

By Senator Saunders

25-2359-02

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, music videos,  
6           and commercials and certain digital-effects  
7           companies may be reimbursed for expenditures  
8           made in this state; providing a purpose and  
9           legislative findings for such program;  
10          prescribing limits on reimbursement; providing  
11          duties of the Office of Tourism, Trade, and  
12          Economic Development and the Office of Film and  
13          Entertainment; providing for rules; providing  
14          penalties for fraudulent claims for  
15          reimbursement; providing for construction of  
16          the act in pari materia with laws enacted at  
17          the Regular Session of the Legislature;  
18          providing an effective date.

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

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22           Section 1. Section 288.1254, Florida Statutes, is  
23          created to read:  
24           288.1254 Entertainment industry financial incentive  
25          program; creation.--There is created within the Office of  
26          Tourism, Trade, and Economic Development an entertainment  
27          industry financial incentive program. The purpose of this  
28          program is to encourage the use of this state as a site for  
29          filming and for providing production services for motion  
30          pictures and television programs by the entertainment  
31          industry, as defined in s. 288.125. The Legislature finds that

1 a public purpose of promoting the economic development of the  
2 state is served by the provision of incentives under this  
3 section.

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

8 (a) An entity that makes expenditures in this state  
9 for the total or partial production of a motion picture,  
10 made-for-television movie with a running time of 90 minutes or  
11 more, television program, music video, or commercial shall  
12 receive a reimbursement of 10 percent of its qualifying  
13 expenditures within this state on that motion picture, movie,  
14 television program, or commercial that demonstrates a minimum  
15 of \$1 million in total qualified expenditures. However, the  
16 maximum reimbursement that may be made with respect to a  
17 motion picture is \$2 million, the maximum reimbursement that  
18 may be made with respect to a made-for-television movie with a  
19 running time of 90 minutes or more is \$150,000, the maximum  
20 reimbursement that may be made with respect to any other  
21 television program is \$50,000, and the maximum reimbursement  
22 that may be made with respect to a music video or commercial  
23 is \$25,000. For the purposes of this section, each individual  
24 episode of a television series constitutes a separate  
25 television program. Expenditures for which reimbursement will  
26 be made include salaries paid to and employment benefits paid  
27 on behalf of state residents; rent for real and personal  
28 property used in the production; payments to state residents  
29 or state-domiciled entities for preproduction, production, or  
30 postproduction services; and costs of set construction. No  
31 reimbursement is authorized for salaries of the two

1 highest-paid actors. Salaries of other actors are  
2 reimbursable.

3 (b) A digital-effects company in this state which  
4 furnishes services or digital material to an entity producing  
5 motion pictures or television programs in Florida is eligible  
6 for a payment in an amount equal to 5 percent of its gross  
7 billings, less sales tax.

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

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

26 (3) The Office of Tourism, Trade, and Economic  
27 Development shall adopt policies and procedures necessary to  
28 administer this section.

29 (4) An eligible entity or company that obtains a  
30 payment under this section through a claim that it knows is  
31 fraudulent is liable for reimbursement of the amount paid plus

1 a penalty in an amount double the payment, which penalty is in  
2 addition to any criminal penalty to which the entity or  
3 company is liable for the same acts. The entity or company is  
4 also liable for costs incurred by the state in investigating  
5 the fraudulent claim.

6 Section 2. If any law that is amended by this act was  
7 also amended by a law enacted at the 2002 Regular Session of  
8 the Legislature, such laws shall be construed as if they had  
9 been enacted at the same session of the Legislature, and full  
10 effect should be given to each if that is possible.

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

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14 SENATE SUMMARY

15 Creates a program under which certain producers of motion  
16 pictures, television programs, music videos, and  
17 commercials and certain digital-effects companies may be  
18 reimbursed for expenditures made in this state.  
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