

1 A bill to be entitled
2 An act relating to the Film, Television, and Digital
3 Media Targeted Grant Program; creating s. 288.1259,
4 F.S.; providing definitions; creating the Film,
5 Television, and Digital Media Targeted Grant Program
6 within the Department of Economic Opportunity;
7 providing eligibility requirements for the program and
8 a bonus; providing application procedures; requiring
9 an application to contain certain information;
10 requiring the Commissioner of Film and Entertainment
11 to review each application and take certain actions;
12 providing a limit on the number of applications a
13 company may submit; providing a limit on the amount of
14 funds that may be set aside for qualified projects in
15 a specified period; providing for the rollover of
16 funds; requiring that applicants be provided written
17 notification of certain requirements; providing for a
18 Grant Advisory Council; requiring the commissioner to
19 provide certain materials to the council; requiring
20 the council to make certain determinations using
21 specified criteria and provide recommendations to the
22 commissioner; requiring the commissioner to provide
23 certain notifications to the department and qualified
24 projects; requiring the commissioner to develop a
25 process for verifying actual qualified expenditures

26 and specifying requirements relating thereto;
 27 requiring an independent certified public accountant
 28 to conduct a compliance audit and submit a report to
 29 the commissioner; requiring the commissioner to report
 30 certain information to the department; requiring the
 31 department to approve and issue the grant; requiring
 32 the deduction of a compliance fee from the grant;
 33 requiring a qualified project to meet specified
 34 marketing and tourism requirements; providing for the
 35 withdrawal of a qualified project's grant eligibility;
 36 providing that an applicant is liable for certain
 37 costs, fees, and penalties if it submits fraudulent
 38 information; authorizing the commissioner to adopt
 39 rules and develop policies and procedures; requiring
 40 an annual report to the Legislature; providing for
 41 expiration of the program and the reversion of
 42 appropriated funds; providing an effective date.

43
 44 Be It Enacted by the Legislature of the State of Florida:

45
 46 Section 1. Section 288.1259, Florida Statutes, is created
 47 to read:

48 288.1259 Film, Television, and Digital Media Targeted
 49 Grant Program.—

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

51 (a) "Commissioner" means the Commissioner of Film and
52 Entertainment.

53 (b) "Digital media project" means a commercial video game
54 that includes at least 30 minutes of game play time. The term
55 does not include a project that contains content that is obscene
56 as defined in s. 847.001(10).

57 (c) "Family friendly" means the content of a project has
58 cross-generational appeal, is appropriate in theme and language
59 for a broad family audience, embodies a responsible resolution
60 of issues, and does not contain any act of smoking, illicit drug
61 use, sex, nudity, gratuitous violence, or vulgar or profane
62 language.

63 (d) "Film project" means a theatrical, direct-to-video,
64 television, or animated narrative motion picture that is at
65 least 75 minutes long. The term does not include a project that
66 contains content that is obscene as defined in s. 847.001(10).

67 (e) "Florida resident" means a person who has a valid
68 Florida driver license or state-approved identification and has
69 signed an affidavit confirming Florida residency.

70 (f) "Principal photography" means:

71 1. For a film or television project, the filming of major
72 or significant components of the qualified project which involve
73 lead actors.

74 2. For a digital media project, the time period during
75 which the majority of the crew is working solely on and

76 dedicated to the qualified project.

77 (g) "Production expenditures" means the costs of tangible
 78 and intangible property used for, and services performed
 79 primarily and customarily in, production, preproduction, and
 80 postproduction.

81 1. The term includes, but is not limited to:

82 a. Wages, salaries, or other compensation, including such
 83 amounts paid through payroll service companies, for technical
 84 and production crews, directors, producers, and performers.

85 b. Rental expenditures for sound stages, backlots,
 86 production, editing, digital effects, sound recordings, sets,
 87 and set construction.

88 c. Rental expenditures for equipment, including, but not
 89 limited to, cameras and grip or electrical equipment.

90 d. Expenditures for production crew meals; craft services;
 91 rental cars, trucks, and trailers; and hotels and other rental
 92 accommodations.

93 2. The term does not include:

94 a. Costs for development, marketing, and distribution.

95 b. Purchases, unless otherwise specified in this section.

96 c. Airfare.

97 (h) "Production start date" means:

98 1. For a film or television project, the start date of
 99 principal photography, as listed on the application.

100 2. For a digital media project, the start date of

101 storyboards or a later date for the qualified project, as listed
102 on the application.

103 (i) "Qualified expenditures" means production expenditures
104 incurred in this state in 1 fiscal year and, if the production
105 spans more than 1 fiscal year, in the next fiscal year for:

106 1. Goods rented or leased from, or services provided by, a
107 vendor or supplier in this state which is registered with the
108 Department of State or the Department of Revenue, has a physical
109 address in this state, and employs one or more Florida residents
110 on a full-time basis. When services provided by the vendor or
111 supplier include personal services or labor, only personal
112 services or labor provided by Florida residents are qualified
113 expenditures.

114 2. Payments to Florida residents in the form of salary,
115 wages, or other compensation up to a maximum of \$200,000 per
116 resident. The term does not include salary, wages, or other
117 compensation for executives, legal staff, workers, or other
118 individuals who are employed by the company producing the
119 qualified project or its parent or an affiliate company. The
120 company producing the qualified project must sign a sworn
121 affidavit attesting that all salaries, wages, and other
122 compensation submitted as qualified expenditures comply with
123 this section. The submission of false information in the
124 affidavit subjects the company to criminal prosecution under s.
125 837.06.

126 3. The rental of cars, trucks, or trailers if such car,
127 truck, or trailer is currently registered with the Department of
128 Highway Safety and Motor Vehicles.

129
130 The term does not include purchases, unless otherwise specified
131 in this section; airfare; production expenditures incurred
132 before qualification for the program; items purchased or rented
133 on the Internet; rebilled goods or services provided by an in-
134 state company from out-of-state vendors or suppliers; or, for a
135 digital media project, expenditures made more than 9 months
136 after the project's first qualified expenditure.

137 (j) "Qualified project" means a film, television, or
138 digital media project that meets all of the following criteria:

139 1. Has a complete application for the program submitted
140 to, reviewed by, and accepted by the commissioner.

141 2. Has projected qualified expenditures of:

142 a. For feature films and television movies, at least
143 \$1,500,000.

144 b. For a television series, at least \$500,000 per episode.

145 c. For a television pilot program, at least \$1,000,000.

146 d. For a digital media project, at least \$1,500,000.

147 3. Has a projected crew, including cast and stand-ins, but
148 excluding extras, that is comprised of at least 60 percent
149 Florida residents.

150 4. Is projected to spend 60 percent of its total budget in

151 the state.

152 5. Is not a weather or market program, a sporting event or
153 sporting event broadcast, a gala, an awards show, a production
154 that solicits funds, a home shopping program, a political
155 program, a documentary, a gambling-related project or
156 production, a concert production, a news or current-events show,
157 a sports news or sports recap show, a pornographic production,
158 or any production that contains content that is obscene as
159 defined in s. 847.001(10).

160 6. Will not claim the sales tax exemption authorized under
161 s. 288.1258.

162 7. Has been determined by the commissioner, after he or
163 she considers the scoring and findings of the Grant Advisory
164 Board, to deliver a greater comparable favorable economic impact
165 to the state than other applicants.

166 (k) "Television project" means a 30- to 60-minute
167 television pilot program or television series with at least
168 seven episodes, each of which is at least 30 minutes long. The
169 term includes a scripted drama, comedy, or animation. The term
170 does not include a project that contains content that is obscene
171 as defined in s. 847.001(10).

172 (l) "Underutilized area" means any county in Florida,
173 excluding Dade, Broward, Orange, and Seminole Counties.

174 (2) CREATION AND PURPOSE OF PROGRAM.—The Film, Television,
175 and Digital Media Targeted Grant Program is created within the

176 department under the supervision of the commissioner. The
177 purpose of the program is to boost Florida's economic
178 prosperity, widen the film industry's impact on the state, and
179 encourage more family-friendly projects in the state by offering
180 grants to qualified projects in the form of a rebate of a
181 percentage of qualified expenditures paid to Florida residents
182 and vendors. The program shall target only qualified projects
183 that provide the greatest economic stimulus and return-on-
184 investment to the state.

185 (3) GRANT ELIBILITY.-

186 (a) A qualified project is eligible for a grant in the
187 amount of 12 percent or, if eligible for a bonus, 15 percent of
188 its verified qualified expenditures, up to a maximum of
189 \$2,000,000 per project. A qualified project is eligible for a
190 bonus in the amount of 3 percent of its verified qualified
191 expenditures if:

192 1. Seventy five percent of its production is in an
193 underutilized area; or

194 2. Its content is family friendly.

195 (b) If a qualified project does not start production
196 within 6 weeks before or after the production start date listed
197 on its application, the project automatically forfeits its
198 eligibility for a grant and is no longer qualified for the
199 program, unless within that time period the qualified project
200 notifies the commissioner of a change in its production start

201 date.

202 (4) APPLICATION PROCEDURE.—

203 (a) A company producing a project in this state may submit
204 an application to the commissioner:

205 1. For a project with a production start date that is
206 within 6 months after July 1, 2018, during the first 5 business
207 days after July 1, 2018.

208 2. For a project with a production start date that is
209 within 6 months after January 1, 2019, during the first 5
210 business days after January 1, 2019.

211 (b) The commissioner, in consultation with the Grant
212 Advisory Council, shall develop an application form for the
213 Film, Television, and Digital Media Targeted Grant Program.

214 (c) The application must include, at a minimum, the
215 following:

216 1. Project-related information on the total number of
217 Florida residents to be employed.

218 2. A detailed budget of planned qualified expenditures,
219 including:

220 a. The expected total Florida-resident wage expenditures.

221 b. The expected total Florida nonwage expenditures.

222 3. A detailed distribution plan that will be used in part
223 to help determine the potential economic impact of the project
224 on the state.

225 4.a. For a film or television project, a final script, a

226 production schedule that includes the production start date, a
227 day out of days chart, and a list of expected shooting
228 locations. A television series must submit scripts for at least
229 two episodes.

230 b. For a digital media project, a detailed game design
231 document that includes the production start date.

232 5. The applicant's signed affirmation that the information
233 on the application is correct.

234 (d) Within 15 business days after the last business day of
235 each application period, the commissioner shall review all
236 applications submitted during the application period and, for
237 each applicant:

238 1. Determine if the applicant meets the criteria of the
239 program.

240 2. Determine the expected qualified expenditures.

241 3. Determine the maximum grant amount for which the
242 project may be eligible.

243 4. Determine if the project is family friendly.

244 5. Determine if the company or parent company is a
245 Florida-registered corporation.

246 6. Contact the applicant with any questions or
247 clarification required by the commissioner.

248 7. Gather any additional information needed to address the
249 criteria of the Grant Advisory Council.

250 8. Assemble a project package for each Grant Advisory

251 Council member.

252 (e) A company, or its parent or an affiliate company, may
253 submit an application for only one project in any 1 fiscal year.

254 This paragraph does not apply to an application for subsequent
255 seasons of a television series.

256 (f) Up to 60 percent of any appropriated or rolled-over
257 grant funds for the program may be earmarked and set aside for
258 qualified projects in the first 6 months of each fiscal year.

259 Remaining funds may be earmarked and set aside for qualified
260 projects in the second 6 months of each fiscal year.

261 (g) If all grant funds are earmarked and set aside for
262 qualified projects, applications will not be accepted until
263 funds become available for the program.

264 (h) Grant funds not earmarked and set aside for qualified
265 projects will roll over for use in the next application period.

266 (i) Each qualified project shall be provided written
267 notification that it must make a good faith effort to use
268 existing providers of infrastructure and equipment in this
269 state, including providers of camera gear, grip and lighting
270 equipment, vehicles, and postproduction services.

271 (5) GRANT ADVISORY COUNCIL; QUALIFICATION.—

272 (a) The commissioner shall select seven members of the
273 Florida Film and Entertainment Advisory Council (FFEAC)
274 appointed pursuant to s. 288.1252 to serve as a Grant Advisory
275 Council, three of whom were appointed to the FFEAC by the

276 Governor, two of whom were appointed to the FFEAC by the
277 President of the Senate, and two of whom were appointed to the
278 FFEAC by the Speaker of the House of Representatives. Meetings
279 of the Grant Advisory Council shall be attended and overseen by
280 the commissioner.

281 (b) Within 15 business days after the last business day of
282 each application period, the commissioner shall provide the
283 application, submitted materials, and other related information
284 assembled into project packages to the Grant Advisory Council.
285 The Grant Advisory Council may meet in person or by conference
286 call and shall use the criteria in paragraph (c) to determine a
287 score for each applicant, with the highest scores going to
288 projects determined to provide the greatest economic impact and
289 return-on-investment to the state, and make a recommendation for
290 qualification or rejection to the commissioner. Up to 10
291 business days after its first meeting, the Grant Advisory
292 Council may hold further meetings as needed to make its final
293 determinations.

294 (c) The criteria used to determine the score for each
295 applicant shall include, at a minimum, the following:

- 296 1. The amount of the project's overall qualified
297 expenditures.
- 298 2. The amount of wages paid to Florida residents.
- 299 3. The number of full-time equivalent jobs created.
- 300 4. Whether the project provides its Florida-resident

301 workforce with pension, health, and welfare benefits.

302 5. The estimated direct and indirect tourism benefits of
303 the project, based on submitted distribution plans.

304 6. The duration of the Florida-resident employment.

305 7. What percentage of the project will be produced in an
306 underutilized area.

307 8. Whether the applicant is a corporation registered in
308 this state.

309 9. Whether the project is family friendly.

310 10. Whether the project has a Florida-resident writer,
311 director, producer, or star.

312 11. Whether a film, television, or digital media school in
313 this state will participate in the production.

314 12. Whether the leadership team of the project has a
315 successful track record.

316 13. The number of Florida-resident veterans hired.

317 14. The number of graduates of a film school in this state
318 hired as crew or cast.

319 (d) The order and scoring system of the criteria shall be
320 determined by the commissioner, in consultation with the Grant
321 Advisory Council, during the time in which the application form
322 is developed.

323 (e) Within 5 business days after the Grant Advisory
324 Council delivers its final scores and recommendations based on
325 the criteria, the commissioner shall:

326 1. Notify the department of the qualified projects and the
327 grant amount for which each project is eligible. The department
328 shall earmark and set aside funds appropriated for the grant
329 program in an amount equal to the sum of the total grants for
330 which the qualified projects are eligible.

331 2. Notify each qualified project that it is eligible for a
332 grant amount in a specified percentage of its qualified
333 expenditures and provide the maximum grant amount that the
334 qualified project may receive, or notify the applicant of its
335 rejection. Failure to notify an applicant of its rejection does
336 not deem the applicant a qualified project.

337 (f) The commissioner has sole authority to determine which
338 projects are qualified projects but shall give the
339 recommendations of the Grant Advisory Council great weight.

340 (6) VERIFICATION PROCESS; GRANT ISSUANCE; COMPLIANCE FEE.—

341 (a) The commissioner shall develop a process to verify the
342 actual qualified expenditures of a qualified project after its
343 production is completed in the state. The verification process
344 shall require all of the following:

345 1. A qualified project must submit, electronically or as
346 hard copies, within 90 days after making its final qualified
347 expenditure, but not later than 1 year after its production
348 start date, all of the following:

349 a. Data substantiating each qualified expenditure to an
350 independent certified public accountant licensed in this state.

351 b. The following information to the commissioner:

352 (I) Copies of documents verifying residency of Florida
353 residents hired by the project.

354 (II) A final script.

355 (III) The most recent production board and shooting
356 schedule.

357 (IV) The most recent credit list showing where program-
358 required credits will appear.

359 2. A qualified project must sign, under penalty of state
360 law, a sworn affidavit stating that all salaries, wages, and
361 other compensation submitted as qualified expenditures abide by
362 this section.

363 3. The independent certified public accountant must
364 conduct a compliance audit, at the qualified project's expense,
365 to substantiate each qualified expenditure and submit the
366 results to the commissioner as a report, along with all
367 substantiating data, within 45 days after the commissioner first
368 receives records from the qualified project.

369 4. The commissioner must review the accountant's submitted
370 report and data within 45 days after receipt and report to the
371 department the final verified amount of actual qualified
372 expenditures made by the qualified project and the final grant
373 amount due to the qualified project.

374 (b) The department must approve the final grant amount due
375 to the qualified project, which may not exceed the grant amount

376 for which the qualified project qualified during the application
377 period, and the grant shall be issued within 30 days after its
378 approval.

379 (c) The department shall deduct a compliance fee of .5
380 percent of the total grant before issuing the grant check to the
381 qualified project, and such amount shall be credited to the
382 commissioner's office to offset the compliance review expense.

383 (7) MARKETING AND TOURISM REQUIREMENT.—

384 (a) The commissioner shall ensure that, as a condition of
385 receiving a grant under this section, marketing materials
386 promoting this state as a tourist destination or film and
387 entertainment production destination are included at no cost to
388 the state. The commissioner shall provide the logos and approve
389 the statements required in this paragraph. The end credits must
390 include, at a minimum, a "Filmed in Florida" or "Produced in
391 Florida" logo and, if applicable, the local film office logo.
392 The size and placement of such logos shall be commensurate to
393 other logos included in the end credits. If logos are not used,
394 the statement "Filmed in Florida" or "Produced in Florida," or a
395 similar statement, shall be included in the end credits. A
396 digital media project must also include a 5-second or longer
397 animated "Produced in Florida" graphic or similar statement with
398 logo and, if applicable, the name of the local digital media
399 office in a manner easily seen by a consumer of the digital
400 media project.

401 (b) The qualified production must allow a set visit by the
402 commissioner or his or her designee and up to five guests and
403 provide the commissioner at least 10 business days' notice of a
404 date and time for the set visit. However, the commissioner or
405 his or her designee is not required to visit the set.

406 (c) A qualified project must provide at least five
407 preapproved photos of the production, and permission to use such
408 photos in promoting the state as a film, television, and digital
409 media location or tourist destination, to the department.

410 (8) WITHDRAWAL OF QUALIFICATION.—The department shall
411 withdraw the eligibility of and disqualify a qualified project
412 for a grant if:

413 (a) The project does not begin principal photography in
414 this state within 6 weeks before or after the project's
415 production start date.

416 (b) The project does not abide by the verification process
417 policies, procedures, deadlines, or requirements in a timely
418 manner.

419 (c) The project submits fraudulent information.

420 (9) FRAUD.—An applicant that submits fraudulent
421 information under this section is liable for reimbursement of
422 the reasonable costs and fees associated with the review,
423 processing, investigation, and prosecution of the fraudulent
424 claim. An applicant that obtains a grant under this section
425 through the submission of fraudulent information is liable for

426 reimbursement of the grant plus a penalty in an amount equal to
427 double the amount of the grant. Such penalty is in addition to
428 any criminal penalty to which the applicant is liable for the
429 same acts.

430 (10) RULES; POLICIES; PROCEDURES.—The commissioner may
431 adopt rules and shall develop policies and procedures to
432 administer this section, including, but not limited to, rules
433 specifying requirements for the eligibility, application,
434 qualification, verification, and approval processes.

435 (11) ANNUAL REPORT.—Each November 1, the commissioner
436 shall provide an annual report for the previous fiscal year to
437 the Governor, the President of the Senate, and the Speaker of
438 the House of Representatives that outlines the grant program's
439 return on investment and economic benefits to the state.

440 (12) EXPIRATION.—The Film, Television, and Digital Media
441 Targeted Grant Program expires June 30, 2020, on which date all
442 remaining appropriated funds not earmarked and set aside for
443 qualified projects shall revert to the General Revenue Fund. Any
444 appropriated funds remaining after disbursement of final grant
445 amounts to qualified projects shall revert to the General
446 Revenue fund no later than October 31, 2022.

447 Section 2. This act shall take effect July 1, 2019.