in this subsection does not apply to general local
14 sales and use taxes levied under Subchapter VIII of this Chapter, Chapter 1096 of the
15 1967 Session Laws, or any other local act.

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

19 Section 7. Section 1 of this act becomes effective July 1, 2000. Section 6 of
20 this act becomes effective October 1, 2000, and applies to taxes paid on or after that date.
21 The remainder of this act is effective when it becomes law.