

South Carolina Film Office



South Carolina Department of
Parks, Recreation & Tourism

The SCFC recruits and facilitates the film and television industries to S.C. while fostering the growth of our indigenous personnel and companies to effectively compete in one of America's top exports.



South Carolina
Film Office
Established
(Governor's Office)

1980

1981
Film Office
Transferred to
SCETV

Film Office
Transferred to
SC Arts Commission
1983

1985
Film Office
Transferred to
SC Development
Board

Film Office
Closed
1987

1988

Film Office
Reopens
(SC Development Board)

1994
Film Office
Transferred to
SCPRT

Motion Picture
Related Income
Tax Credits

1997

1999
Film Office
Transferred to
SC Dept. of
Commerce

Motion Picture
Incentive Act
Establishes
Wage and
Supplier Rebates
(15/15)

2005

Wage and Supplier
Rebates Increased
by Proviso
(30/20)
2006

2008
Film Office
Transferred to
SCPRT

2012
Wage and Supplier
Rebates Revert to
15/15

Supplier and
Wage Rebates
Codified
(30/20/25)

2013



Film Office Resources

Staff

Dan Rogers
Project Manager
30 Years State Service

Tom Clark
Film Office Manager
30 Years State Service

Ike Johnson
Auditor
(Part-time)

Eight Locations Scouts
(contracted on an as-needed basis)

Budget

	FY2016-2017		FY2017-2018		FY2018-2019	
	Budget	Budget	Budget	Budget	Budget	Budget
	Authorization	Expended	Authorization	Expended	Authorization	Expended
Classified Positions	\$155,775.00	\$155,771.94	\$156,661.00	\$156,660.96	\$155,775.00	\$0.00
Temporary Positions	\$50,000.00	\$40,751.25	\$50,000.00	\$48,495.00	\$50,000.00	\$0.00
General Operating	\$314,000.00	\$86,522.52	\$314,000.00	\$124,461.10	\$332,097.00	\$0.00
Film Incentive Rebates*	\$13,071,864.00	\$11,414,694.62	\$13,754,767.00	\$9,846,863.36	\$16,253,767.00	\$0.00
Production Fund Grants	\$240,000.00	\$182,068.31	\$240,000.00	\$239,515.64	\$240,000.00	\$0.00
Employer Contributions	\$62,833.00	\$62,832.27	\$67,826.00	\$67,825.02	\$62,833.00	\$0.00
Totals	\$13,894,472.00	\$11,942,640.91	\$14,583,254.00	\$10,483,821.08	\$17,094,472.00	\$0.00

*Film Incentive Rebates Budget Expended does not include unexpended incentive rebates that are committed within the year.



Strategy & Objectives

Strategy 2.1 - Develop the State's Film Industry through Project Recruitment and Educational Opportunities

Objective 2.1.1 - Recruit Film/Television Projects that Provide Positive Impacts on South Carolina's Economy and Employment

Objective 2.1.2 - Encourage Workforce Development through Educational Workshops and Production Fund Grants



SC Film Office Responsibilities

- Markets SC to film makers
- Recruits motion pictures and other related projects
 - Films: Feature, Documentary
 - TV: Episodic, Series
 - Commercials: National, Regional, Local
 - Print: Ads, Catalogues
 - Industry Suppliers (equipment, facilities, services)
- Grows the state's indigenous infrastructure
 - e.g., Crew, suppliers, schools, indie producers, film festivals
- Manages projects that film in SC
- Manages annual Production Fund Grants Program
- Conducts/Coordinates industry training seminars



Projects the SC Film Office Recruits...

- ✓ Films: Feature, Documentary
- ✓ TV: Pilots, Episodic, Series
- ✓ Commercials: National, Regional, Local
- ✓ Print: Ads, Catalogues
- ✓ Industry Suppliers (equipment, facilities, services)

Projects the SC Film Office Incentivizes...

- ✓ Films: Feature
- ✓ TV: Pilots, Episodic, Series

To receive the rebates, a qualified production must spend \$1,000,000 in SC.
All other incentives require only a \$250,000 spend.



South Carolina's Film Incentives

- 25% Wage Rebate for in state wages subject to SC taxation
- 20% Wage Rebate for out-of-state crew
- 30% Supplier Rebate for Qualified Expenditures
- State Sales and Use Tax Exemption



Canada introduces
federal movie
production tax
incentive programs

1997

South Carolina
establishes film
wage and supplier
rebates

2002

2005

North Carolina
establishes film
incentive program

Louisiana
becomes the first
state to offer Film
Tax Incentives

Georgia
establishes
film incentive
program

2009

North
Carolina
enhances film
incentive
program

Florida
establishes
film incentive
program

California
establishes its
first film tax
incentive program

Sunset of Florida
Film Tax Incentive
Program

2015

North Carolina
ends film tax
incentives

North Carolina
launches film
grant program

In 2002, five states established film incentive programs.
By 2009, 44 states had begun offering incentives.



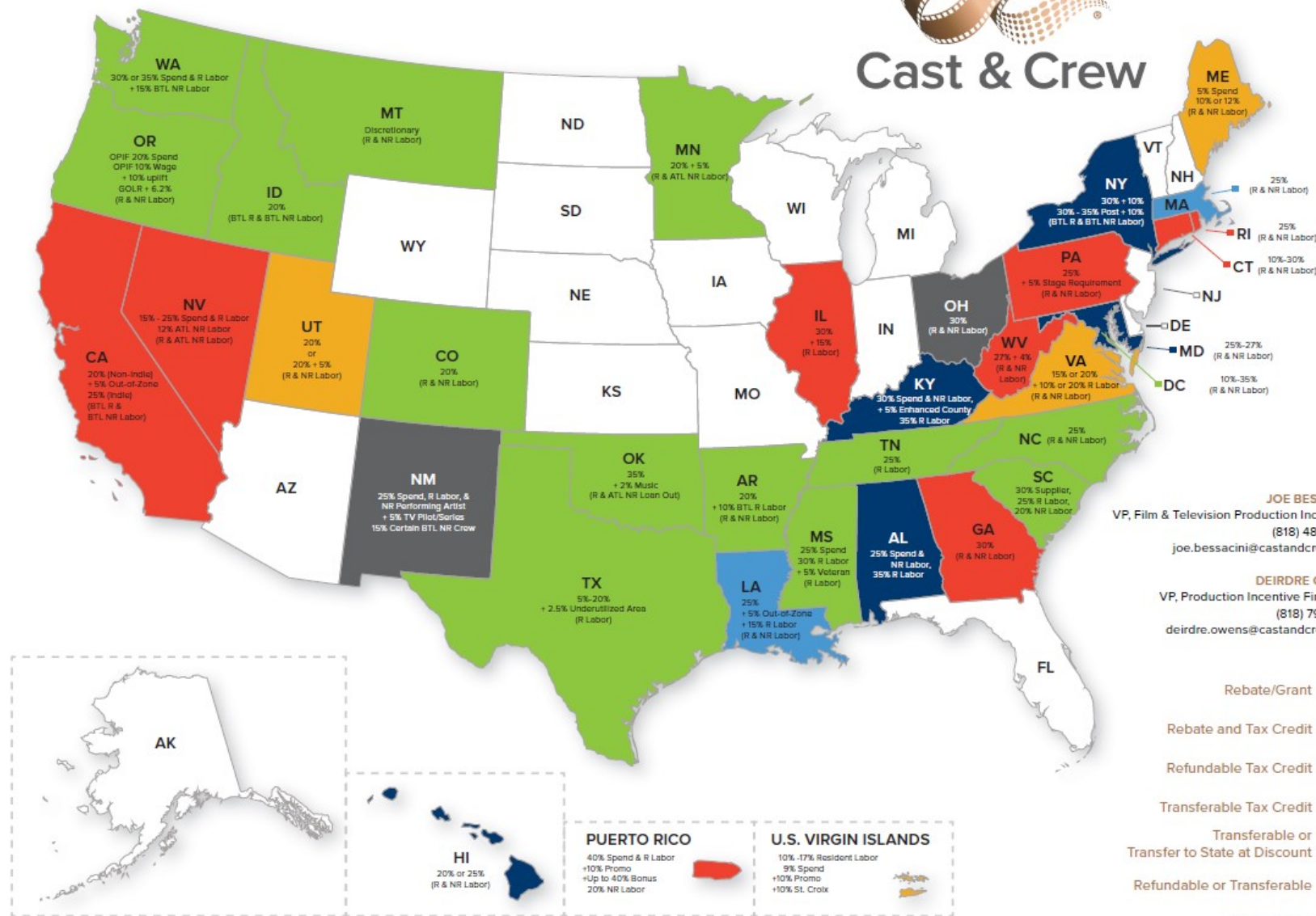


U.S. PRODUCTION INCENTIVES AT-A-GLANCE

OCTOBER 2017



Cast & Crew



R = Resident, NR = Nonresident, ATL = Above-the-Line, BTL = Below-the-Line

JOE BESSACINI
VP, Film & Television Production Incentives
(818) 480-4427
joe.bessacini@castandcrew.com

DEIRDRE OWENS
VP, Production Incentive Financing
(818) 792-3201
deirdre.owens@castandcrew.com

Rebate/Grant	14
Rebate and Tax Credit	4
Refundable Tax Credit	5
Transferable Tax Credit	9
Transferable or Transfer to State at Discount	2
Refundable or Transferable	2
No Incentive	17





Motion Picture Project Workflow

Project Recruitment

Pro-active Recruitment

Fielding Inquiries

Project Qualification

Vetting the Project

Incentive Rebate Application (for Qualified Features/Series spending over \$1,000,000.00 dollars)

Film Office Receives/Reviews Application

SC Film Evaluation & Advisory Committee Review/Discussion/Approval

Acceptance Letter from SCPRT

Working with Production Company Personnel

Meet with Management Staff at Production Offices in SC

Review Policies, Procedures and Auditing Process

Bi-weekly Audits

Encourage Use of SC Suppliers and Resident Crew

Qualified and Unqualified Vendors

Logistical Assistance for Productions

Final Audit

Review by SCFC

Review by Production Company

Audit recommendation

Final documentation

Checks Requested and Disbursed



Video 1 – Available on House Legislative Oversight Committee website

Deliverable 54: Motion Picture Incentives

54(A) Sales & Use Tax Certification of Exemption

Deliverable Required by Section 12-62-40 Certification of exemption; reporting expenditures; failure to expend requisite amount.

No Associated Performance Measures

SECTION 12-62-30: A motion picture production company that intends to expend in the aggregate two hundred fifty thousand dollars or more in connection with the filming or production of one or more motion pictures in the State of South Carolina within a consecutive twelve-month period, upon making application for, meeting the requirements of, and receiving written certification of that designation from the department as provided in this chapter, shall be relieved from the payment of state and local sales and use taxes administered and collected by the Department of Revenue on funds expended in South Carolina in connection with the filming or production of a motion picture or pictures. The production of television coverage of news and athletic events is specifically excluded from the provisions of this chapter.



Deliverable 54: Motion Picture Incentives

54(B) Wage Rebate

Deliverable Allowed by Section 12-62-50. Tax rebate for employment of persons subject to South Carolina income tax withholdings.

Associated Performance Measure

In-State Film Crew Hires

FY 13	FY 14	FY 15	FY 16	FY 17
2,926	2,196	3,164	2,301	2,479



Examples of Film Crew Jobs

- Accountant
- Animal Wrangler
- Art Director
- Best Boy
- Cable Puller
- Camera Operator
- Casting Director/Agent
- Caterer
- Computer Effects
- Construction Coordinator
- Costumers
- Dialect Coach
- DP /
Cinematographer
- Dolly Grip
- Editor
- Foley Artist
- Gaffer
- Location Manager
- Production Designer
- Script Supervisor





Deliverable 54: Motion Picture Incentives

54(C) Supplier Rebate

Deliverable Allowed by Section 12-62-60. Distribution of admissions taxes; rebates to motion picture production companies; promotion of collaborative efforts between institutions of higher learning and motion picture related entities.

Associated Performance Measures

Qualified Spending in SC

FY 13	FY 14	FY 15	FY 16	FY 17
\$15,458,855	\$18,455,460	\$29,075,355	\$19,860,414	\$38,093,948

Total Number of Film-Related Lodging Room Nights

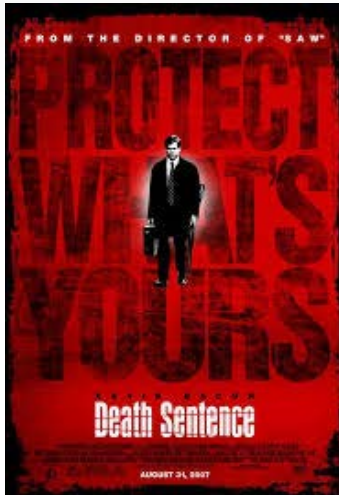
FY 13	FY 14	FY 15	FY 16	FY 17
30,803	14,116	30,039	23,935	15,337



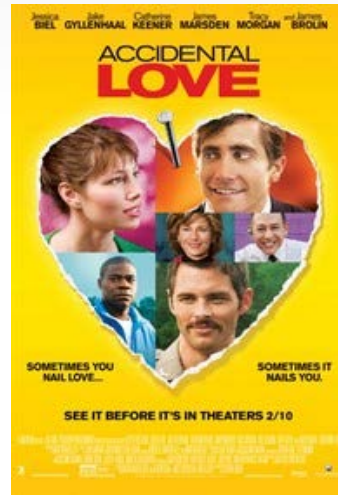
Deliverable 54: Motion Picture Incentives

54(D) Temporary Use of Underutilized State Property

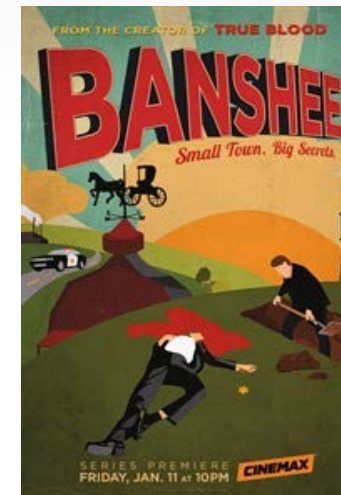
Deliverable Allowed by Section 12-62-70. Temporary use of underutilized state property by motion picture production company; use of state property for less than seven days.



Death Sentence
2006
SCDMH Property



Accidental Love
2008
SCDMH Property



Banshee
2012
SCDOC Property



Halloween
2018
SCDOC Property



Deliverable 54 A-D

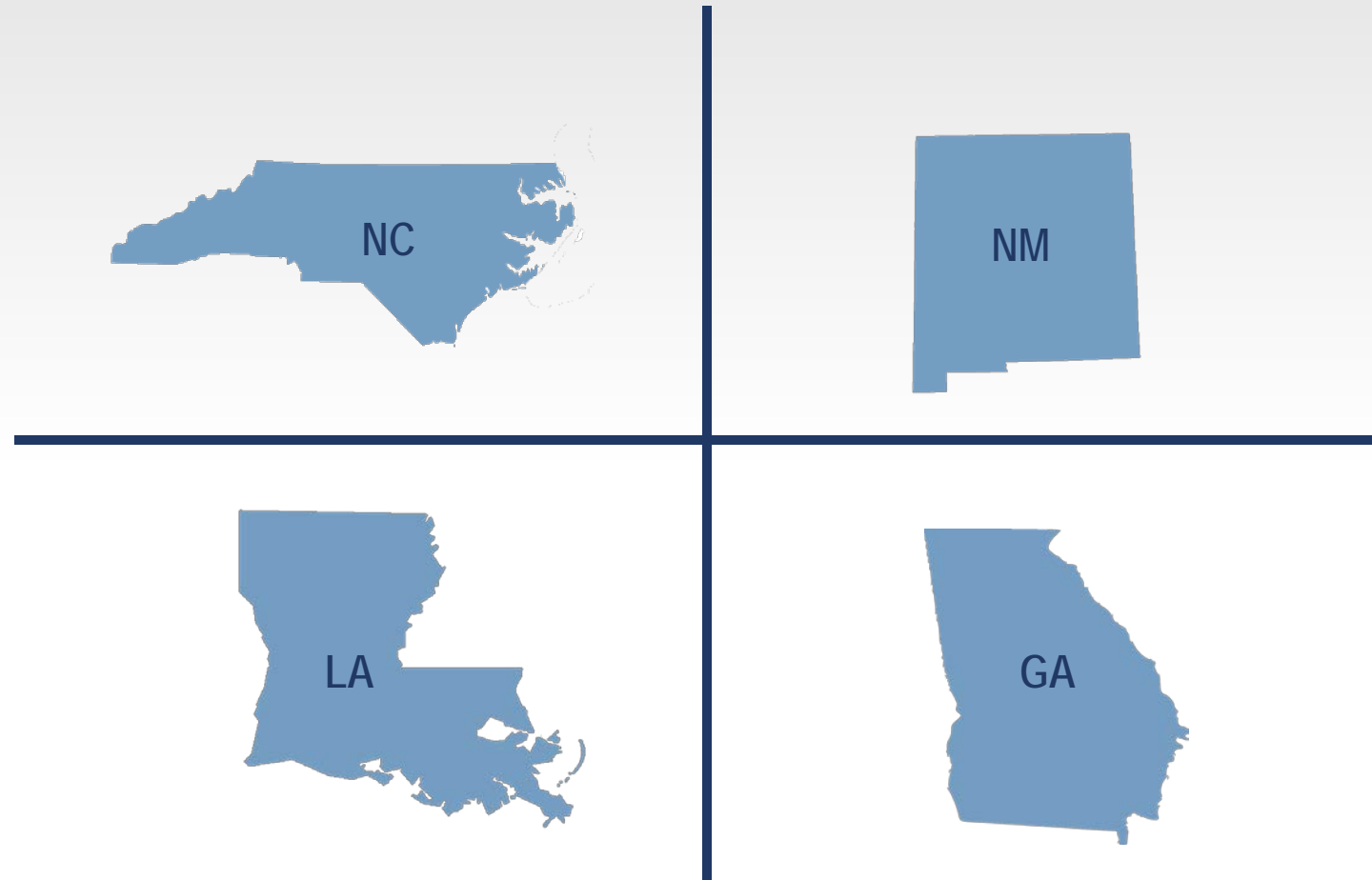
Greatest Potential Harm

No Film Incentives = No Film Projects

- No Work for SC Crew
- No Spending for SC Vendors
- Less Exposure for South Carolina



Observations & Lessons Learned from Other States



Film Incentive Programs Require *Stability & Sustainability*



Deliverable 55: Production Fund Grants

Deliverable Allowed by Section 12-62-60. Distribution of admissions taxes; rebates to motion picture production companies; promotion of collaborative efforts between institutions of higher learning and motion picture related entities.

The SC Film Production Fund was created to develop collaborative projects in film, video and multimedia between professionals in motion picture and related industries, and South Carolina institutions of higher learning. Independent producers and other professionals in motion picture-related fields partner with South Carolina colleges, working with their students to help South Carolina build its knowledge pool and improve the skills of those already involved in the industry.



Deliverable 55: Production Fund Grants

PRODUCTION TRAINING GRANTS FOR SHORT FILMS (2014/2015 Fiscal Year)

Project Title	Grant Amount	Project Filmmakers*	TTC Students**	Other S.C. Crew/Cast^
Gone Away	\$28,000	Elizabeth Thomas, Barnwell (writer/producer)	7	21
The Final Adventure of John & Eleanor Greene	\$34,200	Matthew Aughtry, Greenville (writer); Maria White, Charleston (director); Matthew Mebane, Charleston (director)	6	19
Cotton Country (documentary)	\$15,000	Emily Harrold, Orangeburg (director)	3	4

PRODUCTION TRAINING GRANTS FOR SHORT FILMS (2015/2016 Fiscal Year)

Isle of Palms	\$24,500	Joe Worthen, Greenville (writer/producer); John Barnhardt, Charleston (director)	8	19
Pilgrims	\$24,500	Brad Land, Conway (writer/producer); Jonathan Guggenheim, Greenville (director)	6	16
UnderBelly Up (documentary)*^	\$10,500	Josh Yates (director); Seth Gadsden/Nickelodeon Theater (producer)	2	3

PRODUCTION TRAINING GRANTS FOR SHORT FILMS (2016/2017 Fiscal Year)

Blood Spook	\$32,000	Steve Daniels (writer/director)	8	24
Sad Steve	\$29,000	Eric Shanks, Greenville (writer/director); John Reynolds, Charleston (producer, DP)	8	27

*Writer, directors, and/or producers for each project. In addition to the production grant, these S.C. production professionals receive important professional development through support and resources, with the projects often serving as incubators for these professionals.

**Trident Tech students work on these projects as Production Assistants or similar in each department, getting hands-on training in a professional production environment and creating mentor relationships with production professionals, a key component of the production industry and a bridge to employment.

^These projects are also professional development and training for crew working on the project. We often bring in high-caliber production professionals who donate their time (at no or heavily-reduced costs), with the crew learning and working under them. Also, because of the low-budget and training nature of these projects, crew are often able to step up into a higher position, giving them training and credits in these higher positions.

*^Part of the Nickelodeon's Filmmaker-in-Residence, where the filmmaker and theater had an ongoing series of training programs for the Columbia community, supported by the project and Indie Grants.



Video 2 – Available on House Legislative Oversight Committee website



Deliverable 55: Production Fund Grants

In-State Screenings

IN-STATE SCREENINGS RELATED TO INDIE GRANTS PROGRAMS 2014-2015				
Content	Date	Event	Location	Approx # of Attendees
Indie Grants Short Films	2/14/2015	Beaufort Film Festival	Beaufort, SC	90
Young Filmmakers Top Ten	Apr-15	Indie Grits Film Festival	Columbia, SC	60
Indie Grants Short Films	11/7/2015	Charleston International Film Festival	Charleston, SC	75
IN-STATE SCREENINGS RELATED TO INDIE GRANTS PROGRAMS 2015-2016				
Indie Grants Short Films	2/13/2016	Beaufort Film Festival	Beaufort, SC	80
Indie Grants Short Films	4/16/2016	Indie Grits Film Festival	Columbia, SC	45
Young Filmmakers Top Ten	11/5/2016	Charleston International Film Festival	Charleston, SC	48
Indie Grants Short Films	11/5/2016	Charleston International Film Festival	Charleston, SC	66
IN-STATE SCREENINGS RELATED TO INDIE GRANTS PROGRAMS 2016-2017				
Indie Grants Short Films	2/18/2017	Beaufort Film Festival	Beaufort, SC	115
Indie Grants Short Films	4/22/2017	Indie Grits Film Festival	Columbia, SC	65



Video 3 – Available on House Legislative Oversight Committee website



Deliverable 55: Young Filmmakers Project

The South Carolina Young Filmmakers Project is an annual statewide high school filmmaking competition, hosted by Trident Technical College and the South Carolina Film Commission. All high school students in grades 9-12 who are residents of South Carolina are eligible to enter the short film competition, including public, private and home school students.

The South Carolina Young Filmmakers Project is designed to foster media arts skills and bring attention to the next generation of South Carolina filmmakers. To participate, students must create a short film (two minutes max) telling a cinematic story in any genre, following the creative challenge and all rules.

	FY 15	FY 16	FY 17
Number of Entries	55	35	36
Approximate Number of Participating Students	160	84	86



Video 4 – Available on House Legislative Oversight Committee website



Deliverable 55: Industry Training Workshops & Educational Seminars

TRAINING WORKSHOPS 2014-2015			
Workshop Topic	Date	Presenter	Approx # of Attendees
Production Make-Up	1/17/2015	Kelcey Fry (Pirates of the Carribeean, The Artist)	68
Cinematography	2/8/2015	Russell Carpenter (Titanic, Ant-Man)	145
Production Assistant Boot Camp	3/28-3/29/2015	P.A. Boot Camp (training group)	38
Production Industry Career Day	5/30/2015	Various Industry Professionals	65
Lift Certification	9/18 and 9/25/2015	Certified Trainers (United Rentals)	26
The Chubbuck Technique (Acting)	10/24/2015	Frantz Turner (Ivana Chubbuck Studios)	85
Mise En Scene	11/11/2015	John Wilson and S.C. Filmmakers	41
TRAINING WORKSHOPS 2015-2016			
Workshop Topic	Date	Presenter	Approx # of Attendees
Production Legal	2/20/2016	David Pierce, LLP	58
Short Films/Indie Grants Submissions	5/3/2016	Indie Grants Producers & Filmmakers	50
Video NLE Editing	8/26/2016	Clay Asbury (Adobe-Certified Instructor)	35
SE Film & Photo Conf Keynote	8/26/2016	Gregory Heisler (Life, Esquire, SI, GQ)	110
Casting	11/5/2016	Avy Kaufmann (Lincoln, Life of Pi)	95
TRAINING WORKSHOPS 2016-2017			
Workshop Topic	Date	Presenter	Approx # of Attendees
Script Supervising	1/28/2017	Martha Pinson (Hugo, The Aviator)	48
Scriptwriting	5/6/2017	Peter Fox	82
New Film Tools	10/15/2017	Steven Gladstone (B&H)	18
SE Film & Photo Conf Keynote	10/15/2017	Jack Reznicki (Canon Explorer of Light)	67
Post-Production Workshop	10/21/2017	VW Scheich (House of Cards, Iron Man 2)	55



Deliverable 55

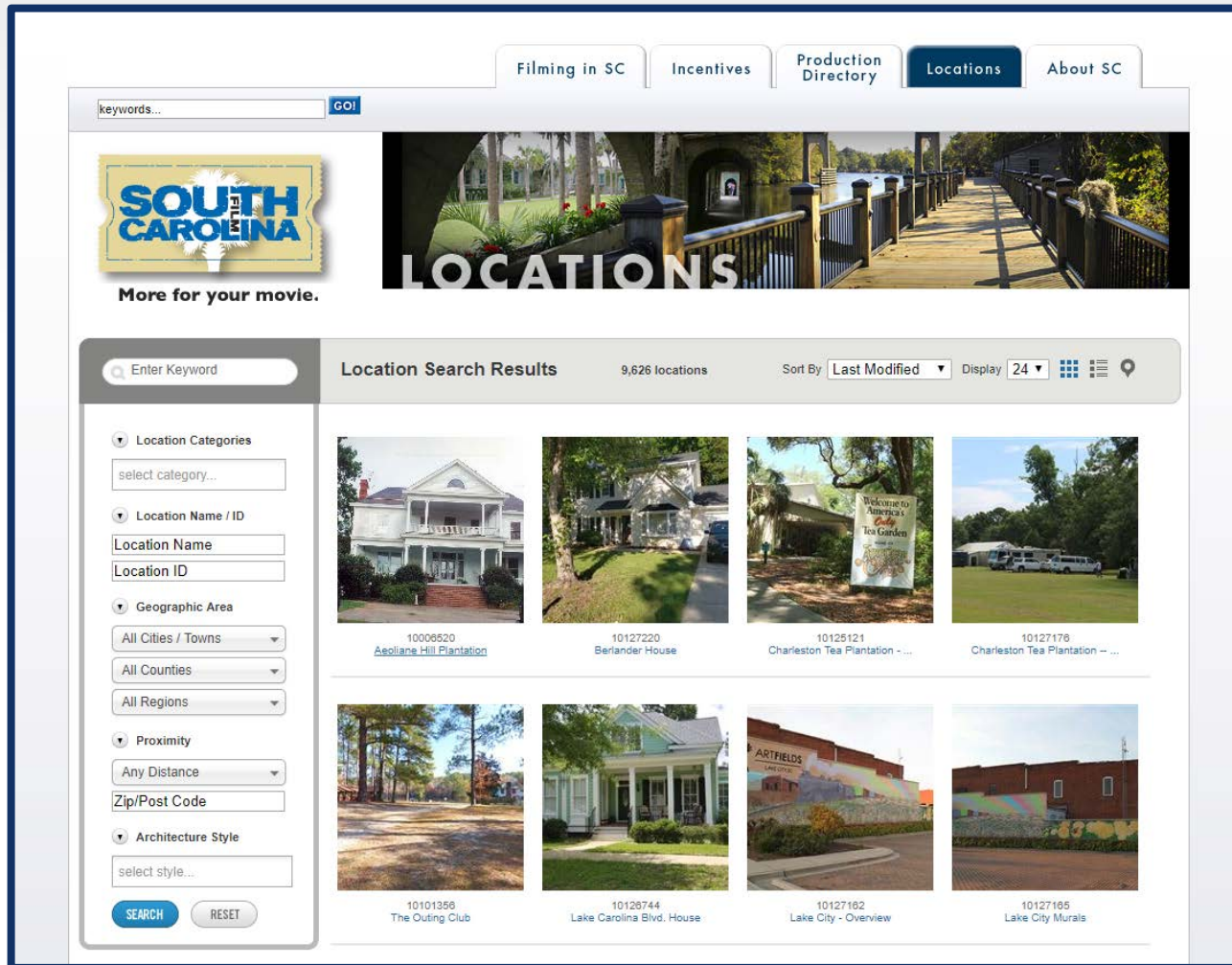
Greatest Potential Harm



- No In-State Training Opportunities for Crew
- Less Opportunities to Attract & Engage Students
 - In-State Crew Numbers Decrease

Deliverable 56: Location Scouting Assistance

Not specifically mentioned in law, but provided to achieve the requirements of the applicable law.

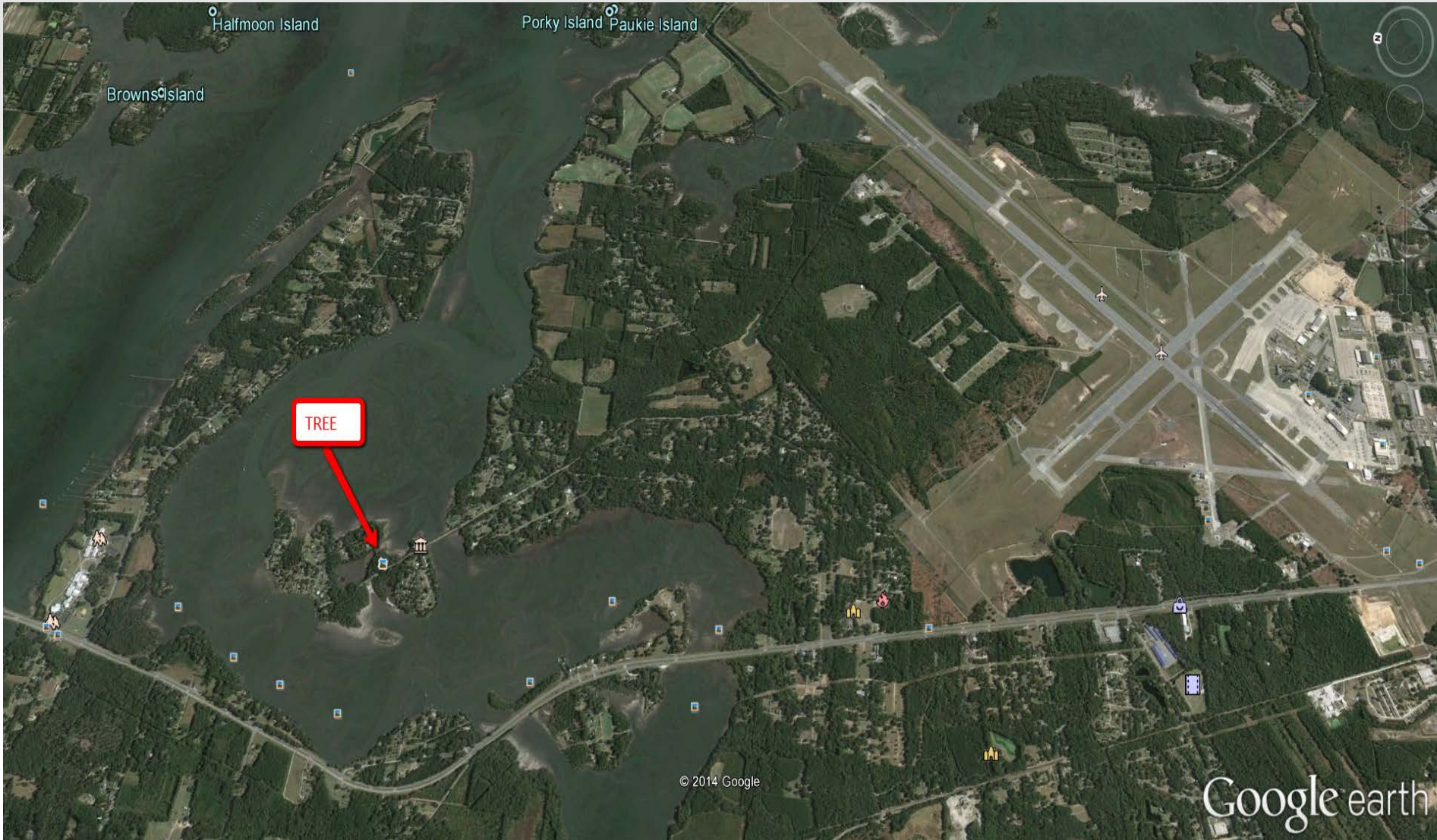


10,000+ Locations in the
Film Office Database



















LL Bean Advertising Shoot
Middleton Place

LL Bean Advertising Shoot
Shem Creek





Rodney Smith Bed Linen Advertising Shoot
Charleston





Under Armour Commercial Shoot
Columbia



Deliverable 56

Greatest Potential Harm

- No Centralized Resources for Any Production-Related Projects
 - State Loses Film, TV and Advertising Projects
 - Significantly Less Exposure for South Carolina



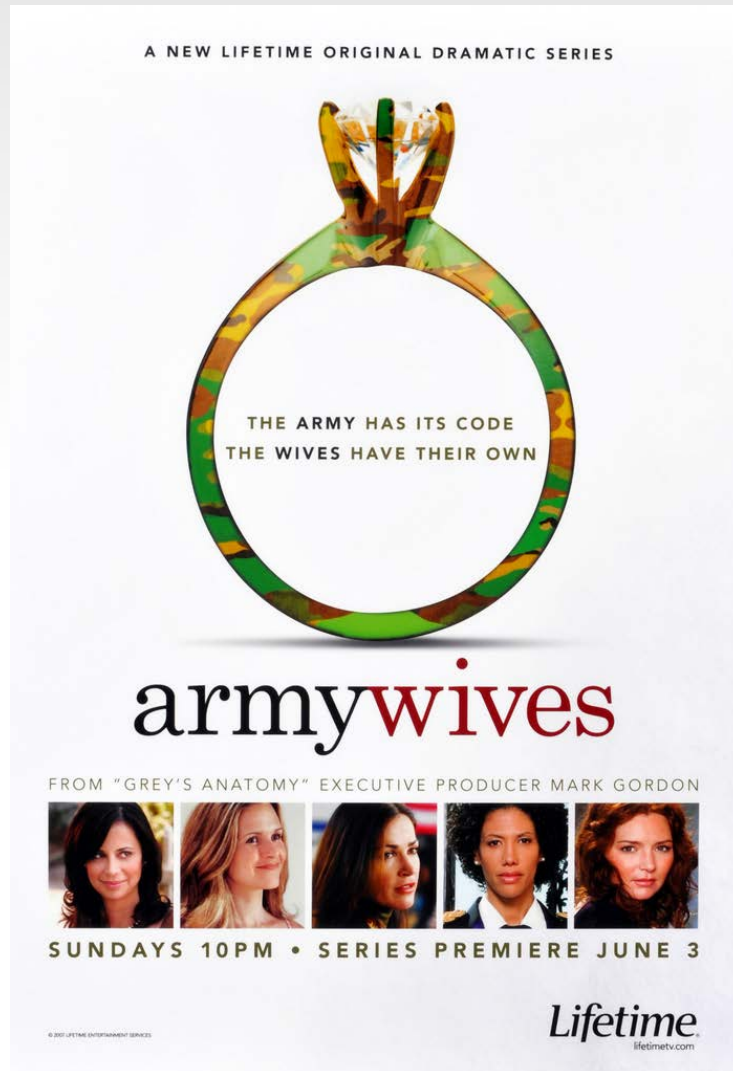
The Direct Economic Impact of Motion Picture Productions

From CY 2013 – 2017, SCPRT awarded \$57,782,988 in Total Rebates, which generated....

- ✓ 2,138 Production Days in South Carolina
- ✓ 16,133 SC Hires
- ✓ 114,230 Film-Related Lodging Room Nights
- ✓ \$120,734,032 in Qualified Spending in South Carolina



What One Series Can Do for South Carolina



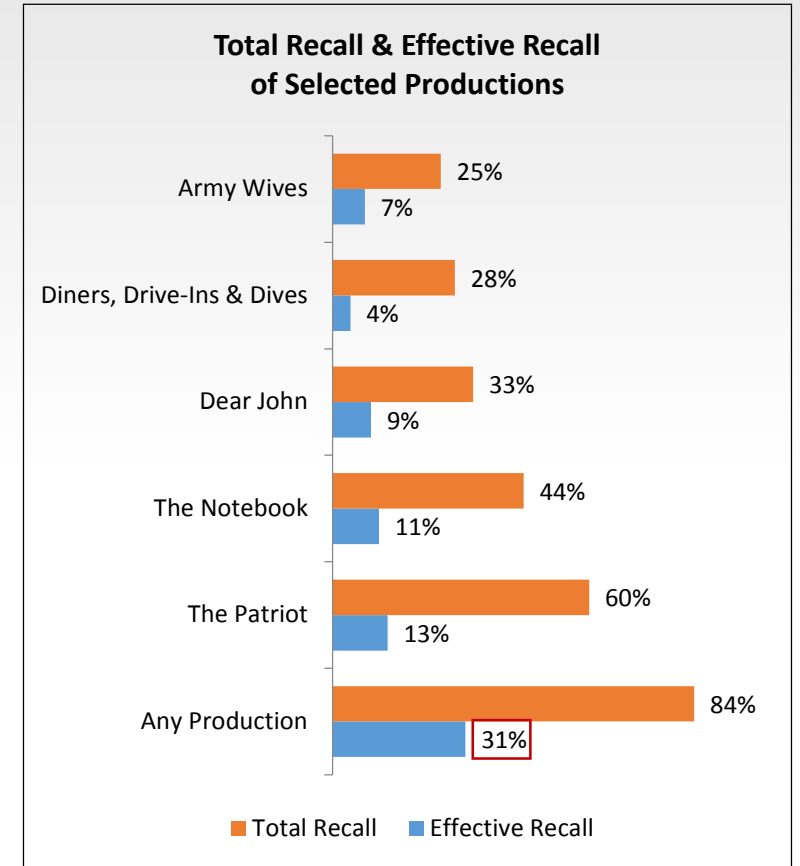
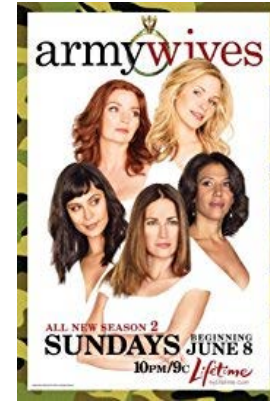
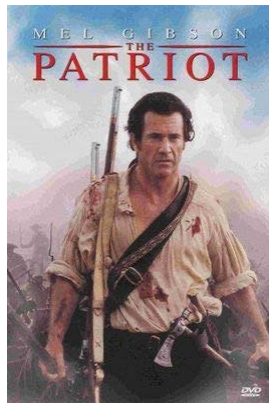
- Seven seasons of the Lifetime Series *Army Wives* resulted in
- 1,792 Production Days
 - 101,000 Lodging Room Nights
 - 14,600 SC Hires
 - \$124,115,615 in Direct Spending in South Carolina
 - Tremendous exposure for South Carolina by showcasing Charleston locations to 3.5 million viewers for one hour every Sunday night on a major cable network



The Tourism Impact of Motion Picture Productions

In 2011, Strategic Marketing & Research, Inc. (SMARI) conducted two research studies designed to assess the impact of a sample of productions set in and/or filmed in South Carolina on leisure travel to the state. The productions included were *Dear John*, *The Patriot*, *The Notebook*, and *Army Wives*.

These research studies illustrated the level of influenced travel that could be attributed to productions set in South Carolina and gauged potential synergies created between these productions and traditional marketing efforts.



The most recent and most conservative estimate suggests that the selected South Carolina productions may have influenced 1.6 million household visits to South Carolina and approximately **\$1.7 billion** in travel revenue from 2001 - 2010.



Overall Benefits to South Carolina

- Creates Jobs that Blend the Arts, Trades, and High Technology
- Brings New Money to Urban and Rural Communities
- No Infrastructure Costs to Recruit and Maintain
- It's a Green Industry
- The Tourism Effect & Impact



Agency Recommended Legislation Change

Modify Film Commission Objectives in S.C. Code Ann. 1-30-80 to align with actual deliverables and public benefit.

(B)(1) Effective July 1, 2008, the South Carolina Film Commission of the Department of Commerce is transferred to the Department of Parks, Recreation and Tourism and becomes a separate division of the Department of Parks, Recreation and Tourism.

(2) The South Carolina Film Commission as established in this section as a division of the Department of Parks, Recreation and Tourism and transferred to it shall ensure that funds made available to film projects through the South Carolina Film Commission are budgeted and spent so as to further the following objectives:

(a) stimulation of economic activity to develop the potentialities of the State by recruiting and facilitating motion picture production and recruiting motion picture production and support companies and facilities that further the objectives of the division's programs and standards;

(b) conservation, restoration, and development of the natural and physical, the human and social, and the economic and productive resources of the State taking steps necessary to foster the economic and cultural development of the indigenous motion picture industry;

(c) promotion of a system of transportation for the State, through development and expansion of the highway, railroad, port, waterway, and airport systems receiving and disbursing funds which may become available by the federal government for programs related to motion picture production and related activities;

~~(d) promotion and correlation of state and local activity in planning public works projects;~~

~~(e)~~(d) promotion of public interest in the development of the State through cooperation with public agencies, private enterprises, and charitable and social institutions by entering contracts within the amount made available by appropriation, with individuals, organizations, and institutions for services furthering the objectives of the division's programs, and with local and regional associations for cooperative endeavors furthering the objectives of the division's programs;

~~(f) encouragement of industrial development, private business, commercial enterprise, agricultural production, transportation, and the utilization and investment of capital within the State;~~

~~(g) assistance in the development of existing state and interstate trade, commerce, and markets for South Carolina goods and in the removal of barriers to the industrial, commercial, and agricultural development of the State;~~

~~(h)~~(e) assistance in ensuring stability in employment, increasing the opportunities for employment of the citizens of the State, devising ways and means to raise the living standards of the people of the State in accordance with the objectives of the division's programs and standards;

~~(f)~~(f) enhancement of the general welfare of the people; and

~~(g)~~(g) encouragement and consideration as appropriate so as to consider race, gender, and other demographic factors to ensure nondiscrimination, inclusion, and representation of all segments of the State to the greatest extent possible.



Thank You



South Carolina Department of
Parks, Recreation & Tourism