

Amendment of the Whole
February 28, 2008

FILE NO. 071659

ORDINANCE NO.

1 [Deletes the cap on the amount that an individual production can receive under the Film
2 Rebate Program.]

3 **Ordinance amending Administrative Code Section 57.8 ~~by changing the name of the~~
4 ~~Film Commission to the "Film and Digital Cinema Commission,"~~ and repealing the
5 provision that limits individual rebates under the Rebate Program to the amount of tax
6 that the film production paid to the City.**

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

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

11 Section 1. The San Francisco Administrative Code is hereby amended by amending
12 Section 57.48, to read as follows:

13 **~~SEC. 57.1. DEFINITIONS.~~**

14 ~~_____ (a) "City" means the City and County of San Francisco.~~

15 ~~_____ (b) "Commission" means the Film and Digital Cinema Commission of the City and
16 County of San Francisco.~~

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

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

24 ~~_____ (e) "Film production" means the activity of making a film for commercial or
25 noncommercial property where that activity (1) requires the use of City employees or~~

1 equipment or (2) interferes with the ordinary use, safety and enjoyment of public right-of-ways
2 or other property under the jurisdiction of the City.

3 Section 2. The San Francisco Administrative Code is hereby amended by
4 amending Section 57.8, to read as follows:

5 SEC. 57.8. FILM REBATE PROGRAM

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

10 (b) Definitions. As used in this Section, the following terms shall have the following
11 meanings:

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

14 (2) "Qualified low-budget film production" means a feature-length film, television film,
15 television pilot, or each episode of a television series, regardless of the medium used to
16 create or convey it, that is: (i) produced by a film company that expends at least 55 percent of
17 the total principal photography days exclusively in the City and (ii) has a total budget of no
18 more than \$3,000,000. "Qualified low-budget film production" shall not include: (i) a
19 documentary film, news or current affairs program, interview or talk program, instructional film
20 or program, film or program consisting primarily of stock footage, sporting event or sporting
21 program, game show, award ceremony, film or program intended primarily for industrial,
22 corporate or institutional end-users, fundraising film or program, commercials, music videos,
23 or "reality" program; or (ii) a production for which records are required under Title 18 United
24 States Code section 2257, to be maintained with respect to any performer in such production.

25

1 (3) "Qualified film production" means a feature-length film, television film, television
2 pilot, or each episode of a television series, regardless of the medium used to create or
3 convey it, that is created by a film company that expends at least 65 percent of the total
4 principal photography days exclusively in the City. "Qualified film production" shall not include:

5 (i) a documentary film, news or current affairs program, interview or talk program,
6 instructional film or program, film or program consisting primarily of stock footage, sporting
7 event or sporting program, game show, award ceremony, film or program intended primarily
8 for industrial, corporate or institutional end-users, fundraising film or program, commercials,
9 music videos, or "reality" program; or (ii) a production for which records are required under
10 Title 18 United States Code section 2257, to be maintained with respect to any performer in
11 such production.

12 (4) "Qualified production cost," means the following expenses of a qualified low-
13 budget film production or a qualified film production:

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

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

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

21 (c) Rebate Program.

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

1 (2) *Amount of Rebate.* The City shall pay one dollar for each dollar the qualified low
2 budget film production or qualified film production paid in qualified production cost not to
3 exceed \$1.8 million dollars by June 30, 2009. The rebate shall be paid from the fund into
4 which the qualified production cost was originally deposited. *In no event shall the amount of the*
5 *rebate exceed the total amount of taxes that the qualified film production or qualified low budget film*
6 *production paid to the City.* The rebate shall not be paid from funds dedicated under bond or
7 other legal financing covenants.

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

15 (d) *Reports.* The Executive Director shall report annually to the Board of Supervisors
16 on the implementation of the Film Rebate Program. The report shall include a list of each
17 qualified film production, residency of employees, and the total of qualified production costs
18 submitted and paid to each film production. Annually for the first three years after enactment
19 of this Ordinance the Controller shall perform an assessment and review of the effect of the
20 Film Rebate Program. Based on such assessment and review, the Controller shall prepare
21 and submit an analysis to the Board of Supervisors. The Analysis shall be based on criteria
22 deemed relevant by the Controller, and may include but is not limited to data contained in the
23 annual reports to the Board of Supervisors submitted by the Director of the Film Commission.

24
25

1 (e) The Film Rebate Program shall expire on June 30, 2009, unless extended by
2 ordinance. If the Film Rebate Program is not extended, the City Attorney shall cause this
3 Section to be removed from future editions of the San Francisco Municipal Code without
4 further action of the Board.

5

6 APPROVED AS TO FORM:
7 DENNIS J. HERRERA, City Attorney

8 By:

9 Mariam M. Morley
Deputy City Attorney

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25