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Assemblymembers Bocanegra and Gatto Introduce Expanded Film and Television Job Creation Act

Bill has 59 co-authors, including a majority of the State Assembly

SACRAMENTO – Today, Assemblymembers Mike Gatto (D-Los Angeles) and Raul Bocanegra (D-Pacoima), introduced AB 1839, which would expand and improve the California Film and Television Job Retention and Promotion Act. The bill takes a number of steps to improve and expand the State’s current incentive program. It was co-authored by 59 additional legislators – 50 Assemblymembers and 9 State Senators.

“I remember when our communities lost all the good aerospace jobs,” said Gatto. “Losing major employers really harms local families and our state economy. This effort is a rare example of government appropriately taking steps to stem the loss of jobs out of state.”

Since the program was created in 2009, it has saved or created as many as 51,000 well-paying jobs from leaving the state, and generated \$4.5 billion in economic activity statewide. The tax revenue generated from filming helps to pay for teachers, police officers and infrastructure throughout our state. California’s program is currently one of the smaller programs nationally. Expanding it will allow more jobs and tax revenue to be created.

“This expanded and improved program will go a long way towards making California more competitive with other state’s programs. Right now we’re getting our lunch handed to us by these other states. We simply can’t sit by and watch this \$17 billion a year sector of our economy continue to leave California,” said Assemblymember Raul Bocanegra. “Every single economic analysis of the program shows that it’s a net economic generator for the State. It creates revenue and tens of thousands of jobs, it’s a win-win.”

California’s film and television industry has been eroded in recent years by competition from other states and countries. Currently 44 states are offering film and television production incentives. Of the 41 big budget feature films released in the last two years, only one shot exclusively in California. Over the last decade, California’s share of one-hour TV series dropped nearly 36%, costing the state nearly 10,000 jobs. Since New York began expanding their program, they have created nearly 15,000 additional jobs each year in the film and television industry.

“By enhancing California’s film and television production incentive program, AB 1839 will ensure that California remains competitive in attracting big budget productions that create jobs

and inject millions of dollars in our local economies," said Assemblymember Rob Bonta (D-Oakland) a principal co-author of the bill. "I am very pleased that my colleagues in the Assembly recognize that film productions have huge economic impacts in communities across the state."

Some of the proposals in AB 1839 include:

- Lifting the budget cap on feature films eligible to apply for the program. A film of any size will be able to apply to the program, however only qualified expenditures of up to \$100 million will be eligible for the credit.
- Allowing all new 1-hour television series, regardless of where they air – broadcast, cable, Netflix etc. – to be eligible to apply for the program. Allowing television pilots to be eligible to apply for the program.
- Extending the Program for five additional years.
- Offering a 5% increase in the tax credit for filming done outside of the Los Angeles Zone (to a total of 25%).
- Offering a 25% credit for television shows relocating to California in the first year.
- Modifying the requirement that 75% of production days occur in California to 75% of principal photography days occur in California, to ensure more jobs are created here.

The bill will be referred to the Assembly Arts, Entertainment, Sports, Tourism and Internet Media Committee for a hearing this spring.

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