

Bill No. HB 2073, 2nd Eng.

Amendment No.

<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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Senator Kirkpatrick moved the following amendment:

Senate Amendment (with title amendment)

Delete everything after the enacting clause

and insert:

Section 1. Twenty-first Century Digital Television and Education Act.--

(1) Short title.--This act may be cited as the "21st Century Digital Television and Education Act."

(2) Legislative findings and intent.--The Legislature finds that the federally mandated transition from analog to digital television will provide numerous new, improved, and innovative information and entertainment services to the public. The Legislature further finds that, whereas all commercial and noncommercial television markets in the United States must begin digital broadcasts by no later than May, 2003, it is in the interest of the state to facilitate the conversion of existing television stations, studios, networks, and production companies to digital technology as well as to encourage new companies involved in digital television and

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1 related industries to locate in Florida. It is therefore the
2 intent of the Legislature to investigate and create the
3 economic incentives and educational opportunities necessary to
4 position Florida as a 21st century leader in the production,
5 transmission, manufacturing, and research and development of
6 digital television and related digital communication.

7 (3) Task force; membership; duties.--

8 (a) The "21st Century Digital Television and Education
9 Task Force" is hereby created to serve through February 1,
10 2000. The task force is created within the Office of Tourism,
11 Trade, and Economic Development, which shall provide staff
12 support for the activities of the task force. The task force
13 shall consist of the following members:

14 1. Two members to be appointed by the Governor.

15 2. Two members of the Senate, or their designees, to
16 be appointed by the President of the Senate.

17 3. Two members of the House of Representatives, or
18 their designees, to be appointed by the Speaker of the House
19 of Representatives.

20 4. The Commissioner of Education or the commissioner's
21 designee.

22 5. The Chancellor of the State University System or
23 the chancellor's designee.

24 6. The Executive Director of the State Community
25 College System or the executive director's designee.

26 7. The President of the Independent Colleges and
27 Universities of Florida or the president's designee.

28 (b) Each appointed member of the task force shall
29 serve at the pleasure of the appointing official. A vacancy on
30 the task force shall be filled in the same manner as the
31 original appointment.

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1 (c) The task force shall elect a chair from among its
2 members. A vacancy in the chair of the task force must be
3 filled for the remainder of the unexpired term by an election
4 of the task force members.

5 (d) The task force shall meet as necessary, at the
6 call of the chair or at the call of a quorum of the task
7 force, and at the time and place designated by the chair. A
8 quorum is necessary for the purpose of conducting official
9 business of the task force. Six members of the task force
10 shall constitute a quorum. The task force shall use accepted
11 rules of procedure to conduct its meetings and shall keep a
12 complete record of each meeting.

13 (e) Members of the task force shall receive no
14 compensation for their services, but shall be entitled to
15 receive per diem and travel expenses as provided in s.
16 112.061, Florida Statutes.

17 (f) The Task Force shall act as an advisory body and
18 shall make recommendations to the Governor and the Legislature
19 on a coordinated plan to carry out the legislative intent of
20 this act. The task force shall have the following duties:

21 1. Devise a plan to recruit the following industry
22 segments to locate in Florida:

23 a. Digital programmers and producers, including
24 companies involved in the production, marketing, and
25 development of digital content, as well as studios, networks,
26 and television stations.

27 b. Companies involved in the transmission of digital
28 media, including television broadcasters, cable and satellite
29 companies, television, theater, and film industry members,
30 Internet content providers, web site producers, and other
31 information service providers.

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1 c. Digital television equipment manufacturers,
2 including makers of digital video cameras, audio equipment,
3 transmission equipment, television sets, set-top boxes and
4 related hardware, monitors, displays, tapes, and discs.

5 d. Companies involved in the research and development
6 of new and innovative digital television equipment, consumer
7 electronics, prototypes, and products.

8 2. Investigate and recommend strong economic
9 incentives to encourage the digital industry segments
10 described in subparagraph 1. to locate and compete in Florida.
11 Special emphasis should be given to stimulating economic
12 development in both rural areas and urban areas of critical
13 need.

14 3. Devise a plan to create and maintain higher
15 education opportunities for students wishing to enter the
16 digital television field. At minimum, the plan shall consider
17 and address the following:

18 a. The extent to which higher education opportunities
19 are currently available to students in the areas of digital
20 production, transmission, manufacturing, and research and
21 development.

22 b. The workforce needs of the digital television
23 industry segments described in subparagraph 1.

24 c. Recommendations and an operational plan for
25 creating and maintaining higher education opportunities in
26 digital television production, transmission, manufacturing,
27 and research and development.

28 d. Any other recommendations to encourage and promote
29 the development of a skilled workforce in digital broadcast
30 communications and high-definition television.

31 4. Recommend methods to hasten the conversion of

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1 existing commercial television studios and soundstages from
 2 analog to digital technology.

3 5. Recommend a means to fund the cost of converting
 4 public broadcast stations from analog to digital technology,
 5 including a grant program for Florida Public Television.

6 6. Issue a report to the Legislature no later than
 7 February 1, 2000, summarizing its findings, stating its
 8 conclusions, and proposing its recommendations.

9 Section 2. Paragraph (f) of subsection (5) of section
 10 212.08, Florida Statutes, 1998 Supplement, is amended to read:

11 212.08 Sales, rental, use, consumption, distribution,
 12 and storage tax; specified exemptions.--The sale at retail,
 13 the rental, the use, the consumption, the distribution, and
 14 the storage to be used or consumed in this state of the
 15 following are hereby specifically exempt from the tax imposed
 16 by this chapter.

17 (5) EXEMPTIONS; ACCOUNT OF USE.--

18 (f) Motion picture or video equipment used in motion
 19 picture or television production activities and sound
 20 recording equipment used in the production of master tapes and
 21 master records; certain machinery or equipment purchased or
 22 leased to produce, originate, or broadcast digital television
 23 signals; and property purchased or leased to operate certain
 24 television broadcasting stations.--

25 1. Motion picture or video equipment and sound
 26 recording equipment purchased or leased for use in this state
 27 in production activities is exempt from the tax imposed by
 28 this chapter upon an affirmative showing by the purchaser or
 29 lessee to the satisfaction of the department that the
 30 equipment will be used for production activities.

31 2. There is exempt from the tax imposed by this

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1 chapter all machinery or equipment purchased or leased in this
2 state for use by a television studio, television network,
3 television production company, or federally licensed
4 television station in the production, origination, or
5 broadcast of digital television signals.

6 3. There is exempt from the tax imposed by this
7 chapter all personal or real property purchased or leased for
8 use in the operation of any television broadcasting station
9 that meets all of the following requirements:

10 a. It has been acquired following the conclusion of
11 bankruptcy proceedings by a previously unrelated owner. The
12 station general manager of the acquiring station must submit
13 an affidavit to the department stating that the acquiring
14 station had no ownership interest, or other business
15 relationship, with the previous owner that went through
16 bankruptcy proceedings.

17 b. It submits an affidavit to the department from its
18 general manager stating that the television broadcasting
19 station or stations under common ownership have established
20 and maintained more than 75 full-time jobs since acquisition.

21 c. The acquiring owner has invested more than \$5
22 million in capital improvements since the acquisition of the
23 television broadcasting station or stations.

24 d. It is located within the boundaries of a
25 metropolitan statistical area as defined in s. 334.03(17) and
26 shares common ownership or management with another television
27 broadcasting station that has been acquired following
28 bankruptcy that is located in a different metropolitan
29 statistical area.

30 e. In the calendar year following receipt of a tax
31 refund pursuant to this section, it broadcasts at no cost to

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1 the state youth-oriented anti-tobacco public service
2 announcements and programming of a value equal to or greater
3 than the tax refund received by the television broadcasting
4 station in the previous year. If a television broadcasting
5 station that has received a refund fails to broadcast
6 sufficient public service announcements and programming, the
7 taxpayer must return the refund to the state together with
8 interest and penalties; however, if the refund is returned
9 within 30 days after the expiration of such 1-year period,
10 interest and penalties do not apply.

11 4. The exemptions ~~exemption~~ provided by this paragraph
12 shall inure to the taxpayer only through a refund of
13 previously paid taxes. With respect to the refund authorized
14 under subparagraph 3., the maximum refund allowed in any year
15 shall not exceed \$350,000 for any television broadcasting
16 station or group of television broadcasting stations that
17 share common ownership or management, and no taxpayer may
18 receive a refund for more than 5 years.Notwithstanding the
19 provisions of s. 212.095, such refund shall be made within 30
20 days of formal application, which application may be made
21 after the completion of production activities or on a
22 quarterly basis with respect to the refund authorized under
23 subparagraph 1., and on a quarterly basis with respect to the
24 refund authorized under subparagraphs 2. and 3.

25 Notwithstanding the provisions of chapter 213, the department
26 shall provide the Office of Tourism, Trade, and Economic
27 Development ~~Department of Commerce~~ with a copy of each refund
28 application and the amount of such refund, if any.

29 5.2. For the purpose of the exemption provided in
30 subparagraph 1.:

31 a. "Motion picture or video equipment" and "sound

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1 recording equipment" includes only equipment meeting the
2 definition of "section 38 property" as defined in s.
3 48(a)(1)(A) and (B)(i) of the Internal Revenue Code that is
4 used by the lessee or purchaser exclusively as an integral
5 part of production activities; however, motion picture or
6 video equipment and sound recording equipment does not include
7 supplies, tape, records, film, or video tape used in
8 productions or other similar items; vehicles or vessels; or
9 general office equipment not specifically suited to production
10 activities. In addition, the term does not include equipment
11 purchased or leased by television or radio broadcasting or
12 cable companies licensed by the Federal Communications
13 Commission.

14 b. "Production activities" means activities directed
15 toward the preparation of a:

16 (I) Master tape or master record embodying sound; or

17 (II) Motion picture or television production which is

18 produced for theatrical, commercial, advertising, or
19 educational purposes and utilizes live or animated actions or
20 a combination of live and animated actions. The motion picture
21 or television production shall be commercially produced for
22 sale or for showing on screens or broadcasting on television
23 and may be on film or video tape.

24 6. For the purpose of the exemption provided in
25 subparagraph 2., the term "machinery or equipment" means
26 machinery or equipment as described in 47 C.F.R., part 73, or
27 "section 38 property" as defined in s. 48(a)(1)(A) and (B)(i)
28 of the Internal Revenue Code, purchased or leased in this
29 state for use by a television studio, television network,
30 television production company, or federally licensed
31 television station in the production, origination, or

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1 broadcast of digital television signals.

2 Section 3. This act shall take effect July 1, 1999.

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5 ===== T I T L E A M E N D M E N T =====

6 And the title is amended as follows:

7 Delete everything before the enacting clause

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9 and insert:

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A bill to be entitled

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An act relating to economic development;

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creating the "21st Century Digital Television

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and Education Act"; providing legislative

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findings and intent; creating the 21st Century

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Digital Television and Education Task Force;

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providing membership; providing duties;

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providing for a report; amending s. 212.08,

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F.S.; providing an exemption from the tax on

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sales, use, and other transactions for certain

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machinery or equipment purchased or leased for

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use in the production, origination, or

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broadcast of digital television signals;

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defining the term "machinery or equipment" for

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purposes of such exemption; providing an

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exemption from the tax on sales, use, and other

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transactions for personal or real property

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purchased or leased for use in the operation of

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a television broadcasting station that meets

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specified criteria; requiring return of tax

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refunds plus interest and penalties if certain

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criteria are not met; providing limitations;

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1 providing an effective date.
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