

## Assembly Bill No. 1941

### CHAPTER 176

An act to amend Sections 14998.2 and 14998.4 of the Government Code, relating to the California Film Commission.

[Approved by Governor August 22, 2016. Filed with  
Secretary of State August 22, 2016.]

#### LEGISLATIVE COUNSEL'S DIGEST

AB 1941, Lopez. California Film Commission: membership and duties.

Existing law, the Motion Picture, Television, and Commercial Industries Act of 1984, establishes the California Film Commission within the Governor's Office of Business and Economic Development. Under existing law, the Governor appoints 13 of the 26 members of the commission, with 6 of those appointments based upon specified occupational criteria. Existing law requires the commission to, among other duties, adopt guidelines for a standardized film permit and to administer the qualified motion picture tax credits.

This bill would require one of the Governor's appointees to be an independent filmmaker and would also require one of the Governor's appointees to be a member who is an independent commercial producer, or an employee of a trade association representing independent commercial producers. The bill would also require the commission to create on its Internet Web site a navigational link labeled "Independent Films" that contains information explaining the qualified motion picture tax credits available to independent films and highlights the required allocation of 5% of the aggregate amount of the credits to independent films.

*The people of the State of California do enact as follows:*

SECTION 1. Section 14998.2 of the Government Code is amended to read:

14998.2. (a) There is in the Governor's Office of Business and Economic Development, the California Film Commission consisting of 26 members. The Governor shall appoint 13 members, the Senate Committee on Rules shall appoint four members, the Speaker of the Assembly shall appoint four members, and five members shall be ex officio. The members of the commission appointed by the Governor may include representatives of state and local government, motion picture development companies, employee and professional organizations composed of persons employed in the motion picture industry, and other appropriate members of this or related industries.

All members of the commission, except legislators who are appointed either by the Senate Committee on Rules or by the Speaker of the Assembly, shall serve at the pleasure of the appointing authority for a term of two years from the effective date of the appointment.

(b) (1) One of the members appointed by the Senate Committee on Rules shall, and another one may, be a Senator and one of the members appointed by the Speaker of the Assembly shall, and another one may, be a Member of the Assembly. These persons shall be appointed for terms of four years.

(2) Of the legislators appointed to the commission, no more than three legislators from the same political party may be appointed to or serve on the commission at the same time.

(c) Any legislator appointed shall serve as a voting member of the commission, and shall meet with, and participate in the activities of, the commission to the extent that participation is not incompatible with his or her position as a Member of the Legislature, but shall only serve in that capacity while concurrently serving as a Member of the Legislature. Whenever a legislator vacates an office, the appointing power shall appoint another person for a new full term.

(d) Eight of the 13 members appointed by the Governor shall be as follows:

(1) One shall be a member or employee of a union or guild of motion picture artists.

(2) One shall be a member or employee of a union or guild representing motion picture craftsmen, technicians, or photographers.

(3) Two shall be from major motion picture studios.

(4) One shall be a member of the city council or a member of the county board of supervisors of a city or a county with a population of at least two million people.

(5) One shall be a member of the city council or a member of the county board of supervisors of a city or a county with a population of less than two million people.

(6) (A) One shall be an independent filmmaker.

(B) For purposes of this section, “independent filmmaker” means a producer of a film that meets all of the following criteria:

(i) Has a running time of at least 75 minutes.

(ii) Is intended for commercial distribution to a motion picture theater, directly to the home video market, directly to television, or through the Internet.

(iii) Is produced by a company that is not publicly traded and publicly traded companies do not own, directly or indirectly, more than 25 percent of the producing company.

(7) (A) One shall be a member who is an independent commercial producer, or employee of a trade association representing independent commercial producers.

(B) For purposes of this section, “independent commercial producer” means a producer who owns or is employed by a company that is principally engaged in the physical or digital production of advertising content for

advertisers, has control over the selection of production location, deployment, or management of the production equipment, and directly employs the production crew as the person that has control over the hiring and firing of the crew for a commercial production. The company shall not be wholly or partly owned or operated by an advertising agency or an advertiser or be publicly traded. The company shall also not produce any production to which the recordkeeping requirements of Section 2257 of Title 18 of the United States Code apply.

(e) The Director of Transportation shall serve as an ex officio nonvoting member.

(f) The Director of Parks and Recreation shall serve as an ex officio nonvoting member.

(g) The Commissioner of the California Highway Patrol shall serve as an ex officio nonvoting member.

(h) The State Fire Marshal shall serve as an ex officio nonvoting member.

(i) The director of the commission shall serve as an ex officio nonvoting member.

SEC. 2. Section 14998.4 of the Government Code is amended to read:

14998.4. (a) The commission shall meet at least quarterly and shall select a chairperson and a vice chairperson from among its members. The vice chairperson shall act as chairperson in the chairperson's absence.

(b) Each commission member shall serve without compensation but shall be reimbursed for traveling outside the county in which he or she resides to attend meetings.

(c) The commission shall work to encourage motion picture and television filming in California and to that end, shall exercise all of the powers provided in this chapter.

(d) The commission shall make recommendations to the Legislature, the Governor, the Governor's Office of Business and Economic Development, and other state agencies on legislative or administrative actions that may be necessary or helpful to maintain and improve the position of the state's motion picture industry in the national and world markets.

(e) In addition, subject to the provision of funding appropriated for these purposes, the commission shall do all of the following:

(1) Adopt guidelines for a standardized permit to be used by state agencies and the director.

(2) Approve or modify the marketing and promotion plan developed by the director pursuant to subdivision (d) of Section 14998.9 to promote filmmaking in the state.

(3) Conduct workshops and trade shows.

(4) Provide expertise in promotional activities.

(5) Create a navigational link on its Internet Web site labeled "Independent Films." The navigational link shall contain information explaining the qualified motion picture tax credits available to independent films pursuant to Sections 17053.95 and 23695 of the Revenue and Taxation Code. The navigational link shall also contain information relating to the

application process and shall highlight that the commission is required to allocate 5 percent of the aggregate amount of credits to independent films.

- (6) Hold hearings.
- (7) Adopt its own operational rules and procedures.
- (8) Counsel the Legislature and the Governor on issues relating to the motion picture industry.