

1                   A bill to be entitled  
 2           An act relating to film and television production;  
 3           creating s. 288.1259, F.S.; providing definitions;  
 4           establishing the Florida Film Investment Corporation;  
 5           providing powers of the corporation; providing  
 6           requirements for the corporation to make equity  
 7           investments in productions; establishing the Florida  
 8           Film Investment Account; establishing the  
 9           corporation's board of directors; providing for  
 10          appointment of the corporation's president; providing  
 11          powers and duties of the board and president;  
 12          providing an effective date.

13  
 14   Be It Enacted by the Legislature of the State of Florida:

15  
 16          Section 1.   Section 288.1259, Florida Statutes, is created  
 17   to read:

18          288.1259   Florida Film Investment Corporation.-

19          (1)   DEFINITIONS.-As used in this section, the term:

20          (a)   "Account" means the Florida Film Investment Account.

21          (b)   "Board" means the corporation's board of directors.

22          (c)   "Corporation" means the Florida Film Investment  
 23   Corporation.

24          (e)   "In-state expenditures" means the costs of tangible  
 25   property used in this state, and services performed by residents

26 | of this state, for scripted production, including preproduction  
27 | and postproduction, but excluding costs for development,  
28 | marketing, and distribution.

29 | (f) "President" means the chief executive officer of the  
30 | corporation.

31 | (g) "Scripted production" or "production" means a feature  
32 | film of at least 70 minutes, whether produced for theatrical,  
33 | television, or direct-to-video release; a television series  
34 | created to run multiple seasons having an order for distribution  
35 | of at least five episodes; or a miniseries that is produced  
36 | predominately from a written screenplay or teleplay. The term  
37 | does not include a commercial, infomercial, or political  
38 | advertisement; a reality show; a game show; an awards show; a  
39 | music video; an industrial or educational film; a weather or  
40 | market program; a sporting event or sporting event broadcast; a  
41 | gala; a production that solicits funds; a home shopping program;  
42 | a political program; a documentary; a gambling-related  
43 | production; a concert production; a local, regional, or  
44 | Internet-distributed-only news show or current-events show; a  
45 | sports news or sports recap show; a video game; a pornographic  
46 | production; or any production deemed obscene under chapter 847.  
47 | A production may be produced on or by film, tape, or otherwise  
48 | by means of a motion picture camera; an electronic camera or  
49 | device; a tape device; computer; any combination of the  
50 | foregoing; or any other means, method, or device.

51 (h) "Television" includes broadcast, cable, and Internet  
52 television.

53 (2) CORPORATION.—The Florida Film Investment Corporation  
54 is created as a corporation not for profit, to be incorporated  
55 under chapter 617 and approved by the Department of State. The  
56 corporation shall be organized on a nonstock basis. The purpose  
57 of the corporation is to encourage this state to be used as a  
58 site for scripted productions through equity investment in such  
59 productions.

60 (3) POWERS AND LIMITATIONS.—

61 (a) The corporation is authorized to make equity  
62 investments in scripted productions in this state pursuant to  
63 the criteria, bylaws, rules, and policies adopted by the board,  
64 which must include the following:

65 1. The corporation shall make investments in productions  
66 that it estimates will generate maximum economic impact to the  
67 state through the provision of high-wage jobs for Florida  
68 residents and significant in-state expenditures.

69 2. The amount of the corporation's investment in a  
70 production must not exceed the amount of the production's in-  
71 state expenditures for that production.

72 3. The corporation's investment in a production must rank  
73 and remain equal with the highest class of ownership in the  
74 production, such that, in the event of liquidation or  
75 bankruptcy, the corporation's investment shares the highest

76 priority with other preferred shareholders.

77 4. An equity investment made by the corporation under this  
78 section must be less than one-half of the production's total  
79 shares or other ownership interest.

80 5. The amount of the corporation's investment in any one  
81 production must not exceed 12.5 percent of the sum of the  
82 remaining amount of uncommitted funds in the account plus the  
83 amounts of all outstanding investments in other productions.

84 6. The corporation must not have any voting rights,  
85 creative control, or management authority over a production  
86 receiving an equity investment under this section.

87 7. The corporation shall limit the return on its  
88 investments by establishing variable limits on returns which  
89 account for time value and reduce returns in exchange for a  
90 production's early buyout of investment equity. For a production  
91 exercising an early buyout, the corporation shall limit its  
92 return on investment to the minimum that is actuarially  
93 measurable and credible and sufficiently related to actual and  
94 expected losses to ensure the corporation's self-sufficiency and  
95 preservation of the state appropriations provided to the  
96 corporation for investment.

97 8. The corporation shall conduct at least two investment  
98 cycles per fiscal year, providing no more than 40 percent of the  
99 total investment in productions made by the corporation for the  
100 fiscal year in any one investment cycle.

101        (b) The board shall adopt objective criteria for making  
102 equity investments in scripted productions in this state. The  
103 criteria shall give preference to:

104        1. Productions with the greatest economic impact to the  
105 state as demonstrated by the greatest number of high-wage jobs  
106 provided for state residents and the greatest amount of in-state  
107 expenditures as a percentage of total production expenditures.

108        2. Productions in which the proposed investment by the  
109 corporation is lowest as a percentage of the production's total  
110 shares or other ownership interest.

111        3. Productions with the quickest deployment, in which the  
112 production's in-state expenditures will be made soonest after  
113 the corporation's investment.

114        4. Productions by companies with a verifiable track record  
115 in producing successful productions.

116        5. Productions by state-based production companies or by  
117 producers, writers, or directors who are residents of the state.

118        6. Productions estimated to significantly increase tourism  
119 to the state by using a screenplay or teleplay based on a  
120 Florida story or including recognizable state locations.

121        7. Productions whose development demonstrates the  
122 likelihood of their success, including, but not limited to,  
123 having a recognized director, actor, or other creative talent  
124 attached to the production.

125        8. Productions in which the corporation's investment is

126 matched from local sources, such as county or municipal  
127 agencies, local film commissions, or other community resources.

128 (c) The corporation may charge fees, such as application  
129 fees from productions seeking equity investment under this  
130 section, but such a fee may not exceed the reasonable estimated  
131 cost of performing the activity for which the fee is charged,  
132 such as the cost of processing an application.

133 (4) ACCOUNT.—

134 (a) The board shall create the Florida Film Investment  
135 Account for the purpose of receiving state, federal, county,  
136 municipal, and private financial resources, and the return from  
137 investments of those resources, and for the purposes of this  
138 section. The account shall be under the exclusive control of the  
139 board.

140 (b) Appropriations provided to the corporation for making  
141 equity investments shall be deposited into the account.

142 (c) The board may deposit the resources of the account  
143 designated for the purposes of this section with state or  
144 federally chartered financial institutions in this state and may  
145 invest the remaining portion in permissible investments.

146 (d) Dividend payments received from the investments made  
147 by the corporation shall be redeposited in the account to be  
148 used to support the purposes of this section.

149 (e) The corporation shall keep its operating expenses to  
150 the minimum necessary. Such operating expenses shall be funded

151 by appropriations provided for that purpose and from net returns  
152 on investments made under this section.

153 (f) Any claims against the account shall be paid solely  
154 from the account. Under no circumstances shall the credit of the  
155 state be pledged other than funds appropriated by law to the  
156 account, nor shall the state be liable or obligated in any way  
157 for claims on the account or against the corporation.

158 (5) BOARD OF DIRECTORS; POWERS AND DUTIES.—

159 (a)1. The corporation shall have a board of directors  
160 consisting of seven members who are permanent residents of the  
161 state. Minority and gender representation must be considered  
162 when making appointments to the board. The board shall be  
163 composed of the following members:

164 a. Two members who have experience in investment banking  
165 and funds management focused on feature film and television  
166 production.

167 b. Three members who have recent experience and are  
168 recognized leaders in the production of feature films or  
169 television in this state, including, but not limited to,  
170 producers, directors, production managers or supervisors, or  
171 similar persons in positions of production leadership.

172 c. One member who represents businesses that provide  
173 supplies for feature film and television production in the  
174 state, including, but not limited to, small businesses through  
175 which productions buy or rent equipment, house and feed cast and

176 crew, purchase supplies and raw materials, or build production  
177 infrastructure.

178 d. One member who represents the state's feature film and  
179 television workforce.

180 2. The initial board of directors shall be appointed as  
181 follows:

182 a. The Florida Venture Forum and the Florida Chamber of  
183 Commerce shall each appoint one member pursuant to sub-  
184 subparagraph 1.a.

185 b. The Governor, the President of the Senate, and the  
186 Speaker of the House of Representatives shall each appoint one  
187 member pursuant to sub-subparagraph 1.b.

188 c. The Department of Economic Opportunity shall appoint  
189 one member pursuant to sub-subparagraph 1.c.

190 d. The Congress of Motion Picture Associations of Florida  
191 shall appoint one member pursuant to sub-subparagraph 1.d.

192  
193 To establish staggered terms, three of the initial board members  
194 shall be appointed to 1-year terms, two initial board members  
195 shall be appointed to 2-year terms, and two initial board  
196 members shall be appointed to 3-year terms.

197 3. Board members shall serve for terms of 3 years each and  
198 be eligible for reappointment. Vacancies shall be filled by the  
199 board within 30 days after the vacancy occurs.

200 (b) Board members are subject to the code of ethics for

201 public officers and employees under part III of chapter 112. A  
202 board member must abstain from voting and comply with the  
203 disclosure requirements of s. 112.3143 if there appears to be a  
204 possible conflict under s. 112.311, s. 112.313, or s. 112.3143.  
205 This paragraph does not prohibit any principal by whom a board  
206 member is retained, as described in s. 112.3143(1)(a), from  
207 applying for or receiving an equity investment under this  
208 section.

209 (c) A board member must, with respect to an application  
210 for an equity investment which is currently pending before the  
211 corporation or which the board member knows or reasonably  
212 expects will be submitted to the corporation within 180 days,  
213 refrain from commenting on or discussing the application outside  
214 of a board meeting with the applicant or any person retained by  
215 the applicant.

216 (d) Board members shall serve without compensation but may  
217 be reimbursed for all necessary expenses in the performance of  
218 their duties, including attending board meetings and conducting  
219 board business.

220 (e) The board shall:

221 1. Before the expenditure of funds from the Florida Film  
222 Investment Account, adopt bylaws, rules, and policies that are  
223 necessary to carry out the corporation's responsibilities under  
224 this section.

225 2. Hold regularly scheduled meetings, at least once per

226 investment cycle, in order to carry out the objectives and  
227 responsibilities of the board.

228 (6) PRESIDENT OF THE CORPORATION.—

229 (a) The board shall appoint a president. The president  
230 shall be knowledgeable about private and public financing of  
231 feature film and television projects.

232 (b) The president shall serve at the pleasure of the board  
233 and shall receive a salary and benefits as shall be fixed by the  
234 board.

235 (c) The president shall administer the programs of the  
236 corporation and perform such duties as shall be delegated by the  
237 board.

238 (e) The president shall provide staff to the board as  
239 requested.

240 (f) The president shall submit an annual budget to be  
241 approved by the board.

242 (7) PUBLIC NOTICE OF INVESTMENTS.—The corporation shall  
243 notify the Department of Economic Opportunity upon final  
244 execution of each contract or agreement by which the corporation  
245 makes an equity investment in a production. The corporation  
246 shall also publish and maintain a copy of the notice on the  
247 corporation's website while the investment remains outstanding.  
248 To provide adequate notice to the businesses and workforce that  
249 provide supplies for feature film and television production in  
250 the state, the notice shall include, but need not be limited to,

HB 1345

2017

251 a brief description of the production, the name of the  
252 production company, and, to the extent available, the names of  
253 the director, cinematographer, production designer, costume  
254 designer, and transportation coordinator.

255 Section 2. This act shall take effect July 1, 2017.