

By Senator Detert

28-00708C-15

20151046__

1 A bill to be entitled
2 An act relating to the entertainment industry;
3 amending s. 288.1201, F.S.; revising the sources of
4 moneys to be credited to the State Economic
5 Enhancement and Development Trust Fund to include
6 repayments to the entertainment industry quick action
7 fund created by the act; creating the Entertainment
8 Industry Quick Action Account within the State
9 Economic Enhancement and Development Trust Fund;
10 authorizing the Department of Economic Opportunity to
11 adopt specified rules; amending s. 288.125, F.S.;
12 revising the applicability of the term "entertainment
13 industry"; transferring, renumbering, and amending s.
14 288.1251, F.S.; renaming the Office of Film and
15 Entertainment within the Department of Economic
16 Opportunity as the Division of Film and Entertainment
17 within Enterprise Florida, Inc.; requiring the
18 division to serve as a liaison between the
19 entertainment industry and other agencies,
20 commissions, and organizations; requiring the Governor
21 to appoint the film and entertainment commissioner;
22 revising the requirements of the division's strategic
23 plan; transferring, renumbering, and amending s.
24 288.1252, F.S.; revising the powers and duties of the
25 Florida Film and Entertainment Advisory Council;
26 revising council membership; conforming provisions to
27 changes made by the act; transferring, renumbering,
28 and amending s. 288.1253, F.S.; conforming provisions
29 to changes made by the act; amending s. 288.1254,

28-00708C-15

20151046__

30 F.S.; redefining terms; requiring the Department of
31 Economic Opportunity, rather than the Office of Film
32 and Entertainment, to be responsible for applications
33 for the entertainment industry program; revising
34 provisions relating to the application process, tax
35 credit eligibility, transfer of tax credits, election
36 and distribution of tax credits, allocation of tax
37 credits, forfeiture of tax credits, and annual report;
38 extending the repeal date; conforming provisions to
39 changes made by the act; specifying a date on which
40 the applications on file with the department and not
41 yet certified are deemed denied; creating s. 288.1256,
42 F.S.; creating the entertainment industry quick action
43 fund within the department; defining terms;
44 authorizing a production company to apply for funds
45 from the entertainment industry quick action fund in
46 certain circumstances; requiring the department and
47 the division to jointly review and evaluate
48 applications to determine the eligibility of each
49 project; requiring the department to select projects
50 that maximize the return to the state; requiring
51 certain criteria to be considered by the department
52 and the division; requiring a production company to
53 have financing for a project before it applies for
54 quick action funds; requiring the department to
55 prescribe a form for an application with specified
56 information; requiring that the department make a
57 recommendation to the Governor to approve or deny an
58 award within a specified timeframe after the

28-00708C-15

20151046__

59 completion of the review and evaluation; providing
60 that an award of funds may not constitute more than a
61 specified percentage of qualified expenditures in this
62 state and prohibiting the use of such funds to pay
63 wages to nonresidents; requiring a production to start
64 within a specified period after it is approved by the
65 Governor; requiring that the recommendation include
66 performance conditions that the project must meet to
67 obtain funds; requiring the department and the
68 production company to enter into a specified agreement
69 after approval by the Governor; requiring that the
70 agreement be finalized and signed by an authorized
71 officer of the production company within a specified
72 period after approval by the Governor; prohibiting an
73 approved production company from simultaneously
74 receiving specified benefits for the same production;
75 requiring that the department validate contractor
76 performance and report such validation in the annual
77 report; prohibiting the department from approving
78 awards in excess of the amount appropriated for a
79 fiscal year; requiring the department to maintain a
80 schedule of funds; requiring that all funds received
81 from the required repayment be deposited into the
82 Entertainment Industry Quick Action Account within the
83 State Economic Enhancement and Development Trust Fund;
84 providing that a production company that submits
85 fraudulent information is liable for reimbursement of
86 specified costs; providing a penalty; prohibiting the
87 department from waiving any provision or providing an

28-00708C-15

20151046__

88 extension of time to meet specified requirements;
89 providing an expiration date; amending s. 288.1258,
90 F.S.; conforming provisions to changes made by the
91 act; prohibiting an approved production company from
92 simultaneously receiving benefits under specified
93 provisions for the same production; requiring the
94 department to develop a standardized application form
95 in cooperation with the division and other agencies;
96 requiring the qualified production company to submit
97 aggregate data on specified topics; authorizing a
98 qualified production company to renew its certificate
99 of exemption for a specified period; amending s.
100 288.92, F.S.; requiring Enterprise Florida, Inc., to
101 have a division relating to film and entertainment;
102 amending s. 477.0135, F.S.; conforming a provision to
103 changes made by the act; reenacting s. 212.08(5)(q),
104 F.S., relating to sales, rental, use, consumption,
105 distribution, and storage tax; specified exemptions;
106 reenacting s. 220.1899(3), F.S., relating to
107 entertainment industry tax credit; providing an
108 effective date.

109
110 Be It Enacted by the Legislature of the State of Florida:

111
112 Section 1. Subsection (2) of section 288.1201, Florida
113 Statutes, is amended, present subsection (3) is redesignated as
114 subsection (4), and a new subsection (3) is added to that
115 section, to read:

116 288.1201 State Economic Enhancement and Development Trust

28-00708C-15

20151046__

117 Fund.—

118 (2) The trust fund is established for use as a depository
119 for funds to be used for the purposes specified in subsection
120 (1). Moneys to be credited to the trust fund ~~shall~~ consist of
121 documentary stamp tax proceeds as specified in law, local
122 financial support funds, interest earnings, repayments made
123 under s. 288.1256, and cash advances from other trust funds.
124 Funds shall be expended only pursuant to legislative
125 appropriation or an approved amendment to the department's
126 operating budget pursuant to the provisions of chapter 216.

127 (3) There is created, within the State Economic Enhancement
128 and Development Trust Fund, the Entertainment Industry Quick
129 Action Account. The Entertainment Industry Quick Action Account
130 shall consist of moneys appropriated to the account for purposes
131 of the program authorized under s. 288.1256 and repayment made
132 under s. 288.1256. Moneys in the Entertainment Industry Quick
133 Action Account are subject to s. 216.301(1)(a). Moneys in the
134 Entertainment Industry Quick Action Account may be used only to
135 make payments authorized under s. 288.1256. The department may
136 adopt rules necessary to provide for the use of moneys in the
137 Entertainment Industry Quick Action Account and for the
138 administration of the Entertainment Industry Quick Action
139 Account.

140 Section 2. Section 288.125, Florida Statutes, is amended to
141 read:

142 288.125 Definition of "entertainment industry."—For the
143 purposes of ss. 288.1254, 288.1256, 288.1258, 288.913, 288.914,
144 and 288.915 ~~ss. 288.1251-288.1258~~, the term "entertainment
145 industry" means those persons or entities engaged in the

28-00708C-15

20151046__

146 operation of motion picture or television studios or recording
 147 studios; those persons or entities engaged in the preproduction,
 148 production, or postproduction of motion pictures, made-for-
 149 television movies, television programming, digital media
 150 projects, commercial advertising, music videos, or sound
 151 recordings; and those persons or entities providing products or
 152 services directly related to the preproduction, production, or
 153 postproduction of motion pictures, made-for-television movies,
 154 television programming, digital media projects, commercial
 155 advertising, music videos, or sound recordings, including, but
 156 not limited to, the broadcast industry.

157 Section 3. Section 288.1251, Florida Statutes, is
 158 transferred, renumbered as section 288.913, Florida Statutes,
 159 and amended to read:

160 288.913 ~~288.1251~~ Promotion and development of entertainment
 161 industry; Division ~~Office~~ of Film and Entertainment; creation;
 162 purpose; powers and duties.—

163 (1) CREATION.—

164 ~~(a)~~ The Division of Film and Entertainment is ~~There is~~
 165 ~~hereby~~ created within Enterprise Florida, Inc., ~~the department~~
 166 ~~the Office of Film and Entertainment~~ for the purpose of
 167 developing, recruiting, marketing, promoting, and providing
 168 services to the state's entertainment industry. The division
 169 shall serve as a liaison between the entertainment industry and
 170 other state and local governmental agencies, local film
 171 commissions, and labor organizations.

172 (2) ~~(b)~~ COMMISSIONER.—The Governor shall appoint the film
 173 and entertainment commissioner, who shall serve at the pleasure
 174 of the Governor and is subject to confirmation by the Senate

28-00708C-15

20151046__

175 ~~department shall conduct a national search for a qualified~~
 176 ~~person to fill the position of Commissioner of Film and~~
 177 ~~Entertainment when the position is vacant. The executive~~
 178 ~~director of the department has the responsibility to hire the~~
 179 ~~film commissioner.~~ Qualifications for the film commissioner
 180 include, but are not limited to, the following:

181 (a)1. A working knowledge of and experience with the
 182 equipment, personnel, financial, and day-to-day production
 183 operations of the industries to be served by the division Office
 184 ~~of Film and Entertainment;~~

185 (b)2. Marketing and promotion experience related to the
 186 film and entertainment industries to be served;

187 (c)3. Experience working with a variety of individuals
 188 representing large and small entertainment-related businesses,
 189 industry associations, local community entertainment industry
 190 liaisons, and labor organizations; and

191 (d)4. Experience working with a variety of state and local
 192 governmental agencies.

193 (3)(2) POWERS AND DUTIES.—

194 (a) The Division Office of Film and Entertainment, in
 195 performance of its duties, shall develop and

196 ~~1. In consultation with the Florida Film and Entertainment~~
 197 ~~Advisory Council,~~ update a 5-year the strategic plan ~~every 5~~
 198 ~~years~~ to guide the activities of the division Office ~~of Film and~~
 199 ~~Entertainment~~ in the areas of entertainment industry
 200 development, marketing, promotion, liaison services, field
 201 office administration, and information. The plan shall

202 ~~a.~~ be annual in construction and ongoing in nature.

203 1. At a minimum, the plan must address the following:

28-00708C-15

20151046__

204 ~~a.b.~~ Include recommendations relating to The organizational
205 structure of the division, including any field offices outside
206 the state office.

207 b. The coordination of the division with local or regional
208 offices maintained by counties and regions of the state, local
209 film commissions, and labor organizations, and the coordination
210 of such entities with each other to facilitate a working
211 relationship.

212 c. Strategies to identify, solicit, and recruit
213 entertainment production opportunities for the state, including
214 implementation of programs for rural and urban areas designed to
215 develop and promote the state's entertainment industry.

216 ~~d.e.~~ Include An annual budget projection for the division
217 office for each year of the plan.

218 ~~d. Include an operational model for the office to use in~~
219 ~~implementing programs for rural and urban areas designed to:~~
220 ~~(I) develop and promote the state's entertainment industry.~~

221 ~~(II) Have the office serve as a liaison between the~~
222 ~~entertainment industry and other state and local governmental~~
223 ~~agencies, local film commissions, and labor organizations.~~

224 ~~(III) Gather statistical information related to the state's~~
225 ~~entertainment industry.~~

226 e.(IV) Provision of Provide information and service to
227 businesses, communities, organizations, and individuals engaged
228 in entertainment industry activities.

229 ~~(V) Administer field offices outside the state and~~
230 ~~coordinate with regional offices maintained by counties and~~
231 ~~regions of the state, as described in sub-sub-subparagraph (II),~~
232 ~~as necessary.~~

28-00708C-15

20151046__

233 ~~f.e.~~ Include Performance standards and measurable outcomes
234 for the programs to be implemented by the division office.

235 2. The plan shall be annually reviewed and approved by the
236 board of directors of Enterprise Florida, Inc.

237 ~~f. Include an assessment of, and make recommendations on,~~
238 ~~the feasibility of creating an alternative public-private~~
239 ~~partnership for the purpose of contracting with such a~~
240 ~~partnership for the administration of the state's entertainment~~
241 ~~industry promotion, development, marketing, and service~~
242 ~~programs.~~

243 ~~2. Develop, market, and facilitate a working relationship~~
244 ~~between state agencies and local governments in cooperation with~~
245 ~~local film commission offices for out-of-state and indigenous~~
246 ~~entertainment industry production entities.~~

247 ~~3. Implement a structured methodology prescribed for~~
248 ~~coordinating activities of local offices with each other and the~~
249 ~~commissioner's office.~~

250 (b) The division shall also:

251 ~~1.4.~~ Represent the state's indigenous entertainment
252 industry to key decisionmakers within the national and
253 international entertainment industry, and to state and local
254 officials.

255 ~~2.5.~~ Prepare an inventory and analysis of the state's
256 entertainment industry, including, but not limited to,
257 information on crew, related businesses, support services, job
258 creation, talent, and economic impact and coordinate with local
259 offices to develop an information tool for common use.

260 ~~3.6.~~ Identify, solicit, and recruit entertainment
261 production opportunities for the state.

28-00708C-15

20151046__

262 4.7. Assist rural communities and other small communities
263 in the state in developing the expertise and capacity necessary
264 for such communities to develop, market, promote, and provide
265 services to the state's entertainment industry.

266 ~~(c)(b)~~ The division ~~Office of Film and Entertainment~~, in
267 the performance of its duties, may:

268 1. Conduct or contract for specific promotion and marketing
269 functions, including, but not limited to, production of a
270 statewide directory, production and maintenance of an Internet
271 website, establishment and maintenance of a toll-free telephone
272 number, organization of trade show participation, and
273 appropriate cooperative marketing opportunities.

274 2. Conduct its affairs, carry on its operations, establish
275 offices, and exercise the powers granted by this act in any
276 state, territory, district, or possession of the United States.

277 3. Carry out any program of information, special events, or
278 publicity designed to attract entertainment industry to Florida.

279 4. Develop relationships and leverage resources with other
280 public and private organizations or groups in their efforts to
281 publicize to the entertainment industry in this state, other
282 states, and other countries the depth of Florida's entertainment
283 industry talent, crew, production companies, production
284 equipment resources, related businesses, and support services,
285 including the establishment of and expenditure for a program of
286 cooperative advertising with these public and private
287 organizations and groups in accordance with the provisions of
288 chapter 120.

289 5. Provide and arrange for reasonable and necessary
290 promotional items and services for such persons as the division

28-00708C-15

20151046__

291 ~~office~~ deems proper in connection with the performance of the
292 promotional and other duties of the division ~~office~~.

293 6. Prepare an ~~annual~~ economic impact analysis on
294 entertainment industry-related activities in the state.

295 7. Request or accept any grant, payment, or gift of funds
296 or property made by this state, the United States, or any
297 department or agency thereof, or by any individual, firm,
298 corporation, municipality, county, or organization, for ~~any or~~
299 ~~all of~~ the purposes of the ~~Office of Film and Entertainment's~~ 5-
300 year strategic plan or those permitted activities enumerated in
301 this paragraph. Such funds shall be deposited in a separate
302 account ~~the Grants and Donations Trust Fund of the Executive~~
303 ~~Office of the Governor~~ for use by the division ~~Office of Film~~
304 ~~and Entertainment~~ in carrying out its responsibilities and
305 duties ~~as delineated in law~~. The division ~~office~~ may expend such
306 funds in accordance with the terms and conditions of any such
307 grant, payment, or gift in the pursuit of its administration or
308 in support of fulfilling its duties and responsibilities. The
309 division ~~office~~ shall separately account for the public funds
310 and the private funds deposited into the account ~~trust fund~~.

311 Section 4. Section 288.1252, Florida Statutes, is
312 transferred, renumbered as section 288.914, Florida Statutes,
313 and amended to read:

314 288.914 ~~288.1252~~ Florida Film and Entertainment Advisory
315 Council; ~~creation;~~ purpose; membership; powers and duties.-

316 ~~(1) CREATION. There is created within the department, for~~
317 ~~administrative purposes only, the Florida Film and Entertainment~~
318 ~~Advisory Council.~~

319 (1) (2) CREATION AND PURPOSE.-The Florida Film and

28-00708C-15

20151046__

320 Entertainment Advisory Council is created ~~purpose of the Council~~
321 ~~is~~ to serve as an advisory body to the Division of Film and
322 Entertainment within Enterprise Florida, Inc., ~~department and to~~
323 ~~the Office of Film and Entertainment~~ to provide ~~these offices~~
324 ~~with~~ industry insight and expertise related to developing,
325 marketing, and promoting, ~~and providing service to~~ the state's
326 entertainment industry.

327 (2) ~~(3)~~ MEMBERSHIP.—

328 (a) The council shall consist of 11 ~~17~~ members, 5 ~~7~~ to be
329 appointed by the Governor, 3 ~~5~~ to be appointed by the President
330 of the Senate, and 3 ~~5~~ to be appointed by the Speaker of the
331 House of Representatives.

332 (b) When making appointments to the council, the Governor,
333 the President of the Senate, and the Speaker of the House of
334 Representatives shall appoint persons who are residents of the
335 state and who are highly knowledgeable of, active in, and
336 recognized leaders in Florida's motion picture, television,
337 video, sound recording, or other entertainment industries. These
338 persons shall include, but not be limited to, representatives of
339 local film commissions, representatives of entertainment
340 associations, a representative of the broadcast industry,
341 representatives of labor organizations in the entertainment
342 industry, and board chairs, presidents, chief executive
343 officers, chief operating officers, or persons of comparable
344 executive position or stature of leading or otherwise important
345 entertainment industry businesses and offices. Council members
346 shall be appointed in such a manner as to equitably represent
347 the broadest spectrum of the entertainment industry and
348 geographic areas of the state.

28-00708C-15

20151046__

349 (c) Council members shall serve for 4-year terms. A member
350 of the council serving as of July 1, 2015, may serve the
351 remainder of his or her term, but upon the conclusion of the
352 term or upon vacancy, such appointment may not be filled except
353 to meet the requirements of this section.

354 (d) Subsequent appointments shall be made by the official
355 who appointed the council member whose expired term is to be
356 filled.

357 (e) A representative of Enterprise Florida, Inc., a
358 representative of Workforce Florida, Inc., and a representative
359 of VISIT Florida shall serve as ex officio, nonvoting members of
360 the council, ~~and shall be~~ in addition to the 11 ~~17~~ appointed
361 members ~~of the council~~.

362 (f) Absence from three consecutive meetings shall result in
363 automatic removal from the council.

364 (g) A vacancy on the council shall be filled for the
365 remainder of the unexpired term by the official who appointed
366 the vacating member.

367 (h) No more than one member of the council may be an
368 employee of any one company, organization, or association.

369 (i) Any member shall be eligible for reappointment but may
370 not serve more than two consecutive terms.

371 (3) ~~(4)~~ MEETINGS; ORGANIZATION.—

372 (a) The council shall meet at least ~~no less frequently than~~
373 ~~once each quarter of the calendar year, and but~~ may meet more
374 often as determined necessary ~~set~~ by the council.

375 (b) The council shall annually elect from its appointed
376 membership one member to serve as chair ~~of the council~~ and one
377 member to serve as vice chair. The Division ~~Office~~ of Film and

28-00708C-15

20151046__

378 Entertainment shall provide staff assistance to the council,
379 which must ~~shall~~ include, but need not be limited to, keeping
380 records of the proceedings of the council, and serving as
381 custodian of all books, documents, and papers filed with the
382 council.

383 (c) A majority of the members of the council constitutes
384 ~~shall constitute~~ a quorum.

385 (d) Members of the council shall serve without
386 compensation, but are ~~shall be~~ entitled to reimbursement for per
387 diem and travel expenses in accordance with s. 112.061 while in
388 performance of their duties.

389 (4) ~~(5)~~ POWERS AND DUTIES.—The Florida Film and
390 Entertainment Advisory Council shall have all the power ~~powers~~
391 ~~necessary or convenient~~ to carry out ~~and effectuate the purposes~~
392 ~~and provisions of~~ this act, including, but not limited to, the
393 power to:

394 (a) Adopt bylaws for the governance of its affairs and the
395 conduct of its business.

396 (b) Advise the Division of Film and Entertainment ~~and~~
397 ~~consult with the Office of Film and Entertainment~~ on the
398 content, development, and implementation of the division's 5-
399 year strategic plan ~~to guide the activities of the office.~~

400 (c) ~~Review the Commissioner of Film and Entertainment's~~
401 ~~administration of the programs related to the strategic plan,~~
402 ~~and Advise the~~ Division of Film and Entertainment ~~commissioner~~
403 on the division's programs and any changes that might be made to
404 better meet the strategic plan.

405 (d) Consider and study the needs of the entertainment
406 industry for the purpose of advising the Division of Film and

28-00708C-15

20151046__

407 ~~Entertainment film commissioner and the department.~~

408 (e) ~~Identify and make recommendations on state agency and~~
 409 ~~local government actions that may have an impact on the~~
 410 ~~entertainment industry or that may appear to industry~~
 411 ~~representatives as an official state or local actions ~~action~~~~
 412 ~~affecting production in the state, and advise the Division of~~
 413 ~~Film and Entertainment of such actions.~~

414 (f) Consider all matters submitted to it by the Division of
 415 Film and Entertainment ~~film commissioner and the department.~~

416 ~~(g) Advise and consult with the film commissioner and the~~
 417 ~~department, at their request or upon its own initiative,~~
 418 ~~regarding the promulgation, administration, and enforcement of~~
 419 ~~all laws and rules relating to the entertainment industry.~~

420 ~~(g)(h) Suggest policies and practices for the conduct of~~
 421 ~~business by the Office of Film and Entertainment or by the~~
 422 ~~department that will improve interaction with internal~~
 423 ~~operations affecting the entertainment industry and will enhance~~
 424 ~~related state the economic development initiatives of the state~~
 425 ~~for the industry.~~

426 ~~(i) Appear on its own behalf before boards, commissions,~~
 427 ~~departments, or other agencies of municipal, county, or state~~
 428 ~~government, or the Federal Government.~~

429 Section 5. Section 288.1253, Florida Statutes, is
 430 transferred, renumbered as section 288.915, Florida Statutes,
 431 and amended to read:

432 288.915 ~~288.1253~~ Travel and entertainment expenses.—

433 (1) As used in this section, the term "travel expenses"
 434 means the actual, necessary, and reasonable costs of
 435 transportation, meals, lodging, and incidental expenses normally

28-00708C-15

20151046__

436 incurred by an employee of the Division Office of Film and
437 Entertainment within Enterprise Florida, Inc., as ~~which costs~~
438 are defined and prescribed by ~~rules adopted by the~~ department
439 rule, subject to approval by the Chief Financial Officer.

440 (2) Notwithstanding ~~the provisions of~~ s. 112.061, the
441 department shall adopt rules by which the Division of Film and
442 Entertainment ~~it~~ may make expenditures by reimbursement to ~~the~~
443 Governor, the Lieutenant Governor, security staff of the
444 Governor or Lieutenant Governor, the Commissioner of Film and
445 Entertainment, or staff of the Division Office of Film and
446 Entertainment for travel expenses or entertainment expenses
447 incurred by such individuals solely and exclusively in
448 connection with the performance of the statutory duties of the
449 division Office of Film and Entertainment. The rules are subject
450 to approval by the Chief Financial Officer before adoption. The
451 rules shall require the submission of paid receipts, or other
452 proof of expenditure prescribed by the Chief Financial Officer,
453 with any claim for reimbursement.

454 (3) The Division Office of Film and Entertainment shall
455 include in the annual report for the entertainment industry
456 ~~financial incentive~~ program required under s. 288.1254(10) a
457 report of the division's office's expenditures for the previous
458 fiscal year. The report must consist of a summary of all travel,
459 entertainment, and incidental expenses incurred within the
460 United States and all travel, entertainment, and incidental
461 expenses incurred outside the United States, as well as a
462 summary of all successful projects that developed from such
463 travel.

464 (4) The Division Office of Film and Entertainment and its

28-00708C-15

20151046__

465 employees and representatives, when authorized, may accept and
466 use complimentary travel, accommodations, meeting space, meals,
467 equipment, transportation, and any other goods or services
468 necessary for or beneficial to the performance of the division's
469 ~~office's~~ duties and purposes, so long as such acceptance or use
470 is not in conflict with part III of chapter 112. The department
471 shall, by rule, develop internal controls to ensure that such
472 goods or services accepted or used pursuant to this subsection
473 are limited to those that will assist solely and exclusively in
474 the furtherance of the division's ~~office's~~ goals and are in
475 compliance with part III of chapter 112.

476 (5) Any claim submitted under this section is not required
477 to be sworn to before a notary public or other officer
478 authorized to administer oaths, but any claim authorized or
479 required to be made under any provision of this section shall
480 contain a statement that the expenses were actually incurred as
481 necessary travel or entertainment expenses in the performance of
482 official duties of the Division ~~Office~~ of Film and Entertainment
483 and shall be verified by written declaration that it is true and
484 correct as to every material matter. Any person who willfully
485 makes and subscribes to any claim that ~~which~~ he or she does not
486 believe to be true and correct as to every material matter or
487 who willfully aids or assists in, procures, or counsels or
488 advises with respect to, the preparation or presentation of a
489 claim pursuant to this section which ~~that~~ is fraudulent or false
490 as to any material matter, whether such falsity or fraud is with
491 the knowledge or consent of the person authorized or required to
492 present the claim, commits a misdemeanor of the second degree,
493 punishable as provided in s. 775.082 or s. 775.083. Whoever

28-00708C-15

20151046__

494 receives a reimbursement by means of a false claim is civilly
495 liable, in the amount of the overpayment, for the reimbursement
496 of the public fund from which the claim was paid.

497 Section 6. Section 288.1254, Florida Statutes, is amended
498 to read:

499 288.1254 Entertainment industry ~~financial incentive~~
500 program.—

501 (1) DEFINITIONS.—As used in this section, the term:

502 (a) "Certified production" means a qualified production
503 that has tax credits allocated to it by the department based on
504 the production's estimated qualified expenditures, up to the
505 production's maximum certified amount of tax credits, by the
506 department. The term does not include a production if its first
507 day of principal photography or project start date in this state
508 occurs before the production is certified by the department,
509 unless the production spans more than 1 fiscal year, was a
510 certified production on its first day of principal photography
511 or project start date in this state, and submits an application
512 for continuing the same production for the subsequent fiscal
513 year.

514 (b) "Digital media project" means a production of
515 interactive entertainment that is produced for distribution in
516 commercial or educational markets. The term includes a video
517 game or production intended for Internet or wireless
518 distribution, an interactive website, digital animation, and
519 visual effects, including, but not limited to, three-dimensional
520 movie productions and movie conversions. The term does not
521 include a production that contains content that is obscene as
522 defined in s. 847.001.

28-00708C-15

20151046__

523 (c) "Family-friendly production" means a production that
524 has cross-generational appeal; is considered suitable for
525 viewing by children age 5 or older; is appropriate in theme,
526 content, and language for a broad family audience; embodies a
527 responsible resolution of issues; and does not exhibit or imply
528 any act of smoking, sex, nudity, or vulgar or profane language
529 ~~"High-impact digital media project" means a digital media~~
530 ~~project that has qualified expenditures greater than \$4.5~~
531 ~~million.~~

532 (d) "High-impact television series" means:

533 1. A production created to run multiple production seasons
534 which has ~~and having~~ an estimated order of at least seven
535 episodes per season and qualified expenditures of at least \$1
536 million ~~\$625,000~~ per episode; or

537 2. A telenovela that has qualified expenditures of more
538 than \$6 million; a minimum of 45 principal photography days
539 filmed in this state; a production cast, including background
540 actors, and a crew of which at least 90 percent are legal
541 residents of this state; and at least 90 percent of its
542 production occurring in this state.

543 ~~(e) "Off-season certified production" means a feature film,~~
544 ~~independent film, or television series or pilot that films 75~~
545 ~~percent or more of its principal photography days from June 1~~
546 ~~through November 30.~~

547 ~~(f)~~ "Principal photography" means the filming of major or
548 significant components of the qualified production which involve
549 lead actors.

550 (f)~~(g)~~ "Production" means a theatrical, or ~~or~~ direct-to-video,
551 or direct-to-Internet motion picture; a made-for-television

28-00708C-15

20151046__

552 motion picture; visual effects or digital animation sequences
553 produced in conjunction with a motion picture; a commercial; a
554 music video; an industrial or educational film; an infomercial;
555 a documentary film; a television pilot program; a presentation
556 for a television pilot program; a television series, including,
557 but not limited to, a drama, a reality show, a comedy, a soap
558 opera, a telenovela, a game show, an awards show, or a
559 miniseries production; a direct-to-Internet television series;
560 or a digital media project by the entertainment industry. One
561 season of a television series is considered one production. The
562 term does not include a weather or market program; a sporting
563 event or a sporting event broadcast; a gala; a production that
564 solicits funds; a home shopping program; a political program; a
565 political documentary; political advertising; a gambling-related
566 project or production; a concert production; a local, regional,
567 or Internet-distributed-only news show or current-events show; a
568 sports news or sports recap show; a pornographic production; or
569 any production deemed obscene under chapter 847. A production
570 may be produced on or by film, tape, or otherwise by means of a
571 motion picture camera; electronic camera or device; tape device;
572 computer; any combination of the foregoing; or any other means,
573 method, or device.

574 (g) ~~(h)~~ "Production expenditures" means the costs of
575 tangible and intangible property used for, and services
576 performed primarily and customarily in, production, including
577 preproduction and postproduction, but excluding costs for
578 development, marketing, and distribution. The term includes, but
579 is not limited to:

580 1. Wages, salaries, or other compensation paid to legal

28-00708C-15

20151046__

581 residents of this state, including amounts paid through payroll
582 service companies, for technical and production crews,
583 directors, producers, and performers.

584 2. Net expenditures for sound stages, backlots, production
585 editing, digital effects, sound recordings, sets, and set
586 construction.

587 3. Net expenditures for rental equipment, including, but
588 not limited to, cameras and grip or electrical equipment.

589 4. Up to \$300,000 of the costs of newly purchased computer
590 software and hardware unique to the project, including servers,
591 data processing, and visualization technologies, which are
592 located in and used exclusively in this ~~the~~ state for the
593 production of digital media.

594 5. Expenditures for meals, travel, and accommodations. For
595 purposes of this paragraph, the term "net expenditures" means
596 the actual amount of money a qualified production spent for
597 equipment or other tangible personal property, after subtracting
598 any consideration received for reselling or transferring the
599 item after the qualified production ends, if applicable.

600 (h) ~~(i)~~ "Qualified expenditures" means production
601 expenditures incurred in this state by a qualified production
602 for:

603 1. Goods purchased or leased from, or services, including,
604 but not limited to, insurance costs and bonding, payroll
605 services, and legal fees, which are provided by, a vendor or
606 supplier in this state that is registered with the Department of
607 State or the Department of Revenue, has a physical location in
608 this state, and employs one or more legal residents of this
609 state. This does not include rebilled goods or services provided

28-00708C-15

20151046__

610 by an in-state company from out-of-state vendors or suppliers.
611 When services provided by the vendor or supplier include
612 personal services or labor, only personal services or labor
613 provided by residents of this state, evidenced by the required
614 documentation of residency in this state, qualify.

615 2. Payments to legal residents of this state in the form of
616 salary, wages, or other compensation up to a maximum of \$400,000
617 per resident unless otherwise specified in subsection (4). A
618 completed declaration of residency in this state must accompany
619 the documentation submitted to the department ~~office~~ for
620 reimbursement.

621
622 For a qualified production involving an event, such as an awards
623 show, the term does not include expenditures solely associated
624 with the event itself and not directly required by the
625 production. The term does not include expenditures incurred
626 before certification, with the exception of those incurred for a
627 commercial, a music video, or the pickup of additional episodes
628 of a high-impact television series within a single season. ~~Under~~
629 ~~no circumstances may~~ The qualified production may not include in
630 the calculation for qualified expenditures the original purchase
631 price for equipment or other tangible property that is later
632 sold or transferred by the qualified production for
633 consideration. In such cases, the qualified expenditure is the
634 net of the original purchase price minus the consideration
635 received upon sale or transfer.

636 (i) ~~(j)~~ "Qualified production" means a production in this
637 state meeting the requirements of this section. The term does
638 not include a production:

28-00708C-15

20151046__

639 1. In which, ~~for the first 2 years of the incentive~~
640 ~~program, less than 50 percent, and thereafter, less than 70 60~~
641 ~~percent,~~ of the positions that make up its production cast and
642 below-the-line production crew, or, in the case of digital media
643 projects, less than 80 ~~75~~ percent of such positions, are filled
644 by legal residents of this state, whose residency is
645 demonstrated by a valid Florida driver license or other state-
646 issued identification confirming residency, or students enrolled
647 full-time in an entertainment-related ~~a film and entertainment-~~
648 ~~related~~ course of study at an institution of higher education in
649 this state; or

650 2. That contains obscene content as defined in s.
651 847.001(10).

652 (j) ~~(k)~~ "Qualified production company" means a corporation,
653 limited liability company, partnership, or other legal entity
654 engaged in one or more productions in this state.

655 ~~(l)~~ "Qualified digital media production facility" means a
656 building or series of buildings and their improvements in which
657 data processing, visualization, and sound synchronization
658 technologies are regularly applied for the production of
659 qualified digital media projects or the digital animation
660 components of qualified productions.

661 ~~(m)~~ "Qualified production facility" means a building or
662 complex of buildings and their improvements and associated
663 backlot facilities in which regular filming activity for film or
664 television has occurred for a period of no less than 1 year and
665 which contain at least one sound stage of at least 7,800 square
666 feet.

667 ~~(n)~~ "Regional population ratio" means the ratio of the

28-00708C-15

20151046__

668 ~~population of a region to the population of this state. The~~
669 ~~regional population ratio applicable to a given fiscal year is~~
670 ~~the regional population ratio calculated by the Office of Film~~
671 ~~and Entertainment using the latest official estimates of~~
672 ~~population certified under s. 186.901, available on the first~~
673 ~~day of that fiscal year.~~

674 ~~(o) "Regional tax credit ratio" means a ratio the numerator~~
675 ~~of which is the sum of tax credits awarded to productions in a~~
676 ~~region to date plus the tax credits certified, but not yet~~
677 ~~awarded, to productions currently in that region and the~~
678 ~~denominator of which is the sum of all tax credits awarded in~~
679 ~~the state to date plus all tax credits certified, but not yet~~
680 ~~awarded, to productions currently in the state. The regional tax~~
681 ~~credit ratio applicable to a given year is the regional tax~~
682 ~~credit ratio calculated by the Office of Film and Entertainment~~
683 ~~using credit award and certification information available on~~
684 ~~the first day of that fiscal year.~~

685 ~~(p) "Underutilized region" for a given state fiscal year~~
686 ~~means a region with a regional tax credit ratio applicable to~~
687 ~~that fiscal year that is lower than its regional population~~
688 ~~ratio applicable to that fiscal year. The following regions are~~
689 ~~established for purposes of making this determination:~~

690 ~~1. North Region, consisting of Alachua, Baker, Bay,~~
691 ~~Bradford, Calhoun, Clay, Columbia, Dixie, Duval, Escambia,~~
692 ~~Franklin, Gadsden, Gilchrist, Gulf, Hamilton, Holmes, Jackson,~~
693 ~~Jefferson, Lafayette, Leon, Levy, Liberty, Madison, Nassau,~~
694 ~~Okaloosa, Putnam, Santa Rosa, St. Johns, Suwannee, Taylor,~~
695 ~~Union, Wakulla, Walton, and Washington Counties.~~

696 ~~2. Central East Region, consisting of Brevard, Flagler,~~

28-00708C-15

20151046__

697 ~~Indian River, Lake, Okeechobee, Orange, Osceola, Seminole, St.~~
698 ~~Lucie, and Volusia Counties.~~

699 ~~3. Central West Region, consisting of Citrus, Hernando,~~
700 ~~Hillsborough, Manatee, Marion, Polk, Pasco, Pinellas, Sarasota,~~
701 ~~and Sumter Counties.~~

702 ~~4. Southwest Region, consisting of Charlotte, Collier,~~
703 ~~DeSoto, Glades, Hardee, Hendry, Highlands, and Lee Counties.~~

704 ~~5. Southeast Region, consisting of Broward, Martin, Miami-~~
705 ~~Dade, Monroe, and Palm Beach Counties.~~

706 ~~(k)(g)~~ (k) "Interactive website" means a website or group of
707 websites that includes interactive and downloadable content, and
708 creates 25 new Florida full-time equivalent positions operating
709 from a principal place of business located within Florida. An
710 interactive website or group of websites must provide
711 documentation that those jobs were created to the department
712 ~~before~~ Office of Film and Entertainment prior to the award of
713 tax credits. Each subsequent program application must provide
714 proof that 25 Florida full-time equivalent positions are
715 maintained.

716 (2) CREATION AND PURPOSE OF PROGRAM.—The entertainment
717 industry ~~financial incentive~~ program is created within the
718 department Office of Film and Entertainment. ~~The purpose of this~~
719 ~~program is~~ to encourage the use of this state as a site for
720 entertainment production, for filming, and for the digital
721 production of entertainment films, and to develop and sustain
722 the workforce and infrastructure for film, digital media, and
723 entertainment production.

724 (3) APPLICATION PROCEDURE; APPROVAL PROCESS.—

725 (a) *Program application*.—A qualified production company

28-00708C-15

20151046__

726 producing a qualified production in this state may submit a
727 program application to the department ~~Office of Film and~~
728 ~~Entertainment~~ for the purpose of determining qualification for
729 an award of tax credits authorized by this section no earlier
730 than 180 days before the first day of principal photography or
731 project start date in this state. The applicant shall provide
732 the department ~~Office of Film and Entertainment~~ with information
733 required to determine whether the production is a qualified
734 production and to determine the qualified expenditures and other
735 information necessary for the department ~~office~~ to determine
736 eligibility for the tax credit.

737 (b) *Required documentation.*—The department ~~Office of Film~~
738 ~~and Entertainment~~ shall develop an application form for
739 qualifying an applicant as a qualified production. The form must
740 include, but need not be limited to, production-related
741 information concerning employment of residents in this state;; ~~a~~
742 detailed budget of planned qualified expenditures and aggregate
743 nonqualified expenditures, including capital investment, in this
744 state; proof of financing for the production;~~;~~ and the
745 applicant's signed affirmation that the information on the form
746 has been verified and is correct. The Division ~~Office~~ of Film
747 and Entertainment and local film commissions shall distribute
748 the form.

749 (c) *Application process.*—The department ~~Office of Film and~~
750 ~~Entertainment~~ shall establish a process by which an application
751 is accepted and reviewed and by which tax credit eligibility and
752 award amount are determined. The department ~~may consult with the~~
753 Division ~~Office~~ of Film and Entertainment or ~~may request~~
754 ~~assistance from~~ a duly appointed local film commission in

28-00708C-15

20151046__

755 determining compliance with this section.

756 1. Each year, there shall be two periods during which
757 applications may be accepted. The application periods shall run
758 from January 1 through June 30 and July 1 through December 31.
759 One-half of the tax credits allocated for the fiscal year under
760 paragraph (7) (a) shall be available during each application
761 period. Applications remaining in the queue on June 30 and
762 December 31 of each year are deemed denied. For each application
763 period, applications by qualified production companies which are
764 received after one-half of the tax credits allocated for the
765 fiscal year have been certified, but before the total applied
766 for exceeds 125 percent of the one-half of the tax credits
767 allocated for the fiscal year, shall be assigned a queue number
768 that is determined by the date and time the application was
769 received by the department. These queued applications may be
770 considered for tax credit allocations that become available for
771 certification during the application period. For each
772 application period, the department shall deny any application
773 received after the total amount of tax credits applied for
774 exceeds 125 percent of the one-half of the tax credits allocated
775 for the fiscal year.

776 2. A ~~certified~~ high-impact television series may submit an
777 initial application for no more than two successive seasons,
778 notwithstanding the fact that the second season has ~~successive~~
779 seasons have not been ordered. The ~~successive season's~~ qualified
780 expenditure amounts for the second season shall be based on the
781 current season's estimated qualified expenditures. Upon the
782 completion of production of each season, a high-impact
783 television series may submit an application for no more than one

28-00708C-15

20151046__

784 additional season. To be certified for a tax credit, the
785 applicant must affirm that the additional season is likely to be
786 ordered as part of the application for the additional season and
787 must agree to notify the department within 10 days if the
788 additional season is not ordered or is cancelled.

789 (d) *Certification.*—

790 1. The department ~~Office of Film and Entertainment~~ shall
791 review the application within 15 business days after receipt.
792 The department, in consultation with the Division of Film and
793 Entertainment, shall determine if ~~Upon its determination that~~
794 the application contains all the information required by this
795 subsection and meets the criteria set out in this section, and
796 ~~the Office of Film and Entertainment shall deny~~ qualify the
797 ~~applicant and recommend to the department that the applicant be~~
798 ~~certified for the maximum tax credit award amount. Within 5~~
799 ~~business days after receipt of the recommendation, the~~
800 ~~department shall reject the~~ application, place the application
801 in the queue pursuant to paragraph (c), ~~recommendation~~ or
802 certify the ~~maximum recommended~~ tax credit award, if any funds
803 are available, to the applicant and to the executive director of
804 the Department of Revenue.

805 2. The department may not certify tax credits in an amount
806 greater than the allocation for a specified fiscal year, as
807 determined under subsection (7). However, pursuant to
808 subparagraph (c)2., the department may certify a tax credit for
809 a future fiscal-year allocation for one additional season of a
810 high-impact television series.

811 (e) *Employment.*—Upon certification by the department, the
812 production must provide the department and the Division of Film

28-00708C-15

20151046__

813 and Entertainment with a single point of contact and information
814 related to the production's needs for cast, crew, contractors,
815 and vendors. The division shall publish this information online,
816 including the type of production, the projected start date of
817 the production, the locations in this state for such production,
818 and the e-mail or other contact information for the production's
819 point of contact. The department, in consultation with the
820 division, may adopt procedures for a production to post such
821 information itself within 7 days after certification.

822 (f)-(e) Grounds for denial.-The department Office of Film
823 and Entertainment shall deny an application if it determines
824 that the application is not complete, or the production or
825 application does not meet the requirements of this section, or
826 the application is received after the total tax credits applied
827 for in that application period have reached 125 percent of the
828 one-half of the tax credits allocated for the fiscal year as
829 provided under paragraph (c). Within 90 days after submitting a
830 program application, except with respect to applications in the
831 independent and emerging media queue, a production must provide
832 proof of project financing to the Office of Film and
833 Entertainment, otherwise the project is deemed denied and
834 withdrawn. A project that has been denied withdrawn may submit a
835 new application upon providing the Office of Film and
836 Entertainment proof of financing.

837 (g)-(f) Verification of actual qualified expenditures.-

838 1. The department, in consultation with the Division Office
839 of Film and Entertainment, shall develop a process to verify the
840 actual qualified expenditures of a certified production. The
841 process must require:

28-00708C-15

20151046__

842 a. A certified production to submit, within 180 days ~~in a~~
843 ~~timely manner~~ after production ends in this state and after
844 making all of its qualified expenditures in this state, data
845 substantiating each qualified expenditure, including
846 documentation of ~~on~~ the net expenditure on equipment and other
847 tangible personal property by the qualified production and all
848 production-related information on full- and part-time employment
849 and wages paid to residents of this state, to an independent
850 certified public accountant licensed in this state;

851 b. Such accountant to conduct a compliance audit, at the
852 certified production's expense, to substantiate each qualified
853 expenditure and submit the results as a report, along with the
854 required substantiating data, to the department ~~Office of Film~~
855 ~~and Entertainment~~; and

856 c. The department ~~Office of Film and Entertainment~~ to
857 review the accountant's submittal and verify ~~report to the~~
858 ~~department~~ the final ~~verified~~ amount of actual qualified
859 expenditures made by the certified production.

860 2. The department shall also require a certified production
861 to submit data substantiating aggregate nonqualified
862 expenditures, including capital investment, in this state.

863 3.2. ~~The department shall determine and approve the final~~
864 tax credit award amount to each certified applicant based on the
865 final verified amount of actual qualified expenditures and
866 evidence that the qualified production met the requirements of
867 this section. The department shall notify the executive director
868 of the Department of Revenue in writing that the certified
869 production has met the requirements of the ~~incentive~~ program and
870 of the final amount of the tax credit award. The final tax

28-00708C-15

20151046__

871 credit award amount may not exceed the maximum tax credit award
872 amount certified under paragraph (d).

873 (h)~~(g)~~ *Promoting Florida*.—The department ~~Office of Film and~~
874 ~~Entertainment~~ shall ensure that, as a condition of receiving a
875 tax credit under this section, marketing materials promoting
876 this state as a tourist destination or film and entertainment
877 production destination are included, when appropriate, at no
878 cost to the state, in the qualified production or as otherwise
879 required by the department and the Division of Film and
880 Entertainment. The Division of Film and Entertainment shall
881 provide the Florida Tourism Industry Marketing Corporation with
882 the contact information for each qualified production in order
883 for the corporation to work with the qualified production to
884 develop the marketing materials promoting this state. The
885 marketing materials ~~which~~ must, at a minimum, include placement
886 of the "Visit Florida" logo and a "Filmed in Florida" or
887 "Produced in Florida" logo in the end credits. The placement of
888 the "Visit Florida" logo and a "Filmed in Florida" or "Produced
889 in Florida" logo on all packaging material and hard media is
890 also required, unless such placement is prohibited by licensing
891 or other contractual obligations. The ~~sizes~~ size and placements
892 ~~placement~~ of such logos ~~logo~~ shall be commensurate to other
893 logos used. If no logos are used, the statement "Filmed in
894 Florida using Florida's Entertainment Industry Program ~~Financial~~
895 Incentive," or a similar statement approved by the Division
896 ~~Office~~ of Film and Entertainment, shall be used. The Division
897 ~~Office~~ of Film and Entertainment shall provide a logo and supply
898 it for the purposes specified in this paragraph. A 30-second
899 "Visit Florida" promotional video must also be included on all

28-00708C-15

20151046__

900 optical disc formats of a film, unless such placement is
901 prohibited by licensing or other contractual obligations. The
902 30-second promotional video shall be approved and provided by
903 the Florida Tourism Industry Marketing Corporation in
904 consultation with the Division ~~Commissioner~~ of Film and
905 Entertainment.

906 (4) TAX CREDIT ELIGIBILITY; TAX CREDIT AWARDS; QUEUES;
907 ELECTION AND DISTRIBUTION; CARRYFORWARD; CONSOLIDATED RETURNS;
908 PARTNERSHIP AND NONCORPORATE DISTRIBUTIONS; MERGERS AND
909 ACQUISITIONS.—

910 (a) *Priority for tax credit award.*—The priority of a
911 qualified production for tax credit awards must be determined on
912 a first-come, first-served basis within its appropriate queue.
913 Each qualified production must be placed into the appropriate
914 queue and is subject to the requirements of that queue.

915 (b) *Tax credit eligibility.*—

916 1. General production queue.—Ninety-four percent of tax
917 credits authorized pursuant to subsection (7) ~~(6)~~ in any state
918 fiscal year must be dedicated to the general production queue.
919 The general production queue consists of all qualified
920 productions other than those eligible for the commercial and
921 music video queue or the independent and emerging media
922 production queue. A qualified production that demonstrates a
923 minimum of \$625,000 in qualified expenditures is eligible for
924 tax credits equal to 20 percent of its actual qualified
925 expenditures, up to a maximum of \$8 million. A qualified
926 production that incurs qualified expenditures during multiple
927 state fiscal years may combine those expenditures to satisfy the
928 \$625,000 minimum threshold.

28-00708C-15

20151046__

929 a. For the first 4 months of each application period under
930 paragraph (3)(c), 20 percent of the tax credits dedicated to the
931 general production queue shall be set aside for qualified
932 productions in underutilized counties. A qualified production
933 eligible for these tax credits is a production for which at
934 least 70 percent of its principal photography days occur within
935 an underutilized county. The underutilized county must be
936 designated as an underutilized county at the time that the
937 production is certified. As used in this subparagraph, the term
938 "underutilized county" means a county in which less than
939 \$500,000 in qualified expenditures were made in the last 2
940 fiscal years. Any tax credit not certified from this set-aside
941 at the end of each 4-month period may be certified to qualified
942 productions pursuant to this section ~~An off-season certified~~
943 ~~production that is a feature film, independent film, or~~
944 ~~television series or pilot is eligible for an additional 5~~
945 ~~percent tax credit on actual qualified expenditures. An off-~~
946 ~~season certified production that does not complete 75 percent of~~
947 ~~principal photography due to a disruption caused by a hurricane~~
948 ~~or tropical storm may not be disqualified from eligibility for~~
949 ~~the additional 5 percent credit as a result of the disruption.~~
950 b. ~~If more than 45 percent of the sum of total tax credits~~
951 ~~initially certified and awarded after April 1, 2012, total tax~~
952 ~~credits initially certified after April 1, 2012, but not yet~~
953 ~~awarded, and total tax credits available for certification after~~
954 ~~April 1, 2012, but not yet certified has been awarded for high-~~
955 ~~impact television series, then no high-impact television series~~
956 ~~is eligible for tax credits under this subparagraph. Tax credits~~
957 ~~initially certified for a high-impact television series after~~

28-00708C-15

20151046__

958 ~~April 1, 2012, may not be awarded if the award will cause the~~
959 ~~percentage threshold in this sub-subparagraph to be exceeded.~~
960 ~~This sub-subparagraph does not prohibit the award of tax credits~~
961 ~~certified before April 1, 2012, for high-impact television~~
962 ~~series.~~

963 ~~b.e. Subject to sub-subparagraph b.,~~ First priority in the
964 queue for tax credit awards not yet certified shall be given to
965 high-impact television series and ~~high-impact digital media~~
966 ~~projects. For the purposes of determining priority between a~~
967 ~~high-impact television series and a high-impact digital media~~
968 ~~project, the first position must go to the first application~~
969 ~~received. Thereafter, priority shall be determined by~~
970 ~~alternating between a high-impact television series and a high-~~
971 ~~impact digital media project on a first-come, first-served~~
972 ~~basis. However, if the Office of Film and Entertainment receives~~
973 ~~an application for a high-impact television series or high-~~
974 ~~impact digital media project that would be certified but for the~~
975 ~~alternating priority, the office may certify the project as~~
976 ~~being in the priority position if an application that would~~
977 ~~normally be the priority position is not received within 5~~
978 ~~business days.~~

979 ~~d. A qualified production for which at least 67 percent of~~
980 ~~its principal photography days occur within a region designated~~
981 ~~as an underutilized region at the time that the production is~~
982 ~~certified is eligible for an additional 5 percent tax credit.~~

983 ~~c.e. A qualified production that employs students enrolled~~
984 ~~full-time in a film and entertainment-related or digital media-~~
985 ~~related course of study at an institution of higher education in~~
986 ~~this state is eligible for an additional 15 percent tax credit~~

28-00708C-15

20151046__

987 on qualified expenditures that are wages, salaries, or other
988 compensation paid to such students. The additional 15 percent
989 tax credit is also applicable to persons hired within 12 months
990 after graduating from a film and entertainment-related or
991 digital media-related course of study at an institution of
992 higher education in this state. The additional 15 percent tax
993 credit applies to qualified expenditures that are wages,
994 salaries, or other compensation paid to such recent graduates
995 for 1 year after the date of hiring.

996 ~~f. A qualified production for which 50 percent or more of~~
997 ~~its principal photography occurs at a qualified production~~
998 ~~facility, or a qualified digital media project or the digital~~
999 ~~animation component of a qualified production for which 50~~
1000 ~~percent or more of the project's or component's qualified~~
1001 ~~expenditures are related to a qualified digital media production~~
1002 ~~facility, is eligible for an additional 5 percent tax credit on~~
1003 ~~actual qualified expenditures for production activity at that~~
1004 ~~facility.~~

1005 d. A qualified production that completes a capital
1006 investment in this state of at least \$2 million for property
1007 improvements before the completion of the qualified production
1008 is eligible for an additional 5 percent tax credit. The capital
1009 investment must be permanent and must be made after July 1,
1010 2015, and the property must remain in this state after the
1011 production ends. A capital investment may be the basis of an
1012 application only once, unless the qualified production makes an
1013 additional \$2 million of substantial changes to the property.

1014 e. A qualified production determined by the department to
1015 be a family-friendly production, based on review of the script

28-00708C-15

20151046__

1016 and review of the final release version, is eligible for an
1017 additional 5 percent tax credit. The department must consult
1018 with the Division of Film and Entertainment in making this
1019 determination.

1020 ~~f.g.~~ A qualified production is not eligible for tax credits
1021 provided under this paragraph totaling more than 25 ~~30~~ percent
1022 of its actual qualified expenses.

1023 2. Commercial and music video queue.—Three percent of tax
1024 credits authorized pursuant to subsection (7) ~~(6)~~ in any state
1025 fiscal year must be dedicated to the commercial and music video
1026 queue. A qualified production company that produces national or
1027 regional commercials or music videos may be eligible for a tax
1028 credit award if it demonstrates a minimum of \$100,000 in
1029 qualified expenditures per national or regional commercial or
1030 music video and exceeds a combined threshold of \$500,000 after
1031 combining actual qualified expenditures from qualified
1032 commercials and music videos during a single state fiscal year.
1033 After a qualified production company that produces commercials,
1034 music videos, or both reaches the threshold of \$500,000, it is
1035 eligible to apply for certification for a tax credit award. The
1036 maximum credit award shall be equal to 20 percent of its actual
1037 qualified expenditures up to a maximum of \$500,000. If there is
1038 a surplus at the end of a fiscal year after the department
1039 ~~Office of Film and Entertainment~~ certifies and determines the
1040 tax credits for all qualified commercial and video projects,
1041 such surplus tax credits shall be carried forward to the
1042 following fiscal year and are available to any eligible
1043 qualified productions under the general production queue.

1044 3. Independent and emerging media production queue.—Three

28-00708C-15

20151046__

1045 percent of tax credits authorized pursuant to subsection (7) ~~(6)~~
1046 in any state fiscal year must be dedicated to the independent
1047 and emerging media production queue. This queue is intended to
1048 encourage independent film and emerging media production in this
1049 state. Any qualified production, excluding commercials,
1050 infomercials, or music videos, which demonstrates at least
1051 \$100,000, but not more than \$625,000, in total qualified
1052 expenditures is eligible for tax credits equal to 20 percent of
1053 its actual qualified expenditures. If a surplus exists at the
1054 end of a fiscal year after the department ~~Office of Film and~~
1055 ~~Entertainment~~ certifies and determines the tax credits for all
1056 qualified independent and emerging media production projects,
1057 such surplus tax credits shall be carried forward to the
1058 following fiscal year and are available to any eligible
1059 qualified productions under the general production queue.

1060 ~~4. Family-friendly productions. A certified theatrical or~~
1061 ~~direct-to-video motion picture production or video game~~
1062 ~~determined by the Commissioner of Film and Entertainment, with~~
1063 ~~the advice of the Florida Film and Entertainment Advisory~~
1064 ~~Council, to be family-friendly, based on review of the script~~
1065 ~~and review of the final release version, is eligible for an~~
1066 ~~additional tax credit equal to 5 percent of its actual qualified~~
1067 ~~expenditures. Family-friendly productions are those that have~~
1068 ~~cross-generational appeal; would be considered suitable for~~
1069 ~~viewing by children age 5 or older; are appropriate in theme,~~
1070 ~~content, and language for a broad family audience; embody a~~
1071 ~~responsible resolution of issues; and do not exhibit or imply~~
1072 ~~any act of smoking, sex, nudity, or vulgar or profane language.~~

1073 (c) Withdrawal of certification tax credit eligibility.—The

28-00708C-15

20151046__

1074 department shall withdraw the certification of a ~~qualified or~~
1075 certified production ~~if the~~ ~~must continue on a~~ reasonable
1076 schedule ~~or timely completion of the certified production is~~
1077 delayed, including a break in production, a change in the
1078 production schedule, or the loss of financing for the
1079 production. A certified production must notify the department
1080 within 5 days after any circumstance that delays the reasonable
1081 schedule or timely completion. The certification of a certified
1082 production may not be withdrawn if the production provides the
1083 department with proof of replacement financing within 10 days
1084 after the loss of financing for the production. To keep a
1085 reasonable schedule, the certified production must begin ~~which~~
1086 ~~includes beginning~~ principal photography or the production
1087 project in this state within ~~no more than~~ 45 calendar days
1088 before or after the principal photography or project start date
1089 provided in the production's program application. ~~The department~~
1090 ~~shall withdraw the eligibility of a qualified or certified~~
1091 ~~production that does not continue on a reasonable schedule.~~

1092 (d) *Election and distribution of tax credits.*—

1093 1. A certified production company receiving a tax credit
1094 award under this section shall, at the time the credit is
1095 awarded by the department after production is completed and all
1096 requirements to receive a credit award have been met, make an
1097 irrevocable election to apply the credit against taxes due under
1098 chapter 220, against state taxes collected or accrued under
1099 chapter 212, or against a stated combination of the two taxes.
1100 The election is binding upon any distributee, successor,
1101 transferee, or purchaser. The department shall notify the
1102 Department of Revenue of any election made pursuant to this

28-00708C-15

20151046__

1103 paragraph.

1104 2. A qualified production company is eligible for tax
1105 credits against its sales and use tax liabilities and corporate
1106 income tax liabilities as provided in this section. However, tax
1107 credits awarded under this section may not be claimed against
1108 sales and use tax liabilities or corporate income tax
1109 liabilities for any tax period beginning before July 1, 2011,
1110 regardless of when the credits are applied for or awarded.

1111 (e) *Tax credit carryforward.*—If the certified production
1112 company cannot use the entire tax credit in the taxable year or
1113 reporting period in which the credit is awarded, any excess
1114 amount may be carried forward to a succeeding taxable year or
1115 reporting period. A tax credit applied against taxes imposed
1116 under chapter 212 may be carried forward for a maximum of 5
1117 years after the date the credit is awarded. A tax credit applied
1118 against taxes imposed under chapter 220 may be carried forward
1119 for a maximum of 5 taxable years after the taxable year in which
1120 ~~date~~ the credit is awarded. An unused remaining tax credit
1121 expires after this period, ~~after which the credit expires~~ and
1122 may not be used.

1123 (f) *Consolidated returns.*—A certified production company
1124 that files a Florida consolidated return as a member of an
1125 affiliated group under s. 220.131(1) may be allowed the credit
1126 on a consolidated return basis up to the amount of the tax
1127 imposed upon the consolidated group under chapter 220.

1128 (g) *Partnership and noncorporate distributions.*—A qualified
1129 production company that is not a corporation as defined in s.
1130 220.03 may elect to distribute tax credits awarded under this
1131 section to its partners or members in proportion to their

28-00708C-15

20151046__

1132 respective distributive income or loss in the taxable year in
1133 which the tax credits were awarded.

1134 (h) *Mergers or acquisitions.*—Tax credits available under
1135 this section to a certified production company may succeed to a
1136 surviving or acquiring entity subject to the same conditions and
1137 limitations as described in this section; however, they may not
1138 be transferred again by the surviving or acquiring entity.

1139 (5) TRANSFER OF TAX CREDITS.—

1140 (a) *Authorization.*—Upon application to ~~the Office of Film~~
1141 ~~and Entertainment~~ and approval by the department, a certified
1142 production company, or a partner or member that has received a
1143 distribution under paragraph (4)(g), may elect to transfer, in
1144 whole or in part, any unused credit amount granted under this
1145 section. An election to transfer any unused tax credit amount
1146 under chapter 212 or chapter 220 must be made no later than 5
1147 years after the date the credit is awarded, after which period
1148 the credit expires and may not be used. The department shall
1149 notify the Department of Revenue of the election and transfer.

1150 (b) *Number of transfers permitted.*—A certified production
1151 company that elects to apply a credit amount against taxes
1152 remitted under chapter 212 is permitted a one-time transfer of
1153 unused credits to one transferee. A certified production company
1154 that elects to apply a credit amount against taxes due under
1155 chapter 220 is permitted a one-time transfer of unused credits
1156 to no more than four transferees, and such transfers must occur
1157 in the same taxable year.

1158 (c) *Transferee rights and limitations.*—The transferee is
1159 subject to the same rights and limitations as the certified
1160 production company awarded the tax credit, except that the

28-00708C-15

20151046__

1161 initial transferee shall be permitted a one-time transfer of
1162 unused credits to no more than two subsequent transferees, and
1163 such transfers must occur in the same taxable year as the
1164 credits were received by the initial transferee, after which the
1165 subsequent transferees may not sell or otherwise transfer the
1166 tax credit.

1167 (6) RELINQUISHMENT OF TAX CREDITS.—

1168 (a) Beginning July 1, 2011, a certified production company,
1169 or any person who has acquired a tax credit from a certified
1170 production company pursuant to subsections (4) and (5), may
1171 elect to relinquish the tax credit to the Department of Revenue
1172 in exchange for 90 percent of the amount of the relinquished tax
1173 credit.

1174 (b) The Department of Revenue may approve payments to
1175 persons relinquishing tax credits pursuant to this subsection.

1176 (c) Subject to legislative appropriation, the Department of
1177 Revenue shall request the Chief Financial Officer to issue
1178 warrants to persons relinquishing tax credits. Payments under
1179 this subsection shall be made from the funds from which the
1180 proceeds from the taxes against which the tax credits could have
1181 been applied pursuant to the irrevocable election made by the
1182 certified production company under subsection (4) are deposited.

1183 (7) ANNUAL ALLOCATION OF TAX CREDITS.—

1184 (a) The aggregate amount of the tax credits that may be
1185 certified pursuant to paragraph (3) (d) may not exceed:

- 1186 1. For fiscal year 2010-2011, \$53.5 million.
- 1187 2. For fiscal year 2011-2012, \$74.5 million.
- 1188 3. For fiscal years 2012-2013, 2013-2014, 2014-2015, and
1189 2015-2016, \$42 million per fiscal year.

28-00708C-15

20151046__

1190 (b) Any portion of the maximum amount of tax credits
1191 established per fiscal year in paragraph (a) that is not
1192 certified as of the end of a fiscal year shall be carried
1193 forward and made available for certification during the
1194 following 2 fiscal years in addition to the amounts available
1195 for certification under paragraph (a) for those fiscal years.

1196 (c) Upon approval of the final tax credit award amount
1197 pursuant to subparagraph (3)(g)3. ~~(3)(f)2.~~, an amount equal to
1198 the difference between the maximum tax credit award amount
1199 previously certified under paragraph (3)(d) and the approved
1200 final tax credit award amount shall immediately be available for
1201 recertification during the current and following fiscal years in
1202 addition to the amounts available for certification under
1203 paragraph (a) for those fiscal years.

1204 (d) Amounts available for certification on and after July
1205 1, 2015, may not be certified before the fiscal year in which
1206 they will become available as specified in paragraph (a), except
1207 as provided in subparagraph (3)(d)2. Additionally, for amounts
1208 available for certification on and after July 1, 2015, one-half
1209 of the amount available in the fiscal year shall be available
1210 for certification on July 1, and one-half of the amount
1211 available in the fiscal year shall be available for
1212 certification on January 1 ~~If, during a fiscal year, the total~~
1213 ~~amount of credits applied for, pursuant to paragraph (3)(a),~~
1214 ~~exceeds the amount of credits available for certification in~~
1215 ~~that fiscal year, such excess shall be treated as having been~~
1216 ~~applied for on the first day of the next fiscal year in which~~
1217 ~~credits remain available for certification.~~

1218 (8) LIMITATION WITH OTHER PROGRAMS.—A qualified production

28-00708C-15

20151046__

1219 that is certified for tax credits under this section may not
1220 simultaneously receive benefits under ss. 288.1256 and 288.1258
1221 for the same production.

1222 (9)-(8) RULES, POLICIES, AND PROCEDURES.—

1223 (a) The department may adopt rules pursuant to ss.
1224 120.536(1) and 120.54 and develop policies and procedures to
1225 implement and administer this section, including, but not
1226 limited to, rules specifying requirements for the application
1227 and approval process, records required for substantiation for
1228 tax credits, procedures for making the election in paragraph
1229 (4) (d), the manner and form of documentation required to claim
1230 tax credits awarded or transferred under this section, and
1231 marketing requirements for tax credit recipients.

1232 (b) The Department of Revenue may adopt rules pursuant to
1233 ss. 120.536(1) and 120.54 to administer this section, including
1234 rules governing the examination and audit procedures required to
1235 administer this section and the manner and form of documentation
1236 required to claim tax credits awarded, transferred, or
1237 relinquished under this section.

1238 (10)-(9) AUDIT AUTHORITY; REVOCATION AND FORFEITURE OF TAX
1239 CREDITS; FRAUDULENT CLAIMS.—

1240 (a) *Audit authority.*—The Department of Revenue may conduct
1241 examinations and audits as provided in s. 213.34 to verify that
1242 tax credits under this section are received, transferred, and
1243 applied according to the requirements of this section. If the
1244 Department of Revenue determines that tax credits are not
1245 received, transferred, or applied as required by this section,
1246 it may, in addition to the remedies provided in this subsection,
1247 pursue recovery of such funds pursuant to the laws and rules

28-00708C-15

20151046__

1248 governing the assessment of taxes.

1249 (b) *Revocation of tax credits.*—The department may revoke or
1250 modify any written decision qualifying, certifying, or otherwise
1251 granting eligibility for tax credits under this section if it is
1252 discovered that the tax credit applicant submitted any false
1253 statement, representation, or certification in any application,
1254 record, report, plan, or other document filed in an attempt to
1255 receive tax credits under this section. The department shall
1256 immediately notify the Department of Revenue of any revoked or
1257 modified orders affecting previously granted tax credits.
1258 Additionally, the applicant must notify the Department of
1259 Revenue of any change in its tax credit claimed.

1260 (c) *Forfeiture of tax credits.*—A determination by the
1261 Department of Revenue, as a result of an audit pursuant to
1262 paragraph (a) or from information received from the department
1263 or the Division Office of Film and Entertainment, that an
1264 applicant received tax credits pursuant to this section to which
1265 the applicant was not entitled is grounds for forfeiture of
1266 previously claimed and received tax credits. The applicant is
1267 responsible for returning forfeited tax credits to the
1268 Department of Revenue, and such funds shall be paid into the
1269 General Revenue Fund of the state. Tax credits purchased in good
1270 faith are not subject to forfeiture unless the transferee
1271 submitted fraudulent information in the purchase or failed to
1272 meet the requirements in subsection (5).

1273 (d) *Fraudulent claims.*—Any applicant that submits
1274 fraudulent information under this section is liable for
1275 reimbursement of the reasonable costs and fees associated with
1276 the review, processing, investigation, and prosecution of the

28-00708C-15

20151046__

1277 fraudulent claim. An applicant that obtains a credit payment
 1278 under this section through a claim that is fraudulent is liable
 1279 for reimbursement of the credit amount plus a penalty in an
 1280 amount double the credit amount. The penalty is in addition to
 1281 any criminal penalty to which the applicant is liable for the
 1282 same acts. The applicant is also liable for costs and fees
 1283 incurred by the state in investigating and prosecuting the
 1284 fraudulent claim.

1285 (11)~~(10)~~ ANNUAL REPORT.—Each November 1, the department
 1286 ~~Office of Film and Entertainment~~ shall submit an annual report
 1287 for the previous fiscal year to the Governor, the President of
 1288 the Senate, and the Speaker of the House of Representatives
 1289 which outlines the ~~incentive~~ program's return on investment and
 1290 economic benefits to the state. The report must also include an
 1291 estimate of the full-time equivalent positions created by each
 1292 production that received tax credits under this section and
 1293 information relating to the distribution of productions
 1294 receiving credits by geographic region and type of production.
 1295 The report must also include the expenditures report required
 1296 under s. 288.915, ~~s. 288.1253(3)~~ and the information describing
 1297 the relationship between tax exemptions and incentives to
 1298 industry growth required under s. 288.1258(5), and program
 1299 performance information under s. 288.1256. The department may
 1300 work with the Division of Film and Entertainment to develop the
 1301 annual report.

1302 (12)~~(11)~~ REPEAL.—This section is repealed July 1, 2021
 1303 ~~2016~~, except that:

1304 (a) Tax credits certified under paragraph (3) (d) before
 1305 July 1, 2021 ~~2016~~, may be awarded under paragraph (3) (g) ~~(3) (f)~~

28-00708C-15

20151046__

1306 on or after July 1, 2021 ~~2016~~, if the other requirements of this
1307 section are met.

1308 (b) Tax credits carried forward under paragraph (4)(e)
1309 remain valid for the period specified.

1310 (c) Subsections (5), (9), ~~(8)~~ and (10) ~~(9)~~ shall remain in
1311 effect until July 1, 2026 ~~July 1, 2021~~.

1312 Section 7. Beginning July 1, 2015, if an application is on
1313 file with the Department of Economic Opportunity to receive a
1314 tax credit through the entertainment industry program under s.
1315 288.1254, Florida Statutes, and has not been certified, it is
1316 deemed denied.

1317 Section 8. Section 288.1256, Florida Statutes, is created
1318 to read:

1319 288.1256 Entertainment industry quick action fund.—

1320 (1) The entertainment industry quick action fund is created
1321 within the department in order to respond to extraordinary
1322 opportunities and to compete effectively with other states to
1323 attract and retain production companies and to provide favorable
1324 conditions for the growth of the entertainment industry in this
1325 state.

1326 (2) As used in this section, the term:

1327 (a) "Division" means the Division of Film and Entertainment
1328 within Enterprise Florida, Inc.

1329 (b) "Off-season" means June 1 through November 30.

1330 (c) "Principal photography" means the filming of major or
1331 significant components of the project which involve lead actors.

1332 (d) "Production" means a theatrical, direct-to-video, or
1333 direct-to-Internet motion picture; a made-for-television motion
1334 picture; visual effects or digital animation sequences produced

28-00708C-15

20151046__

1335 in conjunction with a motion picture; a commercial; a music
1336 video; an industrial or educational film; an infomercial; a
1337 documentary film; a television pilot program; a presentation for
1338 a television pilot program; a television series, including, but
1339 not limited to, a drama, a reality show, a comedy, a soap opera,
1340 a telenovela, a game show, an awards show, or a miniseries
1341 production; a direct-to-Internet television series; or a digital
1342 media project by the entertainment industry. One season of a
1343 television series is considered one production. The term does
1344 not include a weather or market program; a sporting event or a
1345 sporting event broadcast; a gala; a production that solicits
1346 funds; a home shopping program; a political program; a political
1347 documentary; political advertising; a gambling-related project
1348 or production; a concert production; a local, regional, or
1349 Internet-distributed-only news show or current-events show; a
1350 sports news or sports recap show; a pornographic production; or
1351 any production deemed obscene under chapter 847. A production
1352 may be produced on or by film, tape, or otherwise by means of a
1353 motion picture camera; electronic camera or device; tape device;
1354 computer; any combination of the foregoing; or any other means,
1355 method, or device.

1356 (e) "Production company" means a corporation, limited
1357 liability company, partnership, or other legal entity engaged in
1358 one or more productions in this state.

1359 (f) "Production expenditures" means the costs of tangible
1360 and intangible property used for, and services performed
1361 primarily and customarily in, production, including
1362 preproduction and postproduction, but excluding costs for
1363 development, marketing, and distribution. The term includes, but

28-00708C-15

20151046__

1364 is not limited to:

1365 1. Wages, salaries, or other compensation paid to legal
1366 residents of this state, including amounts paid through payroll
1367 service companies, for technical and production crews,
1368 directors, producers, and performers.

1369 2. Net expenditures for sound stages, backlots, production
1370 editing, digital effects, sound recordings, sets, and set
1371 construction.

1372 3. Net expenditures for rental equipment, including, but
1373 not limited to, cameras and grip or electrical equipment.

1374 4. Up to \$300,000 of the costs of newly purchased computer
1375 software and hardware unique to the project, including servers,
1376 data processing, and visualization technologies, which are
1377 located in and used exclusively in this state for the production
1378 of digital media.

1379 5. Expenditures for meals, travel, and accommodations. As
1380 used in this paragraph, the term "net expenditures" means the
1381 actual amount of money a project spent for equipment or other
1382 tangible personal property, after subtracting any consideration
1383 received for reselling or transferring the item after the
1384 production ends, if applicable.

1385 (g) "Project" means a production in this state meeting the
1386 requirements of this section. The term does not include a
1387 production:

1388 1. In which less than 70 percent of the positions that make
1389 up its production cast and below-the-line production crew are
1390 filled by legal residents of this state, whose residency is
1391 demonstrated by a valid Florida driver license or other state-
1392 issued identification confirming residency, or students enrolled

28-00708C-15

20151046__

1393 full-time in an entertainment-related course of study at an
1394 institution of higher education in this state; or

1395 2. That contains obscene content as defined in s.
1396 847.001(10).

1397 (h) "Qualified expenditures" means production expenditures
1398 incurred in this state by a production company for:

1399 1. Goods purchased or leased from, or services, including,
1400 but not limited to, insurance costs and bonding, payroll
1401 services, and legal fees, which are provided by a vendor or
1402 supplier in this state that is registered with the Department of
1403 State or the Department of Revenue, has a physical location in
1404 this state, and employs one or more legal residents of this
1405 state. This does not include rebilled goods or services provided
1406 by an in-state company from out-of-state vendors or suppliers.
1407 When services provided by the vendor or supplier include
1408 personal services or labor, only personal services or labor
1409 provided by residents of this state, evidenced by the required
1410 documentation of residency in this state, qualify.

1411 2. Payments to legal residents of this state in the form of
1412 salary, wages, or other compensation up to a maximum of \$400,000
1413 per resident unless otherwise specified in subsection (4). A
1414 completed declaration of residency in this state must accompany
1415 the documentation submitted to the department for reimbursement.

1416
1417 For a project involving an event, such as an awards show, the
1418 term does not include expenditures solely associated with the
1419 event itself and not directly required by the production. The
1420 term does not include expenditures incurred before the agreement
1421 is signed. The production company may not include in the

28-00708C-15

20151046__

1422 calculation for qualified expenditures the original purchase
1423 price for equipment or other tangible property that is later
1424 sold or transferred by the production company for consideration.
1425 In such cases, the qualified expenditure is the net of the
1426 original purchase price minus the consideration received upon
1427 sale or transfer.

1428 (i) "Underutilized county" means a county in which less
1429 than \$500,000 in qualified expenditures were made in the last 2
1430 fiscal years.

1431 (3) A production company may apply for funds from the
1432 entertainment industry quick action fund for a production or
1433 successive seasons of a production. The department and the
1434 division shall jointly review and evaluate applications to
1435 determine the eligibility of each project consistent with the
1436 requirements of this section. The department shall select
1437 projects that maximize the return to the state.

1438 (4) The department and the division, in their review and
1439 evaluation of applications, must consider the following
1440 criteria:

1441 (a) Expected contributions to the state's economy,
1442 consistent with the state strategic economic development plan
1443 prepared by the department.

1444 (b) The amount of qualified and nonqualified expenditures
1445 that will be made in this state, including spending or
1446 contracting with Florida-based businesses and small and minority
1447 businesses in this state.

1448 (c) Planned or executed contracts with production
1449 facilities or soundstages in this state and the percentage of
1450 principal photography or production activity that will occur at

28-00708C-15

20151046__

1451 each location.

1452 (d) Planned preproduction and postproduction to occur in
1453 this state.

1454 (e) The amount of capital investment, especially fixed
1455 capital investment, to be made directly by the production
1456 company in this state related to the project.

1457 (f) The amount of any other capital investment to be made
1458 in this state related to the project.

1459 (g) The duration of the project in this state, including
1460 whether production will occur in the off-season.

1461 (h) The amount and duration of principal photography or
1462 production activity that will occur in an underutilized county.

1463 (i) The amount of promotion of Florida that the production
1464 company will provide for the state. This includes marketing
1465 materials promoting this state as a tourist destination or a
1466 film and entertainment production destination; placement of
1467 state agency logos in the production and credits; permitted use
1468 of production assets, characters, and themes by this state;
1469 promotional videos for this state included on optical disc
1470 formats; and other marketing integration.

1471 (j) The number of state residents that will be employed in
1472 full-time equivalent and part-time positions related to the
1473 project and the duration of such employment and the wages paid
1474 to such persons.

1475 (k) The employment of students enrolled full-time in an
1476 entertainment-related course of study at an institution of
1477 higher education in this state or of graduates from such an
1478 institution within 12 months after graduation.

1479 (l) Plans to work with entertainment industry-related

28-00708C-15

20151046__

1480 courses of study at an institution of higher education in this
1481 state.

1482 (m) The local support and any financial commitment for the
1483 project.

1484 (n) The project is about this state or shows this state in
1485 a positive light.

1486 (o) The length of time the production company has made
1487 productions in this state, the number of productions the
1488 production company has made in this state, and the production
1489 company's overall commitment to this state. This includes a
1490 production company that is based in this state.

1491 (p) The project is an independent film.

1492 (q) The amount of repayment the production company agrees
1493 to pay the state. At a minimum, the production company must
1494 agree to repay 25 percent of its final award amount when the
1495 production generates \$20 million in gross revenues.

1496 (r) The expected effect of the award on the viability of
1497 the project and the probability that the project would be
1498 undertaken in this state if funds are granted to the production
1499 company.

1500 (s) A review of the production company's past activities in
1501 this state or other states.

1502 (5) A production company must have financing in place for a
1503 project before it applies for funds under this section.

1504 (6) The department shall prescribe a form upon which an
1505 application must be made. At a minimum, the application must
1506 include:

1507 (a) The applicant's federal employer identification number,
1508 reemployment assistance account number, and state sales tax

28-00708C-15

20151046__

1509 registration number, as applicable. If such numbers are not
1510 available at the time of application, they must be submitted to
1511 the department in writing before the disbursement of any
1512 payments.

1513 (b) The signature of the applicant.

1514 (c) A detailed budget of planned qualified and nonqualified
1515 expenditures in this state.

1516 (d) The type and amount of capital investment that will be
1517 made in this state.

1518 (e) The locations in this state at which the project will
1519 occur.

1520 (f) The anticipated commencement date and duration of the
1521 project.

1522 (g) The proposed number of state residents and nonstate
1523 residents that will be employed in full-time equivalent and
1524 part-time positions related to the project and wages paid to
1525 such persons.

1526 (h) The total number of full-time equivalent employees
1527 employed by the production company in this state, if applicable.

1528 (i) Proof of financing for the project.

1529 (j) The amount of repayment the production company agrees
1530 to pay the state.

1531 (k) The amount of promotion of Florida that the production
1532 company will provide for the state.

1533 (l) An attestation verifying that information provided on
1534 the application is true and accurate.

1535 (m) Any additional information requested by the department
1536 or division.

1537 (7) The department must make a recommendation to the

28-00708C-15

20151046__

1538 Governor to approve or deny an award within 7 days after
1539 completion of the review and evaluation. An award of funds may
1540 not constitute more than 30 percent of qualified expenditures in
1541 this state and may not fund wages paid to nonresidents. A
1542 production must start within 1 year after the date the project
1543 is approved by the Governor. The recommendation must include the
1544 performance conditions that the project must meet to obtain
1545 funds.

1546 (a) The Governor may approve projects without consulting
1547 the Legislature for projects requiring less than \$2 million in
1548 funding.

1549 (b) For projects requiring funding in the amount of \$2
1550 million to \$5 million, the Governor shall provide a written
1551 description and evaluation of a project recommended for approval
1552 to the chair and vice chair of the Legislative Budget Commission
1553 at least 10 days before giving final approval for a project. The
1554 recommendation must include the performance conditions that the
1555 project must meet in order to obtain funds.

1556 (c) If the chair or vice chair of the Legislative Budget
1557 Commission or the President of the Senate or the Speaker of the
1558 House of Representatives timely advises the Executive Office of
1559 the Governor, in writing, that such action or proposed action
1560 exceeds the delegated authority of the Executive Office of the
1561 Governor or is contrary to legislative policy or intent, the
1562 Executive Office of the Governor shall void the release of funds
1563 and instruct the department to immediately change such action or
1564 proposed action until the Legislative Budget Commission or the
1565 Legislature addresses the issue.

1566 (d) Any project exceeding \$5 million must be approved by

28-00708C-15

20151046__

1567 the Legislative Budget Commission before the funding is
1568 released.

1569 (8) Upon the approval of the Governor, the department and
1570 the production company shall enter into an agreement that
1571 specifies, at a minimum:

1572 (a) The total amount of funds awarded and the schedule of
1573 payment.

1574 (b) The performance conditions for payment of moneys from
1575 the fund, including full- and part-time employment in this
1576 state; wages paid in this state; capital investment in this
1577 state, including fixed capital investment; marketing and
1578 promotion in this state; the date by which production must start
1579 and the duration of production; the amount of qualified
1580 expenditures in this state; and the amount and timing of
1581 repayment.

1582 (c) The methodology for validating performance and the date
1583 by which the production company must submit proof of performance
1584 to the department.

1585 (d) That the department may review and verify any records
1586 of the production company to ascertain whether that company is
1587 in compliance with this section and the agreement.

1588 (e) Sanctions for failure to meet performance conditions.

1589 (f) That payment of moneys from the fund is contingent upon
1590 sufficient appropriation of funds by the Legislature.

1591 (9) The agreement must be finalized and signed by an
1592 authorized officer of the production company within 90 days
1593 after the Governor's approval. A production company that is
1594 approved under this section may not simultaneously receive
1595 benefits under ss. 288.1254 and 288.1258 for the same

28-00708C-15

20151046__

1596 production.

1597 (10) The department shall validate contractor performance
1598 and report such validation in the annual report required under
1599 s. 288.1254.

1600 (11) Contingent upon an annual appropriation by the
1601 Legislature, the department may not approve awards in excess of
1602 the amount appropriated for a fiscal year. The department must
1603 maintain a schedule of funds to be paid from the appropriation
1604 for the fiscal year that begins on July 1. For the first 6
1605 months of each fiscal year, the department shall set aside 50
1606 percent of the amount appropriated for the fund by the
1607 Legislature. At the end of the 6-month period, these funds may
1608 be used to provide funding for any project that qualifies under
1609 this section.

1610 (12) All funds received from the required repayment must be
1611 deposited into the Entertainment Industry Quick Action Account
1612 within the State Economic Enhancement and Development Trust Fund
1613 for use in this program.

1614 (13) Any production company that submits fraudulent
1615 information under this section is liable for reimbursement of
1616 the reasonable costs and fees associated with the review,
1617 processing, investigation, and prosecution of the fraudulent
1618 claim. A production company that receives a payment under this
1619 section through a claim that is fraudulent is liable for
1620 reimbursement of the payment amount plus a penalty in an amount
1621 double the payment amount. The penalty is in addition to any
1622 criminal penalty for which the production company is liable for
1623 the same acts. The production company is also liable for costs
1624 and fees incurred by the state in investigating and prosecuting

28-00708C-15

20151046__

1625 the fraudulent claim.

1626 (14) The department may not waive any provision or provide
1627 an extension of time to meet any requirement of this section.

1628 (15) This section expires on July 1, 2025. An agreement in
1629 existence on that date shall continue in effect in accordance
1630 with its terms.

1631 Section 9. Section 288.1258, Florida Statutes, is amended
1632 to read:

1633 288.1258 Entertainment industry qualified production
1634 companies; application procedure; categories; duties of the
1635 Department of Revenue; records and reports.—

1636 (1) PRODUCTION COMPANIES AUTHORIZED TO APPLY.—

1637 (a) Any production company engaged in this state in the
1638 production of motion pictures, made-for-TV motion pictures,
1639 television series, commercial advertising, music videos, or
1640 sound recordings may submit an application to the Department of
1641 Revenue to be approved by the Department of Economic Opportunity
1642 ~~Office of Film and Entertainment~~ as a qualified production
1643 company for the purpose of receiving a sales and use tax
1644 certificate of exemption from the Department of Revenue to
1645 exempt purchases on or after the date a complete application is
1646 filed with the Department of Revenue for exemptions under ss.
1647 212.031, 212.06, and 212.08.

1648 (b) As used in ~~For the purposes of~~ this section, the term
1649 "qualified production company" means any production company that
1650 has submitted a properly completed application to the Department
1651 of Revenue and that is subsequently qualified by the Department
1652 of Economic Opportunity ~~Office of Film and Entertainment~~.

1653 (2) APPLICATION PROCEDURE.—

28-00708C-15

20151046__

1654 (a) The Department of Revenue shall ~~will~~ review all
1655 submitted applications for the required information. Within 10
1656 working days after the receipt of a properly completed
1657 application, the Department of Revenue shall ~~will~~ forward the
1658 completed application to the Department of Economic Opportunity
1659 ~~Office of Film and Entertainment~~ for approval.

1660 (b)1. The Department of Economic Opportunity ~~Office of Film~~
1661 ~~and Entertainment~~ shall establish a process by which an
1662 entertainment industry production company may be approved by the
1663 department ~~office~~ as a qualified production company and may
1664 receive a certificate of exemption from the Department of
1665 Revenue for the sales and use tax exemptions under ss. 212.031,
1666 212.06, and 212.08. A production company that is approved under
1667 this section may not simultaneously receive benefits under ss.
1668 288.1254 and 288.1256 for the same production.

1669 2. Upon determination by the department ~~Office of Film and~~
1670 ~~Entertainment~~ that a production company meets the established
1671 approval criteria and qualifies for exemption, the department
1672 ~~Office of Film and Entertainment~~ shall return the approved
1673 application or application renewal or extension to the
1674 Department of Revenue, which shall issue a certificate of
1675 exemption.

1676 3. The department ~~Office of Film and Entertainment~~ shall
1677 deny an application or application for renewal or extension from
1678 a production company if it determines that the production
1679 company does not meet the established approval criteria.

1680 (c) The department ~~Office of Film and Entertainment~~ shall
1681 develop, with the cooperation of the Department of Revenue, the
1682 Division of Film and Entertainment within Enterprise Florida,

28-00708C-15

20151046__

1683 Inc., and local government entertainment industry promotion
1684 agencies, a standardized application form for use in approving
1685 qualified production companies.

1686 1. The application form shall include, but not be limited
1687 to, production-related information on employment, proposed
1688 budgets, planned purchases of items exempted from sales and use
1689 taxes under ss. 212.031, 212.06, and 212.08, a signed
1690 affirmation from the applicant that any items purchased for
1691 which the applicant is seeking a tax exemption are intended for
1692 use exclusively as an integral part of entertainment industry
1693 preproduction, production, or postproduction activities engaged
1694 in primarily in this state, and a signed affirmation from the
1695 department ~~Office of Film and Entertainment~~ that the information
1696 on the application form has been verified and is correct. In
1697 lieu of information on projected employment, proposed budgets,
1698 or planned purchases of exempted items, a production company
1699 seeking a 1-year certificate of exemption may submit summary
1700 historical data on employment, production budgets, and purchases
1701 of exempted items related to production activities in this
1702 state. Any information gathered from production companies for
1703 the purposes of this section shall be considered confidential
1704 taxpayer information and shall be disclosed only as provided in
1705 s. 213.053.

1706 2. The application form may be distributed to applicants by
1707 the department, the Division ~~Office~~ of Film and Entertainment,
1708 or local film commissions.

1709 (d) All applications, renewals, and extensions for
1710 designation as a qualified production company shall be processed
1711 by the department ~~Office of Film and Entertainment~~.

28-00708C-15

20151046__

1712 (e) If ~~In the event that~~ the Department of Revenue
1713 determines that a production company no longer qualifies for a
1714 certificate of exemption, or has used a certificate of exemption
1715 for purposes other than those authorized by this section and
1716 chapter 212, the Department of Revenue shall revoke the
1717 certificate of exemption of that production company, and any
1718 sales or use taxes exempted on items purchased or leased by the
1719 production company during the time such company did not qualify
1720 for a certificate of exemption or improperly used a certificate
1721 of exemption shall become immediately due to the Department of
1722 Revenue, along with interest and penalty as provided by s.
1723 212.12. In addition to the other penalties imposed by law, any
1724 person who knowingly and willfully falsifies an application, or
1725 uses a certificate of exemption for purposes other than those
1726 authorized by this section and chapter 212, commits a felony of
1727 the third degree, punishable as provided in ss. 775.082,
1728 775.083, and 775.084.

1729 (3) CATEGORIES.—

1730 (a)1. A production company may be qualified for designation
1731 as a qualified production company for a period of 1 year if the
1732 company has operated a business in Florida at a permanent
1733 address for a period of 12 consecutive months. Such a qualified
1734 production company shall receive a single 1-year certificate of
1735 exemption from the Department of Revenue for the sales and use
1736 tax exemptions under ss. 212.031, 212.06, and 212.08, which
1737 certificate shall expire 1 year after issuance or upon the
1738 cessation of business operations in the state, at which time the
1739 certificate shall be surrendered to the Department of Revenue.

1740 2. ~~The Office of Film and Entertainment shall develop a~~

28-00708C-15

20151046__

1741 ~~method by which~~ A qualified production company may submit a new
1742 application for annually renew a 1-year certificate of exemption
1743 upon the expiration of that company's certificate of exemption;
1744 however, upon approval of the department, such qualified
1745 production company may annually renew the 1-year certificate of
1746 exemption for a period of up to 5 years without submitting
1747 ~~requiring the production company to resubmit~~ a new application
1748 during that 5-year period.

1749 3. Each year, or upon surrender of the certificate of
1750 exemption to the Department of Revenue, the ~~Any~~ qualified
1751 production company shall ~~may~~ submit to the department aggregate
1752 data for production-related information on employment,
1753 expenditures in this state, capital investment, and purchases of
1754 items exempted from sales and use taxes under ss. 212.031,
1755 212.06, and 212.08 for inclusion in the annual report required
1756 under subsection (5) ~~a new application for a 1-year certificate~~
1757 ~~of exemption upon the expiration of that company's certificate~~
1758 ~~of exemption.~~

1759 (b)1. A production company may be qualified for designation
1760 as a qualified production company for a period of 90 days. Such
1761 production company shall receive a single 90-day certificate of
1762 exemption from the Department of Revenue for the sales and use
1763 tax exemptions under ss. 212.031, 212.06, and 212.08, which
1764 certificate shall expire 90 days after issuance or upon the
1765 cessation of business operations in the state at which time,
1766 ~~with extensions contingent upon approval of the Office of Film~~
1767 ~~and Entertainment.~~ the certificate shall be surrendered to the
1768 Department of Revenue ~~upon its expiration.~~

1769 2. A qualified production company may submit a new

28-00708C-15

20151046__

1770 application for a 90-day certificate of exemption each quarter
1771 upon the expiration of that company's certificate of exemption;
1772 however, upon approval of the department, such qualified
1773 production company may renew the 90-day certificate of exemption
1774 for a period of up to 1 year without submitting a new
1775 application during that 1-year period.

1776 3.2. Each 90 days, or upon surrender of the certificate of
1777 exemption to the Department of Revenue, the qualified Any
1778 production company shall may submit to the department aggregate
1779 data for production-related information on employment,
1780 expenditures in this state, capital investment, and purchases of
1781 items exempted from sales and use taxes under ss. 212.031,
1782 212.06, and 212.08 for inclusion in the annual report required
1783 under subsection (5) a new application for a 90-day certificate
1784 of exemption upon the expiration of that company's certificate
1785 of exemption.

1786 (4) DUTIES OF THE DEPARTMENT OF REVENUE.—

1787 (a) The Department of Revenue shall review the initial
1788 application and notify the applicant of any omissions and
1789 request additional information if needed. An application shall
1790 be complete upon receipt of all requested information. The
1791 Department of Revenue shall forward all complete applications to
1792 the department ~~Office of Film and Entertainment~~ within 10
1793 working days.

1794 (b) The Department of Revenue shall issue a numbered
1795 certificate of exemption to a qualified production company
1796 within 5 working days of the receipt of an approved application,
1797 application renewal, or application extension from the
1798 department ~~Office of Film and Entertainment~~.

28-00708C-15

20151046__

1799 (c) The Department of Revenue may adopt ~~promulgate~~ such
1800 rules and shall prescribe and publish such forms as may be
1801 necessary to effectuate the purposes of this section or any of
1802 the sales tax exemptions which are reasonably related to the
1803 provisions of this section.

1804 (d) The Department of Revenue is authorized to establish
1805 audit procedures in accordance with the provisions of ss.
1806 212.12, 212.13, and 213.34 which relate to the sales tax
1807 exemption provisions of this section.

1808 (5) RELATIONSHIP OF TAX EXEMPTIONS AND INCENTIVES TO
1809 INDUSTRY GROWTH; REPORT TO THE LEGISLATURE.—The department
1810 ~~Office of Film and Entertainment~~ shall keep annual records from
1811 the information provided on taxpayer applications for tax
1812 exemption certificates and regularly reported as required in
1813 this section beginning January 1, 2001. These records also must
1814 reflect a ratio of the annual amount of sales and use tax
1815 exemptions under this section, plus the tax credits ~~incentives~~
1816 awarded pursuant to s. 288.1254 to the estimated amount of funds
1817 expended by certified productions. In addition, the department
1818 ~~office~~ shall maintain data showing annual growth in Florida-
1819 based entertainment industry companies and entertainment
1820 industry employment and wages. The employment information must
1821 include ~~an estimate of~~ the full-time equivalent positions
1822 created by each production that received tax credits pursuant to
1823 s. 288.1254. The department ~~Office of Film and Entertainment~~
1824 shall include this information in the annual report for the
1825 entertainment industry ~~financial incentive~~ program required
1826 under s. 288.1254(10).

1827 Section 10. Subsection (1) of section 288.92, Florida

28-00708C-15

20151046__

1828 Statutes, is amended to read:

1829 288.92 Divisions of Enterprise Florida, Inc.—

1830 (1) Enterprise Florida, Inc., may create and dissolve
1831 divisions as necessary to carry out its mission. Each division
1832 shall have distinct responsibilities and complementary missions.
1833 At a minimum, Enterprise Florida, Inc., shall have divisions
1834 related to the following areas:

1835 (a) International Trade and Business Development;

1836 (b) Business Retention and Recruitment;

1837 (c) Tourism Marketing;

1838 (d) Minority Business Development; ~~and~~

1839 (e) Sports Industry Development; and

1840 (f) Film and Entertainment.

1841 Section 11. Subsection (5) of section 477.0135, Florida
1842 Statutes, is amended to read:

1843 477.0135 Exemptions.—

1844 (5) A license is not required of any individual providing
1845 makeup, special effects, or cosmetology services to an actor,
1846 stunt person, musician, extra, or other talent during a
1847 production recognized by the Department of Economic Opportunity
1848 ~~Office of Film and Entertainment~~ as a qualified production as
1849 defined in s. 288.1254(1). Such services are not required to be
1850 performed in a licensed salon. Individuals exempt under this
1851 subsection may not provide such services to the general public.

1852 Section 12. For the purpose of incorporating the amendment
1853 made by this act to section 288.1254, Florida Statutes, in a
1854 reference thereto, paragraph (q) of subsection (5) of section
1855 212.08, Florida Statutes, is reenacted to read:

1856 212.08 Sales, rental, use, consumption, distribution, and

28-00708C-15

20151046__

1857 storage tax; specified exemptions.—The sale at retail, the
 1858 rental, the use, the consumption, the distribution, and the
 1859 storage to be used or consumed in this state of the following
 1860 are hereby specifically exempt from the tax imposed by this
 1861 chapter.

1862 (5) EXEMPTIONS; ACCOUNT OF USE.—

1863 (q) *Entertainment industry tax credit; authorization;*
 1864 *eligibility for credits.*—The credits against the state sales tax
 1865 authorized pursuant to s. 288.1254 shall be deducted from any
 1866 sales and use tax remitted by the dealer to the department by
 1867 electronic funds transfer and may only be deducted on a sales
 1868 and use tax return initiated through electronic data
 1869 interchange. The dealer shall separately state the credit on the
 1870 electronic return. The net amount of tax due and payable must be
 1871 remitted by electronic funds transfer. If the credit for the
 1872 qualified expenditures is larger than the amount owed on the
 1873 sales and use tax return that is eligible for the credit, the
 1874 unused amount of the credit may be carried forward to a
 1875 succeeding reporting period as provided in s. 288.1254(4)(e). A
 1876 dealer may only obtain a credit using the method described in
 1877 this subparagraph. A dealer is not authorized to obtain a credit
 1878 by applying for a refund.

1879 Section 13. For the purpose of incorporating the amendment
 1880 made by this act to section 288.1254, Florida Statutes, in a
 1881 reference thereto, subsection (3) of section 220.1899, Florida
 1882 Statutes, is reenacted to read:

1883 220.1899 Entertainment industry tax credit.—

1884 (3) To the extent that the amount of a tax credit exceeds
 1885 the amount due on a return, the balance of the credit may be

28-00708C-15

20151046__

1886 carried forward to a succeeding taxable year pursuant to s.

1887 288.1254(4) (e) .

1888 Section 14. This act shall take effect July 1, 2015.