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A bill to be entitled  
 An act relating to economic development; amending s.  
 288.125, F.S.; changing the term "television series" to  
 "television programming" for purposes of the definition of  
 the term "entertainment industry" in provisions  
 establishing the Office of Film and Entertainment within  
 the Office of Tourism, Trade, and Economic Development;  
 amending s. 288.1254, F.S.; revising a program under which  
 certain persons producing, or providing services for the  
 production of, filmed entertainment are eligible for state  
 financial incentives for activities in or relocated to  
 this state; revising definitions; revising application  
 procedures and requirements; revising application approval  
 provisions; deleting a provision that requires a digital-  
 media-effects company to be certified by the Office of  
 Film and Entertainment in order to submit an application  
 for qualification for receipt of reimbursement; revising  
 reimbursement eligibility criteria and requirements;  
 revising limits on reimbursement; revising the due date  
 for the annual report to be submitted to the Governor and  
 the Legislature; providing an effective date.

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

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

288.125 Definition of "entertainment industry".--For the  
 purposes of ss. 288.1251-288.1258, the term "entertainment

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29 industry" means those persons or entities engaged in the  
 30 operation of motion picture or television studios or recording  
 31 studios; those persons or entities engaged in the preproduction,  
 32 production, or postproduction of motion pictures, made-for-  
 33 television movies ~~made-for-TV motion pictures~~, television  
 34 programming series, commercial advertising, music videos, or  
 35 sound recordings; and those persons or entities providing  
 36 products or services directly related to the preproduction,  
 37 production, or postproduction of motion pictures, made-for-  
 38 television movies ~~made-for-TV motion pictures~~, television  
 39 programming series, commercial advertising, music videos, or  
 40 sound recordings, including, but not limited to, the broadcast  
 41 industry.

42 Section 2. Subsections (1), (2), (3), (4), and (7) of  
 43 section 288.1254, Florida Statutes, are amended to read:

44 288.1254 Entertainment industry financial incentive  
 45 program; creation; purpose; definitions; application procedure;  
 46 approval process; reimbursement eligibility; submission of  
 47 required documentation; recommendations for payment; policies  
 48 and procedures; fraudulent claims.--

49 (1) CREATION AND PURPOSE OF PROGRAM.--Subject to specific  
 50 appropriation, there is created within the Office of Film and  
 51 Entertainment an entertainment industry financial incentive  
 52 program. The purpose of this program is to encourage the use of  
 53 this state as a site for filming, and ~~for~~ providing production  
 54 services for filmed entertainment, ~~motion pictures, made-for-~~  
 55 ~~television movies, commercials, music videos, industrial and~~  
 56 ~~educational films, and television programs by the entertainment~~

57 ~~industry.~~

58 (2) DEFINITIONS.--As used in this section, the term:

59 (a) "Filmed entertainment" means a theatrical or direct-  
 60 to-video motion picture, made-for-television motion picture  
 61 teleproduction, commercial, music video, industrial or  
 62 educational film, promotional video or film, documentary film,  
 63 or television program or series, including, but not limited to,  
 64 drama, reality, comedy, soap, telenovella, game show, and  
 65 miniseries, or digital-media-effects production by the  
 66 entertainment industry to be sold or displayed in an electronic  
 67 medium. As used in this paragraph, the term "motion picture"  
 68 means and includes, and has always meant and included, a motion  
 69 picture made on or by film, tape, or otherwise and produced by  
 70 means of a motion picture camera, electronic camera or device,  
 71 tape device, any combination of the foregoing, or any other  
 72 means, method, or device now used or which may hereafter be  
 73 adopted. As used in this paragraph, the term "digital-media-  
 74 effects" means visual elements created through the modification  
 75 of already existing or newly created visual elements for film,  
 76 video, or animated media through the use of digital 2D/3D  
 77 animation or painting, motion capture, or compositing  
 78 technologies. For purposes of this section, the term "filmed  
 79 entertainment" does not include the electronic gaming industry  
 80 or sporting events.

81 (b) "Production costs" means the costs of real, tangible,  
 82 and intangible property used and services performed in the  
 83 production, including preproduction and postproduction, of  
 84 qualified filmed entertainment. Production costs generally

85 include, but are not limited to:

86 1. Wages, salaries, or other compensation for technical  
 87 and production crews, directors, producers, and performers who  
 88 are residents of this state.

89 2. Expenditures for sound stages, backlots, production  
 90 editing, digital effects, sound recordings, sets, and set  
 91 construction.

92 3. Expenditures for rental equipment, including, but not  
 93 limited to, cameras and grip or electrical equipment.

94 4. Expenditures for meals, travel, accommodations, and  
 95 goods used in producing filmed entertainment that is located and  
 96 doing business in this state ~~total cost of producing filmed~~  
 97 ~~entertainment.~~

98 (c) "Qualified expenditures" means production costs for  
 99 ~~goods purchased or leased or~~ services purchased, leased, or  
 100 employed from a resident of this state or a vendor or supplier  
 101 who is located and doing business in this state, but excluding  
 102 wages, salaries, or other compensation paid to the two highest-  
 103 paid employees.

104 (d) "Qualified production" means filmed entertainment ~~that~~  
 105 ~~makes~~ expenditures in this state for the total or partial  
 106 production of filmed entertainment ~~a motion picture, made for-~~  
 107 ~~television movie with a running time of 90 minutes or more,~~  
 108 ~~commercial, music video, industrial and educational film,~~  
 109 ~~television series pilot, or television episode.~~ Productions that  
 110 are deemed by the Office of Film and Entertainment to contain  
 111 obscene content, as defined by the United States Supreme Court,  
 112 are shall not be considered qualified productions. Also,

113 productions already planned for shooting in this state, which  
 114 are determined by the first day of principal photography in this  
 115 state as having started at the time of submitting their  
 116 application to the Office of Film and Entertainment within that  
 117 same fiscal year in this state, are not qualified productions.

118 (e) "Qualified relocation project" means a corporation,  
 119 limited liability company, partnership, corporate headquarters,  
 120 or other private entity that is domiciled in another state or  
 121 country and relocates its operations to this state, is organized  
 122 under the laws of this or any other state or country, and  
 123 includes as one of its primary purposes digital-media-effects or  
 124 motion picture and television production, or postproduction.

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

126 (a) Any company engaged in this state in producing filmed  
 127 entertainment may submit an application to the Office of Film  
 128 and Entertainment for the purpose of determining qualification  
 129 for receipt of reimbursement provided in this section. The  
 130 office must be provided information required to determine if the  
 131 production is a qualified production and to determine the  
 132 qualified expenditures, production costs, and other information  
 133 necessary for the office to determine both eligibility for and  
 134 level of reimbursement.

135 (b) A digital-media-effects company in the state which  
 136 furnishes digital material to a qualified production ~~that is~~  
 137 ~~certified by the Office of Film and Entertainment~~ may submit an  
 138 application to the Office of Film and Entertainment for the  
 139 purpose of determining qualification for receipt of  
 140 reimbursement authorized by this section. The office must be

141 provided information required to determine if the company is  
 142 qualified and to determine the amount of reimbursement.

143 (c) Any corporation, limited liability company,  
 144 partnership, corporate headquarters, or other private entity  
 145 domiciled in another state which includes as one of its primary  
 146 purposes digital-media-effects or motion picture and television  
 147 production and which is considering relocation to this state may  
 148 submit an application to the Office of Film and Entertainment  
 149 for the purpose of determining qualification for reimbursement  
 150 under this section.

151 (d)1. The Office of Film and Entertainment shall establish  
 152 a process by which an application is accepted and reviewed and  
 153 reimbursement eligibility and reimbursement amount are  
 154 determined. The Office of Film and Entertainment may request  
 155 assistance from a duly appointed local film commission in  
 156 determining qualifications for reimbursement and compliance.

157 2. The Office of Film and Entertainment shall develop a  
 158 standardized application form for use in approving a qualified  
 159 production, a qualified relocation project, or a company  
 160 qualifying under paragraph (a), paragraph (b), or paragraph (c).  
 161 The application form must include, but need not be limited to,  
 162 production-related information on employment, proposed total  
 163 production budgets, planned expenditures in this state which are  
 164 intended for use exclusively as an integral part of  
 165 preproduction, production, or postproduction activities engaged  
 166 primarily in this state, and a signed affirmation from the  
 167 Office of Film and Entertainment that the information on the  
 168 application form has been verified and is correct. The

169 application form shall be distributed to applicants by the  
 170 Office of Film and Entertainment or local film commissions.

171 3. The Office of Film and Entertainment must complete its  
 172 review of each application within 5 days after receipt of the  
 173 completed application, including all required information, and  
 174 it must notify the applicant of its determination within 10  
 175 business days after receipt of the completed application and  
 176 required information.

177 4.2- Upon determination that all criteria are met for  
 178 qualification for reimbursement, the Office of Film and  
 179 Entertainment shall notify the applicant of such approval. The  
 180 office shall also notify the Office of Tourism, Trade, and  
 181 Economic Development of the applicant approval and amount of  
 182 reimbursement required. The Office of Tourism, Trade, and  
 183 Economic Development shall make final determination for actual  
 184 reimbursement.

185 5.3- The Office of Film and Entertainment shall deny an  
 186 application if it determines that:

187 a. The application is not complete or does not meet the  
 188 requirements of this section; or

189 b. The reimbursement sought does not meet the requirements  
 190 of this section for such reimbursement.

191 ~~(c) The Office of Film and Entertainment shall develop a~~  
 192 ~~standardized application form for use in approving a qualified~~  
 193 ~~production, a qualified relocation project, or a company~~  
 194 ~~qualifying under paragraph (b). The application form must~~  
 195 ~~include, but is not limited to, production-related information~~  
 196 ~~on employment, proposed total production budgets, planned~~

197 ~~expenditures in this state which are intended for use~~  
 198 ~~exclusively as an integral part of preproduction, production, or~~  
 199 ~~postproduction activities engaged in primarily in this state,~~  
 200 ~~and a signed affirmation from the Office of Film and~~  
 201 ~~Entertainment that the information on the application form has~~  
 202 ~~been verified and is correct. The application form shall be~~  
 203 ~~distributed to applicants by the Office of Film and~~  
 204 ~~Entertainment or local film commissions.~~

205 ~~(f) The Office of Film and Entertainment must complete its~~  
 206 ~~review of each application within 5 days after receipt of the~~  
 207 ~~completed application, including all required information, and~~  
 208 ~~it must notify the applicant of its determination within 10~~  
 209 ~~business days after receipt of the completed application and~~  
 210 ~~required information.~~

211 (4) REIMBURSEMENT ELIGIBILITY; SUBMISSION OF REQUIRED  
 212 DOCUMENTATION; RECOMMENDATIONS FOR PAYMENT.--

213 (a) A qualified production that is certified by the Office  
 214 of Film and Entertainment is eligible for ~~the following~~  
 215 ~~financial incentives from the state:~~

- 216 1. a reimbursement of ~~up to~~ 15 percent of its qualifying  
 217 expenditures in this state on a filmed entertainment program  
 218 ~~that motion picture, made for television movie with a running~~  
 219 ~~time of 90 minutes or more, commercial, music video, industrial~~  
 220 ~~film, educational film, television series pilot, or television~~  
 221 ~~episode that demonstrates a minimum of \$850,000 in total~~  
 222 ~~qualified expenditures for the entire run of the project, versus~~  
 223 ~~the budget on a single episode, within the fiscal year from July~~  
 224 ~~1 to June 30.~~ However, the maximum reimbursement that may be

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225 made with respect to any filmed entertainment program ~~a motion~~  
226 ~~picture~~ is \$2 million, ~~the maximum reimbursement that may be~~  
227 ~~made with respect to a made-for-television movie or television~~  
228 ~~series pilot with a running time of 90 minutes or more is~~  
229 ~~\$450,000, the maximum reimbursement that may be made with~~  
230 ~~respect to any single television series pilot or television~~  
231 ~~episode is \$150,000, the maximum reimbursement that may be made~~  
232 ~~with respect to a music video or commercial is \$25,000, and the~~  
233 ~~maximum reimbursement that may be made with respect to an~~  
234 ~~industrial film or an educational film is \$15,000. All noted~~  
235 ~~reimbursements~~ under this section are subject to appropriation.  
236 Payments under this section in a fiscal year shall be made to  
237 approved projects according to a project's principal photography  
238 start date, for those projects having entered into the motion  
239 picture queue or the long-form television queue within the first  
240 2 weeks after the queue's opening. All other projects entering  
241 into either queue after the initial 2-week openings shall be on  
242 a first-come, first-served basis until the appropriation for  
243 that fiscal year is exhausted, except that until February 1 of  
244 each year, the remaining funds within both queues shall be  
245 combined into a single queue and distributed based on a  
246 project's principal photography start date. Subject to  
247 ~~subsequent appropriations,~~ The eligibility of qualified  
248 productions may not shall carry over from year to year but such  
249 productions may reapply for eligibility under the guidelines  
250 established for doing so. The Office of Film and Entertainment  
251 shall develop a procedure to ensure that qualified productions  
252 continue on a reasonable schedule until completion. If a

253 qualified production is not continued according to a reasonable  
 254 schedule, the office shall withdraw its eligibility and  
 255 reallocate the funds to the next ~~other~~ qualified productions  
 256 already in the queue that have yet to receive their full maximum  
 257 or 15-percent financial reimbursement, if they have not started  
 258 principal photography by the time the funds become available.

259 1. Theatrical or direct-to-video motion pictures, made-  
 260 for-television movies, commercials, music videos, industrial and  
 261 educational films, promotional videos or films, documentary  
 262 films, television specials, and digital-media-effects  
 263 productions by the entertainment industry to be sold or  
 264 displayed in an electronic medium shall have their own separate  
 265 queue established, and such queue shall have dedicated to it 60  
 266 percent of all of the state incentive money.

267 2. Long-form television programs or series, including, but  
 268 not limited to, drama, reality, comedy, soap, telenovella, game  
 269 show, or miniseries productions by the entertainment industry to  
 270 be sold or displayed in an electronic medium shall have their  
 271 own separate queue established, and such queue shall have  
 272 dedicated to it 40 percent of all of the state incentive money.

273 ~~Qualified expenditures for which reimbursement shall be made~~  
 274 ~~include salaries and employment benefits paid for services~~  
 275 ~~rendered in this state; rents for real and personal property~~  
 276 ~~used in the production; payments for preproduction, production,~~  
 277 ~~postproduction, and digital-media-effects services rendered in~~  
 278 ~~this state; and cost of set construction. Reimbursement may not~~  
 279 ~~be authorized for salaries of the two highest paid actors.~~  
 280 ~~Salaries of other actors are reimbursable.~~

281 (b) A digital-media-effects company in the state which  
282 furnishes digital material to a qualified production that is  
283 certified by the Office of Film and Entertainment may be  
284 eligible for a payment in an amount not to exceed 5 percent of  
285 its annual gross revenues on qualified expenditures as defined  
286 ~~listed in paragraph (2)(c) subparagraph(a)2.~~ before taxes or  
287 \$100,000, whichever is less. A company applying for payment must  
288 submit documentation annually as required by the Office of Film  
289 and Entertainment for determination of eligibility of claimed  
290 billing and determination of the amount of payment for which the  
291 company is eligible.

292 (c) A qualified relocation project that is certified by  
293 the Office of Film and Entertainment is eligible for a one-time  
294 incentive payment in an amount equal to 5 percent of its annual  
295 gross revenues before taxes for the first 12 months of  
296 conducting business in its Florida domicile or \$200,000,  
297 whichever is less. A company applying for payment must submit  
298 documentation as required by the Office of Film and  
299 Entertainment for determination of eligibility of claimed  
300 billing and determination of the amount of payment for which the  
301 company is eligible.

302 (d) A qualified production, a digital-media-effects  
303 company, or a qualified relocation project applying for a  
304 payment under this section must submit documentation for claimed  
305 qualified expenditures to the Office of Film and Entertainment.

306 (e) The Office of Film and Entertainment shall notify the  
307 Office of Tourism, Trade, and Economic Development whether an  
308 applicant meets the criteria for reimbursement and shall

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309 | recommend the reimbursement amount. The Office of Tourism,  
310 | Trade, and Economic Development shall make the final  
311 | determination for actual reimbursement.

312 |       (7) ANNUAL REPORT.--The Office of Film and Entertainment  
313 | shall provide an annual report for the previous fiscal year, due  
314 | October ~~January~~ 1, to the Governor, the President of the Senate,  
315 | and the Speaker of the House of Representatives outlining the  
316 | return on investment to the state on funds expended pursuant to  
317 | this section.

318 |       Section 3. This act shall take effect July 1, 2005.