

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR

SENATE, No. 3748

with Senate Floor Amendments
(Proposed by Senator GOPAL)

ADOPTED: JUNE 26, 2023

These floor amendments specify that the New Jersey Economic Development Authority (EDA) and each New Jersey film-lease partner facility will collectively determine the commercially reasonable and customary terms and conditions of the capital investments for each New Jersey film-lease partner facility. The floor amendments clarify that for fiscal years 2023, 2024, and 2025 the EDA may annually make available \$250 million each to New Jersey studio partners and New Jersey film-lease production companies. The amendments also limit the EDA's ability to reallocate unapproved, unredeemed, or non-transferred tax credits between film production taxpayer categories.

The amendments clarify the requirements for a film production facility to become a New Jersey film-lease partner facility by including "mill space" as an acceptable use of production support space and allowing a "site plan approval" or "executed redevelopment agreement with a governmental entity" to be evidence of a commitment to build, lease, or operate a production facility of 250,000 square feet or more.

The amendments alter which wages, salaries, and other compensations, including some payments to highly compensated individuals, are allowed to be calculated in "qualified film production expenses." For New Jersey studios partners with less than \$50 million in qualified film production expenses, up to \$18 million may constitute qualified film production expenses, and for New Jersey studio partners with more than \$50 million in qualified film production expenses, up to \$72 million may constitute qualified film production expenses. Similarly, for New Jersey film-lease production companies expenses totaling less than \$50 million, up to \$15 million may constitutes qualified film production expenses, and for those companies with more than \$50 million, up to \$60 million may constitute qualified film production expenses.

The amendments make the bill identical to its Assembly counterpart, the Assembly Committee Substitute for Assembly Bill No. 5393.