



**CITY OF SANTA CLARITA
AGENDA REPORT**

CONSENT CALENDAR

CITY MANAGER APPROVAL: Ken Stripling

DATE: June 12, 2018

SUBJECT: STATE LEGISLATION: ASSEMBLY BILL 1734

DEPARTMENT: City Manager's Office

PRESENTER: Masis Hagobian

RECOMMENDED ACTION

City Council adopt the Legislative Committee’s recommendation to support Assembly Bill 1734 and transmit position statements to Assembly Member Ian Calderon, Santa Clarita’s state legislative delegation, appropriate legislative committees, Governor Brown, and the League of California Cities.

BACKGROUND

Authored by Assembly Member Ian Calderon (D-57-Whittier), Assembly Bill 1734 extends the California Film and Television Tax Credit Program for five additional fiscal years through June 30, 2025.

In 2009, the State Legislature passed the California Film and Television Tax Credit Program in an effort to promote film production and create and retain jobs in California. The California Film and Television Tax Credit Program (tax credit program) is scheduled to sunset on June 30, 2020. This bill would extend the tax credit through June 30, 2025.

The tax credit program has played a significant role in incentivizing and retaining film and television production companies in California. At the local level, the City of Santa Clarita (City) has issued 130 tax credit approved featured films and television shows since the implementation of the tax credit program. Additionally, nearly 20 different tax credit approved feature films and television shows have or are currently based at sound stages in the City. To date, on-location filming from tax credit approved projects that have filmed in the City has resulted in an estimated \$48,150,000 in economic benefit to the community.

The tax credit program has also created many jobs in the film and production industry in the City. One example of this is the television show “Justified,” which was based at Santa Clarita Studios for six seasons and filmed on location all around Santa Clarita Valley. According to the

California Film Commission, production of the tax credit approved show resulted in over 3,000 jobs each production year.

The tax credit program is scheduled to sunset on June 30, 2020. Many motion picture and television production companies make decisions regarding the location of their film project a year or more in advance. This bill would establish the certainty of the tax credit program through June 30, 2025, and allow for film and television production companies to remain in California.

The City of Santa Clarita 2018 Legislative Platform includes a component related to the tax credit program. Component 23 under the “State” section of the Legislative Platform advises that the City Council, “Support legislation that will preserve or enhance the tools, incentives, and programs utilized by local governments and the state that will keep filming in California.” Assembly Bill 1734 was introduced on January 3, 2018, unanimously passed the Assembly Committee on Arts, Entertainment, Sports, Tourism, and Internet Media (7-0) on April 17, 2018, and passed the Assembly Committee on Revenue and Taxation (9-0-1) on May 14, 2018. Assembly Member Dante Acosta voted in support of Assembly Bill 1734 as a committee member in the Assembly Committee on Arts, Entertainment, Sports, Tourism, and Internet Media. Assembly Bill 1734 passed the Assembly Committee on Appropriations (15-1-1) on May 25, 2018, and is pending a second reading in the Assembly.

A similar measure has been introduced in the Senate, Senate Bill 951 (Mitchell).

The City Council Legislative Committee met on May 25, 2018, and recommends that the City Council adopt a “support” position for Assembly Bill 1734.

ALTERNATIVE ACTION

1. Adopt a “neutral” position on Assembly Bill 1734
2. Adopt an “oppose” position on Assembly Bill 1734
3. Take no action on Assembly Bill 1734
4. Refer Assembly Bill 1734 back to the Legislative Committee
5. Other action, as determined by the City Council

FISCAL IMPACT

The resources required to implement the recommended action are contained within the City of Santa Clarita's adopted FY 2017-18 budget.

ATTACHMENTS

Assembly Bill 1734 - Bill Text