2025-2026 General Assembly

SENATE BILL 257: 2026 Appropriations Act, Sec. 11.5: Micro-Budget Production Grant Fund

Analysis of:	S.L. 2026-41, Sec. 11.5	**Date:**	August 18, 2026
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Section 11.5 of S.L. 2026-41 (Senate Bill 257), as amended by Section 5.8 of S.L. 2026-61, creates the Micro-Budget Production Grant Fund, which provides funds to encourage smaller productions to develop the filmmaking industry within the State. The Department of Commerce must develop and adopt guidelines to administer the program. The guidelines must comply with all of the following:

- A production must have qualifying expenses from $50,000 to $1,499,000 for the production in North Carolina.
- Grant funds cannot be used to provide in excess of (i) a base amount equal to the lesser of 20% of the qualifying expenses for the production or $100,000 plus (ii) any of the following:
    - A bonus of 5% of the base amount, if at least 75% of the compensation and wages paid for the production were paid to North Carolina residents.
    - A bonus equal to 3% if at least 75% of the filming occurred in a Tier Two and Tier One area, or 5% if at least 75% of the filming occurred in a Tier One Area.
- Funds must be reserved for a production for which at least 75% of filming occurred within the State or with a production company headquartered in this State.
- Funds must not be contingent on existence, proof, or guarantee of a distribution agreement.
- Productions are not limited to feature films, television series, or commercials but can include short films, documentaries, or other similar audiovisual works.
- No grant can be awarded that could cause the State's potential liability in a single calendar year, when considered with other grants awarded during that year, to exceed the amount available in the account.

A production that receives a grant award under the Micro-Budget Production Grant Fund is ineligible to receive a grant award under the traditional Film and Entertainment Grant Fund. (Section 5.8 of S.L. 2026-61).

This section became effective July 1, 2026.

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