

MOTION BY SUPERVISORS KATHRYN BARGER
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November 6, 2024

**SUPPORT FOR GOVERNOR NEWSOM’S EXPANSION OF THE CALIFORNIA FILM
AND TELEVISION TAX CREDIT PROGRAM**

Los Angeles County has long recognized the importance of the film, television, and digital media industry (Industry). In recent years, the industry has faced significant challenges, from the pandemic to the entertainment strikes, as well as productions moving out of the state due to the high costs of doing business in California and the County. According to the 2024 Otis Report on the Creative Economy, the number of workers in California’s creative economy fell by 70,840 in 2023, an 8% reduction. The report also cited that 27% of the nation’s domestic film and television workforce resides in Greater Los Angeles, raising significant concerns of reduced project output.

According to FilmLA’s 2023 Scripted Content Study, production in Greater Los Angeles fell by 19.7% in 2023 compared to the previous year. Over the past three years, California has lost market share to its U.S. and global competitors, including the United Kingdom, Ontario, New York, Georgia, and others. In 2009, the California Film & Television Tax Credit Program was launched, with the aim of keeping these productions and jobs in California. Since then, this program has generated over \$26 billion in economic activity and supported more than 197,000 cast and crew jobs across the state. Last year, Governor Gavin Newsom extended funding for the program an additional five years and included a new “refundable” feature, allowing studios to receive cash payments from the state if their credits are larger than their tax bills.

On October 27, 2024 Governor Newsom unveiled a proposal to more than double the annual allocation to the California Film & Television Tax Credit Program, from \$330 million to \$750 million. This proposal, if approved by the Legislature, would take effect as early as July 2025.

On September 26, 2023, the Board of Supervisors (Board) passed the “Long-term Supports for the Film Industry in LA County” motion, which directed the Department of Economic Opportunity (DEO) to explore ways to incentivize film in LA County, including removing regulatory and zoning hurdles, potential tax reductions, and fee waivers. The motion also directed the Chief Executive Office – Legislative and Intergovernmental Affairs Branch (CEO-LAIR) to advocate for the expansion of California’s Film & Television Tax Credit Program.

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Given the importance of the entertainment industry to the Los Angeles County economy, it is vital to proactively keep this industry located in the region and economically strong. We must continue to support the entertainment industry and partner with the State, as well as the City of Los Angeles, and all 88 cities in Los Angeles County, to increase production in the region Countywide.

WE, THEREFORE, MOVE that the Board of Supervisors direct the Chief Executive Office – Legislative Affairs and Intergovernmental Relations Branch to support Governor Newsom’s proposal to expand the California Film & Television Tax Credit Program from \$330 million to \$750 million.

WE, FURTHER, MOVE that the Board of Supervisors direct the Department of Economic Opportunity to partner with the City of Los Angeles and Mayor Karen Bass’ Entertainment Industry Council to identify best practices and opportunities for the County to implement, including all 88 cities, continuing to attend all upcoming Entertainment Industry Council meetings as an observer, and report back to the Board in 60 days.

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