

By the Committee on Commerce and Economic Opportunities; and
Senator Saunders

310-2099-02

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, television programs, and commercials
6 and certain digital effects companies shall be
7 reimbursed for expenditures made in this state;
8 providing a purpose and legislative findings
9 for such program; prescribing limits on
10 reimbursement; providing duties of the Office
11 of Tourism, Trade, and Economic Development and
12 the Office of Film and Entertainment; providing
13 for rules; providing penalties for fraudulent
14 claims for reimbursement; providing an
15 appropriation; providing an effective date.

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

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

21 288.1254 Entertainment industry financial incentive
22 program; creation.--There is created within the Office of
23 Tourism, Trade, and Economic Development an entertainment
24 industry financial incentive program. The purpose of this
25 program is to encourage the use of this state as a site for
26 filming, and for providing production services for, motion
27 pictures and television programs by the entertainment
28 industry, as defined in s. 288.125. The Legislature finds that
29 a public purpose of promoting the economic development of the
30 state is served by the provision of incentives under this
31 section.

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

5 (a) An entity that makes expenditures in this state
6 for the total or partial production of a motion picture,
7 made-for-television movie with a running time of 90 minutes or
8 more, television program, or commercial shall receive a
9 reimbursement of 10 percent of its qualifying expenditures
10 within this state on that motion picture, movie, television
11 program, or commercial. However, the maximum reimbursement
12 that may be made with respect to a motion picture is \$2
13 million, the maximum reimbursement that may be made with
14 respect to a made-for-television movie with a running time of
15 90 minutes or more is \$150,000, the maximum reimbursement that
16 may be made with respect to any other television program is
17 \$50,000, and the maximum reimbursement that may be made with
18 respect to a commercial is \$25,000. For the purposes of this
19 section, each individual episode of a television series
20 constitutes a separate television program. Expenditures for
21 which reimbursement shall be made include: salaries paid to,
22 and benefits paid on account of employment of, state
23 residents; rents for real and personal property used in the
24 production; payments to state residents or state-domiciled
25 entities for preproduction, production, or postproduction
26 services; and costs of set construction. No reimbursement
27 shall be authorized for actors' salaries.

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

3 (c) If a digital effects company is domiciled in
4 another state or Canada and relocates to this state, that
5 company is eligible for a one-time bonus payment in an amount
6 equal to one-half of the total of 5 percent of its billings
7 for the 12 months immediately preceding its relocation to
8 Florida plus 5 percent of its billings for the first 12 months
9 in its Florida domicile.

10 (2) An entity or company applying for a payment under
11 this section must submit documentation for claimed
12 expenditures to the Office of Film and Entertainment, which
13 shall review the application. The Office of Film and
14 Entertainment shall recommend to the Office of Tourism, Trade,
15 and Economic Development whether the applicant meets the
16 criteria for a payment and recommend the amount of the
17 payment. Payments under this section in a fiscal year shall be
18 made on a first-come, first-served basis, until the
19 appropriation for that fiscal year is exhausted.

20 (3) The Office of Tourism, Trade, and Economic
21 Development shall adopt rules under ss. 120.536(1) and 120.54
22 to implement this section.

23 (4) An eligible entity or company that obtains a
24 payment under this section through a claim that it knows is
25 fraudulent is liable for reimbursement of the amount paid plus
26 a penalty in an amount double the payment, which penalty is in
27 addition to any criminal penalty to which the entity or
28 company is liable for the same acts. The entity or company is
29 also liable for costs incurred by the state in investigating
30 the fraudulent claim.

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

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

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7 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
8 COMMITTEE SUBSTITUTE FOR
9 Senate Bill 2242

10 The committee substitute differs from SB 2242 by:

- 11 1) Finding that a public purpose is served by providing
12 entertainment industry financial incentives;
13 2) Specifying maximum reimbursements for made-for-television
14 movies and commercials;
15 3) Revising maximum reimbursements for television episodes;
16 4) Prohibiting reimbursements for actor salaries;
17 5) Authorizing payments only to digital effects companies
18 located in Florida; and
19 6) Reducing the appropriation to \$10 million from \$20
20 million.
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