

Amendment No. 1 (for drafter's use only)

	<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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ORIGINAL STAMP BELOW

The Committee on Tourism offered the following:

Amendment (with title amendment)

Remove everything after the enacting clause

and insert:

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

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

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1 the broadcast industry.

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

4 288.1254 Entertainment industry financial incentive
5 program; creation; purpose; definitions; application
6 procedure; approval process; reimbursement eligibility;
7 submission of required documentation; recommendations for
8 payment; rules; fraudulent claims.

9 (1) CREATION AND PURPOSE OF PROGRAM.--There is created
10 within the Office of Film and Entertainment an entertainment
11 industry financial incentive program. The purpose of this
12 program is to encourage the use of this state as a site for
13 filming, and for providing production services for, motion
14 pictures, commercials, music videos, and television programs
15 by the entertainment industry.

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

18 (a) "Filmed entertainment" means a motion picture,
19 teleproduction, commercial, music video or digital media
20 effects production that shall be sold or displayed in
21 electronic media.

22 (b) "Production costs" means the total cost of
23 producing filmed entertainment minus the ordinary and
24 necessary interstate and foreign travel expenses involved in
25 the production.

26 (c) "Qualified expenditures" means goods purchased or
27 leased or services purchased, leased, or employed from a
28 resident of this state or a vendor or supplier who is located
29 and doing business in this state.

30 (d) "Qualified production" means filmed entertainment
31 in which at least 70% of the production costs are spent in

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1 Florida, and in which at least 75% of the production workforce
2 are Florida residents or state domiciled entities.

3 (e) "Qualified relocation project" means a
4 corporation, limited liability company, partnership, corporate
5 headquarters or other private entity that is domiciled in
6 another state or country and relocates its operations to
7 Florida, and is organized under the laws of this or any other
8 state or country and includes as one of its primary purposes
9 digital media effects or motion picture and television
10 production, distribution, financing, or post production.

11 (3) APPLICATION PROCEDURE; APPROVAL PROCESS.--

12 (a) Any company engaged in this state in the
13 production of filmed entertainment may submit an application
14 to the Office of Film and Entertainment for the purpose of
15 determining qualification for receipt of reimbursement
16 provided in this section. The office shall be provided
17 information required to determine if the production is a
18 qualified production and to determine the qualified
19 expenditures, production costs, and other information
20 necessary for the office to determine both eligibility for and
21 level of reimbursement.

22 (b) A digital media effects, finance, distribution, or
23 post production company in the state that furnishes services
24 or digital material to a qualified production that is
25 certified by the Office of Film and Entertainment may submit
26 an application to the Office of Film and Entertainment for the
27 purpose of determining qualification for receipt of
28 reimbursement provided in this section. The office shall be
29 provided information required to determine if the company is
30 qualified and to determine the amount of reimbursement.

31 (c) Any corporation, limited liability company,

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

9 (d)1. The Office of Film and Entertainment shall
10 establish a process by which an application shall be accepted,
11 reviewed, and reimbursement eligibility and reimbursement
12 amount determined.

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

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

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

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

24 (e) The Office of Film and Entertainment shall develop
25 a standardized application form for use in approving a
26 qualified production, a qualified relocation project, or a
27 company qualifying under (3)(b). The application form shall
28 include, but not be limited to, production-related information
29 on employment, proposed total production budgets, planned
30 Florida expenditures which are intended for use exclusively as
31 an integral part of preproduction, production, or post

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1 production activities engaged in primarily in this state, and
2 a signed affirmation from the Office of Film and Entertainment
3 that the information on the application form has been verified
4 and is correct. The application form shall be distributed to
5 applicants by the Office of Film and Entertainment or local
6 film commissions.

7 (4) REIMBURSEMENT ELIGIBILITY; SUBMISSION OF REQUIRED
8 DOCUMENTATION; RECOMMENDATIONS FOR PAYMENT.--

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

12 1. A reimbursement of 10 percent (10%) of its
13 qualified Florida expenditures within this state on such
14 filmed entertainment which demonstrates a minimum of \$1
15 million in total qualified expenditures. The maximum
16 reimbursement that may be made with respect to any single
17 motion picture is \$2 million, subject to appropriation, unless
18 the total qualified expenditures exceed \$50 million in which
19 case the maximum reimbursement that may be made is \$2.5
20 million, subject to appropriation. The maximum reimbursement
21 that may be made with respect to any single television series
22 pilot, television series, made for television movie, music
23 video or commercial is \$200,000, subject to appropriation.

24 2. Qualified expenditures for which reimbursement may
25 be made include, but are not limited to, the following:
26 salaries paid to, and benefits paid on account of employment
27 of, residents of this state, with the exception of principal
28 talent; rents for real and personal property used in the
29 production; payments to state residents or state domiciled
30 entities for preproduction, production, or post production,
31 and digital media effects services; and costs of set

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1 construction.

2 (b) A digital media effects, finance, distribution, or
3 post production company in the state that furnishes services
4 or digital material to a qualified production that is
5 certified by the Office of Film and Entertainment is eligible
6 for a payment in an amount not to exceed 5 percent (5%) of its
7 gross billings. A company applying for payment shall submit
8 documentation as required by the Office of Film and
9 Entertainment for determination of eligibility of claimed
10 billing and determination of the amount of payment for which
11 the company is eligible.

12 (c) A qualified relocation project that is certified
13 by the Office of Film & Entertainment shall be eligible for a
14 one-time bonus payment in an amount equal to 5 percent (5%) of
15 its billings for the first 12 months of doing business in its
16 Florida domicile.

17 (d) A qualified production or a qualified relocation
18 project applying for a payment under this section must submit
19 documentation for claimed qualified expenditures to the Office
20 of Film and Entertainment. The applicant shall also submit to
21 the Office of Film and Entertainment a nonrefundable
22 application fee of \$2,000 to offset the cost of processing the
23 application.

24 (e) The Office of Film and Entertainment shall notify
25 the Office of Tourism, Trade, and Economic Development if an
26 applicant meets the criteria for reimbursement and shall
27 recommend the reimbursement amount.

28 (5) RULES.--The Office of Tourism, Trade, and Economic
29 Development shall adopt rules pursuant to ss. 120.536(1) and
30 120.54 to implement the provisions of this section, including,
31 but not limited to, requirements for the application and

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1 approval process, records required for submission for
2 substantiation for reimbursement, and determination of and
3 qualification for reimbursement.

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

13 Section 3. The sum of \$20 million is appropriated from
14 the General Revenue Fund to the Office of Tourism, Trade, and
15 Economic Development to implement this act in the 2002-2003
16 fiscal year.

17 Section 4. The act shall take effect January 1, 2003.

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19
20 ===== T I T L E A M E N D M E N T =====

21 And the title is amended as follows:

22 remove: the entire title

23
24 and insert:

25 An act relating to economic development;
26 amending s. 288.125, F.S.; providing that the
27 definition of "entertainment industry" extend
28 to other sections; creating s. 288.1254, F.S. ;
29 creating a program under which certain
30 producers of filmed entertainment and certain
31 digital media effects, motion picture and

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1 television distribution, motion picture and
2 television production, and post production
3 companies may be reimbursed for expenditures
4 made in this state; providing definitions;
5 providing an application procedure and approval
6 process; prescribing limits on reimbursement;
7 requiring documentation justifying
8 reimbursement requested; providing duties of
9 the Office of Film and Entertainment and the
10 Office of Tourism, Trade, and Economic
11 Development; providing for rules; providing
12 penalties for fraudulent claims for
13 reimbursement; providing an appropriation;
14 providing an effective date.

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