

By the Committees on Governmental Oversight and Productivity; Commerce and Economic Opportunities; and Senators Saunders and Crist

302-2235-02

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 that demonstrates a minimum of \$1
12 million in total qualified expenditures. However, the maximum
13 reimbursement that may be made with respect to a motion
14 picture is \$2 million, the maximum reimbursement that may be
15 made with respect to a made-for-television movie with a
16 running time of 90 minutes or more is \$150,000, the maximum
17 reimbursement that may be made with respect to any other
18 television program is \$50,000, and the maximum reimbursement
19 that may be made with respect to a commercial is \$25,000. For
20 the purposes of this section, each individual episode of a
21 television series constitutes a separate television program.
22 Expenditures for which reimbursement shall be made include
23 salaries paid to and employment benefits paid on behalf of
24 state residents; rents for real and personal property used in
25 the production; payments to state residents or state-domiciled
26 entities for preproduction, production, or postproduction
27 services; and costs of set construction. No reimbursement
28 shall be authorized for salaries of the two highest-paid
29 actors. Salaries of other actors are reimbursable.

30 (b) A digital effects company in this state which
31 furnishes services or digital material to an entity producing

1 motion pictures or television programs in Florida is eligible
2 for a payment in an amount equal to 5 percent of its gross
3 billings, less sales tax.

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

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

21 (3) The Office of Tourism, Trade, and Economic
22 Development shall adopt policies and procedures necessary to
23 implement this section.

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

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. The Office of Tourism, Trade, and Economic
5 Development may use up to \$50,000 for staff and administrative
6 costs to implement this act.

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

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9 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
10 COMMITTEE SUBSTITUTE FOR
11 CS for Senate Bill 2242

12 The Committee Substitute permits reimbursement of salaries
13 except for the two highest paid actors, makes specific the
14 rule promulgation authority by reference to ch. 120, F.S., and
15 gives OTTED the authority to use up to \$50,000 of the \$10
16 million appropriation for administrative services.
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