

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

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

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

27 288.125 Definition of "entertainment industry".--For
28 the purposes of ss. 288.1251-288.1258 ~~288.1253~~, the term
29 "entertainment industry" means those persons or entities
30 engaged in the operation of motion picture or television
31 studios or recording studios; those persons or entities

1 engaged in the preproduction, production, or post production
2 of motion pictures, made-for-TV motion pictures, television
3 series, commercial advertising, music videos, or sound
4 recordings; and those persons or entities providing products
5 or services directly related to the preproduction, production,
6 or post production of motion pictures, made-for-TV motion
7 pictures, television series, commercial advertising, music
8 videos, of sound recordings, including, but not limited to,
9 the broadcast industry.

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

12 288.1254 Entertainment industry financial incentive
13 program; creation; purpose; definitions; application
14 procedure; approval process; reimbursement eligibility;
15 submission of required documentation; recommendations for
16 payment; rules; fraudulent claims.

17 (1) CREATION AND PURPOSE OF PROGRAM.--Subject to
18 specific appropriation, there is created within the Office of
19 Film and Entertainment an entertainment industry financial
20 incentive program. The purpose of this program is to encourage
21 the use of this state as a site for filming, and for providing
22 production services for, motion pictures, commercials, music
23 videos, and television programs by the entertainment industry.

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

26 (a) "Filmed entertainment" means a motion picture,
27 teleproduction, commercial, music video or digital media
28 effects production that shall be sold or displayed in
29 electronic media.

30 (b) "Production costs" means the total cost of
31 producing filmed entertainment minus the ordinary and

1 necessary interstate and foreign travel expenses involved in
2 the production.

3 (c) "Qualified expenditures" means goods purchased or
4 leased or services purchased, leased, or employed from a
5 resident of this state or a vendor or supplier who is located
6 and doing business in this state.

7 (d) "Qualified production" means filmed entertainment
8 in which at least 70% of the production costs are spent in
9 Florida, and in which at least 75% of the production workforce
10 are Florida residents or state domiciled entities.

11 (e) "Qualified relocation project" means a
12 corporation, limited liability company, partnership, corporate
13 headquarters or other private entity that is domiciled in
14 another state or country and relocates its operations to
15 Florida, and is organized under the laws of this or any other
16 state or country and includes as one of its primary purposes
17 digital media effects or motion picture and television
18 production, distribution, financing, or post production.

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

20 (a) Any company engaged in this state in the
21 production of filmed entertainment may submit an application
22 to the Office of Film and Entertainment for the purpose of
23 determining qualification for receipt of reimbursement
24 provided in this section. The office shall be provided
25 information required to determine if the production is a
26 qualified production and to determine the qualified
27 expenditures, production costs, and other information
28 necessary for the office to determine both eligibility for and
29 level of reimbursement.

30 (b) A digital media effects, finance, distribution, or
31 post production company in the state that furnishes services

1 or digital material to a qualified production that is
2 certified by the Office of Film and Entertainment may submit
3 an application to the Office of Film and Entertainment for the
4 purpose of determining qualification for receipt of
5 reimbursement provided in this section. The office shall be
6 provided information required to determine if the company is
7 qualified and to determine the amount of reimbursement.

8 (c) Any corporation, limited liability company,
9 partnership, corporate headquarters or other private entity
10 domiciled in another state that includes as one of its primary
11 purposes digital media effects or motion picture and
12 television production, distribution, financing, or post
13 production and which is considering relocation to Florida may
14 submit an application to the Office of Film and Entertainment
15 for the purpose of determining qualification for reimbursement
16 under this section.

17 (d)1. The Office of Film and Entertainment shall
18 establish a process by which an application shall be accepted,
19 reviewed, and reimbursement eligibility and reimbursement
20 amount determined.

21 2. Upon determination that all criteria are met for
22 qualification for reimbursement, the office shall notify the
23 applicant of such approval. The office shall also notify the
24 Office of Tourism, Trade and Economic Development of the
25 applicant approval and amount of reimbursement required.

26 3. The office shall deny an application if it
27 determines that:

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

30 b. The reimbursement sought does not meet the
31 requirements of this section for such reimbursement.

1 (e) The Office of Film and Entertainment shall develop
2 a standardized application form for use in approving a
3 qualified production, a qualified relocation project, or a
4 company qualifying under (3)(b). The application form shall
5 include, but not be limited to, production-related information
6 on employment, proposed total production budgets, planned
7 Florida expenditures which are intended for use exclusively as
8 an integral part of preproduction, production, or post
9 production activities engaged in primarily in this state, and
10 a signed affirmation from the Office of Film and Entertainment
11 that the information on the application form has been verified
12 and is correct. The application form shall be distributed to
13 applicants by the Office of Film and Entertainment or local
14 film commissions.

15 (4) REIMBURSEMENT ELIGIBILITY; SUBMISSION OF REQUIRED
16 DOCUMENTATION; RECOMMENDATIONS FOR PAYMENT.--

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

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

1 2. Qualified expenditures for which reimbursement may
2 be made include, but are not limited to, the following:
3 salaries paid to, and benefits paid on account of employment
4 of, residents of this state, with the exception of principal
5 talent; rents for real and personal property used in the
6 production; payments to state residents or state domiciled
7 entities for preproduction, production, or post production,
8 and digital media effects services; and costs of set
9 construction.

10 (b) A digital media effects, finance, distribution, or
11 post production company in the state that furnishes services
12 or digital material to a qualified production that is
13 certified by the Office of Film and Entertainment is eligible
14 for a payment in an amount not to exceed 5 percent (5%) of its
15 gross billings. A company applying for payment shall submit
16 documentation as required by the Office of Film and
17 Entertainment for determination of eligibility of claimed
18 billing and determination of the amount of payment for which
19 the company is eligible.

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

25 (d) A qualified production or a qualified relocation
26 project applying for a payment under this section must submit
27 documentation for claimed qualified expenditures to the Office
28 of Film and Entertainment. The applicant shall also submit to
29 the Office of Film and Entertainment a nonrefundable
30 application fee of \$2,000 to offset the cost of processing the
31 application.

1 (e) The Office of Film and Entertainment shall notify
2 the Office of Tourism, Trade, and Economic Development if an
3 applicant meets the criteria for reimbursement and shall
4 recommend the reimbursement amount.

5 (5) RULES.--The Office of Tourism, Trade, and Economic
6 Development shall adopt rules pursuant to ss. 120.536(1) and
7 120.54 to implement the provisions of this section, including,
8 but not limited to, requirements for the application and
9 approval process, records required for submission for
10 substantiation for reimbursement, and determination of and
11 qualification for reimbursement.

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

21 Section 3. The act shall take effect January 1, 2003.
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