
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1529 Session of
2007

INTRODUCED BY STURLA, DeWEESE, WHEATLEY, EACHUS, GERGELY, SURRA
AND D. O'BRIEN, JUNE 12, 2007

REFERRED TO COMMITTEE ON COMMERCE, JUNE 12, 2007

AN ACT

1 Amending Title 12 (Commerce and Trade) of the Pennsylvania
2 Consolidated Statutes, further providing for film production
3 grants.

4 The General Assembly of the Commonwealth of Pennsylvania
5 hereby enacts as follows:

6 Section 1. Sections 4102, 4103, 4104, 4105, 4106 and 4108 of
7 Title 12 of the Pennsylvania Consolidated Statutes are amended
8 to read:

9 § 4102. Definitions.

10 The following words and phrases when used in this chapter
11 shall have the meanings given to them in this section unless the
12 context clearly indicates otherwise:

13 "Applicant." A person that files a notice and application in
14 accordance with this chapter.

15 "Department." The Department of Community and Economic
16 Development of the Commonwealth.

17 "Film." The term includes a feature film, television film,
18 television pilot or [each episode of] a television series which

1 is intended as programming for a national audience, in each case
2 with a budget of less than \$2,000,000. The term does not include
3 a production featuring:

- 4 (1) News, current events, weather and market reports.
- 5 (2) Public programming.
- 6 (3) Talk shows, game shows, sports events, awards shows
7 or other gala events.
- 8 (4) A production that solicits funds.
- 9 (5) A production that primarily markets a product or
10 service.
- 11 (6) A production containing obscene material or
12 performances as defined in 18 Pa.C.S. § 5903(b) (relating to
13 obscene and other sexual materials and performances).
- 14 (7) A production primarily for private, political,
15 industrial, corporate or institutional purposes.

16 "Pennsylvania production expense." A production expense
17 incurred in this Commonwealth. For the purposes of wages and
18 salaries, the term includes only wages and salaries on which the
19 taxes imposed by Article III or IV of the act of March 4, 1971
20 (P.L.6, No.2), known as the Tax Reform Code of 1971, have been
21 paid or accrued.

22 "Production expense."

23 (1) An expense incurred in the production of a film. The
24 term includes:

25 (i) The aggregate amount of wages and salaries of
26 individuals each of whom receive less than \$1,000,000 and
27 are employed in the production of the film.

28 (ii) The costs of construction, operations, editing,
29 photography, sound synchronization, lighting, wardrobe
30 and accessories.

(iii) [The cost of rental facilities and equipment.]
(Reserved).

(iv) The cost of transportation to or from a
Pennsylvania train station, bus depot or airport.

(v) The purchase of music or story rights if the
purchase price is under \$1,000,000, the rights are
purchased from a Pennsylvania resident or an entity
subject to taxation in this Commonwealth and the
transaction is subject to taxation under Article III, IV
or VI of the act of March 4, 1971 (P.L.6, No.2), known as
the Tax Reform Code of 1971.

(vi) The cost of leasing vehicles.

(vii) The cost of insurance coverage if the
insurance is purchased through a Pennsylvania-based
insurance agent.

(viii) The costs of food and lodging.

(ix) Any other costs the department deems advisable
to include.

(2) The term does not include [expenses incurred in
purchasing story rights, music rights,] development costs[,]
or expenses incurred in marketing or advertising a film.

"Program." The Film Production Grant Program established in
section 4103 (relating to establishment).

"Qualified film production expense." A Pennsylvania
production expense if at least 60% of the total production
expenses are Pennsylvania production expenses.

"Recipient." A person who receives a grant under this
chapter.

"Start date." The first day of principal photography in this
Commonwealth.

1 § 4103. Establishment.

2 There is established within the department a program to be
3 known as the Film Production Grant Program. The program shall be
4 administered by the department to provide grants to persons for
5 [certain] films produced within this Commonwealth.

6 § 4104. Application.

7 [At any time prior to 60 days after the completion of
8 production of a film, a person may submit an application for a
9 film production grant to the department. The application shall
10 be on a form required by the department and shall include or
11 demonstrate all of the following:]

12 (a) Notice.--Prior to commencing production of a film, a
13 person desiring to apply for a grant for a Pennsylvania film
14 production under subsection (b) shall submit a notice to the
15 department informing it of the person's intention to apply for
16 the grant. The notice shall be on the form required by the
17 department and shall include or demonstrate all of the
18 following:

19 (1) An itemized list of production expenses incurred or
20 to be incurred during the current Commonwealth fiscal year
21 and the anticipated expenses to be incurred for any
22 subsequent Commonwealth fiscal year if the film production is
23 anticipated to extend into any such year.

24 (2) An itemized list of Pennsylvania production expenses
25 incurred.

26 (3) The start date.

27 (4) The actual or projected completion date.

28 (5) A statement of the amount of grant sought.

29 (6) Any other information required by the department.

30 (b) Application.--Within 60 days of the completion of

1 production of a film, the applicant shall file an application
2 for a film production grant with the department. The application
3 shall be on a form required by the department and shall include
4 or demonstrate all of the following:

5 (1) An itemized list of production expenses actually
6 incurred.

7 (2) An itemized list of Pennsylvania production expenses
8 actually incurred. Expenses submitted under this paragraph
9 may not in the aggregate exceed the amount of projected
10 expenses submitted to the department under subsection (a)(2).

11 (3) The date of the completion of production of the
12 film.

13 (4) Any other information required by the department.

14 § 4105. Review.

15 The department shall review the application to determine if
16 the applicant has met all of the criteria set forth in section
17 4104 (relating to application)[.] and in the guidelines
18 developed by the department under section 4109 (relating to
19 guidelines).

20 § 4106. Approval.

21 The following shall apply:

22 (1) Upon being satisfied that all requirements have been
23 met and subject to section 4108 (relating to limitations),
24 the department may approve the application and award a film
25 production grant to the applicant.

26 (2) Prior to providing grant funds to the applicant, the
27 department shall enter into a contract with the applicant.

28 The contract shall include provisions requiring the applicant
29 to use the grant to pay costs associated with the production
30 of the film.

(3) The department may impose any other terms and conditions on the grants authorized by this chapter as the department determines are in the best interests of the Commonwealth.

§ 4108. Limitations.

The following limitations shall apply:

(1) A recipient may not receive a grant under this chapter for more than one year for the same film.

~~[(1)]~~ (2) A grant awarded under this chapter to an applicant for a film may not exceed 20% of the qualified film production expenses incurred for the film.

~~[(2)]~~ (3) In no case shall the aggregate amount of grants awarded in any fiscal year under this chapter exceed ~~[\$10,000,000]~~ \$15,000,000.

~~[(3)]~~ (4) A grant awarded under this chapter shall in no way constitute an entitlement derived from the Commonwealth or a claim on any other funds of the Commonwealth.

(5) An applicant who has been awarded a film production tax credit under any provision of the act of March 4, 1971 (P.L.6, No.2), known as the Tax Reform Code of 1971, shall not be eligible to receive a grant under this chapter for the same film.

Section 2. This act shall take effect immediately.