

COMPARED VERSION
COMPARED VERSION TO CODE BOOKS

ORDINANCE NO. 241063

Amending Chapter 2, Code of Ordinances, Administration, by repealing and replacing Sections 2-2151, 2-2152, 2-2153 and 2-2154, for the purpose of enhancing the film development program to better support the evolving needs of Kansas City's creative industry and align more directly with the state of Missouri's film incentive program.

WHEREAS, on February 25, 2016, the Council passed Ordinance No. 160093 which added new Article 17 in Chapter 2 that implemented Kansas City's film development program to encourage film production in Kansas City that would attract this creative industry to Kansas City; and

WHEREAS, the City of Kansas City recognizes the significant economic, cultural, and social benefits that a vibrant film industry brings to the community, including job creation, tourism, and business opportunities for local vendors; and

WHEREAS, in 2023, the State of Missouri enacted the Motion Media Production Tax through the Show MO Act, which aims to recruit qualified production projects to film and conduct postproduction in Missouri; and

WHEREAS, Kansas City's film development program requires updates to better align with Missouri's Motion Media Production Tax program and minimize duplicative efforts; and

WHEREAS, amending and enhancing the film development program will ensure that the City can respond effectively to industry trends, build local talent, and provide resources and incentives that meet the evolving needs of filmmakers and production teams; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That Chapter 2, Code of Ordinances of Kansas City, Missouri is amended by repealing Sections 2-2151, 2-2152, 2-2153, and 2-154 relating to the film development program, and enacting in lieu thereof new sections of like number and subject matter, to read as follows:

Sec. 2-2151. Definitions.

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context indicates a different meaning:

Above the line means individuals including screenwriter, producer, director and principal actors who influence and add to the creative direction of a project.

As funding is available means that there is a finite amount of funds available for the film program and the available funding is subject to the City's annual budget process.

Call sheet is a form that documents cast and crew who worked on the film project, the number of days those individuals worked, the rate at which they were paid and the hours worked daily.

City means the City of Kansas City, Missouri.

Commercial bundle means multiple commercial spots filmed during the same principal photography period.

Expatriate crew means any crew person returning to the Kansas City area to work on a project who once held residence in the Greater Kansas City Metropolitan Area.

Family video means the filming or recording of motion media solely for private use.

Filming means activity for staging and shooting motion pictures, television shows or programs, commercials, videos, including setup, strike and the time of photography.

Final expenditure report is a form provided by the city that reports the qualified expenditures within the city limits of Kansas City, Missouri.

Greater Kansas City expenditure report is a form provided by the City that reports the total area expenditures in the Greater Kansas City Metropolitan Area.

Greater Kansas City Metropolitan Area is defined by the city and the five surrounding counties including Jackson, Platte, Clay Counties in Missouri and Wyandotte, and Johnson Counties in Kansas.

Kansas City Film + Media Office is an office within the City of Kansas City.

Local crew means a group of people hired by a production company for the purpose of producing a film or motion picture and who reside in the city.

Local principal cast means a paid actor residing in the city who has a lead, day player, featured or speaking role.

Regional crew means crewmembers who are residents of the Greater Kansas City Metropolitan Area.

Proof of purchase means receipts or other documents showing purchase of goods and services, location and cost.

Principal filming date means the time period and phase of production during which the main filming occurs.

Production means a feature-length film, documentary film, television movie, television pilot, reality program or each episode of a television series or web series. It may also mean corporate media, industrial media, music video, short subject or web video.

Qualified expenditure is an expense for a product or service that is a necessary cost for the production of a qualifying production for which remuneration is received by a business entity, organization or individual located in the city. Such expenditures may include, but are not limited to, costs for labor, services, materials, equipment rental, lodging, food, location fees and property rental.

Rebate means an amount paid by way of return or refund on what has already been paid or contributed by the production company.

Short film/short form means a film less than 30 minutes in length.

TV show/series means any television episode or television series including web-streamed episodes and series.

Sec. 2-2152. Eligibility requirements of the film development program.

(a) The Kansas City Film + Media Office will provide the initial review of the applications and make a recommendation of the qualified applications that meet program requirements to the General Services Department for final determination of eligibility.

(b) In making the determination of whether the production meets the requirements for a rebate, an application form must be submitted that demonstrates that the applicant will meet the following criteria:

- (1) City residence, production headquarters or hotel stays. Applicant must meet one or more of the following requirements:
 - a. Minimum number of hotel room nights:
 1. Two hundred hotel room nights required for a feature film; or
 2. One hundred hotel room nights required for a TV show; or
 3. Fifty hotel room nights for a commercial or corporate video; or
 4. Five hotel room nights for a short film or music video; or
 - b. Executive producer/director has proof of residence in the city; or
 - c. Production office address/headquarters are within the city.
- (2) Fees:
 - a. An application processing fee of \$50.00 shall be submitted before the application is considered complete; and

- b. Fees for city permits needed for production purposes shall not be waived for applicants who qualify and are approved for the film development program.
- (3) Sign a Kansas City film code of conduct compliance form.
- (4) Applicants must provide verifiable proof of funding sufficient to support the production and completion of the proposed project. Proof of funding may be established through one of the two following methods:
 - a. A written agreement between the applicant or project producer and a bank, financial institution, or other investment source which must include the following:
 - 1. The date the agreement was executed;
 - 2. The amount of funds committed to the project; and
 - 3. The time frame within which the funds will be made available.
 - b. Documentation demonstrating the existence of an escrow account containing sufficient funds specifically allocated for the production and completion of the project.
- (5) Twenty-five percent of the principal photography days must be filmed in the city as clearly outlined in the production schedule.
- (6) Hire a minimum of five local crew and/or local principal cast employees. A maximum of one production assistant may be applied toward the minimum hire.
- (7) Any film or television production receiving a rebate under this article shall place a credit on each film or television episode providing: "Thank you to the City of Kansas City, Missouri for its generous support of this production", "Filmed on location in Kansas City, Missouri", or other similar type statement as approved by the city.
- (8) Procure and maintain proof of insurance coverage, not less than the types and amounts as required by the city.
- (9) Production companies shall comply with all federal, state and local laws, ordinances and regulations and must be current on all city taxes, licenses and fees.

(c) Applicant will be required to submit all required final reports pursuant to section 2-2154, final certification and accounting requirements. The production company shall provide documentation of detailed expenditures along with proof of purchases and payments prior to issuance of rebate pursuant to section 2-2154.

(d) If the application is approved and the production is determined to be eligible by the city, then the city will execute a contract with the production company under the authority of the city manager. The production company must comply with all the city contracting requirements.

(e) A production company may not receive more than two contracts within the city's current fiscal year.

Sec. 2-2153. Film development program.

(a) The rebate amount will be based on the project's actual local qualified expenditures, and must not deviate more than 20 percent, without written consent from the city, below the estimated expenditures provided to the city on the application form. In no case will the rebate paid be more than 100 percent of the estimated spend.

(b) Rebates are performance-based, where payments will not be issued until after the production company has provided all the required documentation by a set deadline and the city has confirmed compliance and verified all qualified expenses. Qualified productions will be considered in the order in which they are received and as funding is available.

(c) If principal photography days do not occur within fourteen (14) calendar days of the schedule start date provided on the production schedule in the initial application, the applicant must submit a revised application to the Kansas City Film Office for reconsideration. All program funds will be withheld from the production until the revised application has been reviewed and formally approved by the Kansas City Film Office.

(d) If a production fails to meet any one of the requirements as set forth in section 2-2152(b), the city shall withdraw the rebate offer with no further obligation by the city.

(e) Productions may qualify for one of the following tiers of rebate:

(1) *Tier 1:* Four percent rebate on qualified city expenditures if:

a. Minimum amount spent in the city in one of the following categories:

1. \$100,000.00 feature film; or
2. \$50,000.00 TV show pilot or episode; or
3. \$100,000.00 TV series or commercial bundle; or
4. \$50,000.00 national commercial; or
5. \$25,000.00 regional commercial, corporate video; or
6. \$10,000.00 short film or music video.

(2) *Tier 2:* Eight percent rebate on qualified city expenditures if:

a. Minimum amount spent in the city in one of the following categories:

1. \$100,000.00 feature film; or
 2. \$50,000.00 TV show pilot or episode; or
 3. \$100,000.00 TV series or commercial bundle; or
 4. \$50,000.00 national commercial; or
 5. \$25,000.00 regional commercial, corporate video; or
 6. \$10,000.00 short film or music video.
- b. Additional requirements:
1. 250+ city room nights; or
 2. Film for four or more consecutive weeks in the city; or
 3. 25 or more local regional crew or expatriate crew and/or local principal cast and a minimum of one-quarter of hires must be local.
- c. Community benefit requirement. The principal cast, director, head of department, and/or producer must provide a learning opportunity such as a panel discussion or seminar for outreach to emerging artists and young people who are interested in the industry.
- (3) *Optional Bonus Rebate Opportunities:* In addition to meeting the eligibility requirements and qualifying for either a tier 1 or tier 2 rebate, a production company can meet the following requirements to receive additional rebates on qualified expenditures:
- a. *Workforce Development Bonus:* A production company may receive a two percent bonus rebate if the production offers a minimum of two shadowing opportunities to film and media students that are residents of Kansas City, Missouri. Each of the shadowing opportunities must span at least one day of production.
 - b. *Cultural Integration Bonus:* A production company may receive a two percent bonus rebate if at least a 30% of the production's total personnel are minorities and/or women. Compliance with the 30% threshold verified through the cast and crew list submitted to the Kansas City Film Office, using Driver's License verification.

Sec. 2-2154. Final certification and accounting requirements.

(a) The following documents need to be received by the Kansas City Film Office within 90 calendar days of the last day of filming in order to receive the rebate. The director has authority to extend this 90-day deadline if an extension is requested by the film production company prior to the deadline with justification of hardship.

- (1) Final expenditure report in a format provided by the city along with the following attachments:
 - a. Detailed documentation of final city qualified expenditures along with proof of purchase demonstrating expenditures were bought and paid to companies, organizations or individuals located within the city limits.
 - b. Call sheet(s) showing number of people who worked on the film project and a report on the number of days individuals worked including the rate at which they were paid and the hours per day they worked.
 - c. Greater Kansas City expenditure report.
- (2) All expenditures must be verified by the city and are subject to approval or denial by the city.
- (3) Film productions must pay contracted crew and vendors. The following shall result in disqualification from the film incentive program:
 - a. Proof of non-payment to contracted crew and vendors; or
 - b. Film productions with deferred payment contracts with Kansas City crew or cast.

Approved as to form:

Lana K. Torczon
Senior Associate City Attorney