

1 A bill to be entitled

2
3 An act relating to economic development; amending s. 288.125, F.S.;
4 providing that the definition of "entertainment industry" extend to other
5 sections; creating s. 288.1254, F.S.; creating a program under which
6 certain producers of filmed entertainment and certain digital media effects,
7 motion picture and television distribution, motion picture and television
8 production, and post production companies may be reimbursed for
9 expenditures made in this state; providing definitions; providing an
10 application procedure and approval process; prescribing limits on
11 reimbursement; requiring documentation justifying reimbursement
12 requested; providing duties of the Office of Film and Entertainment and
13 the Office of Tourism, Trade, and Economic Development; providing for
14 policies and procedures; providing penalties for fraudulent claims for
15 reimbursement; providing an appropriation; providing for annual report to
16 legislature; providing an effective date.

17
18 Be It Enacted by the Legislature of the State of Florida:

19
20 Section 1. Section 288.125, Florida Statutes, is amended to read:

21
22 288.125 Definition of "entertainment industry".--For the purposes of ss.
23 288.1251-~~288.1258~~288.1253, the term "entertainment industry" means those persons or
24 entities engaged in the operation of motion picture or television studios or recording
25 studios; those persons or entities engaged in the preproduction, production, or post
26 production of motion pictures, made-for-TV motion pictures, television series,
27 commercial advertising, music videos, or sound recordings; and those persons or entities
28 providing products or services directly related to the preproduction, production, or post
29 production of motion pictures, made-for-TV motion pictures, television series,
30 commercial advertising, music videos, of sound recordings, including, but not limited to,
31 the broadcast industry.

32
33 Section 2. Section 288.1254, Florida Statutes, is created to read:

34
35 288.1254 Entertainment industry financial incentive program; creation; purpose;
36 definitions; application procedure; approval process; reimbursement eligibility;
37 submission of required documentation; recommendations for payment; rules; fraudulent
38 claims.

39
40 (1) CREATION AND PURPOSE OF PROGRAM.--Subject to specific
41 appropriation, there is created within the *Office of Tourism Trade & Economic*
42 *Development* an entertainment industry financial incentive program. The purpose of this
43 program is to encourage the use of this state as a site for filming, and for providing
44 production services for, motion pictures, *made-for-television movies*, commercials, music
45 videos, *industrial and educational films* and television programs by the entertainment
46 industry.

1
2 (2) DEFINITIONS.--As used in this section, unless the context requires
3 otherwise:

4
5 (a) “Filmed entertainment” means a motion picture, teleproduction,
6 commercial, music video or; digital media effects production that shall be sold or
7 displayed in electronic media.

8
9 (b) “Production costs” means the total cost of producing filmed entertainment
10 minus the ordinary and necessary interstate and foreign travel expenses involved in the
11 production.

12
13 (c) “Qualified expenditures” means goods purchased or leased or services
14 purchased, leased, or employed from a resident of this state or a vendor or supplier who is
15 located and doing business in this state.

16
17 (d) “Qualified production” means filmed entertainment that makes
18 expenditures in this state for the total or partial production of a motion picture, made-
19 for-television movie with a running time of 90 minutes or more, commercial, music video,
20 industrial and educational film, and television program.

21
22 (e) “Qualified relocation project” means a corporation, limited liability
23 company, partnership, corporate headquarters or other private entity that is domiciled in
24 another state or country and relocates its operations to Florida, and is organized under the
25 laws of this or any other state or country and includes as one of its primary purposes
26 digital media effects or motion picture and television production, or post production.

27
28 (3) APPLICATION PROCEDURE; APPROVAL PROCESS.--

29
30 (a) Any company engaged in this state in the production of filmed
31 entertainment may submit an application to the Office of Film and Entertainment for the
32 purpose of determining qualification for receipt of reimbursement provided in this
33 section. The office shall be provided information required to determine if the production
34 is a qualified production and to determine the qualified expenditures, production costs,
35 and other information necessary for the office to determine both eligibility for and level
36 of reimbursement.

37
38 (b) A digital media effects or post production company in the state that
39 furnishes services or digital material to a qualified production that is certified by the
40 Office of Film and Entertainment may submit an application to the Office of Film and
41 Entertainment for the purpose of determining qualification for receipt of reimbursement
42 provided in this section. The office shall be provided information required to determine
43 if the company is qualified and to determine the amount of reimbursement.

1 (c) Any corporation, limited liability company, partnership, corporate
2 headquarters or other private entity domiciled in another state that includes as one of its
3 primary purposes digital media effects or motion picture and television production, or
4 post production and which is considering relocation to Florida may submit an application
5 to the Office of Film and Entertainment for the purpose of determining qualification for
6 reimbursement under this section.

7
8 (d)l. The Office of Film and Entertainment shall establish a process by which
9 an application shall be accepted, reviewed, and reimbursement eligibility and
10 reimbursement amount determined.

11
12 2. Upon determination that all criteria are met for qualification for
13 reimbursement, the office shall notify the applicant of such approval. The office shall
14 also notify the Office of Tourism, Trade and Economic Development of the applicant
15 approval and amount of reimbursement required. *The Office of Tourism, Trade and*
16 *Economic Development shall make final determination for actual reimbursement.*

17
18 3. The office shall deny an application if it determines that:

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20 a. The application is not complete or does not meet the requirements of this
21 section, or

22
23 b. The reimbursement sought does not meet the requirements of this section
24 for such reimbursement.

25
26 (e) The Office of Film and Entertainment shall develop a standardized
27 application form for use in approving a qualified production, a qualified relocation
28 project, or a company qualifying under (3)(b). The application form shall include, but
29 not be limited to, production-related information on employment, proposed total
30 production budgets, planned Florida expenditures which are intended for use exclusively
31 as an integral part of preproduction, production, or post production activities engaged in
32 primarily in this state, and a signed affirmation from the Office of Film and
33 Entertainment that the information on the application form has been verified and is
34 correct. The application form shall be distributed to applicants by the Office of Film and
35 Entertainment or local film commissions.

36
37 (4) REIMBURSEMENT ELIGIBILITY; SUBMISSION OF REQUIRED
38 DOCUMENTATION; RECOMMENDATIONS FOR PAYMENT.--

39
40 (a) A qualified production which is certified by the Office of Film &
41 Entertainment shall be eligible for the following financial incentives from the state:

42
43 1. A reimbursement of 15 percent (15%) of its qualifying expenditures within
44 this state on that motion picture, made-for-television movie with a running time of 90
45 minutes or more, commercial, music video, industrial and educational film, and
46 television program.

1 that demonstrates a minimum of eight hundred and fifty thousand (\$850,000) in
2 total qualified expenditures. However, the maximum reimbursement that may be made
3 with respect to a motion picture is \$2 million, the maximum reimbursement that may be
4 made with respect to a made-for-television movie with a running time of 90 minutes or
5 more is \$150,000, the maximum reimbursement that may be made with respect to any
6 single television series pilot or television series is \$50,000, and the maximum
7 reimbursement that may be made with respect to a music video or commercial is
8 \$25,000; all noted rebates are subject to appropriation. Payments under this section in a
9 fiscal year shall be made on a first-come, first-served basis, until the appropriation for
10 that fiscal year is exhausted.

11
12 2. Qualified expenditures for which reimbursement shall be made include
13 salaries paid to and employment benefits paid on behalf of state residents; rents for real
14 and personal property used in the production; payments to state residents or state-
15 domiciled entities for pre-production, production, or post production and digital media
16 effects services; and costs of set construction. No reimbursement shall be authorized for
17 salaries of the two highest-paid actors. Salaries of other actors are reimbursable.

18
19 (b) A digital media effects or post production company in the state that
20 furnishes services or digital material to a qualified production that is certified by the
21 Office of Film and Entertainment may be eligible for a payment in an amount not to
22 exceed 5 percent (5%) of its annual gross revenues on qualified expenditures as defined
23 in 4., (a), 2, before taxes. A company applying for payment shall submit documentation
24 annually as required by the Office of Film and Entertainment for determination of
25 eligibility of claimed billing and determination of the amount of payment for which the
26 company is eligible.

27
28 (c) A qualified relocation project that is certified by the Office of Film &
29 Entertainment shall be eligible for a one-time bonus payment in an amount equal to 5
30 percent (5%) of its annual gross revenues before taxes for the first 12 months of
31 conducting business in its Florida domicile. A company applying for payment shall
32 submit documentation as required by the Office of Film and Entertainment for
33 determination of eligibility of claimed billing and determination of the amount of
34 payment for which the company is eligible.

35
36 (d) A qualified production, digital media effects company, or a qualified
37 relocation project applying for a payment under this section must submit documentation
38 for claimed qualified expenditures to the Office of Film and Entertainment.

39
40 1. For each application for claimed expenditure there shall be no more than one
41 entity eligible for payment.

42
43 (e) The Office of Film and Entertainment shall notify the Office of Tourism,
44 Trade, and Economic Development if an applicant meets the criteria for reimbursement
45 and shall recommend the reimbursement amount. The Office of Tourism, Trade and
46 Economic Development shall make final determination for actual reimbursement.

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2 (5) POLICIES AND PROCEDURES.--The Office of Tourism, Trade, and
3 Economic Development shall adopt policies and procedures to implement the provisions
4 of this section, including, but not limited to, requirements for the application and
5 approval process, records required for submission for substantiation for reimbursement,
6 and determination of and qualification for reimbursement.

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8 (6) FRAUDULENT CLAIMS.--An eligible entity or company that obtains a
9 payment under this section through a claim that it knows is fraudulent is liable for
10 reimbursement of the amount paid plus a penalty in an amount double the payment and
11 reimbursement of reasonable costs, which penalty is in addition to any criminal penalty to
12 which the entity or company is liable for the same acts. The entity or company is also
13 liable for costs and fees incurred by the state in investigating and prosecuting the
14 fraudulent claim.

15
16 Section 3. The sum of \$40 million is appropriated from the General Revenue
17 Fund to the Office of Tourism, Trade, and Economic Development to implement this act
18 in the 2003-2004 fiscal year. The Office of Tourism, Trade, and Economic Development
19 may use up to \$50,000 for staff and administrative costs to implement this act.

20
21 Section 4. The Office of Film & Entertainment will provide an annual report
22 due January 1, to the Governor, Senate President and House Speaker outlining the return
23 on investment to the state on funds expended.

24
25 Section 5. The act shall take effect July 1, 2003.
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