

By Representatives Davis, Lynn and Murman

1                                   A bill to be entitled  
2           An act relating to economic development;  
3           creating s. 288.1254, F.S.; creating a program  
4           under which certain producers of motion  
5           pictures and television programs and certain  
6           digital effects companies may be reimbursed for  
7           expenditures made in this state; prescribing  
8           limits on reimbursement; providing duties of  
9           the Office of Tourism, Trade, and Economic  
10          Development and the Office of Film and  
11          Entertainment; providing for rules; providing  
12          penalties for fraudulent claims for  
13          reimbursement; providing an appropriation;  
14          providing an effective date.

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16 Be It Enacted by the Legislature of the State of Florida:

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18           Section 1. Section 288.1254, Florida Statutes, is  
19          created to read:

20                   288.1254 Entertainment industry financial incentive  
21 program; creation.--There is created within the Office of  
22 Tourism, Trade, and Economic Development an entertainment  
23 industry financial incentive program. The purpose of this  
24 program is to encourage the use of this state as a site for  
25 filming, and for providing production services for, motion  
26 pictures and television programs by the entertainment  
27 industry, as defined in s. 288.125.

28                   (1) Entities wholly or substantially producing motion  
29 pictures or television programs, and companies providing  
30 digital effects to those entities, are eligible for the  
31 following financial incentives from the state:

1       (a) An entity that produces a motion picture or  
2 television program in this state may receive a reimbursement  
3 of 10 percent of its qualifying expenditures within the state  
4 on that motion picture or television program. However, the  
5 maximum reimbursement that may be made with respect to any  
6 single motion picture is \$500,000, and the maximum  
7 reimbursement that may be made with respect to any single  
8 television program is \$100,000. For the purposes of this  
9 section, each individual episode of a television series  
10 constitutes a separate television program. Expenditures for  
11 which reimbursement may be made include: salaries paid to, and  
12 benefits paid on account of employment of, state residents;  
13 rents for real and personal property used in the production;  
14 payments to state residents or state-domiciled entities for  
15 preproduction, production, or postproduction services; and  
16 costs of set construction.

17       (b) A digital effects company that furnishes services  
18 or digital material to an entity producing motion pictures or  
19 television programs in this state is eligible for a payment in  
20 an amount equal to 5 percent of its gross billings, less sales  
21 tax.

22       (c) If a digital effects company is domiciled in  
23 another state or Canada and relocates to this state, that  
24 company is eligible for a one-time bonus payment in an amount  
25 equal to 5 percent of its billings for the 12 months  
26 immediately preceding its relocation to Florida and its  
27 billings for the first 12 months in its Florida domicile.

28       (2) An entity or company applying for a payment under  
29 this section must submit documentation for claimed  
30 expenditures to the Office of Film and Entertainment, which  
31 shall review the application. The Office of Film and

1 Entertainment shall recommend to the Office of Tourism, Trade,  
2 and Economic Development whether the applicant meets the  
3 criteria for a payment and recommend the amount of the  
4 payment.

5 (3) The Office of Tourism, Trade, and Economic  
6 Development shall adopt rules to implement this section,  
7 including rules relating to records to be submitted in  
8 substantiation of an application.

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

17 Section 2. The sum of \$10 million is appropriated from  
18 the General Revenue Fund to the Office of Tourism, Trade, and  
19 Economic Development to implement this act in the 2002-2003  
20 fiscal year.

21 Section 3. This act shall take effect July 1, 2002.

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24 SENATE SUMMARY

25 Creates a program under the Office of Tourism, Trade, and  
26 Economic Development under which certain producers of  
27 motion pictures or television programs, and digital  
28 effects companies furnishing them services, may be  
29 reimbursed a percentage of their qualifying expenditures  
30 that were made in this state.  
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