

1 [Establishing the Film Rebate Program.]

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3 **Ordinance amending section 57.1 of the San Francisco Administrative Code to make**
4 **technical amendments; section 57.4 to designate the Executive Director of the San**
5 **Francisco Film Commission as the sole liaison between film companies and City**
6 **departments; section 57.7 to clarify the application of Chapter 57 to certain City**
7 **departments; and adding section 57.8 to establish a Film Rebate Program to rebate**
8 **qualified production costs for qualified film productions.**

9 Note: Additions are *single-underline italics Times New Roman*;
10 deletions are ~~*strikethrough italics Times New Roman*~~.
11 Board amendment additions are double underlined.
12 Board amendment deletions are ~~strikethrough normal~~.

13 Be it ordained by the People of the City and County of San Francisco:

14 Section 1. The San Francisco Administrative Code is hereby amended by amending
15 Sections 57.1 and 57.4, to read as follows:

16 **SEC. 57.1. DEFINITIONS.**

17 (a) "City" means the City and County of San Francisco.

18 ~~(b)(e)~~ "*Commission*" means *the Film Commission of the City and County of San Francisco*;

19 ~~(c)(b)~~ "Film" means feature motion pictures, video tapes, television programs,
20 commercials, still photography, documentaries, travelogues, music videos and other visual art
21 forms; provided however, that "film" shall not mean films or video tapes for private-family use
22 or films by any news service or similar entity engaged in on-the-spot broadcasting of news
23 events.

24 ~~(d)(e)~~ "Film company" means any individual, corporation, firm, partnership, or other
25 organization however organized engaged in film production.

1 ~~(e)(d)~~ "Film production" means the activity of making a film for commercial or
2 noncommercial property where that activity (1) requires the use of City employees or
3 equipment or (2) interferes with the ordinary use, safety and enjoyment of public right-of-ways
4 or other property under the jurisdiction of the City.

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6 **SEC. 57.4. AUTHORITY AND DUTIES OF EXECUTIVE DIRECTOR.**

7 In addition to any other authority vested in or duty charged to him or her, the Executive
8 Director shall serve as the sole liaison between film companies and the various City
9 departments. In performing the duties of liaison, the Executive Director shall assist film
10 companies in locating suitable locations and shall coordinate the efforts of the various City
11 departments in connection with film production utilizing City property or employees. The
12 Executive Director shall also be responsible for coordinating any film permits required by the
13 City for film productions.

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15 **SEC. 57.7. EXCEPTIONS.**

16 Sections 57.5 and 57.6 of this ~~This~~ Chapter shall not apply to film production occurring in
17 the buildings or on the grounds of the San Francisco War Memorial Performing Arts Center,
18 the Fine Arts Museums, the Asian Art Museum, the San Francisco Convention Facilities, the
19 San Francisco Port Commission, the San Francisco Recreation and Parks Commission, or where
20 inconsistent with State law, the Charter or contractual agreements.

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22 Section 2. The San Francisco Administrative Code is hereby amended by adding
23 Section 57.8, to read as follows:

1 **SEC. 57.8. FILM REBATE PROGRAM**

2 (a) Purpose. The purpose of the Film Rebate Program is to increase the number of
3 qualified film productions being made in San Francisco, increase the number of City residents
4 employed in the filmmaking industry, and encourage the resulting economic benefits to increased
5 filmmaking in San Francisco.

6 (b) Definitions. As used in this section, the following terms shall have the following
7 meanings:

8 (1) "Principal photography" means the time period and phase of film production during
9 which the main photography occurs.

10 (2) "Qualified low-budget film production" means a feature-length film, television film,
11 television pilot, or each episode of a television series, regardless of the medium used to create or
12 convey it, that is: (i) produced by a film company that expends at least 55 percent of the total principal
13 photography days exclusively in the City and (ii) has a total budget of no more than \$3,000,000.

14 "Qualified low-budget film production" shall not include: (i) a documentary film, news or current
15 affairs program, interview or talk program, instructional film or program, film or program consisting
16 primarily of stock footage, sporting event or sporting program, game show, award ceremony, film or
17 program intended primarily for industrial, corporate or institutional end-users, fundraising film or
18 program, commercials, music videos, or "reality" program; or (ii) a production for which records are
19 required under Title 18 United States Code section 2257, to be maintained with respect to any
20 performer in such production.

21 (3) "Qualified film production" means a feature-length film, television film, television pilot,
22 or each episode of a television series, regardless of the medium used to create or convey it, that is
23 created by a film company that expends at least 65 percent of the total principal photography days
24 exclusively in the City. "Qualified film production" shall not include: (i) a documentary film, news or
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1 current affairs program, interview or talk program, instructional film or program, film or program
2 consisting primarily of stock footage, sporting event or sporting program, game show, award
3 ceremony, film or program intended primarily for industrial, corporate or institutional end-users,
4 fundraising film or program, commercials, music videos, or "reality" program; or (ii) a production for
5 which records are required under Title 18 United States Code section 2257, to be maintained with
6 respect to any performer in such production.

7 (2) "Qualified production cost," means the following expenses of a qualified low-budget film
8 production or a qualified film production:

9 (A) Any fees or taxes paid to the City, or any of its constituent departments, the proceeds of
10 which are placed in the general fund;

11 (B) Any moneys paid to the City, or any of its constituent departments, for the use of City
12 property, equipment, or employees, including, but not limited to additional police services as described
13 in Chapter 10B of this Administrative Code; and

14 (C) Any daily use fees charged by the Film Commission, pursuant to Section 57.5 of the
15 Administrative Code, to engage in film production in the City.

16 (c) **Rebate Program.**

17 (1) Allowance of Rebate. A qualified low-budget film production or qualified film
18 production that pays qualified production costs shall be entitled to a rebate, to be calculated as
19 provided herein.

20 (2) Amount of Rebate. The City shall pay, ~~from the general fund,~~ one dollar for each
21 dollar the qualified low budget film production or qualified film production paid in qualified
22 production cost not to exceed three million dollars (\$3 million) by June 30, 2009. The rebate
23 shall be paid from the fund into which the qualified production cost was originally deposited.
24 ~~but~~ in no event shall the amount of the rebate exceed the total amount of taxes that the

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1 qualified film production or qualified low budget film production paid to the City. The rebate
2 shall not be paid from funds dedicated under bond or other legal financing covenants.

3 (3) *Implementation. After holding a public hearing, the ~~Controller~~ Executive Director of*
4 *the Film Commission, in consultation with the Controller, shall promulgate rules and regulations*
5 *to establish the procedures for implementation of the Film Rebate Program. Such rules shall include*
6 *provisions describing the application process, the standards used to evaluate the applications, the*
7 *documentation that will be required to substantiate the amount of the rebate, the appeal process, and*
8 *any such other provisions as deemed necessary and appropriate to carry out the Film Rebate Program.*

9 (d) **Annual Reports.** *The ~~Controller~~ Executive Director shall report annually to the Board*
10 *of Supervisors on the implementation of the Film Rebate Program. The report shall include a list of*
11 *each qualified film production, and the total of qualified production costs submitted and paid to each*
12 *film production. Annually for the first three years after enactment of this Ordinance, and every*
13 *three years thereafter, the Controller shall perform an assessment and review of the effect of*
14 *the Film Rebate Program. Based on such assessment and review, the Controller shall*
15 *prepare and submit an analysis to the Board of Supervisors. The Analysis shall be based on*
16 *criteria deemed relevant by the Controller, and may include but is not limited to data contained*
17 *in the annual reports to the Board of Supervisors submitted by the Director of the Film*
18 *Commission and a recommended budget allocation for the Film Rebate Program for the following*
19 *fiscal year.*

20 (e) *The Film Rebate Program shall expire on June 30, 2014*
21 *unless extended by ordinance. If the Film Rebate Program is not extended, the City Attorney shall cause this*
22 *Section to be removed from future editions of the San Francisco Municipal Code without*
23 *further action of the Board.*

24 APPROVED AS TO FORM:
25 DENNIS J. HERRERA, City Attorney

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By:

Mariam M. Morley
Deputy City Attorney