

1 [Administrative Code - Film Rebate Program Extension and Funding]

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3 **Ordinance amending the San Francisco Administrative Code Section 57.8 to: 1) extend**
4 **the Film Rebate Program for two additional years, through June 30, 2014; and 2) to**
5 **increase the total amount of available funds to \$2,000,000 for film rebates during that**
6 **period.**

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

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

12 Section 1. The San Francisco Administrative Code is hereby amended by amending
13 Section 57.8, to read as follows:

14 **SEC. 57.8. FILM REBATE PROGRAM.**

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

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

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

23 (2) "Qualified low-budget film production" means a feature-length film,
24 documentary film, docudrama film, television film, television pilot, "reality" program or each
25 episode of a television series, regardless of the medium used to create or convey it, that is

1 produced by a film company that expends at least 55 percent of the total principal
2 photography days exclusively in the City and has a total budget of no more than \$3,000,000.
3 “Qualified low-budget film production” shall not include: (i) a news or current affairs program,
4 interview or talk program, instructional film or program, film or program consisting primarily of
5 stock footage, sporting event or sporting program, game show, award ceremony, film or
6 program intended primarily for industrial, corporate or institutional end-users, fundraising film
7 or program, commercials, or music videos; or (ii) a production for which records are required
8 under Title 18 United States Code Section 2257, to be maintained with respect to any
9 performer in such production.

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

21 (4) “Qualified production cost,” means the following expenses of a qualified low-
22 budget film production or a qualified film production:

23 (A) Any taxes, with the exception of hotel or sales taxes, paid to the City,
24 or any of its constituent departments, the proceeds of which are placed in the general fund;

1 (B) Any moneys paid to the City, or any of its constituent departments,
2 for the use of City property, equipment, or employees other than police services as described
3 in Chapter 10B of this Administrative Code except as authorized in subsection (D) below;

4 (C) Any daily use fees charged by the Film Commission, pursuant to
5 Section 57.5 of the Administrative Code, to engage in film production in the City; and

6 (D) Police services as described in Chapter 10B of this Administrative
7 Code, provided that the such services do not exceed 4 Police Officers per day for a total of 12
8 hours maximum per day per officer.

9 (c) Rebate Program.

10 (1) Allowance of Rebate. A qualified low-budget film production or qualified film
11 production that pays qualified production costs shall be entitled to a rebate, to be calculated
12 as provided herein, provided that the qualified production has entered into a first source hiring
13 agreement with the City that demonstrates good faith efforts to hire economically
14 disadvantaged individuals referred by the San Francisco Workforce Development System to
15 work for the qualified production. Good faith efforts shall include, at a minimum, consulting
16 with the FSHA for the purpose of preparing a list of positions for which individuals referred by
17 the City might qualify, providing that list to the FSHA at least two weeks prior to the first day of
18 shooting, and documenting efforts to contact and interview job candidates referred by the City
19 to fill the positions listed.

20 (2) Amount of Rebate. The City shall pay one dollar for each dollar the qualified
21 low budget film production or qualified film production paid in qualified production cost not to
22 exceed ~~\$1.8 million~~ 2 million dollars by June 30, ~~2012~~ 2014. The rebate shall be paid from the
23 fund into which the qualified production cost was originally deposited. In no event shall the
24 amount of any rebate paid for a single production after April 1, 2009 exceed \$600,000.00. The
25 rebate shall not be paid from funds dedicated under bond or other legal financing covenants.

1 Rebates paid under this Ordinance shall be paid only to those qualified film productions
2 whose filming commenced on or after the effective date of this Ordinance.

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

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

19 (1) By December 31, ~~2011~~2013, the Film Commission, working with the
20 Controller's Office, shall submit a report to the Board of Supervisors on the current results of
21 the Film Rebate Program, addressing the objectives of the Program. The report should
22 include a list of all film production companies that have had permits with the Film Commission,
23 the number of qualified film productions, the number of San Francisco residents employed on
24 such film productions, verification of the number of jobs and the salaries paid to economically
25 disadvantaged San Francisco residents hired through the City's Workforce Development

1 Program, the amount of the rebates paid to the film production companies, and the overall
2 economic impact from the City's Film Rebate Program since the last Film Commission report to
3 the Board of Supervisors.

4 (e) The Film Rebate Program shall expire on June 30, ~~2012~~2014, unless extended by
5 ordinance. If the Film Rebate Program is not extended, the City Attorney shall cause this
6 Section to be removed from future editions of the San Francisco Municipal Code without
7 further action of the Board.

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9 Section 2. Effective Date. This ordinance shall become effective 30 days from the
10 date of passage.

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12 APPROVED AS TO FORM:
13 DENNIS J. HERRERA, City Attorney

14 By: _____
15 ADINE VARAH
16 Deputy City Attorney

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