

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: CAO File No. 0220-04709-0002
Council File No. 12-1300-S1
Council District: All

To: The Council
The Mayor

From: Miguel A. Santana, City Administrative Officer

Reference: Council Request (C.F. 12-1300-S1) to Convene a Working Group to Study Ordinance No. 181989, the City of Los Angeles Safer Sex in the Adult Film Industry Act

Subject: **REPORT BACK ON THE IMPLEMENTATION OF THE SAFER SEX IN THE ADULT FILM INDUSTRY ORDINANCE**

SUMMARY

On January 10, 2012, Council directed the City Administrative Officer (CAO) through Amending Motion 22-C (Wesson – Koretz, C.F. 12-1300-S1) to convene a Working Group with the participation of the Personnel Department, the City Attorney, the Police Department (LAPD), the California Division of Occupational Safety and Health (Cal-OSHA), the California Occupational Safety and Health Standards Board, and other relevant stakeholders invited at the discretion of the CAO, to study Ordinance No. 181989, the City of Los Angeles Safer Sex in the Adult Film Industry Act (Ordinance), to require condom usage in the Adult Film Industry (AFI) and make recommendations regarding amendment of the Ordinance necessary to further its purposes, as well as implementation matters. The Ordinance was adopted by Council on January 17, 2012. This report represents the Working Group's discussions and recommendations for implementation of the Ordinance. The recommendations seek to provide a feasible implementation plan that is respectful of State law and proactive in achieving the goal of the Ordinance to maintain safer working conditions in AFI.

BACKGROUND

The Ordinance was created as a result of the Initiative Petition process. On August 31, 2011, five registered voters of the City submitted a proposed Initiative Petition for circulation to the City Clerk's Office. If adopted, the petition would require the City to adopt an Ordinance or submit to the voters a prospective Ordinance requiring any film permit issued under the authority of the City for commercial production of an adult film be conditioned on the usage of condoms in the making of the films. The initiative would also require the City to charge permit applicants a fee to pay for periodic inspections of AFI locations/working conditions. On December 5, 2011, the proponents of this Adult Film Workplace Safety Condom Initiative submitted 70,901 signatures to the City Clerk to place the initiative on the June 2012 ballot. The City Clerk examined the signatures and determined that the Initiative Petition was sufficient.

On December 8, 2011, the Los Angeles City Attorney's Office filed a complaint seeking declaratory relief from the courts as to whether the Adult Film Workplace Safety Condom Initiative was preempted by State law. The parties subsequently entered into a Settlement Agreement in which, in exchange for a dismissal of the declaratory relief action, Council would adopt the proposed initiative, pursuant to Los Angeles City Election Code Section 700. On January 17, 2012, City Council adopted the Ordinance. The Council then directed the CAO to form a Working Group to study the Ordinance to require condom usage in the AFI and make recommendations regarding amendment of the Ordinance necessary to further its purposes, as well as implementation matters. The Settlement Agreement between the City and the Aids Healthcare Foundation mandated that the Working Group report back to Council within 120 days.

On May 16, 2012, the CAO, on behalf of the Working Group, requested a 90-day extension to report back on the implementation of the Safer Sex Ordinance. The additional time was requested due to the complexities of this issue and the need to obtain more information to implement the Ordinance. On June 6, 2012, Council authorized the 90-day extension, which the parties in the Settlement Agreement accepted.

The Working Group identified many options for Council consideration regarding how to implement the Ordinance. The background for the recommendations below and other options is discussed in the Findings section of this report. On July 24, 2012, the County Board of Supervisors took an action to include a Safer Sex in the Adult Film Industry ballot initiative in the November 6, 2012 State General Election. Consequently, the Working Group recommends that the Council direct the CAO to continue to work with the County to develop a long-term mechanism for enforcement pending the outcome of the ballot initiative. However, the City has an obligation to implement the Ordinance as approved by your Council while exploring a partnership with the County.

RECOMMENDATIONS

That the Mayor and Council adopt the following actions:

1. Revise the Film Permit Application

Section (5) of the Ordinance requires the City to add the following language to all adult film permits: "If this production is an adult film, Permittee must abide by all applicable workplace

health and safety regulations, including California Code of Regulations Title 8, Section 5193, which mandates barrier protection, including condoms, to shield performers from contact with blood or other potentially infectious material during the production of films."

2. Require Licensed Medical Inspections

Issue a Request for Proposals (RFP) seeking to contract with a licensed medical professional to conduct the periodic inspections of adult film productions involving "Activities Carrying Risk of Transmission of Blood or Infectious Materials." If this recommendation is adopted, more information would need to be gathered to determine City enforcement parameters and the CAO should be directed to report back to the Mayor and Council within 90 days with a draft RFP for further action.

3. Contract with the Los Angeles County Department of Public Health

If voters in Los Angeles County approve in the Statewide General Election scheduled for November 6, 2012, the measure (County Measure) to require adult film producers to obtain a health permit as a condition of producing a film that involves non-simulated sexual intercourse, then the City should adopt the County Measure and put a measure on the Citywide primary election in March of 2013 to reconcile the Ordinance in LAMC Section 12.22.1 with the County Measure to rely exclusively on the County health permit requirements and inspections to ensure the safety of performers in the AFI from the risk of transmission of bloodborne pathogens. If this recommendation is adopted, the City Attorney should be requested to report back with an amending Ordinance to reconcile LAMC Section 12.22.1 with the County Measure.

4. Develop a Fee Structure

Direct the CAO to develop a fee structure to contract for the services identified in Recommendations 2 and/or 3 above, and direct the CAO to report back to the Mayor and Council within 90 days with a draft fee proposal for adult film inspections.

FISCAL IMPACT STATEMENT

The impact to the General Fund is unknown at this time. Based on which recommendations the Council adopts, the Office of the City Administrative Officer, with assistance from the City Attorney and other departments, would report back to the Mayor and Council regarding the costs to the City and potential funding sources. Compliance with City Financial Policies would be reviewed once the source of funds is determined.

FINDINGS

1. Basis for Report

On January 10, 2012, Council directed the City Administrative Officer (CAO) through Amending Motion 22-C (Wesson – Koretz, C.F. 12-1300-S1) to convene a Working Group with the participation of the Personnel Department, the City Attorney, the Police Department (LAPD), the California Division of Occupational Safety and Health (Cal-OSHA), the California Occupational Safety and Health Standards Board, and other relevant stakeholders invited at the discretion of the CAO, to study the Ordinance to require condom usage in the Adult Film Industry (AFI) and make recommendations regarding amendment of the Ordinance necessary to further the Ordinance's purpose, as well as implementation matters. This Office was instructed to report on the Working Group Findings.

2. Federal Regulations

The U.S. Department of Labor, Occupational Safety and Health Administration (OSHA) issued its final regulation on occupational exposure to bloodborne pathogens (Section 29 CFR 1910.1030), on December 6, 1991, which was the basis for California Section 5193. The Federal standard requires employers to develop an exposure control plan, to utilize engineering and work practice controls to minimize or eliminate exposures, to provide and ensure that employees use personal protective equipment where hazards remain, and to provide training and medical services to employees who have occupational exposure. For example, although Hepatitis C is considered a bloodborne pathogen in both the Federal and State of California standards, the Federal standard does not specifically require the testing of the source individual for Hepatitis C after an exposure incident. The Federal regulation does not contain the specific requirement for employee participation in the review and updating of the plan. In addition, there are some differences between the Federal and State standards regarding engineered sharps injury protection.

OSHA defines blood to mean human blood, human blood components, and products made from human blood. Other potentially infectious materials (OPIM) means:

- Human body fluids including semen, vaginal secretions, cerebrospinal fluid, synovial fluid, pleural fluid, pericardial fluid, peritoneal fluid, amniotic fluid, saliva in dental procedures, any body fluid that is visibly contaminated with blood, and all body fluids in situations where it is difficult or impossible to differentiate between body fluids;
- Any unfixed tissue or organ (other than intact skin) from a human (living or dead); and,
- Human immunodeficiency virus (HIV) containing cell or tissue cultures, organ cultures, and HIV or Hepatitis B Virus (HBV) containing culture medium or other solutions; and blood, organs, or other tissues from experimental animals infected with HIV or HBV.

3. State Regulations

Cal-OSHA protects workers and the public from safety hazards through its Occupational Safety and Health program. The California Code of Regulations (CCR), existing Title 8 Regulations of General

Industry Safety Orders, Section 5193, Bloodborne Pathogens/Sharps Injury Prevention, became operative on January 11, 1993. Cal-OSHA specifically names semen and vaginal secretions as OPIMs. This section applies wherever there is occupational exposure, which is defined as “reasonably anticipated skin, eye, mucous membrane, or parenteral contact with blood or other potentially infectious materials that may result from the performance of an employee’s duties.”

The Cal-OSHA CCR, Title 8 Regulations, Section 5193, requires employers to:

- Establish, implement and maintain an effective written exposure control plan;
- Eliminate or minimize occupational exposure to blood or OPIM through the use of engineering and work practice controls;
- Provide and enforce the use of personal protective equipment where exposure remains after the institution of engineering and work practice controls;
- Provide medical services, including post-exposure evaluation and follow-up and provision of Hepatitis B vaccinations;
- Provide initial and annual training to employees;
- Keep and make available certain exposure and medical records, in accordance with this section and Section 3201; and,
- Review the exposure control plan at least annually, and have an effective procedure for involving employees in the evaluation of the plan;

The Cal-OSHA CCR, Title 8 Regulations, Section 3203, Injury and Illness Prevention Plan, requires employers to identify and evaluate occupational safety and health hazards and to correct hazards in a timely manner. It also requires employers to communicate with employees about occupational safety and health matters, investigate occupational injuries and illnesses, and train employees and supervisors. Other standards, such as Section 3204, Access to Employee Exposure and Medical Records, also apply in this industry.

The Division of Occupational Safety and Health (Division) is responsible for enforcing Section 5193. Prior to 2004, the Division had little experience with the AFI. After an outbreak of HIV related to the production of a video, the Division began inspecting AFI film sites, issuing citations, and negotiating abatement agreements. The Division has also responded to complaints and inquiries regarding bloodborne pathogens and other workplace hazards in the AFI. To assist AFI employees and employers, the Division created a website that explains the requirements of Cal-OSHA regulations specific to adult entertainment worksites. In addition, Cal-OSHA and the Division set up a hotline to answer questions and complaints from people in the industry. See Attachment A for the hotline contact information.

Enforcement of Section 5193 for the AFI has proved to be a challenge for Cal-OSHA. In some cases, it was not possible to identify the employers or the employees. In other cases, the investigators could not establish that the films were recorded in California; therefore, the State safety regulations would not apply. Producers who want to comply with the regulations have told the Division that the date tracking requirements do not apply to the AFI. Due to high turnover, it is difficult to train employees adequately. As a result of these enforcement issues, the State created an Advisory Committee to

update the language of Section 5193 to meet the needs of the AFI. The last Advisory Committee meeting was held in June 2011. No changes in the regulations have been made yet.

4. County Regulations

On September 17, 2009, the County of Los Angeles, Department of Public Health (DPH) sent a letter to the County Board of Supervisors (Attachment B) addressing sexually transmitted diseases related to the AFI. The DPH reported that they had, in conjunction with County Counsel, explored expanded local regulatory strategies. However, DPH added that these methods had substantial implementation and enforcement challenges, were likely to be only partially effective because the industry extends beyond the reach of Los Angeles County, and may possibly be subject to legal challenge. Consequently, DPH recommended State legislation to increase surveillance of occupational exposures, enhanced penalties and enforcement of condom use in the AFI.

Since 2003, DPH has monitored the AFI by: 1) working with health-related organizations associated with the industry to enhance education and outreach in the AFI to prevent HIV and other Sexually Transmitted Diseases (STDs); 2) collaborating with Cal-OSHA to develop guidelines to reduce disease exposure in the AFI and request workplace investigations; and 3) working with County Counsel, the County Chief Executive Officer (CEO) and County legislative advocates to support State legislation to implement regulations to ensure protection of workers in this industry.

In addition to its role in surveillance, DPH has taken several actions to address these public health issues in the AFI including:

- Worked with Cal-OSHA to develop a model Exposure Control Plan applicable to this industry based on existing standards in Title 8, CCR, specifically including the Injury and Illness Prevention Program standard (Section 3203), and the Bloodborne Pathogens standard (Section 5193);
- Following developments of the model Exposure Control Plan, initiated discussion with the State Labor and Workforce Development Agency to develop educational outreach plans and materials for both producers and performers;
- Secured technical assistance in May 2004 from the National Institute of Occupational Safety and Health (NIOSH), to investigate workplace hazards in this industry, and issue recommendations;
- Testified in June 2004 before a California State Assembly Committee in support of legislation to regulate the AFI to: 1) require condom use for all high risk sexual encounters; 2) have screening requirements for STDs set by the State with screening costs paid by the industry, and offer vaccinations for appropriate preventable conditions; 3) mandate education and training of all AFI performers; and 4) assure monitoring to ensure compliance by State and local health departments paid for by the AFI;
- Conducted periodic dialogue with producers and performers in both straight and gay male roles of the industry, as well as with other relevant agencies, including the California Department of Health Services, STD Control Program and the State Office of AIDS to understand better the health and safety issues in the AFI, and develop appropriate screening recommendations and interventions. During these meetings, DPH has consistently asserted

that it is the responsibility of the AFI to require male performers to wear condoms to minimize risk of preventable serious illness;

- Requested Cal-OSHA to conduct investigations of recent incidents of presumed workplace infection with STDs and HIV. Between April 2004 and June 2009, nine requests were made to Cal-OSHA for investigations of presumed workplace STD infections. Although two of these cases are pending, the completed investigations resulted in ten violations;
- Initiated investigations, as needed, seeking to determine the extent of potential exposure and actual disease transmission; and,
- Offered additional HIV and STD testing services to performers, provided counseling and medical referrals for those performers who were infected with HIV, and offered partner contact and referral services to their private sex partners.

The County of Los Angeles has held a consistent position that screening alone is insufficient to prevent STDs and HIV/AIDS. Screening can only detect infection, and while it is vital for containing new or existing infections, there are other measures that should be employed in the AFI such as condom use and Hepatitis B vaccinations.

The County was approached by the Aids Healthcare Foundation to enforce condom use in the AFI. Initially, the County Board of Supervisors declined consideration of a Countywide proposal to require condom usage, but a group of proponents pursued a ballot initiative to require the County to enforce AFI performers to wear condoms on the job. At the July 24, 2012 County Board of Supervisor's meeting, the members voted to place the initiative on the County November 2012 ballot. If approved by voters, the measure would require the County to create and administer a new permitting and enforcement organization. The DPH would be able to conduct random spot checks and, if necessary, revoke film permits. Violators could be fined and/or charged with misdemeanors.

Currently, the County does not employ or license anyone to inspect performers. More information is needed about the feasibility of hiring or contracting for these services.

5. City Regulations

Filming permits issued by the City are for temporary use of public property authorized under Los Angeles Municipal Code (LAMC) Section 12.22A. The current language on the reverse side of the filming permit issued by the Los Angeles Police Department (LAPD), which constitutes a condition of the permit, states that the:

Permittee agrees to comply with all applicable federal, state and local laws, regulations, ordinances and rules, including all applicable federal and state requirements for workers' compensation insurance for all persons operating under this permit as well as all applicable regulatory, environmental, safety and other standards, including standards of care in carrying out the activities that are the subject of this permit (the Permit Activities).

The LAMC Section 12.22A also provides an authorized representative of the Permit Authority including the LAPD and other City departments to suspend, revoke, cancel or amend film permits if the activities under the permit endanger health or safety, may cause damage to real or personal

property, or violate the terms and conditions of the permit. In addition, the following language has been placed on film permits where the applicant has indicated that nudity will be filmed and/or where the producer is a recognized adult film producer:

Permittee must abide by all applicable workplace health and safety regulations, including California Code of Regulations Title 8, Section 5193, which mandates barrier protection, including condoms, to shield performers from contact with blood or other potentially infectious material during the production of films.

In the City of Los Angeles, complaints about location filming are managed by FilmL.A., Inc. and typically fall into the following three categories:

- When FilmL.A., Inc. receives a complaint regarding the violation of a rule, regulation or law that is within the City's jurisdiction, it is referred to the appropriate agency. For example, a complaint about a generator creating fumes will be referred to the State Air Quality Management Division which has responsibility and authority for enforcement of the regulation. Although FilmL.A., Inc. may inform the production company that a complaint was received, it does not impact the filming activity or cause revocation of the permit.
- If a City ordinance violation is alleged that is not related to the film permit activity, FilmL.A., Inc. consults with the LAPD and sometimes the City Attorney about whether or not to refer the complaint to the appropriate City agency. For example, a complaint may be received that a house is being used for many commercial activities that includes permitted filming, rental as a party house, and other activities. The LAPD and the Department of Building and Safety may investigate the complaint and the results of that investigation may have an effect on the issuance of future film permits at the property.
- Finally, if specific conditions of the film permit are violated, such as staying beyond permit hours, conducting activity not on the permit, violating attached Special Conditions, FilmL.A., Inc. and the LAPD may seek correction, if possible, or the LAPD may shut down the production by revoking the permit. Further action could take place if violations of criminal statutes or ordinances are also taking place.

Enforcement of City permit regulations is handled primarily by the LAPD and the Los Angeles Fire Department (LAFD) with assistance from other City departments.

6. Working Group Discussions

The Working Group has held four meetings on March 2, April 18, May 11, and August 7, 2012 at the CAO where the Working Group reviewed the City's ability to implement and enforce the Ordinance. The members of the Working Group discussed reasons why City departments do not enforce health or workplace safety standards including lack of jurisdiction, resources and technical qualifications.

According to the LAFD, fire inspections for compliance with City regulations can vary from no general oversight, to spot checks, to full-time inspection. The level of inspection depends on the applicable regulation governing the activity. The LAFD currently does not conduct inspections similar to those described in the Ordinance.

The LAPD does not enforce or inspect any health or workplace related standards. There are currently no inspection protocols within the LAPD that approach the level of enforcement contemplated in the Ordinance.

The Personnel Department does not have jurisdiction regarding enforcement of workplace safety standards outside of City departments. The Personnel Department indicated that they work closely with Cal-OSHA, and that Cal-OSHA is responsible for protecting workers and the public from safety hazards in the workplace.

The City has a contract with FilmL.A., Inc. to process film permits issued by the LAPD. FilmL.A., Inc. employees are not trained for and do not enforce safety standards or conduct inspections. They are not authorized to perform any type of enforcement or regulatory functions.

The City of Los Angeles does not have a public health office or officer, and has delegated those functions to the Los Angeles County (LAMC sections 11.01(a) and 31.00 *et seq.*). At the Working Group meetings, the DPH indicated that they track communicable disease mitigation, such as preventing the spread of HIV and STDs in bathhouses and sex clubs. Owners of these businesses pay a business license fee; the businesses are inspected once a year; and owners pay for HIV testing. These inspections do not necessarily represent enforcement functions.

During the Working Group meetings, Cal-OSHA representatives indicated that they do not have a monitoring role in enforcing workplace safety. They operate on a complaint-based system and acknowledge that their agency has jurisdiction over all employee/employer relationships regarding workplace safety in the State of California. They have also cited film productions for violating State workplace safety regulations since 2004, including failures to require employees exposed to bloodborne pathogens to wear barrier protection. Cal-OSHA has further indicated that while their citations of adult film production violations have all been settled at the hearing stage, courts have found in a workers' compensation setting that adult film performers are employees and not independent contractors.

In addition to analyzing departmental roles and responsibilities, the Working Group also identified several potential actions that could improve observance of the Ordinance, most of which are included in the Recommendations section of this report. Other options could include the following:

- FilmL.A., Inc. could host or organize a free one-time seminar for adult film producers and invite Cal-OSHA, the City Attorney, LAPD, or other entities to present and educate the AFI about the obligation to inform their employees of their rights to wear barriers, along with where to file grievances using standardized fliers; or,
- In the event the City or FilmL.A., Inc. receives complaints from AFI employees, those calls would be referred to Cal-OSHA for review and callers would also be provided with the hotline contact information.
- Require, as part of the FilmL.A., Inc. Permit Application Request, that film productions involving "Activities Carrying Risk of Transmission of Blood or Infectious Materials" employ an on-set, licensed medical professional monitor who will file with the City of Los Angeles a post-production certificate declaring under penalty of perjury that the film producers complied with

Los Angeles Municipal Code Section 12.22.1 in the production of the film. More information is needed about this option to determine City enforcement parameters.

- If voters in Los Angeles County approve the County Measure on November 6, 2012 to require adult film producers to obtain a health permit as a condition of producing a film that involves non-simulated sexual intercourse, the City could adopt the County Measure and pursue a contract with the County to conduct the periodic film inspections required by the Ordinance in LAMC 12.22.1. Further, if the measure passes, the City, through FilmL.A., Inc., could confirm whether or not the companies applying have the required health permit and deny the film permit if they do not have the health permit.

7. City Ordinance Implementation

At the March 2, 2012 Working Group meeting, Cal-OSHA acknowledged that the regulation of workplace safety is a matter of State concern, at least where there is an employee/employer relationship. State law exclusively governs employee workplace safety in this area and expressly preempts local government from adopting and enforcing regulations on the transmission of bloodborne pathogens.

However, since Council adopted the Safer Sex Ordinance, the Working Group has sought to provide a feasible implementation plan that is respectful of State law but also proactive in achieving the goal of this Ordinance to maintain a safer working place in the AFI where condoms are used to mitigate the potential spread of HIV/AIDS and other sexually transmitted diseases and infections. These options are included in the Recommendations section of this report.

8. Adult Film Industry Fees

The Working Group discussed how fees might be applied in the AFI and noted that there are many issues associated with implementing such a fee. For example, applying a fee to all permits would unfairly target all films while the adult films represent a small percent of the current work. The City cannot charge a fee to non-adult filmmakers because they would be paying for a service that is not provided to them.

The current system does not provide an adequate way to identify adult film permit applicants. Filmmakers are not required to provide information about the content of their films. Currently FilmL.A., Inc. has a miscellaneous category for which filmmakers provide information voluntarily. If the few AFI companies that are willing to report the content of their films become aware that there is a fee associated with reporting adult films, they may choose to discontinue identifying the content of their films. Charging the small number choose to apply for permits may not generate enough revenue to enforce the remaining companies who currently do not apply for permits. The City's fiscal constraints make it especially difficult when evaluating enforcement methods since personnel costs can easily exceed the fiscal resources that would ever become available. Further, the AFI may be unfairly targeted based on their activities.

The City has also taken considerable steps to promote filming in the City of Los Angeles and to alleviate runaway productions. It is possible that a new fee may be construed as not being film friendly.

Los Angeles County Department of Public Health Fee Estimate

At the Board of Supervisor's meeting held on July 24, 2012, the County Director and Health Officer presented the Board of Supervisors with a report including a preliminary implementation approach, Challenges to Compliance, a preliminary cost analysis, and performer complaints (Attachment C). According to the County Department of Public Health, the estimate includes the establishment of an Adult Film Public Health Permit Office, which would require approximately \$582,932 for a two-year permit as proposed by the County Ordinance. This cost does not include potential additional costs associated with confiscation, law enforcement involvement, and administrative and appeal proceedings. The report indicated that if ten public health permits were issued, the two-year cost would translate into a fee of \$58,294 per permit. Alternatively, based on the County's preliminary analysis, if 50 permits were issued, the permit fee would be \$11,658 per permit, prior to the addition of costs associated with confiscation, law enforcement involvement, and administrative and appeal proceedings. Once all of the costs are identified, the County anticipates that the fee would be significantly larger.

Los Angeles Fire Department Fee Estimate

Although the LAFD has a Film Inspection service, it is currently strictly related to fire prevention. The LAFD film Inspectors enforce the Fire and Life Safety Ordinances located in the Los Angeles Fire Code, Article 7 of Chapter V of the LAMC. All filming locations are currently either assigned a full-time Fire Safety Officer or a Spot Check Officer.

The Ordinance states that the City may conduct periodic inspections to ensure compliance with the conditions set forth in Section 12.22.1(B)(4) of the LAMC. In addition, fees may be collected by the City to provide for inspectors to ensure compliance with conditions on film permits. Though the LAFD does not have a public health inspector service, the Department provided preliminary cost estimates for periodic or spot check inspections of adult films, but indicated that to implement enforcement of the Ordinance, the Department must first address several significant issues including proposed changes in working conditions with labor representatives, implementation of a Fire Safety Officer inspection program for all filming, and the addition of staff.

Depending on the on the frequency of the spot checks and the number of permits and film shoots, the cost could range from to \$3,472 per permit for 480 permits to \$2,204 per permit for up to 10,000 permits. The number of LAFD staff required could reach 102 full-time sworn positions and 18 full-time civilian positions. The total cost could range from \$1.7 to \$23 million annually as presented in the draft budget request/reduction package (Attachment D). These estimates do not include costs associated with confiscation, law enforcement involvement, and administrative and appeal proceedings.

If the LAFD were required to provide periodic or spot check inspections for adult films, the City would also need to develop an enforcement process and associated costs, since the LAFD does not have enforcement authority under the Ordinance. Furthermore, it would be prudent to analyze the value and effectiveness of spot checking versus 100 percent implementation for inspections. Additional items to be considered would include program implementation, funding, staffing, and full cost recovery of direct and indirect costs. For implementation of spot checks and the corresponding fees, the CAO would need to work with the LAFD to develop a complete proposal.

9. Film Permits Issued in the City of Los Angeles

FilmL.A., Inc. coordinates the on-location film permits for the City of Los Angeles, parts of Los Angeles County, several area school districts and the Angeles National Forest. In 2011, FilmL.A., Inc. issued 22,864 film permits categorized as follows:

- 2,484 Feature films
- 2,220 Drama films
- 3,567 Commercials
- 3,685 Reality shows
- 562 Sitcoms
- 563 Pilots
- 480** Adult films
- 9,363** Miscellaneous films
- 22,684 Total

FilmL.A., Inc. states that the 9,363 miscellaneous permits may have included commercials, student films, still photos, webisodes, music videos, documentaries, talk shows and infomercials, among others. It is possible that many films are made in Los Angeles without permits, including some in the adult film category. Therefore, the range used by the LAFD to calculate potential spot check inspection costs includes 480 permits at the low end, which represents the actual number of permits issued in 2011, up to 10,000 permits at the high end, which is an estimate that would need to be evaluated as part of the analysis of the proposed inspection costs.

by:

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APPROVED:

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Attachments