

LEGISLATIVE DIGEST

[Administrative Code - Film Production Daily Use Fees; Film Rebate Program]

Ordinance amending the Administrative Code to reduce the daily use fee for film productions with budgets less than \$100,000 from \$100 per day to \$50 per day; expand the definition of film productions and low-budget film productions eligible for the Film Rebate Program to include episodes of a web series; and extend the Film Rebate Program expiration date from June 30, 2014, to June 30, 2015, and correspondingly increase the current funding cap from \$2,000,000 to \$3,000,000 subject to annual appropriation; and making environmental findings.

Existing Law

- Under Section 57.5 of the Administrative Code, the Film Commission charges film companies engaging in film production in San Francisco a daily fee of \$100 for productions with budgets of less than \$500,000.
- Section 57.8 of the Administrative Code creates a Film Rebate Program. The current definitions of qualified film productions and qualified low-budget film productions do not include episodes of web series, and include only productions created by film companies, not production companies more broadly.
- The Film Rebate Program has a funding cap of \$2 million and expires on June 30, 2014.

Amendments to Current Law

- Productions with budgets of less than \$100,000 would be eligible for a daily use fee of \$50, rather than \$100.
- The definition of film productions and low-budget film productions qualified for the Film Rebate Program would be expanded to include episodes of a web series created by a production company.
- The Film Rebate Program would expire on June 30, 2015 and the funding cap would correspondingly increase from \$2 million to \$3 million, subject to annual appropriation.

Background Information

The Film Rebate program is designed to increase the number of qualified film productions in San Francisco, increase the number of City residents employed in the filmmaking industry, and encourage the resulting economic benefits to increased filmmaking. As technology has evolved, web series have become an increasingly popular medium by which films and videos are distributed. Their surge in popularity is evidenced by the growing use of services like Netflix, Hulu, and Amazon for their original content. Many web series have budgets similar to those of television series, and employ as many crew members and extras. With respect to small or independent film production companies, many are often unable to afford the current daily use fees.