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TITLE 2. GOVERNMENT OF THE STATE OF CALIFORNIA [8000 - 22980] (Title 2 enacted by Stats. 1943, Ch. 134.)

DIVISION 3. EXECUTIVE DEPARTMENT [11000 - 15990.3] (Division 3 added by Stats. 1945, Ch. 111.)

[PART 6.7. ECONOMIC AND BUSINESS DEVELOPMENT] [15363.60 - 15363.65] (Part 6.7 added by Stats. 1977, Ch. 345, Sec. 7.)

CHAPTER 1.4. Film California First [15363.60 - 15363.65] (Chapter 1.4 added by Stats. 2003, Ch. 662, Sec. 5.)

[15363.60.](#) This chapter shall be known and may be cited as the Film California First Program.

(Added by Stats. 2003, Ch. 662, Sec. 5. Effective January 1, 2004.)

[15363.61.](#) (a) The Legislature finds and declares as follows:

- (1) The entertainment industry is one of California's leading industries in terms of employment and tax revenue.
- (2) While film, television, and commercial production in California has expanded over the years, other states and countries actively compete for California production business. It is generally acknowledged that certain segments of the industry, mainly film and television production, are especially hard hit in California. The Legislature finds that this is due to assertive efforts of other states and countries, offering various incentives for filming outside of California. As a result of increased marketing efforts by other states and countries, unemployment in certain film industry sectors and a reduction of film business has occurred within California.
- (3) Recognizing the vital role the entertainment industry plays in California's economy, legislation enacted in 1985 created the California Film Commission to facilitate, retain, and attract filming in California.
- (4) In order to stop the decline of California film production, it is necessary and appropriate to assist in the underwriting of actual costs incurred by production companies to film in California and to provide opportunities for production companies and other film industry companies to lease property owned by the State of California at below market rates.
- (5) Providing the funds designated under this program, and leasing property owned by the State of California at below market rates is in the public interest and serves a public purpose, and providing incentives to production companies and other film industry companies will promote the prosperity, health, safety, and welfare of the citizens of the State of California.

(b) It is the intent of the Legislature that, commencing with the 2002–03 fiscal year, funding for the program from the General Fund shall not exceed the General Fund funding level for the prior fiscal year.

(Amended by Stats. 2013, Ch. 352, Sec. 295. (AB 1317) Effective September 26, 2013. Operative July 1, 2013, by Sec. 543 of Ch. 352.)

[15363.62.](#) For purposes of this chapter, the following meanings shall apply:

- (a) "Film" means any commercial production for motion picture, television, commercial, or still photography.
- (b) "Film costs" means the usual and customary charges by a public agency connected with the production of a film, limited to any of the following:
 - (1) State employee costs.
 - (2) Federal employee costs.
 - (3) Federal, state, University of California, and California State University permits and rental costs.
 - (4) Local public entity employee costs.

(5) Local property use fees.

(6) Rental costs for equipment owned and operated by a public agency in connection with the film.

(c) "Fund" means the Film California First Fund, established pursuant to Section 15363.74.

(d) "Office" means the Governor's Office of Business and Economic Development, which includes the California Film Commission.

(e) "Production company" means a company, partnership, or corporation, engaged in the production of film.

(f) "Program" means the Film California First Program established pursuant to this chapter.

(g) "Public agency" means any of the following:

(1) The State of California, and any of its agencies, departments, boards, or commissions.

(2) The federal government, and any of its agencies, departments, boards, or commissions.

(3) The University of California.

(4) The California State University.

(5) California local public entities.

(6) Any nonprofit corporation acting as an agent for the recovery of costs incurred by any of the entities listed in this subdivision.

(Amended by Stats. 2013, Ch. 352, Sec. 296. (AB 1317) Effective September 26, 2013. Operative July 1, 2013, by Sec. 543 of Ch. 352.)

15363.63. (a) (1) Except as provided in paragraph (2), the office may pay and reimburse the film costs incurred by a public agency, subject to an audit. The director of the commission shall develop alternate procedures for the reimbursement of public agency costs incurred by the production company. The office shall only reimburse actual costs incurred and may not reimburse for duplicative costs.

(2) Notwithstanding paragraph (1), the office shall not reimburse costs at rates exceeding those in effect as of January 1, 2002.

(b) Notwithstanding any other provision of law, the Controller shall pay any program invoice received from the office that contains documentation detailing the film costs, and if the party requesting payment or reimbursement is a public agency, a certification that the invoice is not duplicative cost recovery, and an agreement by the public agency that the office may audit the public agency for invoice compliance with the program requirements.

(c) (1) Not more than three hundred thousand dollars (\$300,000) shall be expended to pay or reimburse costs incurred on any one film.

(2) In developing the procedures and guidelines for the program, the commission may, in consultation with interested public agencies, establish limits on per day film costs that the state will reimburse. A consultation and comment period shall begin on January 1, 2001, and shall end 30 days thereafter.

(d) (1) Upon receipt of all necessary film costs documentation from a public agency, the office shall transmit the appropriate information to the Controller for payment of the film costs within 30 days.

(2) Public agencies shall be entitled to reimbursement for certain administrative costs, to be determined by the director of the commission, incurred while participating in the program. The reimbursement for administrative costs shall not exceed 1 percent of the total amount of the invoices submitted. Reimbursement shall have an annual cap imposed of not more than ten thousand dollars (\$10,000) per public agency participating in the program. Contracted agents working on behalf of two or more public agencies shall have a cap of not more than twenty thousand dollars (\$20,000) annually.

(e) The commission shall prepare annual preliminary reports to be submitted to the Joint Legislative Budget Committee in regard to the program prior to the adoption of the annual Budget Act. The reports shall include a list of all entities that received funds from the program, the amounts they received, and the public services that were reimbursed. The commission shall prepare and submit a final report to the committee no later than January 1, 2004.

(f) The commission shall, in consultation with the Department of Industrial Relations and the Employment Development Department, contract with an independent audit firm or qualified academic expert, to prepare a report to be submitted to the Joint Legislative Budget Committee no later than January 1, 2004, that identifies the beneficiaries of expenditures from the Film California First Fund, and determines the impact of these expenditures on job retention and job creation in California.

(Amended by Stats. 2013, Ch. 352, Sec. 297. (AB 1317) Effective September 26, 2013. Operative July 1, 2013, by Sec. 543 of Ch. 352.)

15363.64. (a) The Film California First Fund is hereby established in the State Treasury.

(b) The following moneys shall be paid into the fund:

(1) Any moneys appropriated and made available by the Legislature for the purposes of this chapter.

(2) Any other moneys that may be made available to the agency for the purpose of this chapter from any other source, including the return from investments of moneys by the Treasurer.

(Added by Stats. 2003, Ch. 662, Sec. 5. Effective January 1, 2004.)

15363.65. Procedures and guidelines promulgated to clarify and make specific provisions of the program established pursuant to this chapter, or of any other film assistance program within the agency, shall be exempt from the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 for a period of 36 months after the effective date of this chapter. Following the 36-month exemption, the commission may adopt regulations concerning the implementation of this chapter as emergency regulations in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1. The adoption of these regulations is an emergency and necessary for the immediate preservation of the public peace, health and safety, or general welfare within the meaning of subdivision (b) of Section 11346.1. Notwithstanding subdivision (e) of Section 11346.1, the regulations shall not remain in effect for more than 180 days unless the commission complies with all provisions of Chapter 3.5 (commencing with Section 11340) of Part 1, as required by subdivision (e) of Section 11346.1.

(Added by Stats. 2003, Ch. 662, Sec. 5. Effective January 1, 2004.)