

Amendment No.

CHAMBER ACTION

Senate

House

.

1 Representative Miller offered the following:

2
3 **Amendment (with title amendment)**

4 Remove everything after the enacting clause and insert:

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

7 288.125 Definition of term "entertainment industry."—For
8 the purposes of ss. 288.1254, 288.1256, 288.1258, 288.913,
9 288.914, and 288.915 ~~ss. 288.1251–288.1258~~, the term

10 "entertainment industry" means those persons or entities engaged
11 in the operation of motion picture or television studios or
12 recording studios; those persons or entities engaged in the
13 preproduction, production, or postproduction of motion pictures,
14 made-for-television movies, television programming, digital

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15 media projects, commercial advertising, music videos, or sound
16 recordings; and those persons or entities providing products or
17 services directly related to the preproduction, production, or
18 postproduction of motion pictures, made-for-television movies,
19 television programming, digital media projects, commercial
20 advertising, music videos, or sound recordings, including, but
21 not limited to, the broadcast industry.

22 Section 2. Section 288.1251, Florida Statutes, is
23 transferred, renumbered as section 288.913, Florida Statutes,
24 and amended to read:

25 288.913 ~~288.1251~~ Promotion and development of
26 entertainment industry; Division ~~Office~~ of Film and
27 Entertainment; creation; purpose; powers and duties.—

28 (1) CREATION.—

29 ~~(a)~~ The Division of Film and Entertainment is ~~There is~~
30 ~~hereby~~ created within Enterprise Florida, Inc., the department
31 ~~the Office of Film and Entertainment~~ for the purpose of
32 developing, recruiting, marketing, promoting, and providing
33 services to the state's entertainment industry. The division
34 shall serve as a liaison between the entertainment industry and
35 other state and local governmental agencies, local film
36 commissions, and labor organizations.

37 ~~(2)(b)~~ COMMISSIONER.—The Governor shall appoint the film
38 and entertainment commissioner, who shall serve at the pleasure
39 of the Governor ~~department shall conduct a national search for a~~
40 ~~qualified person to fill the position of Commissioner of Film~~

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41 ~~and Entertainment when the position is vacant. The executive~~
42 ~~director of the department has the responsibility to hire the~~
43 ~~film commissioner. The commissioner is subject to the~~
44 ~~requirements of s. 288.901(1)(c). Qualifications for the film~~
45 ~~commissioner include, but are not limited to, the following:~~

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

50 ~~(b)2. Marketing and promotion experience related to the~~
51 ~~film and entertainment industries to be served;~~

52 ~~(c)3. Experience working with a variety of individuals~~
53 ~~representing large and small entertainment-related businesses,~~
54 ~~industry associations, local community entertainment industry~~
55 ~~liaisons, and labor organizations; and~~

56 ~~(d)4. Experience working with a variety of state and local~~
57 ~~governmental agencies.~~

58 ~~(3) (2) POWERS AND DUTIES.-~~

59 ~~(a) The Division Office of Film and Entertainment, in~~
60 ~~performance of its duties, shall develop and:~~

61 ~~1. In consultation with the Florida Film and Entertainment~~
62 ~~Advisory Council, update a 5-year the strategic plan every 5~~
63 ~~years to guide the activities of the division Office of Film and~~
64 ~~Entertainment in the areas of entertainment industry~~
65 ~~development, marketing, promotion, liaison services, field~~
66 ~~office administration, and information. The plan shall:~~

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

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

69 ~~a.b.~~ ~~Include recommendations relating to The~~
70 organizational structure of the division, including any field
71 offices outside the state office.

72 b. The coordination of the division with local or regional
73 offices maintained by counties and regions of the state, local
74 film commissions, and labor organizations, and the coordination
75 of such entities with each other to facilitate a working
76 relationship.

77 c. Strategies to identify, solicit, and recruit
78 entertainment production opportunities for the state, including
79 implementation of programs for rural and urban areas designed to
80 develop and promote the state's entertainment industry.

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

83 ~~d.~~ ~~Include an operational model for the office to use in~~
84 ~~implementing programs for rural and urban areas designed to:~~

85 ~~(I) develop and promote the state's entertainment~~
86 ~~industry.~~

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

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

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92 ~~e.(IV) Provision of Provide~~ information and service to
93 businesses, communities, organizations, and individuals engaged
94 in entertainment industry activities.

95 ~~(V) Administer field offices outside the state and~~
96 ~~coordinate with regional offices maintained by counties and~~
97 ~~regions of the state, as described in sub-sub-subparagraph (II),~~
98 ~~as necessary.~~

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

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

103 ~~f. Include an assessment of, and make recommendations on,~~
104 ~~the feasibility of creating an alternative public-private~~
105 ~~partnership for the purpose of contracting with such a~~
106 ~~partnership for the administration of the state's entertainment~~
107 ~~industry promotion, development, marketing, and service~~
108 ~~programs.~~

109 ~~2. Develop, market, and facilitate a working relationship~~
110 ~~between state agencies and local governments in cooperation with~~
111 ~~local film commission offices for out-of-state and indigenous~~
112 ~~entertainment industry production entities.~~

113 ~~3. Implement a structured methodology prescribed for~~
114 ~~coordinating activities of local offices with each other and the~~
115 ~~commissioner's office.~~

116 (b) The division shall also:

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117 ~~1.4.~~ Represent the state's indigenous entertainment
118 industry to key decisionmakers within the national and
119 international entertainment industry, and to state and local
120 officials.

121 ~~2.5.~~ Prepare an inventory and analysis of the state's
122 entertainment industry, including, but not limited to,
123 information on crew, related businesses, support services, job
124 creation, talent, and economic impact and coordinate with local
125 offices to develop an information tool for common use.

126 ~~3.6.~~ Identify, solicit, and recruit entertainment
127 production opportunities for the state.

128 ~~4.7.~~ Assist rural communities and other small communities
129 in the state in developing the expertise and capacity necessary
130 for such communities to develop, market, promote, and provide
131 services to the state's entertainment industry.

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

134 1. Conduct or contract for specific promotion and
135 marketing functions, including, but not limited to, production
136 of a statewide directory, production and maintenance of an
137 Internet website, establishment and maintenance of a toll-free
138 telephone number, organization of trade show participation, and
139 appropriate cooperative marketing opportunities.

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

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143 3. Carry out any program of information, special events,
144 or publicity designed to attract entertainment industry to
145 Florida.

146 4. Develop relationships and leverage resources with other
147 public and private organizations or groups in their efforts to
148 publicize to the entertainment industry in this state, other
149 states, and other countries the depth of Florida's entertainment
150 industry talent, crew, production companies, production
151 equipment resources, related businesses, and support services,
152 including the establishment of and expenditure for a program of
153 cooperative advertising with these public and private
154 organizations and groups in accordance with the provisions of
155 chapter 120.

156 5. Provide and arrange for reasonable and necessary
157 promotional items and services for such persons as the division
158 ~~office~~ deems proper in connection with the performance of the
159 promotional and other duties of the division ~~office~~.

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

162 7. Request or accept any grant, payment, or gift of funds
163 or property made by this state, the United States, or any
164 department or agency thereof, or by any individual, firm,
165 corporation, municipality, county, or organization, for ~~any or~~
166 ~~all of~~ the purposes of the ~~Office of Film and Entertainment's~~ 5-
167 year strategic plan or those permitted activities enumerated in
168 this paragraph. Such funds shall be deposited in a separate

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169 ~~account the Grants and Donations Trust Fund of the Executive~~
170 ~~Office of the Governor~~ for use by the division ~~Office of Film~~
171 ~~and Entertainment~~ in carrying out its responsibilities and
172 duties ~~as delineated in law~~. The division ~~office~~ may expend such
173 funds in accordance with the terms and conditions of any such
174 grant, payment, or gift in the pursuit of its administration or
175 in support of fulfilling its duties and responsibilities. The
176 division ~~office~~ shall separately account for the public funds
177 and the private funds deposited into the account ~~trust fund~~.

178 Section 3. Section 288.1252, Florida Statutes, is
179 transferred, renumbered as section 288.914, Florida Statutes,
180 and amended to read:

181 288.914 ~~288.1252~~ Florida Film and Entertainment Advisory
182 Council; ~~creation;~~ purpose; membership; powers and duties.—

183 ~~(1) CREATION. There is created within the department, for~~
184 ~~administrative purposes only, the Florida Film and Entertainment~~
185 ~~Advisory Council.~~

186 (1)(2) CREATION AND PURPOSE.—The Florida Film and
187 Entertainment Advisory Council is created ~~purpose of the Council~~
188 ~~is~~ to serve as an advisory body to the Division of Film and
189 Entertainment within Enterprise Florida, Inc., and department
190 ~~and to the Office of Film and Entertainment~~ to provide these
191 ~~offices with~~ industry insight and expertise related to
192 developing, marketing, and promoting, ~~and providing service to~~
193 the state's entertainment industry.

194 (2)(3) MEMBERSHIP.—

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195 (a) The council shall consist of 11 ~~17~~ members, 5 ~~7~~ to be
196 appointed by the Governor, 3 ~~5~~ to be appointed by the President
197 of the Senate, and 3 ~~5~~ to be appointed by the Speaker of the
198 House of Representatives.

199 (b) When making appointments to the council, the Governor,
200 the President of the Senate, and the Speaker of the House of
201 Representatives shall appoint persons who are residents of the
202 state and who are highly knowledgeable of, active in, and
203 recognized leaders in Florida's motion picture, television,
204 video, sound recording, or other entertainment industries. These
205 persons shall include, but not be limited to, representatives of
206 local film commissions, representatives of entertainment
207 associations, a representative of the broadcast industry,
208 representatives of labor organizations in the entertainment
209 industry, and board chairs, presidents, chief executive
210 officers, chief operating officers, or persons of comparable
211 executive position or stature of leading or otherwise important
212 entertainment industry businesses and offices. Council members
213 shall be appointed in such a manner as to equitably represent
214 the broadest spectrum of the entertainment industry and
215 geographic areas of the state.

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

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221 (d) Subsequent appointments shall be made by the official
222 who appointed the council member whose expired term is to be
223 filled.

224 (e) A representative of Enterprise Florida, Inc., a
225 representative of Workforce Florida, Inc., and a representative
226 of VISIT Florida shall serve as ex officio, nonvoting members of
227 the council, ~~and shall be~~ in addition to the 11 ~~17~~ appointed
228 members ~~of the council~~.

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

231 (g) A vacancy on the council shall be filled for the
232 remainder of the unexpired term by the official who appointed
233 the vacating member.

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

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

238 (3) ~~(4)~~ MEETINGS; ORGANIZATION.—

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

242 (b) The council shall annually elect from its appointed
243 membership one member to serve as chair ~~of the council~~ and one
244 member to serve as vice chair. The Division ~~Office~~ of Film and
245 Entertainment shall provide staff assistance to the council,
246 which must ~~shall~~ include, but need not be limited to, keeping

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247 records of the proceedings of the council, and serving as
248 custodian of all books, documents, and papers filed with the
249 council.

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

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

256 ~~(4)-(5)~~ POWERS AND DUTIES.—The Florida Film and
257 Entertainment Advisory Council shall have all the power ~~powers~~
258 ~~necessary or convenient~~ to carry out ~~and effectuate the purposes~~
259 ~~and provisions of~~ this act, including, but not limited to, the
260 power to:

261 (a) Adopt bylaws for the governance of its affairs and the
262 conduct of its business.

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

267 (c) ~~Review the Commissioner of Film and Entertainment's~~
268 ~~administration of the programs related to the strategic plan,~~
269 ~~and~~ Advise the Division of Film and Entertainment ~~commissioner~~
270 on the division's programs and any changes that might be made to
271 better meet the strategic plan.

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272 (d) Consider and study the needs of the entertainment
273 industry for the purpose of advising the Division of Film and
274 Entertainment ~~film commissioner and the department.~~

275 (e) ~~Identify and make recommendations on state agency and~~
276 ~~local government actions that may have an impact on the~~
277 ~~entertainment industry or that may appear to industry~~
278 ~~representatives as an official state or local actions ~~action~~~~
279 ~~affecting production in the state, and advise the Division of~~
280 ~~Film and Entertainment of such actions.~~

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

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

287 ~~(g)(h) Suggest policies and practices for the conduct of~~
288 ~~business by the Office of Film and Entertainment or by the~~
289 ~~department that will improve interaction with ~~internal~~~~
290 ~~operations affecting the entertainment industry and will enhance~~
291 ~~related state the economic development initiatives of the state~~
292 ~~for the industry.~~

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

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296 Section 4. Section 288.1253, Florida Statutes, is
297 transferred, renumbered as section 288.915, Florida Statutes,
298 and amended to read:

299 288.915 ~~288.1253~~ Travel and entertainment expenses.—

300 (1) As used in this section, the term "travel expenses"
301 means the actual, necessary, and reasonable costs of
302 transportation, meals, lodging, and incidental expenses normally
303 incurred by an employee of the Division Office of Film and
304 Entertainment within Enterprise Florida, Inc., as which costs
305 ~~are~~ defined and prescribed by ~~rules adopted by the~~ department
306 rule, subject to approval by the Chief Financial Officer.

307 (2) Notwithstanding ~~the provisions of~~ s. 112.061, the
308 department shall adopt rules by which the Division of Film and
309 Entertainment ~~it~~ may make expenditures by reimbursement to~~+~~ the
310 Governor, the Lieutenant Governor, security staff of the
311 Governor or Lieutenant Governor, the Commissioner of Film and
312 Entertainment, or staff of the Division Office of Film and
313 Entertainment for travel expenses or entertainment expenses
314 incurred by such individuals solely and exclusively in
315 connection with the performance of the statutory duties of the
316 division Office ~~of Film and Entertainment~~. The rules are subject
317 to approval by the Chief Financial Officer before adoption. The
318 rules shall require the submission of paid receipts, or other
319 proof of expenditure prescribed by the Chief Financial Officer,
320 with any claim for reimbursement.

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321 (3) The Division Office of Film and Entertainment shall
322 include in the annual report for the entertainment industry
323 ~~financial incentive~~ program required under s. 288.1254
324 ~~288.1254(10)~~ a report of the division's office's expenditures
325 for the previous fiscal year. The report must consist of a
326 summary of all travel, entertainment, and incidental expenses
327 incurred within the United States and all travel, entertainment,
328 and incidental expenses incurred outside the United States, as
329 well as a summary of all successful projects that developed from
330 such travel.

331 (4) The Division Office of Film and Entertainment and its
332 employees and representatives, when authorized, may accept and
333 use complimentary travel, accommodations, meeting space, meals,
334 equipment, transportation, and any other goods or services
335 necessary for or beneficial to the performance of the division's
336 ~~office's~~ duties and purposes, so long as such acceptance or use
337 is not in conflict with part III of chapter 112. The department
338 shall, by rule, develop internal controls to ensure that such
339 goods or services accepted or used pursuant to this subsection
340 are limited to those that will assist solely and exclusively in
341 the furtherance of the division's office's goals and are in
342 compliance with part III of chapter 112. Notwithstanding this
343 subsection, the division and its employees and representatives
344 may not accept any complimentary travel, accommodations, meeting
345 space, meals, equipment, transportation, or any other goods or
346 services from an entity or party, including an employee,

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347 designee, or representative of such entity or party, which has
348 received, has applied to receive, or anticipates that it will
349 receive through an application, funds under s. 288.1256. If the
350 division or its employee or representative accepts such goods or
351 services, the division or its employee or representative is
352 subject to the penalties provided in s. 112.317.

353 (5) Any claim submitted under this section is not required
354 to be sworn to before a notary public or other officer
355 authorized to administer oaths, but any claim authorized or
356 required to be made under any provision of this section shall
357 contain a statement that the expenses were actually incurred as
358 necessary travel or entertainment expenses in the performance of
359 official duties of the Division ~~Office~~ of Film and Entertainment
360 and shall be verified by written declaration that it is true and
361 correct as to every material matter. Any person who willfully
362 makes and subscribes to any claim that ~~which~~ he or she does not
363 believe to be true and correct as to every material matter or
364 who willfully aids or assists in, procures, or counsels or
365 advises with respect to, the preparation or presentation of a
366 claim pursuant to this section which ~~that~~ is fraudulent or false
367 as to any material matter, whether such falsity or fraud is with
368 the knowledge or consent of the person authorized or required to
369 present the claim, commits a misdemeanor of the second degree,
370 punishable as provided in s. 775.082 or s. 775.083. Whoever
371 receives a reimbursement by means of a false claim is civilly

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372 liable, in the amount of the overpayment, for the reimbursement
373 of the public fund from which the claim was paid.

374 Section 5. Section 288.1254, Florida Statutes, is amended
375 to read:

376 288.1254 Entertainment industry ~~financial incentive~~
377 program.—

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

379 (a) "Certified production" means a qualified production
380 that has tax credits allocated to it by the department based on
381 the production's estimated qualified expenditures, up to the
382 production's maximum certified amount of tax credits, by the
383 department. The term does not include a production if its first
384 day of principal photography or project start date in this state
385 occurs before the production is certified by the department,
386 unless the production spans more than 1 fiscal year, was a
387 certified production on its first day of principal photography
388 or project start date in this state, and submits an application
389 for continuing the same production for the subsequent fiscal
390 year.

391 (b) "Digital media project" means a production of
392 interactive entertainment that is produced for distribution in
393 commercial or educational markets. The term includes a video
394 game or production intended for Internet or wireless
395 distribution, an interactive website, digital animation, and
396 visual effects, including, but not limited to, three-dimensional
397 movie productions and movie conversions. The term does not

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398 include a production that contains content that is obscene as
399 defined in s. 847.001.

400 (c) "Family-friendly production" means a production that
401 has cross-generational appeal; is considered suitable for
402 viewing by children age 5 or older; is appropriate in theme,
403 content, and language for a broad family audience; embodies a
404 responsible resolution of issues; and does not exhibit or imply
405 any act of smoking, sex, nudity, or vulgar or profane language
406 ~~"High-impact digital media project" means a digital media~~
407 ~~project that has qualified expenditures greater than \$4.5~~
408 ~~million.~~

409 (d) "High-impact television production series" means:
410 1. A production created to run multiple production seasons
411 which has and having an estimated order of at least seven
412 episodes per season and qualified expenditures of at least \$1
413 million ~~\$625,000~~ per episode; or
414 2. A telenovela that has qualified expenditures of more
415 than \$6 million; a minimum of 45 principal photography days
416 filmed in this state; a production cast, including background
417 actors, and a crew of which at least 90 percent are legal
418 residents of this state; and at least 90 percent of its
419 production occurring in this state.

420 (e) ~~"Off-season certified production" means a feature~~
421 ~~film, independent film, or television series or pilot that films~~
422 ~~75 percent or more of its principal photography days from June 1~~
423 ~~through November 30.~~

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424 ~~(f)~~ "Principal photography" means the filming of major or
425 significant components of the qualified production which involve
426 lead actors.

427 (f)~~(g)~~ "Production" means a theatrical, ~~or~~ direct-to-
428 video, or direct-to-Internet motion picture; a made-for-
429 television motion picture; visual effects or digital animation
430 sequences produced in conjunction with a motion picture; a
431 commercial; a music video; an industrial or educational film; an
432 infomercial; a documentary film; a television pilot program; a
433 presentation for a television pilot program; a television
434 series, including, but not limited to, a drama, a reality show,
435 a comedy, a soap opera, a telenovela, a game show, an awards
436 show, or a miniseries production; a direct-to-Internet
437 television series; or a digital media project by the
438 entertainment industry. One season of a television series is
439 considered one production. The term does not include a weather
440 or market program; a sporting event or a sporting event
441 broadcast; a gala; a production that solicits funds; a home
442 shopping program; a political program; a political documentary;
443 political advertising; a gambling-related project or production;
444 a concert production; a local, regional, or Internet-
445 distributed-only news show or current-events show; a sports news
446 or sports recap show; a pornographic production; or any
447 production deemed obscene under chapter 847. A production may be
448 produced on or by film, tape, or otherwise by means of a motion
449 picture camera; electronic camera or device; tape device;

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450 computer; any combination of the foregoing; or any other means,
451 method, or device.

452 (g)~~(h)~~ "Production expenditures" means the costs of
453 tangible and intangible property used for, and services
454 performed primarily and customarily in, production, including
455 preproduction and postproduction, but excluding costs for
456 development, marketing, and distribution. The term includes, but
457 is not limited to:

458 1. Wages, salaries, or other compensation paid to legal
459 residents of this state, including amounts paid through payroll
460 service companies, for technical and production crews,
461 directors, producers, and performers.

462 2. Net expenditures for sound stages, backlots, production
463 editing, digital effects, sound recordings, sets, and set
464 construction.

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

467 4. Up to \$300,000 of the costs of newly purchased computer
468 software and hardware unique to the project, including servers,
469 data processing, and visualization technologies, which are
470 located in and used exclusively in this ~~the~~ state for the
471 production of digital media.

472 5. Expenditures for meals, travel, and accommodations. For
473 purposes of this paragraph, the term "net expenditures" means
474 the actual amount of money a qualified production spent for
475 equipment or other tangible personal property, after subtracting

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476 any consideration received for reselling or transferring the
477 item after the qualified production ends, if applicable.

478 ~~(h)-(i)~~ "Qualified expenditures" means production
479 expenditures incurred in this state by a qualified production
480 for:

481 1. Goods purchased or leased from, or services, including,
482 but not limited to, insurance costs and bonding, payroll
483 services, and legal fees, which are provided by, a vendor or
484 supplier in this state that is registered with the Department of
485 State or the Department of Revenue, has a physical location in
486 this state, and employs one or more legal residents of this
487 state. This does not include rebilled goods or services provided
488 by an in-state company from out-of-state vendors or suppliers.
489 When services provided by the vendor or supplier include
490 personal services or labor, only personal services or labor
491 provided by residents of this state, evidenced by the required
492 documentation of residency in this state, qualify.

493 2. Payments to legal residents of this state in the form
494 of salary, wages, or other compensation up to a maximum of
495 \$400,000 per resident unless otherwise specified in subsection
496 (4). A completed declaration of residency in this state must
497 accompany the documentation submitted to the department ~~office~~
498 for reimbursement.

499

500 For a qualified production involving an event, such as an awards
501 show, the term does not include expenditures solely associated

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502 with the event itself and not directly required by the
503 production. The term does not include expenditures incurred
504 before certification, with the exception of those incurred for a
505 commercial, a music video, or the pickup of additional episodes
506 of a high-impact television production series within a single
507 season. ~~Under no circumstances may~~ The qualified production may
508 not include in the calculation for qualified expenditures the
509 original purchase price for equipment or other tangible property
510 that is later sold or transferred by the qualified production
511 for consideration. In such cases, the qualified expenditure is
512 the net of the original purchase price minus the consideration
513 received upon sale or transfer.

514 ~~(i)-(j)~~ "Qualified production" means a production in this
515 state meeting the requirements of this section. The term does
516 not include a production:

517 1. In which, ~~for the first 2 years of the incentive~~
518 ~~program, less than 50 percent, and thereafter, less than 60~~
519 ~~percent,~~ of the positions that make up its production cast and
520 below-the-line production crew, or, in the case of digital media
521 projects, less than 75 percent of such positions, are filled by
522 legal residents of this state, whose residency is demonstrated
523 by a valid Florida driver license or other state-issued
524 identification confirming residency, or students enrolled full-
525 time in an entertainment-related ~~a film and entertainment-~~
526 ~~related~~ course of study at an institution of higher education in
527 this state; or

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528 2. That contains obscene content as defined in s.
529 847.001(10).

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

533 ~~(l)~~ "Qualified digital media production facility" means a
534 building or series of buildings and their improvements in which
535 data processing, visualization, and sound synchronization
536 technologies are regularly applied for the production of
537 qualified digital media projects or the digital animation
538 components of qualified productions.

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

545 ~~(n)~~ "Regional population ratio" means the ratio of the
546 population of a region to the population of this state. The
547 regional population ratio applicable to a given fiscal year is
548 the regional population ratio calculated by the Office of Film
549 and Entertainment using the latest official estimates of
550 population certified under s. 186.901, available on the first
551 day of that fiscal year.

552 ~~(o)~~ "Regional tax credit ratio" means a ratio the
553 numerator of which is the sum of tax credits awarded to

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554 ~~productions in a region to date plus the tax credits certified,~~
555 ~~but not yet awarded, to productions currently in that region and~~
556 ~~the denominator of which is the sum of all tax credits awarded~~
557 ~~in the state to date plus all tax credits certified, but not yet~~
558 ~~awarded, to productions currently in the state. The regional tax~~
559 ~~credit ratio applicable to a given year is the regional tax~~
560 ~~credit ratio calculated by the Office of Film and Entertainment~~
561 ~~using credit award and certification information available on~~
562 ~~the first day of that fiscal year.~~

563 ~~(p) "Underutilized region" for a given state fiscal year~~
564 ~~means a region with a regional tax credit ratio applicable to~~
565 ~~that fiscal year that is lower than its regional population~~
566 ~~ratio applicable to that fiscal year. The following regions are~~
567 ~~established for purposes of making this determination:~~

568 ~~1. North Region, consisting of Alachua, Baker, Bay,~~
569 ~~Bradford, Calhoun, Clay, Columbia, Dixie, Duval, Escambia,~~
570 ~~Franklin, Gadsden, Gilchrist, Gulf, Hamilton, Holmes, Jackson,~~
571 ~~Jefferson, Lafayette, Leon, Levy, Liberty, Madison, Nassau,~~
572 ~~Okaloosa, Putnam, Santa Rosa, St. Johns, Suwannee, Taylor,~~
573 ~~Union, Wakulla, Walton, and Washington Counties.~~

574 ~~2. Central East Region, consisting of Brevard, Flagler,~~
575 ~~Indian River, Lake, Okeechobee, Orange, Osceola, Seminole, St.~~
576 ~~Lucie, and Volusia Counties.~~

577 ~~3. Central West Region, consisting of Citrus, Hernando,~~
578 ~~Hillsborough, Manatee, Marion, Polk, Pasco, Pinellas, Sarasota,~~
579 ~~and Sumter Counties.~~

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

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

584 ~~(k) (a)~~ "Interactive website" means a website or group of
585 websites that includes interactive and downloadable content, and
586 creates 25 new Florida full-time equivalent positions operating
587 from a principal place of business located within Florida. An
588 interactive website or group of websites must provide
589 documentation that those jobs were created to the department
590 before ~~Office of Film and Entertainment~~ prior to the award of
591 tax credits. Each subsequent program application must provide
592 proof that 25 Florida full-time equivalent positions are
593 maintained.

594 (1) "Underutilized county" means a county in which less
595 than \$500,000 in qualified expenditures were made in the last 2
596 fiscal years.

597 (2) CREATION AND PURPOSE OF PROGRAM.—The entertainment
598 industry ~~financial incentive~~ program is created within the
599 department ~~Office of Film and Entertainment. The purpose of this~~
600 ~~program is~~ to encourage the use of this state as a site for
601 entertainment production, for filming, and for the digital
602 production of entertainment films, and to develop and sustain
603 the workforce and infrastructure for film, digital media, and
604 entertainment production.

605 (3) APPLICATION PROCEDURE; APPROVAL PROCESS.—

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606 (a) *Program application.*—A qualified production company
607 producing a qualified production in this state may submit a
608 program application to the Division ~~Office~~ of Film and
609 Entertainment for the purpose of determining qualification for
610 an award of tax credits authorized by this section no earlier
611 than 180 days before the first day of principal photography or
612 project start date in this state. The applicant shall provide
613 the division ~~Office of Film and Entertainment~~ with information
614 required to determine whether the production is a qualified
615 production and to determine the qualified expenditures and other
616 information necessary for the division and the department ~~office~~
617 to determine eligibility for the tax credit.

618 (b) *Required documentation.*—The department, in
619 consultation with the division, ~~Office of Film and Entertainment~~
620 shall develop an application form for qualifying an applicant as
621 a qualified production. The form must include, but need not be
622 limited to, production-related information concerning employment
623 of residents in this state; ; a detailed budget of planned
624 qualified expenditures and aggregate nonqualified expenditures,
625 including capital investment, in this state; proof of financing
626 for the production; ; and the applicant's signed affirmation that
627 the information on the form has been verified and is correct.
628 The division ~~Office of Film and Entertainment~~ and local film
629 commissions shall distribute the form.

630 (c) *Application process.*—The division ~~Office of Film and~~
631 ~~Entertainment~~ shall establish a process by which an application

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632 is accepted and reviewed and by which tax credit eligibility and
633 award amount are determined.

634 1. The division shall review, evaluate, and rank
635 applications for each queue, as provided in subsection (4),
636 using the following evaluation criteria, with priority given in
637 descending order, with the highest priority given to sub-
638 subparagraph a.:

639 a. The number of state residents that will be employed in
640 full-time equivalent and part-time positions related to the
641 project, and the duration of such employment and the average
642 wages paid to such residents. Preference shall be given to a
643 project that expects to pay higher than the statewide average
644 wage.

645 b. The amount of qualified and nonqualified expenditures
646 that will be made in this state.

647 c. The duration of the project in this state, including
648 whether production will occur in an underutilized county.

649 d. The length of time for planned preproduction and
650 postproduction scheduled to occur in this state.

651 e. The amount of capital investment, especially fixed
652 capital investment, to be made directly by the production
653 company in this state related to the project and the amount of
654 any other capital investment to be made in this state related to
655 the project.

656 f. The local support and amount of any financial
657 commitment for the project.

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658 2. The Division of Film and Entertainment shall designate
659 two application cycles per fiscal year for qualified production
660 companies to submit applications pursuant to this section. Each
661 application cycle must consist of an application submittal
662 deadline and a subsequent review period. The two application
663 deadlines shall be separated in time by at least 4 months. The
664 first application cycle must be "Application Cycle A," and the
665 second application cycle must be "Application Cycle B." Each
666 applicant must designate the cycle for which the applicant is
667 applying.

668 3. The Division of Film and Entertainment shall designate
669 the length of the review period for each application cycle which
670 must immediately follow its corresponding application deadline.
671 The review cycle may not exceed 30 days. During each review
672 period, the Division of Film and Entertainment shall:

673 a. Review each timely received application to ensure that
674 the application is complete and shall label each application
675 according to its queue as specified in subsection (4).

676 b. Recommend rankings for applications pursuant to the
677 criteria in subparagraph 1.

678 c. Submit each complete and timely received application
679 along with the recommended application rankings to the
680 department no later than 1 day after the end of the review
681 cycle. Applications that do not meet the requirements of this
682 section may not be ranked.

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683 4. Applications that are not timely received or complete
684 may not be carried forward to a subsequent application cycle.

685 5. A certified high-impact television production may
686 submit an initial application for no more than two successive
687 seasons, notwithstanding the fact that the second season has not
688 been ordered. The qualified expenditure amounts for the second
689 season shall be based on the current season's estimated
690 qualified expenditures. Upon the completion of production of
691 each season, a high-impact television production may submit an
692 application for only one additional season. To be certified for
693 a tax credit, the applicant must agree to notify the department
694 within 10 days if the additional season is not ordered or is
695 canceled.

696 ~~The Office of Film and Entertainment may request assistance~~
697 ~~from a duly appointed local film commission in determining~~
698 ~~compliance with this section. A certified high-impact television~~
699 ~~series may submit an initial application for no more than two~~
700 ~~successive seasons, notwithstanding the fact that the successive~~
701 ~~seasons have not been ordered. The successive season's qualified~~
702 ~~expenditure amounts shall be based on the current season's~~
703 ~~estimated qualified expenditures. Upon the completion of~~
704 ~~production of each season, a high-impact television series may~~
705 ~~submit an application for no more than one additional season.~~

706 (d) *Certification.*—

707 1. The department Office of Film and Entertainment shall
708 review the applications and recommendations by the division

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709 ~~application~~ within 15 business days after receipt from the
710 division. ~~Upon its determination that~~ The department shall
711 determine if each application contains all the information
712 required by this subsection and meets the criteria set out in
713 this section. Going from the highest-ranked and recommended
714 application to the lowest-ranked application, the department,
715 ~~the Office of Film and Entertainment~~ shall determine, for each
716 application, whether to certify ~~qualify the applicant and~~
717 ~~recommend to the department that the applicant be certified for~~
718 ~~the maximum tax credit award amount. Within 5 business days~~
719 ~~after receipt of the recommendation, the department shall reject~~
720 ~~the recommendation or certify the maximum recommended tax credit~~
721 ~~award, if any funds are available, to the applicant and to the~~
722 ~~executive director of the Department of Revenue; or to reject~~
723 ~~the request for the tax credit pursuant to paragraph (f).~~

724 2. The department may certify only up to 50 percent of the
725 credits available in a fiscal year for Application Cycle A of
726 the fiscal year. All remaining tax credits in the fiscal year
727 may be certified in Application Cycle B. The department may not
728 certify tax credits in an amount greater than the allocation for
729 a specified fiscal year, as determined under subsection (7).

730 (e) Employment.—Upon certification by the department, the
731 production must provide the department and the Division of Film
732 and Entertainment with a single point of contact and information
733 related to the production's needs for cast, crew, contractors,
734 and vendors. The division shall publish this information online,

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735 including the type of production, the projected start date of
736 the production, the locations in this state for such production,
737 and the e-mail or other contact information for the production's
738 point of contact. The department, in consultation with the
739 division, may adopt procedures for a production to post such
740 information itself within 7 days after certification.

741 ~~(f)(e) Grounds for denial.~~—The department ~~Office of Film~~
742 ~~and Entertainment~~ shall deny an application if it determines
743 that the application is not complete, ~~or~~ the production or
744 application does not meet the requirements of this section, or
745 the application is not ranked by the division. Within 90 days
746 ~~after submitting a program application, except with respect to~~
747 ~~applications in the independent and emerging media queue, a~~
748 ~~production must provide proof of project financing to the Office~~
749 ~~of Film and Entertainment, otherwise the project is deemed~~
750 ~~denied and withdrawn.~~ A project that has been denied ~~withdrawn~~
751 may submit a new application in a subsequent application cycle
752 ~~upon providing the Office of Film and Entertainment proof of~~
753 ~~financing.~~

754 ~~(g)(f) Verification of actual qualified expenditures.~~—

755 1. The department, in consultation with the Division
756 ~~Office of Film and Entertainment,~~ shall develop a process to
757 verify the actual qualified expenditures of a certified
758 production. The process must require:

759 a. A certified production to submit, within 180 days ~~in a~~
760 ~~timely manner~~ after production ends in this state and after

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761 making all of its qualified expenditures in this state, data
762 substantiating each qualified expenditure, including
763 documentation ~~of~~ ~~on~~ the net expenditure on equipment and other
764 tangible personal property by the qualified production and all
765 production-related information on full- and part-time employment
766 and wages paid to residents of this state, to an independent
767 certified public accountant licensed in this state;

768 b. Such accountant to conduct a compliance audit, at the
769 certified production's expense, to substantiate each qualified
770 expenditure and submit the results as a report, along with the
771 required substantiating data, to the department ~~Office of Film~~
772 ~~and Entertainment~~; and

773 c. The department ~~Office of Film and Entertainment~~ to
774 review the accountant's submittal and verify ~~report to the~~
775 ~~department~~ the final ~~verified~~ amount of actual qualified
776 expenditures made by the certified production.

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

780 3.2. The department shall determine and approve the final
781 tax credit award amount to each certified applicant based on the
782 final verified amount of actual qualified expenditures and
783 evidence that the qualified production met the requirements of
784 this section. The department shall notify the executive director
785 of the Department of Revenue in writing that the certified
786 production has met the requirements of the ~~incentive~~ program and

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787 of the final amount of the tax credit award. The final tax
788 credit award amount may not exceed the maximum tax credit award
789 amount certified under paragraph (d).

790 (h) ~~(g)~~ Promoting Florida.—The department ~~Office of Film~~
791 ~~and Entertainment~~ shall ensure that, as a condition of receiving
792 a tax credit under this section, marketing materials promoting
793 this state as a tourist destination or film and entertainment
794 production destination are included, when appropriate, at no
795 cost to the state, in the qualified production or as otherwise
796 required by the department and the Division of Film and
797 Entertainment. The Division of Film and Entertainment shall
798 provide the Florida Tourism Industry Marketing Corporation with
799 the contact information for each qualified production in order
800 for the corporation to work with the qualified production to
801 develop the marketing materials promoting this state. The
802 marketing materials ~~which~~ must, at a minimum, include placement
803 of the "Visit Florida" logo and a "Filmed in Florida" or
804 "Produced in Florida" logo in the end credits. The placement of
805 the "Visit Florida" logo and a "Filmed in Florida" or "Produced
806 in Florida" logo on all packaging material and hard media is
807 also required, unless such placement is prohibited by licensing
808 or other contractual obligations. The ~~sizes~~ size and placements
809 ~~placement~~ of such logos ~~logo~~ shall be commensurate to other
810 logos used. If no logos are used, the statement "Filmed in
811 Florida using Florida's Entertainment Industry Program ~~Financial~~
812 ~~Incentive,~~" or a similar statement approved by the Division

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813 ~~Office~~ of Film and Entertainment, shall be used. The Division
814 ~~Office~~ of Film and Entertainment shall provide a logo and supply
815 it for the purposes specified in this paragraph. A 30-second
816 "Visit Florida" promotional video must also be included on all
817 optical disc formats of a film, unless such placement is
818 prohibited by licensing or other contractual obligations. The
819 30-second promotional video shall be approved and provided by
820 the Florida Tourism Industry Marketing Corporation in
821 consultation with the Division Commissioner of Film and
822 Entertainment. The marketing materials must also include a link
823 to the Florida Tourism Industry Marketing Corporation website or
824 another website designated by the department on the certified
825 applicant's website or the production's website for the entire
826 term of the production. If the certified applicant cannot
827 provide such link, it must provide a promotional opportunity of
828 equal or greater value as approved by the department and the
829 division.

830 (4) TAX CREDIT ELIGIBILITY; TAX CREDIT AWARDS; QUEUES;
831 ELECTION AND DISTRIBUTION; CARRYFORWARD; CONSOLIDATED RETURNS;
832 PARTNERSHIP AND NONCORPORATE DISTRIBUTIONS; MERGERS AND
833 ACQUISITIONS.—

834 (a) ~~Priority for tax credit award. The priority of a~~
835 ~~qualified production for tax credit awards must be determined on~~
836 ~~a first-come, first-served basis within its appropriate queue.~~
837 ~~Each qualified production must be placed into the appropriate~~
838 ~~queue and is subject to the requirements of that queue.~~

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839 ~~(b) Tax credit eligibility.—Each qualified production must~~
840 ~~be placed into the appropriate queue and is subject to the~~
841 ~~requirements of that queue.~~

842 1. General production queue.—Ninety-four percent of tax
843 credits authorized pursuant to subsection (7) ~~(6)~~ in any state
844 fiscal year must be dedicated to the general production queue.
845 The general production queue consists of all qualified
846 productions other than those eligible for the commercial and
847 music video queue or the independent and emerging media
848 production queue. A qualified production that demonstrates a
849 minimum of \$625,000 in qualified expenditures is eligible for
850 tax credits equal to 20 percent of its actual qualified
851 expenditures, up to a maximum of \$8 million. A qualified
852 production that incurs qualified expenditures during multiple
853 state fiscal years may combine those expenditures to satisfy the
854 \$625,000 minimum threshold.

855 a. ~~An off-season certified production that is a feature~~
856 ~~film, independent film, or television series or pilot is~~
857 ~~eligible for an additional 5 percent tax credit on actual~~
858 ~~qualified expenditures. An off-season certified production that~~
859 ~~does not complete 75 percent of principal photography due to a~~
860 ~~disruption caused by a hurricane or tropical storm may not be~~
861 ~~disqualified from eligibility for the additional 5 percent~~
862 ~~credit as a result of the disruption.~~

863 b. ~~If more than 45 percent of the sum of total tax credits~~
864 ~~initially certified and awarded after April 1, 2012, total tax~~

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865 ~~credits initially certified after April 1, 2012, but not yet~~
866 ~~awarded, and total tax credits available for certification after~~
867 ~~April 1, 2012, but not yet certified has been awarded for high-~~
868 ~~impact television series, then no high-impact television series~~
869 ~~is eligible for tax credits under this subparagraph. Tax credits~~
870 ~~initially certified for a high-impact television series after~~
871 ~~April 1, 2012, may not be awarded if the award will cause the~~
872 ~~percentage threshold in this sub-subparagraph to be exceeded.~~
873 ~~This sub-subparagraph does not prohibit the award of tax credits~~
874 ~~certified before April 1, 2012, for high-impact television~~
875 ~~series.~~

876 ~~e. Subject to sub-subparagraph b., First priority in the~~
877 ~~queue for tax credit awards not yet certified shall be given to~~
878 ~~high-impact television series and high-impact digital media~~
879 ~~projects. For the purposes of determining priority between a~~
880 ~~high-impact television series and a high-impact digital media~~
881 ~~project, the first position must go to the first application~~
882 ~~received. Thereafter, priority shall be determined by~~
883 ~~alternating between a high-impact television series and a high-~~
884 ~~impact digital media project on a first-come, first-served~~
885 ~~basis. However, if the Office of Film and Entertainment receives~~
886 ~~an application for a high-impact television series or high-~~
887 ~~impact digital media project that would be certified but for the~~
888 ~~alternating priority, the office may certify the project as~~
889 ~~being in the priority position if an application that would~~

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890 normally be the priority position is not received within 5
891 business days.

892 ~~d.~~ A qualified production for which at least 70 ~~67~~ percent
893 of its principal photography days occur within a county ~~region~~
894 designated as an underutilized county ~~region~~ at the time that
895 the production is certified is eligible for an additional 5
896 percent tax credit.

897 ~~b.e.~~ A qualified production that employs students enrolled
898 full-time in a film and entertainment-related or digital media-
899 related course of study at an institution of higher education in
900 this state, individuals participating in the Road-to-
901 Independence Program under s. 409.1451, individuals with
902 developmental disabilities as defined in s. 393.063 residing in
903 this state, and veterans residing in this state, is eligible for
904 an additional 15 percent tax credit on qualified expenditures
905 that are wages, salaries, or other compensation paid to such
906 students. The additional 15 percent tax credit is also
907 applicable to persons hired within 12 months after graduating
908 from a film and entertainment-related or digital media-related
909 course of study at an institution of higher education in this
910 state. The additional 15 percent tax credit applies to qualified
911 expenditures that are wages, salaries, or other compensation
912 paid to such recent graduates for 1 year after the date of
913 hiring.

914 ~~f.~~ A qualified production for which 50 percent or more of
915 its principal photography occurs at a qualified production

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916 ~~facility, or a qualified digital media project or the digital~~
917 ~~animation component of a qualified production for which 50~~
918 ~~percent or more of the project's or component's qualified~~
919 ~~expenditures are related to a qualified digital media production~~
920 ~~facility, is eligible for an additional 5 percent tax credit on~~
921 ~~actual qualified expenditures for production activity at that~~
922 ~~facility.~~

923 c. A qualified production that completes a capital
924 investment in this state of at least \$2 million for property
925 improvements before the completion of the qualified production,
926 is eligible for an additional 5 percent tax credit. The capital
927 investment must be permanent and must be made after July 1,
928 2015, and the property must remain in this state after the
929 production ends. A capital investment may be the basis of an
930 application only once, unless the qualified production makes an
931 additional \$2 million of substantial changes to the property.

932 d. A qualified production determined by the department to
933 be a family-friendly production, based on review of the script
934 and review of the final release version, is eligible for an
935 additional 5 percent tax credit. The department must consult
936 with the Division of Film and Entertainment in making this
937 determination.

938 e.g. A qualified production is not eligible for tax
939 credits provided under this paragraph totaling more than 25 ~~30~~
940 percent of its actual qualified expenses.

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941 2. Commercial and music video queue.—Three percent of tax
942 credits authorized pursuant to subsection (7) ~~(6)~~ in any state
943 fiscal year must be dedicated to the commercial and music video
944 queue. A qualified production company that produces national or
945 regional commercials ~~or music videos~~ may be eligible for a tax
946 credit award if it demonstrates a minimum of \$100,000 in
947 qualified expenditures per national or regional commercial ~~or~~
948 ~~music video~~ and exceeds a combined threshold of \$500,000 after
949 combining actual qualified expenditures from qualified
950 commercials ~~and music videos~~ during a single state fiscal year.
951 After a qualified production company that produces commercials,
952 ~~music videos, or both~~ reaches the threshold of \$500,000, it is
953 eligible to apply for certification for a tax credit award. The
954 maximum credit award for a qualified production company that
955 produces commercials shall be equal to 20 percent of its actual
956 qualified expenditures up to a maximum of \$500,000. A qualified
957 production company that produces music videos may be eligible
958 for a tax credit if it demonstrates a minimum of \$25,000 in
959 qualified expenditures per music video and exceeds a combined
960 threshold of \$125,000 after combining actual qualified
961 expenditures from qualified music videos during a single state
962 fiscal year. After a qualified production company that produces
963 music videos reaches the threshold of \$125,000, it is eligible
964 to apply for certification for a tax credit award. The maximum
965 credit award for a qualified production company that produces
966 music videos shall be equal to 20 percent of its actual

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967 qualified expenditures up to a maximum of \$125,000. If there is
968 a surplus at the end of a fiscal year after the department
969 ~~Office of Film and Entertainment~~ certifies and determines the
970 tax credits for all qualified commercial and video projects,
971 such surplus tax credits shall be carried forward to the
972 following fiscal year and are available to any eligible
973 qualified productions under the general production queue.

974 3. Independent and emerging media production queue.—Three
975 percent of tax credits authorized pursuant to subsection (7) ~~(6)~~
976 in any state fiscal year must be dedicated to the independent
977 and emerging media production queue. This queue is intended to
978 encourage independent film and emerging media production in this
979 state. Any qualified production, excluding commercials,
980 infomercials, or music videos, which demonstrates at least
981 \$100,000, but not more than \$625,000, in total qualified
982 expenditures is eligible for tax credits equal to 20 percent of
983 its actual qualified expenditures. If a surplus exists at the
984 end of a fiscal year after the department ~~Office of Film and~~
985 ~~Entertainment~~ certifies and determines the tax credits for all
986 qualified independent and emerging media production projects,
987 such surplus tax credits shall be carried forward to the
988 following fiscal year and are available to any eligible
989 qualified productions under the general production queue.

990 ~~4. Family-friendly productions.—A certified theatrical or~~
991 ~~direct-to-video motion picture production or video game~~
992 ~~determined by the Commissioner of Film and Entertainment, with~~

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993 ~~the advice of the Florida Film and Entertainment Advisory~~
994 ~~Council, to be family friendly, based on review of the script~~
995 ~~and review of the final release version, is eligible for an~~
996 ~~additional tax credit equal to 5 percent of its actual qualified~~
997 ~~expenditures. Family friendly productions are those that have~~
998 ~~cross-generational appeal; would be considered suitable for~~
999 ~~viewing by children age 5 or older; are appropriate in theme,~~
1000 ~~content, and language for a broad family audience; embody a~~
1001 ~~responsible resolution of issues; and do not exhibit or imply~~
1002 ~~any act of smoking, sex, nudity, or vulgar or profane language.~~

1003 ~~(b)(c) Withdrawal of certification tax credit~~
1004 ~~eligibility.~~ ~~The department shall withdraw the certification of~~
1005 ~~a ~~qualified or~~ certified production if the must continue on a~~
1006 ~~reasonable schedule or timely completion of the certified~~
1007 ~~production is delayed, including a break in production, a change~~
1008 ~~in the production schedule, or the loss of financing for the~~
1009 ~~production. A certified production must notify the department~~
1010 ~~within 5 days after any circumstance that delays the reasonable~~
1011 ~~schedule or timely completion. The certification of a certified~~
1012 ~~production may not be withdrawn if the production provides the~~
1013 ~~department with proof of replacement financing within 10 days~~
1014 ~~after the loss of financing for the production. To keep a~~
1015 ~~reasonable schedule, the certified production must begin ~~which~~~~
1016 ~~includes beginning principal photography or the production~~
1017 ~~project in this state within no more than 45 calendar days~~
1018 ~~before or after the principal photography or project start date~~

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1019 provided in the production's program application. ~~The department~~
1020 ~~shall withdraw the eligibility of a qualified or certified~~
1021 ~~production that does not continue on a reasonable schedule.~~

1022 (c)~~(d)~~ *Election and distribution of tax credits.*—

1023 1. A certified production company receiving a tax credit
1024 award under this section shall, at the time the credit is
1025 awarded by the department after production is completed and all
1026 requirements to receive a credit award have been met, make an
1027 irrevocable election to apply the credit against taxes due under
1028 chapter 220, against state taxes collected or accrued under
1029 chapter 212, or against a stated combination of the two taxes.
1030 The election is binding upon any distributee, successor,
1031 transferee, or purchaser. The department shall notify the
1032 Department of Revenue of any election made pursuant to this
1033 paragraph.

1034 2. A qualified production company is eligible for tax
1035 credits against its sales and use tax liabilities and corporate
1036 income tax liabilities as provided in this section. However, tax
1037 credits awarded under this section may not be claimed against
1038 sales and use tax liabilities or corporate income tax
1039 liabilities for any tax period beginning before July 1, 2011,
1040 regardless of when the credits are applied for or awarded.

1041 (d)~~(e)~~ *Tax credit carryforward.*—If the certified
1042 production company cannot use the entire tax credit in the
1043 taxable year or reporting period in which the credit is awarded,
1044 any excess amount may be carried forward to a succeeding taxable

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1045 year or reporting period. A tax credit applied against taxes
1046 imposed under chapter 212 may be carried forward for a maximum
1047 of 5 years after the date the credit is awarded. A tax credit
1048 applied against taxes imposed under chapter 220 may be carried
1049 forward for a maximum of 5 taxable years after the taxable year
1050 in which ~~date~~ the credit is awarded. An unused remaining tax
1051 credit expires after this period, ~~after which the credit expires~~
1052 and may not be used.

1053 (e) ~~(f)~~ *Consolidated returns.*—A certified production
1054 company that files a Florida consolidated return as a member of
1055 an affiliated group under s. 220.131(1) may be allowed the
1056 credit on a consolidated return basis up to the amount of the
1057 tax imposed upon the consolidated group under chapter 220.

1058 (f) ~~(g)~~ *Partnership and noncorporate distributions.*—A
1059 qualified production company that is not a corporation as
1060 defined in s. 220.03 may elect to distribute tax credits awarded
1061 under this section to its partners or members in proportion to
1062 their respective distributive income or loss in the taxable year
1063 in which the tax credits were awarded.

1064 (g) ~~(h)~~ *Mergers or acquisitions.*—Tax credits available
1065 under this section to a certified production company may succeed
1066 to a surviving or acquiring entity subject to the same
1067 conditions and limitations as described in this section;
1068 however, they may not be transferred again by the surviving or
1069 acquiring entity.

1070 (5) TRANSFER OF TAX CREDITS.—

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1071 (a) *Authorization.*—Upon application to ~~the Office of Film~~
1072 ~~and Entertainment~~ and approval by the department, a certified
1073 production company, or a partner or member that has received a
1074 distribution under paragraph (4) (f) ~~(4) (g)~~, may elect to
1075 transfer, in whole or in part, any unused credit amount granted
1076 under this section. An election to transfer any unused tax
1077 credit amount under chapter 212 or chapter 220 must be made no
1078 later than 5 years after the date the credit is awarded, after
1079 which period the credit expires and may not be used. The
1080 department shall notify the Department of Revenue of the
1081 election and transfer.

1082 (b) *Number of transfers permitted.*—A certified production
1083 company that elects to apply a credit amount against taxes
1084 remitted under chapter 212 is permitted a one-time transfer of
1085 unused credits to one transferee. A certified production company
1086 that elects to apply a credit amount against taxes due under
1087 chapter 220 is permitted a one-time transfer of unused credits
1088 to no more than four transferees, and such transfers must occur
1089 in the same taxable year.

1090 (c) *Transferee rights and limitations.*—The transferee is
1091 subject to the same rights and limitations as the certified
1092 production company awarded the tax credit, except that the
1093 initial transferee shall be permitted a one-time transfer of
1094 unused credits to no more than two subsequent transferees, and
1095 such transfers must occur in the same taxable year as the
1096 credits were received by the initial transferee, after which the

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1097 subsequent transferees may not sell or otherwise transfer the
1098 tax credit.

1099 (6) RELINQUISHMENT OF TAX CREDITS.—

1100 (a) Beginning July 1, 2011, a certified production
1101 company, or any person who has acquired a tax credit from a
1102 certified production company pursuant to subsections (4) and
1103 (5), may elect to relinquish the tax credit to the Department of
1104 Revenue in exchange for 90 percent of the amount of the
1105 relinquished tax credit.

1106 (b) The Department of Revenue may approve payments to
1107 persons relinquishing tax credits pursuant to this subsection.

1108 (c) Subject to legislative appropriation, the Department
1109 of Revenue shall request the Chief Financial Officer to issue
1110 warrants to persons relinquishing tax credits. Payments under
1111 this subsection shall be made from the funds from which the
1112 proceeds from the taxes against which the tax credits could have
1113 been applied pursuant to the irrevocable election made by the
1114 certified production company under subsection (4) are deposited.

1115 (7) ANNUAL ALLOCATION OF TAX CREDITS.—

1116 (a) The aggregate amount of the tax credits that may be
1117 certified pursuant to paragraph (3) (d) may not exceed:

- 1118 1. For fiscal year 2010-2011, \$53.5 million.
- 1119 2. For fiscal year 2011-2012, \$74.5 million.
- 1120 3. For fiscal years 2012-2013, 2013-2014, 2014-2015, and
1121 2015-2016, \$42 million per fiscal year.

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1122 (b) Any portion of the maximum amount of tax credits
1123 established per fiscal year in paragraph (a) that is not
1124 certified as of the end of a fiscal year shall be carried
1125 forward and made available for certification during the
1126 following 2 fiscal years in addition to the amounts available
1127 for certification under paragraph (a) for those fiscal years.

1128 (c) Upon approval of the final tax credit award amount
1129 pursuant to subparagraph (3) (g) 3. ~~(3) (f) 2.~~, an amount equal to
1130 the difference between the maximum tax credit award amount
1131 previously certified under paragraph (3) (d) and the approved
1132 final tax credit award amount shall immediately be available for
1133 recertification during the current and following fiscal years in
1134 addition to the amounts available for certification under
1135 paragraph (a) for those fiscal years.

1136 (d) Tax credit award amounts available for certification
1137 on and after July 1, 2015, may not be certified before the
1138 fiscal year in which they will become available as specified in
1139 paragraph (a). Additionally, for amounts available for
1140 certification on and after July 1, 2015, one-half of the amount
1141 available in the fiscal year shall be available for
1142 certification in Application Cycle A, and the remaining amount
1143 available in the fiscal year shall be available for
1144 certification in Application Cycle B. ~~If, during a fiscal year,~~
1145 ~~the total amount of credits applied for, pursuant to paragraph~~
1146 ~~(3) (a), exceeds the amount of credits available for~~
1147 ~~certification in that fiscal year, such excess shall be treated~~

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1148 ~~as having been applied for on the first day of the next fiscal~~
1149 ~~year in which credits remain available for certification.~~

1150 (8) LIMITATION WITH OTHER PROGRAMS.—A qualified production
1151 that is certified for tax credits under this section may not
1152 simultaneously receive benefits under ss. 288.1256 and 288.1258
1153 for the same production.

1154 (9)-(8) RULES, POLICIES, AND PROCEDURES.—

1155 (a) The department may adopt rules pursuant to ss.
1156 120.536(1) and 120.54 and develop policies and procedures to
1157 implement and administer this section, including, but not
1158 limited to, rules specifying requirements for the application
1159 and approval process, records required for substantiation for
1160 tax credits, procedures for making the election in paragraph
1161 (4) (c) ~~(4) (d)~~, the manner and form of documentation required to
1162 claim tax credits awarded or transferred under this section, and
1163 marketing requirements for tax credit recipients.

1164 (b) The Department of Revenue may adopt rules pursuant to
1165 ss. 120.536(1) and 120.54 to administer this section, including
1166 rules governing the examination and audit procedures required to
1167 administer this section and the manner and form of documentation
1168 required to claim tax credits awarded, transferred, or
1169 relinquished under this section.

1170 (10)-(9) AUDIT AUTHORITY; REVOCATION AND FORFEITURE OF TAX
1171 CREDITS; FRAUDULENT CLAIMS.—

1172 (a) *Audit authority.*—The Department of Revenue may conduct
1173 examinations and audits as provided in s. 213.34 to verify that

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1174 tax credits under this section are received, transferred, and
1175 applied according to the requirements of this section. If the
1176 Department of Revenue determines that tax credits are not
1177 received, transferred, or applied as required by this section,
1178 it may, in addition to the remedies provided in this subsection,
1179 pursue recovery of such funds pursuant to the laws and rules
1180 governing the assessment of taxes.

1181 (b) *Revocation of tax credits.*—The department may revoke
1182 or modify any written decision qualifying, certifying, or
1183 otherwise granting eligibility for tax credits under this
1184 section if it is discovered that the tax credit applicant
1185 submitted any false statement, representation, or certification
1186 in any application, record, report, plan, or other document
1187 filed in an attempt to receive tax credits under this section.
1188 The department shall immediately notify the Department of
1189 Revenue of any revoked or modified orders affecting previously
1190 granted tax credits. Additionally, the applicant must notify the
1191 Department of Revenue of any change in its tax credit claimed.

1192 (c) *Forfeiture of tax credits.*—A determination by the
1193 Department of Revenue, as a result of an audit pursuant to
1194 paragraph (a) or from information received from the department
1195 or the Division Office of Film and Entertainment, that an
1196 applicant received tax credits pursuant to this section to which
1197 the applicant was not entitled is grounds for forfeiture of
1198 previously claimed and received tax credits. The applicant is
1199 responsible for returning forfeited tax credits to the

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1200 Department of Revenue, and such funds shall be paid into the
1201 General Revenue Fund of the state. Tax credits purchased in good
1202 faith are not subject to forfeiture unless the transferee
1203 submitted fraudulent information in the purchase or failed to
1204 meet the requirements in subsection (5).

1205 (d) *Fraudulent claims.*—Any applicant that submits
1206 fraudulent information under this section is liable for
1207 reimbursement of the reasonable costs and fees associated with
1208 the review, processing, investigation, and prosecution of the
1209 fraudulent claim. An applicant that obtains a credit payment
1210 under this section through a claim that is fraudulent is liable
1211 for reimbursement of the credit amount plus a penalty in an
1212 amount double the credit amount. The penalty is in addition to
1213 any criminal penalty to which the applicant is liable for the
1214 same acts. The applicant is also liable for costs and fees
1215 incurred by the state in investigating and prosecuting the
1216 fraudulent claim.

1217 ~~(11)-(10)~~ ANNUAL REPORT.—Each November 1, the department
1218 ~~Office of Film and Entertainment~~ shall submit an annual report
1219 for the previous fiscal year to the Governor, the President of
1220 the Senate, and the Speaker of the House of Representatives
1221 which outlines the ~~incentive~~ program's return on investment and
1222 economic benefits to the state. The report must also include an
1223 estimate of the full-time equivalent positions created by each
1224 production that received tax credits under this section and
1225 information relating to the distribution of productions

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1226 receiving credits by geographic region and type of production.
1227 The report must also include the expenditures report required
1228 under s. 288.915, ~~s. 288.1253(3)~~ and the information describing
1229 the relationship between tax exemptions and incentives to
1230 industry growth required under s. 288.1258(5), and program
1231 performance information under s. 288.1256. The department may
1232 work with the Division of Film and Entertainment to develop the
1233 annual report.

1234 ~~(12)(11)~~ REPEAL.—This section is repealed July 1, 2021
1235 ~~2016~~, except that:

1236 (a) Tax credits certified under paragraph (3)(d) before
1237 July 1, 2021 ~~2016~~, may be awarded under paragraph (3)(g) ~~(3)(f)~~
1238 on or after July 1, 2021 ~~2016~~, if the other requirements of this
1239 section are met.

1240 (b) Tax credits carried forward under paragraph (4)(d)
1241 ~~(4)(e)~~ remain valid for the period specified.

1242 (c) Subsections (5), (9), ~~(8)~~ and (10) ~~(9)~~ shall remain in
1243 effect until July 1, 2026 ~~July 1, 2021~~.

1244 Section 6. Beginning July 1, 2015, if an application is on
1245 file with the Department of Economic Opportunity to receive a
1246 tax credit through the entertainment industry program under s.
1247 288.1254, Florida Statutes, and the application has not been
1248 certified for a tax credit award under current s. 288.1254(3)(d)
1249 by the department, the application is deemed denied.

1250 Section 7. Section 288.1256, Florida Statutes, is created
1251 to read:

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288.1256 Entertainment action fund.-

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

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

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

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

(c) "Production" means a theatrical, direct-to-video, or direct-to-Internet motion picture; a made-for-television motion picture; visual effects or digital animation sequences produced in conjunction with a motion picture; a commercial; a music video; an industrial or educational film; an infomercial; a documentary film; a television pilot program; a presentation for a television pilot program; a television series, including, but not limited to, a drama, a reality show, a comedy, a soap opera, a telenovela, a game show, an awards show, or a miniseries production; a direct-to-Internet television series; or a digital media project by the entertainment industry. One season of a television series is considered one production. The term does not include a weather or market program; a sporting event or a sporting event broadcast; a gala; a production that solicits funds; a home shopping program; a political program; a political

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1278 documentary; political advertising; a gambling-related project
1279 or production; a concert production; a local, regional, or
1280 Internet-distributed-only news show or current-events show; a
1281 sports news or sports recap show; a pornographic production; or
1282 any production deemed obscene under chapter 847. A production
1283 may be produced on or by film, tape, or otherwise by means of a
1284 motion picture camera; electronic camera or device; tape device;
1285 computer; any combination of the foregoing; or any other means,
1286 method, or device.

1287 (d) "Production company" means a corporation, limited
1288 liability company, partnership, or other legal entity engaged in
1289 one or more productions in this state.

1290 (e) "Production expenditures" means the costs of tangible
1291 and intangible property used for, and services performed
1292 primarily and customarily in, production, including
1293 preproduction and postproduction, but excluding costs for
1294 development, marketing, and distribution. The term includes, but
1295 is not limited to:

1296 1. Wages, salaries, or other compensation paid to legal
1297 residents of this state, including amounts paid through payroll
1298 service companies, for technical and production crews,
1299 directors, producers, and performers.

1300 2. Net expenditures for sound stages, backlots, production
1301 editing, digital effects, sound recordings, sets, and set
1302 construction.

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1303 3. Net expenditures for rental equipment, including, but
1304 not limited to, cameras and grip or electrical equipment.

1305 4. Up to \$300,000 of the costs of newly purchased computer
1306 software and hardware unique to the project, including servers,
1307 data processing, and visualization technologies, which are
1308 located in and used exclusively in this state for the production
1309 of digital media.

1310 5. Expenditures for meals, travel, and accommodations. As
1311 used in this paragraph, the term "net expenditures" means the
1312 actual amount of money a project spent for equipment or other
1313 tangible personal property, after subtracting any consideration
1314 received for reselling or transferring the item after the
1315 production ends, if applicable.

1316 (f) "Project" means a production in this state meeting the
1317 requirements of this section. The term does not include a
1318 production:

1319 1. In which less than 70 percent of the positions that
1320 make up its production cast and below-the-line production crew
1321 are filled by legal residents of this state, whose residency is
1322 demonstrated by a valid Florida driver license or other state-
1323 issued identification confirming residency, or students enrolled
1324 full-time in an entertainment-related course of study at an
1325 institution of higher education in this state; or

1326 2. That contains obscene content as defined in s.
1327 847.001(10).

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1328 (g) "Qualified expenditures" means production expenditures
1329 incurred in this state by a production company for:

1330 1. Goods purchased or leased from, or services, including,
1331 but not limited to, insurance costs and bonding, payroll
1332 services, and legal fees, which are provided by a vendor or
1333 supplier in this state that is registered with the Department of
1334 State or the Department of Revenue, has a physical location in
1335 this state, and employs one or more legal residents of this
1336 state. This does not include rebilled goods or services provided
1337 by an in-state company from out-of-state vendors or suppliers.
1338 When services provided by the vendor or supplier include
1339 personal services or labor, only personal services or labor
1340 provided by residents of this state, evidenced by the required
1341 documentation of residency in this state, qualify.

1342 2. Payments to legal residents of this state in the form
1343 of salary, wages, or other compensation up to a maximum of
1344 \$400,000 per resident unless otherwise specified in subsection
1345 (4). A completed declaration of residency in this state must
1346 accompany the documentation submitted to the department for
1347 reimbursement.

1348
1349 For a project involving an event, such as an awards show, the
1350 term does not include expenditures solely associated with the
1351 event itself and not directly required by the production. The
1352 term does not include expenditures incurred before the agreement
1353 is signed. The production company may not include in the

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1354 calculation for qualified expenditures the original purchase
1355 price for equipment or other tangible property that is later
1356 sold or transferred by the production company for consideration.
1357 In such cases, the qualified expenditure is the net of the
1358 original purchase price minus the consideration received upon
1359 sale or transfer.

1360 (h) "Underutilized county" means a county in which less
1361 than \$500,000 in qualified expenditures were made in the last 2
1362 fiscal years.

1363 (3) A production company may apply for funds from the
1364 entertainment action fund for a production or successive seasons
1365 of a production. The department and the division shall jointly
1366 review and evaluate applications to determine the eligibility of
1367 each project consistent with the requirements of this section.
1368 The department shall select projects that maximize the return to
1369 the state.

1370 (4) The department and the division, in their review and
1371 evaluation of applications, must consider the following
1372 criteria, with priority given in descending order, with the
1373 highest priority given to paragraph (a):

1374 (a) The number of state residents that will be employed in
1375 full-time equivalent and part-time positions related to the
1376 project and the duration of such employment and the average
1377 wages paid to such residents. Preference shall be given to a
1378 project that expects to pay higher than the statewide average
1379 wage.

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1380 (b) The amount of qualified and nonqualified expenditures
1381 that will be made in this state.

1382 (c) Planned or executed contracts with production
1383 facilities or soundstages in this state and the percentage of
1384 principal photography or production activity that will occur at
1385 each location.

1386 (d) Planned preproduction and postproduction to occur in
1387 this state.

1388 (e) The amount of capital investment, especially fixed
1389 capital investment, to be made directly by the production
1390 company in this state related to the project and the amount of
1391 any other capital investment to be made in this state related to
1392 the project.

1393 (f) The duration of the project in this state.

1394 (g) The amount and duration of principal photography or
1395 production activity that will occur in an underutilized county.

1396 (h) The amount of promotion of Florida that the production
1397 company will provide for the state. This includes marketing
1398 materials promoting this state as a tourist destination or a
1399 film and entertainment production destination; placement of
1400 state agency logos in the production and credits; permitted use
1401 of production assets, characters, and themes by this state;
1402 promotional videos for this state included on optical disc
1403 formats; and other marketing integration.

1404 (i) The employment of students enrolled full-time in an
1405 entertainment-related course of study at an institution of

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1406 higher education in this state or of graduates from such an
1407 institution within 12 months after graduation.

1408 (j) Plans to work with entertainment industry-related
1409 courses of study at an institution of higher education in this
1410 state.

1411 (k) The local support and any financial commitment for the
1412 project.

1413 (l) The project is about this state or shows this state in
1414 a positive light.

1415 (m) A review of the production company's past activities
1416 in this state or other states.

1417 (n) The length of time the production company has made
1418 productions in this state, the number of productions the
1419 production company has made in this state, and the production
1420 company's overall commitment to this state. This includes a
1421 production company that is based in this state.

1422 (o) Expected contributions to this state's economy,
1423 consistent with the state strategic economic development plan
1424 prepared by the department.

1425 (p) The expected effect of the award on the viability of
1426 the project and the probability that the project would be
1427 undertaken in this state if funds are granted to the production
1428 company.

1429 (5) A production company must have financing in place for
1430 a project before it applies for funds under this section.

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- 1431 (6) The department shall prescribe a form upon which an
1432 application must be made. At a minimum, the application must
1433 include:
- 1434 (a) The applicant's federal employer identification
1435 number, reemployment assistance account number, and state sales
1436 tax registration number, as applicable. If such numbers are not
1437 available at the time of application, they must be submitted to
1438 the department in writing before the disbursement of any
1439 payments.
- 1440 (b) The signature of the applicant.
- 1441 (c) A detailed budget of planned qualified and
1442 nonqualified expenditures in this state.
- 1443 (d) The type and amount of capital investment that will be
1444 made in this state.
- 1445 (e) The locations in this state at which the project will
1446 occur.
- 1447 (f) The anticipated commencement date and duration of the
1448 project.
- 1449 (g) The proposed number of state residents and nonstate
1450 residents that will be employed in full-time equivalent and
1451 part-time positions related to the project and wages paid to
1452 such persons.
- 1453 (h) The total number of full-time equivalent employees
1454 employed by the production company in this state, if applicable.
- 1455 (i) Proof of financing for the project.

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1456 (j) The amount of promotion of Florida that the production
1457 company will provide for the state.

1458 (k) An attestation verifying that the information provided
1459 on the application is true and accurate.

1460 (l) Any additional information requested by the department
1461 or division.

1462 (7) The department must make a recommendation to the
1463 Governor to approve or deny an award within 7 days after
1464 completion of the review and evaluation. An award of funds may
1465 not constitute more than 30 percent of qualified expenditures in
1466 this state and may not fund wages paid to nonresidents. A
1467 production must start within 1 year after the date the project
1468 is approved by the Governor. The recommendation must include the
1469 performance conditions that the project must meet to obtain
1470 funds.

1471 (a) The Governor may approve projects without consulting
1472 the Legislature for projects requiring less than \$2 million in
1473 funding.

1474 (b) For projects requiring funding in the amount of \$2
1475 million to \$5 million, the Governor shall provide a written
1476 description and evaluation of a project recommended for approval
1477 to the chair and vice chair of the Legislative Budget Commission
1478 at least 10 days before giving final approval for the project.
1479 The recommendation must include the performance conditions that
1480 the project must meet in order to obtain funds.

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1481 (c) If the chair or vice chair of the Legislative Budget
1482 Commission, the President of the Senate, or the Speaker of the
1483 House of Representatives timely advises the Executive Office of
1484 the Governor, in writing, that such action or proposed action
1485 exceeds the delegated authority of the Executive Office of the
1486 Governor or is contrary to legislative policy or intent, the
1487 Executive Office of the Governor shall void the release of funds
1488 and instruct the department to immediately change such action or
1489 proposed action until the Legislative Budget Commission or the
1490 Legislature addresses the issue.

1491 (d) Any project exceeding \$5 million must be approved by
1492 the Legislative Budget Commission before the funding is
1493 released.

1494 (8) Upon the approval of the Governor, the department and
1495 the production company shall enter into an agreement that
1496 specifies, at a minimum:

1497 (a) The total amount of funds awarded and the schedule of
1498 payment.

1499 (b) The performance conditions for payment of moneys from
1500 the fund, including full- and part-time employment in this
1501 state; wages paid in this state; capital investment in this
1502 state, including fixed capital investment; marketing and
1503 promotion in this state; the date by which production must start
1504 and the duration of production; and the amount of qualified
1505 expenditures in this state.

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1506 (c) The methodology for validating performance and the
1507 date by which the production company must submit proof of
1508 performance to the department.

1509 (d) That the department may review and verify any records
1510 of the production company to ascertain whether that company is
1511 in compliance with this section and the agreement.

1512 (e) Sanctions for failure to meet performance conditions.

1513 (f) That payment of moneys from the fund is contingent
1514 upon sufficient appropriation of funds by the Legislature.

1515 (9) The agreement must be finalized and signed by an
1516 authorized officer of the production company within 90 days
1517 after the Governor's approval. A production company that is
1518 approved under this section may not simultaneously receive
1519 benefits under ss. 288.1254 and 288.1258 for the same
1520 production.

1521 (10) The department shall validate contractor performance
1522 and report such validation in the annual report required under
1523 s. 288.1254.

1524 (11) Contingent upon an annual appropriation by the
1525 Legislature, the department may not approve awards in excess of
1526 the amount appropriated for a fiscal year. The department must
1527 maintain a schedule of funds to be paid from the appropriation
1528 for the fiscal year that begins on July 1. For the first 6
1529 months of each fiscal year, the department shall set aside 50
1530 percent of the amount appropriated for the fund by the
1531 Legislature. At the end of the 6-month period, these funds may

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1532 be used to provide funding for any project that qualifies under
1533 this section.

1534 (12) A production company that submits fraudulent
1535 information under this section is liable for reimbursement of
1536 the reasonable costs and fees associated with the review,
1537 processing, investigation, and prosecution of the fraudulent
1538 claim. A production company that receives a payment under this
1539 section through a claim that is fraudulent is liable for
1540 reimbursement of the payment amount, plus a penalty in an amount
1541 double the payment amount. The penalty is in addition to any
1542 criminal penalty for which the production company is liable for
1543 the same acts. The production company is also liable for costs
1544 and fees incurred by the state in investigating and prosecuting
1545 the fraudulent claim.

1546 (13) The department may not waive any provision or provide
1547 an extension of time to meet any requirement of this section.

1548 (14) This section expires on July 1, 2025. An agreement in
1549 existence on that date shall continue in effect in accordance
1550 with its terms.

1551 Section 8. Section 288.1258, Florida Statutes, is amended
1552 to read:

1553 288.1258 Entertainment industry qualified production
1554 companies; application procedure; categories; duties of the
1555 Department of Revenue; records and reports.—

1556 (1) PRODUCTION COMPANIES AUTHORIZED TO APPLY.—

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1557 (a) Any production company engaged in this state in the
1558 production of motion pictures, made-for-TV motion pictures,
1559 television series, commercial advertising, music videos, or
1560 sound recordings may submit an application to the Department of
1561 Revenue to be approved by the Department of Economic Opportunity
1562 ~~Office of Film and Entertainment~~ as a qualified production
1563 company for the purpose of receiving a sales and use tax
1564 certificate of exemption from the Department of Revenue to
1565 exempt purchases on or after the date a complete application is
1566 filed with the Department of Revenue for exemptions under ss.
1567 212.031, 212.06, and 212.08.

1568 (b) As used in ~~For the purposes of~~ this section, the term
1569 "qualified production company" means any production company that
1570 has submitted a properly completed application to the Department
1571 of Revenue and that is subsequently qualified by the Department
1572 of Economic Opportunity ~~Office of Film and Entertainment~~.

1573 (2) APPLICATION PROCEDURE.—

1574 (a) The Department of Revenue shall ~~will~~ review all
1575 submitted applications for the required information. Within 10
1576 working days after the receipt of a properly completed
1577 application, the Department of Revenue shall ~~will~~ forward the
1578 completed application to the Department of Economic Opportunity
1579 ~~Office of Film and Entertainment~~ for approval.

1580 (b)1. The Department of Economic Opportunity ~~Office of~~
1581 ~~Film and Entertainment~~ shall establish a process by which an
1582 entertainment industry production company may be approved by the

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1583 department ~~office~~ as a qualified production company and may
1584 receive a certificate of exemption from the Department of
1585 Revenue for the sales and use tax exemptions under ss. 212.031,
1586 212.06, and 212.08. A production company that is approved under
1587 this section may not simultaneously receive benefits under ss.
1588 288.1254 and 288.1256 for the same production.

1589 2. Upon determination by the department ~~Office of Film and~~
1590 ~~Entertainment~~ that a production company meets the established
1591 approval criteria and qualifies for exemption, the department
1592 ~~Office of Film and Entertainment~~ shall return the approved
1593 application or application renewal or extension to the
1594 Department of Revenue, which shall issue a certificate of
1595 exemption.

1596 3. The department ~~Office of Film and Entertainment~~ shall
1597 deny an application or application for renewal or extension from
1598 a production company if it determines that the production
1599 company does not meet the established approval criteria.

1600 (c) The department ~~Office of Film and Entertainment~~ shall
1601 develop, with the cooperation of the Department of Revenue, the
1602 Division of Film and Entertainment within Enterprise Florida,
1603 Inc., and local government entertainment industry promotion
1604 agencies, a standardized application form for use in approving
1605 qualified production companies.

1606 1. The application form shall include, but not be limited
1607 to, production-related information on employment, proposed
1608 budgets, planned purchases of items exempted from sales and use

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1609 taxes under ss. 212.031, 212.06, and 212.08, a signed
1610 affirmation from the applicant that any items purchased for
1611 which the applicant is seeking a tax exemption are intended for
1612 use exclusively as an integral part of entertainment industry
1613 preproduction, production, or postproduction activities engaged
1614 in primarily in this state, and a signed affirmation from the
1615 department ~~Office of Film and Entertainment~~ that the information
1616 on the application form has been verified and is correct. In
1617 lieu of information on projected employment, proposed budgets,
1618 or planned purchases of exempted items, a production company
1619 seeking a 1-year certificate of exemption may submit summary
1620 historical data on employment, production budgets, and purchases
1621 of exempted items related to production activities in this
1622 state. Any information gathered from production companies for
1623 the purposes of this section shall be considered confidential
1624 taxpayer information and shall be disclosed only as provided in
1625 s. 213.053.

1626 2. The application form may be distributed to applicants
1627 by the department, the Division ~~Office~~ of Film and
1628 Entertainment, or local film commissions.

1629 (d) All applications, renewals, and extensions for
1630 designation as a qualified production company shall be processed
1631 by the department ~~Office of Film and Entertainment~~.

1632 (e) If ~~In the event that~~ the Department of Revenue
1633 determines that a production company no longer qualifies for a
1634 certificate of exemption, or has used a certificate of exemption

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1635 for purposes other than those authorized by this section and
1636 chapter 212, the Department of Revenue shall revoke the
1637 certificate of exemption of that production company, and any
1638 sales or use taxes exempted on items purchased or leased by the
1639 production company during the time such company did not qualify
1640 for a certificate of exemption or improperly used a certificate
1641 of exemption shall become immediately due to the Department of
1642 Revenue, along with interest and penalty as provided by s.
1643 212.12. In addition to the other penalties imposed by law, any
1644 person who knowingly and willfully falsifies an application, or
1645 uses a certificate of exemption for purposes other than those
1646 authorized by this section and chapter 212, commits a felony of
1647 the third degree, punishable as provided in ss. 775.082,
1648 775.083, and 775.084.

1649 (3) CATEGORIES.—

1650 (a)1. A production company may be qualified for
1651 designation as a qualified production company for a period of 1
1652 year if the company has operated a business in Florida at a
1653 permanent address for a period of 12 consecutive months. Such a
1654 qualified production company shall receive a single 1-year
1655 certificate of exemption from the Department of Revenue for the
1656 sales and use tax exemptions under ss. 212.031, 212.06, and
1657 212.08, which certificate shall expire 1 year after issuance or
1658 upon the cessation of business operations in the state, at which
1659 time the certificate shall be surrendered to the Department of
1660 Revenue.

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1661 2. ~~The Office of Film and Entertainment shall develop a~~
1662 ~~method by which~~ A qualified production company may submit a new
1663 application for annually renew a 1-year certificate of exemption
1664 upon the expiration of that company's certificate of exemption;
1665 however, upon approval of the department, such qualified
1666 production company may annually renew the 1-year certificate of
1667 exemption for a period of up to 5 years without submitting
1668 ~~requiring the production company to resubmit~~ a new application
1669 during that 5-year period.

1670 3. Each year, or upon surrender of the certificate of
1671 exemption to the Department of Revenue, the Any qualified
1672 production company shall may submit to the department aggregate
1673 data for production-related information on employment,
1674 expenditures in this state, capital investment, and purchases of
1675 items exempted from sales and use taxes under ss. 212.031,
1676 212.06, and 212.08 for inclusion in the annual report required
1677 under subsection (5) a new application for a 1-year certificate
1678 ~~of exemption upon the expiration of that company's certificate~~
1679 ~~of exemption.~~

1680 (b)1. A production company may be qualified for
1681 designation as a qualified production company for a period of 90
1682 days. Such production company shall receive a single 90-day
1683 certificate of exemption from the Department of Revenue for the
1684 sales and use tax exemptions under ss. 212.031, 212.06, and
1685 212.08, which certificate shall expire 90 days after issuance or
1686 upon the cessation of business operations in the state, at which

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1687 ~~time, with extensions contingent upon approval of the Office of~~
1688 ~~Film and Entertainment, the certificate shall be surrendered to~~
1689 ~~the Department of Revenue upon its expiration.~~

1690 2. A qualified production company may submit a new
1691 application for a 90-day certificate of exemption each quarter
1692 upon the expiration of that company's certificate of exemption;
1693 however, upon approval of the department, such qualified
1694 production company may renew the 90-day certificate of exemption
1695 for a period of up to 1 year without submitting a new
1696 application during that 1-year period.

1697 ~~3.2. Each 90 days, or upon surrender of the certificate of~~
1698 ~~exemption to the Department of Revenue, the qualified Any~~
1699 ~~production company shall may submit to the department aggregate~~
1700 ~~data for production-related information on employment,~~
1701 ~~expenditures in this state, capital investment, and purchases of~~
1702 ~~items exempted from sales and use taxes under ss. 212.031,~~
1703 ~~212.06, and 212.08 for inclusion in the annual report required~~
1704 ~~under subsection (5) a new application for a 90-day certificate~~
1705 ~~of exemption upon the expiration of that company's certificate~~
1706 ~~of exemption.~~

1707 (4) DUTIES OF THE DEPARTMENT OF REVENUE.—

1708 (a) The Department of Revenue shall review the initial
1709 application and notify the applicant of any omissions and
1710 request additional information if needed. An application shall
1711 be complete upon receipt of all requested information. The
1712 Department of Revenue shall forward all complete applications to

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1713 the department ~~Office of Film and Entertainment~~ within 10
1714 working days.

1715 (b) The Department of Revenue shall issue a numbered
1716 certificate of exemption to a qualified production company
1717 within 5 working days of the receipt of an approved application,
1718 application renewal, or application extension from the
1719 department ~~Office of Film and Entertainment~~.

1720 (c) The Department of Revenue may adopt ~~promulgate~~ such
1721 rules and shall prescribe and publish such forms as may be
1722 necessary to effectuate the purposes of this section or any of
1723 the sales tax exemptions which are reasonably related to the
1724 provisions of this section.

1725 (d) The Department of Revenue is authorized to establish
1726 audit procedures in accordance with the provisions of ss.
1727 212.12, 212.13, and 213.34 which relate to the sales tax
1728 exemption provisions of this section.

1729 (5) RELATIONSHIP OF TAX EXEMPTIONS AND INCENTIVES TO
1730 INDUSTRY GROWTH; REPORT TO THE LEGISLATURE.—The department
1731 ~~Office of Film and Entertainment~~ shall keep annual records from
1732 the information provided on taxpayer applications for tax
1733 exemption certificates and regularly reported as required in
1734 this section ~~beginning January 1, 2001~~. These records also must
1735 reflect a ratio of the annual amount of sales and use tax
1736 exemptions under this section, plus the tax credits ~~incentives~~
1737 awarded pursuant to s. 288.1254 to the estimated amount of funds
1738 expended by certified productions. In addition, the department

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1739 ~~office~~ shall maintain data showing annual growth in Florida-
1740 based entertainment industry companies and entertainment
1741 industry employment and wages. The employment information must
1742 include ~~an estimate of~~ the full-time equivalent positions
1743 created by each production that received tax credits pursuant to
1744 s. 288.1254. The department ~~Office of Film and Entertainment~~
1745 shall include this information in the annual report for the
1746 entertainment industry ~~financial incentive~~ program required
1747 under s. 288.1254 ~~288.1254(10)~~.

1748 Section 9. Subsection (1) of section 288.92, Florida
1749 Statutes, is amended to read:

1750 288.92 Divisions of Enterprise Florida, Inc.—

1751 (1) Enterprise Florida, Inc., may create and dissolve
1752 divisions as necessary to carry out its mission. Each division
1753 shall have distinct responsibilities and complementary missions.
1754 At a minimum, Enterprise Florida, Inc., shall have divisions
1755 related to the following areas:

1756 (a) International Trade and Business Development;

1757 (b) Business Retention and Recruitment;

1758 (c) Tourism Marketing;

1759 (d) Minority Business Development; ~~and~~

1760 (e) Sports Industry Development; and

1761 (f) Film and Entertainment.

1762 Section 10. Subsection (5) of section 477.0135, Florida
1763 Statutes, is amended to read:

1764 477.0135 Exemptions.—

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1765 (5) A license is not required of any individual providing
1766 makeup, special effects, or cosmetology services to an actor,
1767 stunt person, musician, extra, or other talent during a
1768 production recognized by the Department of Economic Opportunity
1769 ~~Office of Film and Entertainment~~ as a qualified production as
1770 defined in s. 288.1254(1). Such services are not required to be
1771 performed in a licensed salon. Individuals exempt under this
1772 subsection may not provide such services to the general public.

1773 Section 11. Paragraph (q) of subsection (5) of section
1774 212.08, Florida Statutes, is amended to read:

1775 212.08 Sales, rental, use, consumption, distribution, and
1776 storage tax; specified exemptions.—The sale at retail, the
1777 rental, the use, the consumption, the distribution, and the
1778 storage to be used or consumed in this state of the following
1779 are hereby specifically exempt from the tax imposed by this
1780 chapter.

1781 (5) EXEMPTIONS; ACCOUNT OF USE.—

1782 (q) *Entertainment industry tax credit; authorization;*
1783 *eligibility for credits.*—The credits against the state sales tax
1784 authorized pursuant to s. 288.1254 shall be deducted from any
1785 sales and use tax remitted by the dealer to the department by
1786 electronic funds transfer and may only be deducted on a sales
1787 and use tax return initiated through electronic data
1788 interchange. The dealer shall separately state the credit on the
1789 electronic return. The net amount of tax due and payable must be
1790 remitted by electronic funds transfer. If the credit for the

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1791 qualified expenditures is larger than the amount owed on the
 1792 sales and use tax return that is eligible for the credit, the
 1793 unused amount of the credit may be carried forward to a
 1794 succeeding reporting period as provided in s. 288.1254(4)(d)
 1795 ~~288.1254(4)(e)~~. A dealer may only obtain a credit using the
 1796 method described in this subparagraph. A dealer is not
 1797 authorized to obtain a credit by applying for a refund.

1798 Section 12. Subsection (3) of section 220.1899, Florida
 1799 Statutes, is amended to read:

1800 220.1899 Entertainment industry tax credit.—

1801 (3) To the extent that the amount of a tax credit exceeds
 1802 the amount due on a return, the balance of the credit may be
 1803 carried forward to a succeeding taxable year pursuant to s.
 1804 288.1254(4)(d) ~~288.1254(4)(e)~~.

1805 Section 13. This act shall take effect October 1, 2015.

1806
 1807 -----

T I T L E A M E N D M E N T

1808
 1809 Remove everything before the enacting clause and insert:

1810 A bill to be entitled

1811 An act relating to the entertainment industry;
 1812 amending s. 288.125, F.S.; revising the applicability
 1813 of the term "entertainment industry"; transferring,
 1814 renumbering, and amending s. 288.1251, F.S.; renaming
 1815 the Office of Film and Entertainment within the
 1816 Department of Economic Opportunity as the Division of

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1817 Film and Entertainment within Enterprise Florida,
1818 Inc.; requiring the division to serve as a liaison
1819 between the entertainment industry and other agencies,
1820 commissions, and organizations; requiring the Governor
1821 to appoint the film and entertainment commissioner;
1822 revising the requirements of the division's strategic
1823 plan; transferring, renumbering, and amending s.
1824 288.1252, F.S.; revising the powers and duties of the
1825 Florida Film and Entertainment Advisory Council;
1826 revising council membership; conforming provisions to
1827 changes made by the act; transferring, renumbering,
1828 and amending s. 288.1253, F.S.; conforming provisions
1829 to changes made by the act; prohibiting the division
1830 and its employees and representatives from accepting
1831 specified accommodations, goods, or services from
1832 specified parties; providing that any person who
1833 accepts any such good or services is subject to
1834 specified penalties; amending s. 288.1254, F.S.;
1835 redefining and revising terms; requiring the
1836 department and the division, rather than the Office of
1837 Film and Entertainment, to be responsible for
1838 applications for the entertainment industry program;
1839 revising provisions relating to the application
1840 process, tax credit eligibility, transfer of tax
1841 credits, election and distribution of tax credits,
1842 allocation of tax credits, forfeiture of tax credits,

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1843 and annual report; extending the repeal date;
1844 conforming provisions to changes made by the act;
1845 specifying a date on which the applications on file
1846 with the department and not yet certified are deemed
1847 denied; creating s. 288.1256, F.S.; creating the
1848 entertainment action fund within the department;
1849 defining terms; authorizing a production company to
1850 apply for funds from the entertainment action fund in
1851 certain circumstances; requiring the department and
1852 the division to jointly review and evaluate
1853 applications to determine the eligibility of each
1854 project; requiring the department to select projects
1855 that maximize the return to the state; requiring
1856 certain criteria to be considered by the department
1857 and the division; requiring a production company to
1858 have financing for a project before it applies for
1859 action funds; requiring the department to prescribe a
1860 form for an application with specified information;
1861 requiring that the department make a recommendation to
1862 the Governor to approve or deny an award within a
1863 specified timeframe after the completion of the review
1864 and evaluation; providing that an award of funds may
1865 not constitute more than a specified percentage of
1866 qualified expenditures in this state and prohibiting
1867 the use of such funds to pay wages to nonresidents;
1868 requiring a production to start within a specified

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1869 period after it is approved by the Governor; requiring
1870 that the recommendation include performance conditions
1871 that the project must meet to obtain funds; requiring
1872 the department and the production company to enter
1873 into a specified agreement after approval by the
1874 Governor; requiring that the agreement be finalized
1875 and signed by an authorized officer of the production
1876 company within a specified period after approval by
1877 the Governor; prohibiting an approved production
1878 company from simultaneously receiving specified
1879 benefits for the same production; requiring that the
1880 department validate contractor performance and report
1881 such validation in the annual report; prohibiting the
1882 department from approving awards in excess of the
1883 amount appropriated for a fiscal year; requiring the
1884 department to maintain a schedule of funds; providing
1885 that a production company that submits fraudulent
1886 information is liable for reimbursement of specified
1887 costs; providing a penalty; prohibiting the department
1888 from waiving any provision or providing an extension
1889 of time to meet specified requirements; providing an
1890 expiration date; amending s. 288.1258, F.S.;
1891 conforming provisions to changes made by the act;
1892 prohibiting an approved production company from
1893 simultaneously receiving benefits under specified
1894 provisions for the same production; requiring the

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1895 department to develop a standardized application form
1896 in cooperation with the division and other agencies;
1897 requiring the qualified production company to submit
1898 aggregate data on specified topics; authorizing a
1899 qualified production company to renew its certificate
1900 of exemption for a specified period; amending s.
1901 288.92, F.S.; requiring Enterprise Florida, Inc., to
1902 have a division relating to film and entertainment;
1903 amending s. 477.0135, F.S.; conforming a provision to
1904 changes made by the act; amending ss. 212.08 and
1905 220.1899, F.S.; conforming cross-references; providing
1906 an effective date.

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