<table>
<thead>
<tr>
<th>Tab</th>
<th>Bill</th>
<th>Sponsor(s)</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tab 1</td>
<td>CS/SB 292</td>
<td>BI, Broxson</td>
<td>(Similar to CS/H 00269) Insurance Claims Data</td>
</tr>
<tr>
<td>Tab 2</td>
<td>SB 498</td>
<td>Baxley</td>
<td>(Identical to H 00317) Consumer Protection</td>
</tr>
<tr>
<td>Tab 3</td>
<td>SB 654</td>
<td>Lee</td>
<td>Sales Tax Refund for Eligible Job Training Organizations</td>
</tr>
<tr>
<td>Tab 4</td>
<td>SB 530</td>
<td>Gruters (CO-INTRODUCERS) Flores, Farmer, Stewart, Rouson, Cruz, Berman, Harrell, Gibson, Bracy, Pizzo, Hooper, Torres</td>
<td>(Similar to H 00497) Entertainment Industry</td>
</tr>
</tbody>
</table>
I. **Summary:**

CS/SB 292 creates loss run reporting requirements for all admitted and nonadmitted insurance carriers.

The bill requires an insurance carrier to provide a loss run statement to the insured within 15 days of receipt of a written request submitted by the insured. For personal lines of insurance, carriers may instead provide information on how to obtain a loss run statement at no charge through a consumer reporting agency. The loss run statement must be provided electronically or made available through an electronic portal, and the insurance carrier must notify the agent of record at the time the statement was provided.

The bill requires the statement to include a loss run history for the preceding 5 years or, if the history is less than 5 years, a complete loss run history with the insurance carrier.

The bill prohibits an insurance carrier from charging a fee for preparing or annually providing one loss run statement.

The bill takes effect January 1, 2021.
II. Present Situation:

Loss Run Statements

A loss run statement is a report generated by an insurance carrier showing the claims history of an insured. Some insurers have existing loss runs systems that allow their insureds to log into a portal to obtain their own detailed reports on claims. Insurance carriers may use loss run statements for purposes of underwriting and issuing policies. The statement will usually provide the following information:

- Name and policy number of the insured;
- Date of each loss and claim;
- A brief description of the claim;
- Amounts paid to the insured or on reserve; and
- Whether the claim is open or closed.

Loss Run Reporting Requirements in Other States

Currently, Florida does not have an existing statutory framework regarding when and how insurers are required to provide loss run statements to insureds. Among states that have adopted loss run reporting requirements, insurance carriers are generally required to provide a report within 10 to 30 days following receipt of a written request made by the insured or insured’s agent. Further, the length of historical data required to be included in the provided report ranges 3-5 years. State examples include:

<table>
<thead>
<tr>
<th>State</th>
<th>Reporting Timeframe</th>
<th>Amount of Data Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>California</td>
<td>10 days</td>
<td>3 years</td>
</tr>
<tr>
<td>Kentucky</td>
<td>20 days</td>
<td>5 years</td>
</tr>
<tr>
<td>Louisiana</td>
<td>30 days</td>
<td>3 years</td>
</tr>
<tr>
<td>Oklahoma</td>
<td>30 days</td>
<td>Unspecified</td>
</tr>
<tr>
<td>Tennessee</td>
<td>10 days</td>
<td>3 years</td>
</tr>
</tbody>
</table>

There is variance among states as to which lines of insurance are subject to the reporting requirements. Some states require reporting compliance of all insurance lines, whereas other states require reporting compliance of specific insurance lines only. Similarly, there is variance

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1 Loss run statements are also referred to as “loss runs” or “loss run reports.”
5 Id.
7 Cal. INS. Code. § 679.7
10 36 O.S. § 36-1204.1.
11 T.C.A. § 56-5-323.
among states as to penalties for insurance carriers that fail to provide the requested reports. Some states, like Oklahoma and Tennessee, consider such failure a violation of their respective states’ Unfair Trade Practices Act. Others, like Kentucky, provide penalties either per each individual failure to comply or for each day that the report is not provided.

Public Sources of Loss Run Statements

The majority of personal auto and personal property insurers participate in the Comprehensive Loss Underwriting Exchange (CLUE), a central database of claims information whose report is used by insurers to assist in making underwriting and rating decisions. Developed by the consumer reporting agency, LexisNexis Risk Solutions, the CLUE report contains 7 years of personal auto and personal property claims history associated with an individual. The report includes date of loss, loss type, and amount paid. Under the Fair and Accurate Credit Transactions Act of 2003, LexisNexis Risk Solutions and other consumer reporting agencies must provide one free copy of the consumer’s file per year upon request of the consumer.

III. Effect of Proposed Changes:

The bill requires an insurance carrier to provide a loss run statement to an insured within 15 days following receipt of a request submitted by the insured. For personal lines of insurance, an insurance carrier may instead provide the insured with information on how to obtain a loss run statement at no charge through a consumer reporting agency. The insurance carrier must notify the agent of record that the statement was provided electronically or made available through an electronic portal. The statement must include a loss run history for the preceding 5 years or, if the history is less than 5 years, a complete loss run history with the insurance carrier. The bill specifies that an insurer is not required to provide loss reserve information as part of a loss run statement. The insurance carrier may not charge a fee for preparing or annually providing one loss run statement.

The bill creates the following definitions:
  - “Loss run statement” means a report containing the policy number, period of coverage, number of claims, paid losses on all claims, and date of each loss; and

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12 36 O.S. §36-1204 and T.C.A. § 56-5-323.
15 LexisNexis Risk Solutions, What is LexisNexis Risk Solutions’ role in supplying the credit report, auto or property loss history, and/or insurance score to the insurance company?, https://consumer-solutions.custhelp.com/app/answers/detail/a_id/743/~/what-is-lexisnexis-risk-solutions-role-in-supplying-the-credit-report%2C-auto-or (last visited Dec. 9, 2019).
17 Id.
19 The bill provides that “loss run statement” does not include supporting claim file documentation, including, but not limited to, copies of claim files, investigation reports, evaluation statements, insureds’ statements, and documents protected by a common law or statutory privilege.
• “Provide” means to send a document electronically or to allow access through an electronic portal to view or generate a document.

Section 1 creates s. 626.9202, F.S., to apply these requirements to nonadmitted insurance carriers.

Section 2 creates s. 627.444, F.S., to apply these requirements to admitted insurance carriers.

Section 3 provides an effective date of January 1, 2021.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:
   None.

B. Public Records/Open Meetings Issues:
   None.

C. Trust Funds Restrictions:
   None.

D. State Tax or Fee Increases:
   None.

E. Other Constitutional Issues:
   None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:
   None.

B. Private Sector Impact:
   The bill may help consumers with favorable claim histories to obtain insurance at a lower premium.

C. Government Sector Impact:
   None.
VI. **Technical Deficiencies:**

The bill in creating s. 626.9202(2), F.S., and s. 627.444(2), F.S., provides that for personal lines of insurance, the insurer may either provide a loss run statement or provide “information on how to obtain a loss run statement through a consumer reporting agency.” The bill then states that “this section does not prohibit an insured from requesting a loss run statement after receiving information from a consumer reporting agency.” The section makes it unclear if a personal lines insurer itself must provide a loss run statement, and if so, at what point they must provide it.

VII. **Related Issues:**

None.

VIII. **Statutes Affected:**

This bill creates the following sections of the Florida Statutes: 626.9202 and 627.444.

IX. **Additional Information:**

A. **Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

**CS by Banking and Insurance on November 12, 2019:**

- Includes specific data elements in the definition of “loss run statement.”
- Excludes specific data elements from the definition of “loss run statement.”
- Allows personal lines insurance carriers to provide the insured with information on how to obtain a loss run statement at no charge through a consumer reporting agency, rather than provide a loss run statement.
- Allows insurers to deny requests for loss reserve information.
- Provides an effective date of January 1, 2021.

B. **Amendments:**

None.

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This Senate Bill Analysis does not reflect the intent or official position of the bill’s introducer or the Florida Senate.
597-01377-20

A bill to be entitled
An act relating to insurance claims data; creating ss.
626.9202 and 627.444, F.S.; defining the terms “loss
run statement” and “provide”; requiring surplus lines
and authorized insurers, respectively, to provide
insureds either a loss run statement or certain
information within a certain timeframe after receipt
of the insured’s written request; providing
construction; requiring insurers to provide notice to
the agent of record after providing a loss run
statement; specifying the required claims history in a
loss run statement; providing that insurers are not
required to provide loss reserve information;
prohibiting insurers from charging a fee to prepare
and provide one loss run statement annually; providing
an effective date.

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

Section 1. Section 626.9202, Florida Statutes, is created
to read:
626.9202 Loss run statements for all lines of insurance.—
(1) As used in this section, the term:
(a) “Loss run statement” means a report that contains the
policy number, the period of coverage, the number of claims, the
paid losses on all claims, and the date of each loss. The term
does not include supporting claim file documentation, including,
but not limited to, copies of claim files, investigation
reports, evaluation statements, insureds’ statements, and

597-01377-20

documents protected by a common law or statutory privilege.
(b) “Provide” means to electronically send a document or to
allow access through an electronic portal to view or generate a
document.
(2) Notwithstanding any other law, an insurer shall provide
to an insured within 15 calendar days after receipt of the
insured’s written request, either:
(a) A loss run statement; or
(b) For personal lines of insurance, information on how to
obtain a loss run statement at no charge through a consumer
reporting agency. However, this section does not prohibit an
insured from requesting a loss run statement after receiving
information from a consumer reporting agency.
(3) At the time a loss run statement is provided to the
insured, the insurer shall notify the agent of record that the
loss run statement was provided to the insured.
(4) A loss run statement provided pursuant to this section
must contain a claims history with the insurer for the preceding
5 years or, if the claims history is less than 5 years, a
complete claims history with the insurer.
(5) Notwithstanding any other provision of this section, an
insurer is not required to provide loss reserve information.
(6) Notwithstanding any other law, an insurer may not
charge any fee to prepare and provide annually one loss run
statement in accordance with this section.

Section 2. Section 627.444, Florida Statutes, is created to
read:
627.444 Loss run statements for all lines of insurance.—
(1) As used in this section, the term:
(a) “Loss run statement” means a report that contains the policy number, the period of coverage, the number of claims, the paid losses on all claims, and the date of each loss. The term does not include supporting claim file documentation, including, but not limited to, copies of claim files, investigation reports, evaluation statements, insureds’ statements, and documents protected by a common law or statutory privilege.

(b) “Provide” means to electronically send a document or to allow access through an electronic portal to view or generate a document.

(2) Notwithstanding any other law, an insurer shall provide to an insured within 15 calendar days after receipt of the insured’s written request, either:

(a) A loss run statement; or

(b) For personal lines of insurance, information on how to obtain a loss run statement at no charge through a consumer reporting agency. However, this section does not prohibit an insured from requesting a loss run statement after receiving information from a consumer reporting agency.

(3) At the time a loss run statement is provided to the insured, the insurer shall notify the agent of record that the loss run statement was provided to the insured.

(4) A loss run statement provided pursuant to this section must contain a claims history with the insurer for the preceding 5 years or, if the claims history is less than 5 years, a complete claims history with the insurer.

(5) Notwithstanding any other provision of this section, an insurer is not required to provide loss reserve information.

(6) Notwithstanding any other law, an insurer may not charge any fee to prepare and provide annually one loss run statement in accordance with this section.

Section 3. This act shall take effect January 1, 2021.
The Florida Senate

APPEARANCE RECORD

Meeting Date

Topic: INSURANCE CLAIMS DATA

Name: KYLE ULRICH

Job Title: SVP

Address: 3159 SHAMROCK S.

City: TALLAHASSEE

State: FL

Zip: 32309

Phone: 850-566-4204

Email: KULRICH@FAIA.COM

Speaking: [ ] For [ ] Against [ ] Information

Waive Speaking: [ ] In Support [ ] Against

(The Chair will read this information into the record.)

Representing: FL. ASSOC. OF INSURANCE AGENTS

Appearing at request of Chair: [ ] Yes [ ] No

Lobbyist registered with Legislature: [ ] Yes [ ] No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.
To:       Senator Joseph Gruters, Chair  
Committee on Commerce and Tourism  

Subject: Committee Agenda Request  

Date: November 14, 2019  

I respectfully request that Senate Bill #292, relating to Insurance Claims Data, be placed on the:  

☐ committee agenda at your earliest possible convenience.  
☑ next committee agenda.  

Senator Doug Broxson  
Florida Senate, District 1
I. Summary:

CS/SB 498 requires an unlicensed vendor to perform his or her work duties within a specific timeframe after the unlicensed vendor receives payment for the services. The bill also creates a rebuttable presumption that an unlicensed vendor does not have just cause to fail to comply with their duties, refund their payment, or continue their work for any 14-day period.

An unlicensed vendor who violates this provision commits a crime punishable as, depending on the total money received for the services and any prior offenses, a first degree misdemeanor or a felony.

The Criminal Justice Impact Conference has not yet determined the fiscal impact for this bill. To the extent that the felonies and misdemeanor created in the bill results in persons being convicted, the bill may result in a positive indeterminate fiscal impact on prisons.

Additionally, the bill requires solicitors, salespersons, and agents who conduct door-to-door sales of consumer goods or services that will be delivered more than three days after the sale to obtain a home solicitation permit from a county clerk of the circuit court.

The bill takes effect on July 1, 2020.
II. Present Situation:
Florida consumers experienced growing numbers of contractor theft and unlicensed contractor fraud in the wake of recent hurricanes Irma and Michael. However, victims met difficulty prosecuting the perpetrators because theft requires proof that the defendant had the intent to commit the crime at the time of, or prior to, the taking. Especially in cases where a contract exists, it is difficult to prove criminal intent at the time the contract was signed. Florida courts have also found that a partial performance of a contract negates criminal intent.

In 2019, the Legislature updated the contractor theft statute to remove the requirement that a contractor have intent to defraud the owner to be convicted of such theft. This change only applies to actors who are, or were acting as, a licensed contractor.

Unlicensed Activity
Several Florida agencies protect consumers from unlicensed activity. The Department of Business and Professional Regulation (DBPR) regulates several professions, including contractors and many of the construction trades. The DBPR therefore regulates the unlicensed practice of those professions as well. According to the DBPR, unlicensed activity occurs most commonly in the construction and electrical trades. In fiscal year 2017-2018, the DBPR received 2,461 construction industry complaints, and took action on 1,551 of the cases.

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2 See Stramaglia v. State, 603 So. 2d 536, 537-38 (Fla. 4th DCA 1992) and Frazier v. State, 114 So. 3d 461 (Fla. Dist. Ct. App. 2013). Florida recognizes two types of intent crimes: specific intent and general intent crimes. A specific intent crime requires the offender to intend to accomplish a precise, prohibited act. A general intent crime requires the offender to intend to do something unlawful, but the offender does not need to intend the precise harm or result that occurs. See Black’s Law Dictionary 47, 559 and 560 (6th ed. 1995). Unless an offender confesses his or her intent, intent must be inferred. See generally, David Crump, What Does Intent Mean, 38 Hofstra L.R. 1059, https://scholarlycommons.law.hofstra.edu/hlr/vol38/iss4/2/ (last visited Dec. 10, 2019).
3 See Adams v. State, 443 So. 2d 1003 (Fla. 2d DCA 1983).
4 See Yerrick v. State, 970 So. 2d 1288 (Fla. 4th DCA 2008).
5 Section 489.126(2), F.S.
9 Id. at 28.
The Department of Agriculture and Consumer Services serves as the consumer complaint clearinghouse for issues that arise from workers who operate in an unregulated profession.\(^{10}\)

Additionally the Florida Office of the Attorney General’s Consumer Protection Division prosecutes deceptive and unfair trade practices under the Florida Deceptive and Unfair Trade Practices Act (ch. 501, F.S.).\(^{11}\) Since 2011, the Division has resolved 558 investigations and recovered over $10 billion for Florida consumers.\(^ {12}\)

**Contractor Fraud and Theft**

A contractor is a person who undertakes a job or submits a bid to construct, repair, alter, remodel, add to, demolish, subtract from, or improve any building or structure for others.\(^ {13}\) A contractor must be licensed by the Department of Business and Professional Regulation’s Construction Industry Licensing Board (Board) or certified by the county in which he or she wishes to work.\(^ {14}\) A subcontractor who does not have a state certificate or registration may work under a licensed or certified contractor if the subcontractor’s work falls within the scope of the contractor’s license.\(^ {15}\)

**Administrative Offenses and Penalties**

The Board may discipline\(^ {16}\) a contractor’s certification or registration if he or she is found guilty of any of the following offenses:\(^ {17}\)

- Committing mismanagement or misconduct in the practice of contracting that causes financial harm to a customer;
- Abandoning a construction project. There is a presumption a contractor has abandoned a project after 90 days if the contractor terminates the project without just cause or without proper notification to the owner, or the contractor fails to perform work without just cause for 90 consecutive days;
- Committing fraud or deceit in the practice of contracting; and
- Proceeding on a job without obtaining required building permits and inspections.

In addition to Board action, Florida law imposes criminal penalties for prohibited behavior in the contracting industry. A person commits a first degree misdemeanor if he or she:\(^ {18}\)

- Falsely holds himself or herself out as a licensee, certificate holder, or registrant,
- Acts or advertises as a contractor without being duly registered or certified, or

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\(^{12}\) Id.

\(^{13}\) See, s. 489.105(3), F.S.

\(^{14}\) Sections 489.107(1), 489.113(1), and 489.117(1)(b), F.S.

\(^{15}\) Section 489.113(2), F.S.

\(^{16}\) The Board may place a contractor on probation, reprimand him or her, revoke or suspend the contractor’s certificate or registration, or deny the renewal of a certificate or registration. The Board may also require the contractor to provide financial restitution to a consumer for financial harm he or she caused, require the contractor to perform continuing education, or to pay costs related to the investigation and prosecution.

\(^{17}\) Section 489.129(1), F.S.

\(^{18}\) Section 489.127, F.S.
• Starts or performs work for which a building permit is required without such permit.

If a person commits a subsequent offense, or commits any such offense during a state emergency as declared by the Governor, it is punishable as a third degree felony.\textsuperscript{19}

\textit{Criminal Offenses and Penalties}

A contractor, or a person who acts as a contractor, who receives an initial payment of more than 10 percent of the contract price for the project must, unless the payor agreed in writing to a longer period or the contractor has just cause for failing to do so:

• Apply for any necessary permits within 30 days after the payment is made; and
• Start the work within 90 days after all necessary permits are issued.

A contractor is deemed to lack just cause for a failure to perform his or her duties if the payor has made a written demand and given the contractor 30 days to perform.

Section 489.126, F.S., sets the dollar thresholds for the offense severity at the following levels:

<table>
<thead>
<tr>
<th>Total Money Received</th>
<th>Offense Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>( \geq $200,000 )</td>
<td>First Degree Felony</td>
</tr>
<tr>
<td>( \geq $20,000, \text{ but } &lt; $200,000 )</td>
<td>Second Degree Felony</td>
</tr>
<tr>
<td>( \geq $1,000, \text{ but } &lt; $20,000 )</td>
<td>Third Degree Felony</td>
</tr>
<tr>
<td>( &lt; $1,000 )</td>
<td>First Degree Misdemeanor</td>
</tr>
</tbody>
</table>

\textbf{Theft}

Section 812.014, F.S., provides that a person commits theft if he or she knowingly obtains or uses, or endeavors to obtain or use, the property of another with intent to (temporarily or permanently):

• Deprive the other person of a right to the property or a benefit thereof; or
• Appropriate the property to his or her own use or to the use of any person not entitled to its use.

\textsuperscript{19} Section 489.127(2)(b) and (c), F.S.
The penalties for theft crimes depend on the value of the property taken and are classified as follows:

<table>
<thead>
<tr>
<th>Property Value</th>
<th>Offense Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>≥ $100,000</td>
<td>First Degree Felony&lt;sup&gt;20&lt;/sup&gt;</td>
</tr>
<tr>
<td>≥ $20,000, but &lt; $100,000</td>
<td>Second Degree Felony&lt;sup&gt;21&lt;/sup&gt;</td>
</tr>
<tr>
<td>≥ $750, but &lt; $20,000</td>
<td>Third Degree Felony&lt;sup&gt;22&lt;/sup&gt;</td>
</tr>
<tr>
<td>≥ $100, but &lt; $750 if taken from a dwelling or unenclosed curtilage&lt;sup&gt;23&lt;/sup&gt; of a dwelling</td>
<td>Third Degree Felony</td>
</tr>
<tr>
<td>≥ $100, but &lt; $750</td>
<td>First Degree Misdemeanor&lt;sup&gt;24&lt;/sup&gt;</td>
</tr>
<tr>
<td>&lt; $100</td>
<td>Second Degree Misdemeanor&lt;sup&gt;25&lt;/sup&gt;</td>
</tr>
</tbody>
</table>

However, as discussed above, it has been difficult for prosecutors to apply the theft statute to theft that results from an individual’s failure to perform contracted work.<sup>26</sup>

**Home Solicitation Sales Permits<sup>27</sup>**

A person must obtain a home solicitation sales permit (permit) to sell items valued at $25 or more by solicitation at any location that is not his or her business’s fixed location.<sup>28</sup> The seller can apply for a permit at the clerk of the circuit court within the county in which the seller wants to do business. A county clerk of the circuit court may deny a home solicitation sales permit if the applicant has been convicted of, or entered a guilty or no contest plea, to a crime involving moral turpitude, fraudulent or dishonest dealing, or the illegal use or sale of a controlled substance, or to any violation of the home solicitation laws. The solicitor must display the permit to each prospective buyer before he or she begins a solicitation. A solicitor who attempts to make a sale without a permit commits a first degree misdemeanor. Additionally, the clerk of the circuit court can discipline or revoke the permit for specific violations.

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<sup>20</sup> A first degree felony is punishable by up to 30 years imprisonment and a $10,000 fine. Sections 775.082 and 775.083, F.S.

<sup>21</sup> A second degree felony is punishable by up to 15 years imprisonment and a $10,000 fine. Sections 775.082 and 775.083, F.S.

<sup>22</sup> A third degree felony is punishable by up to five years imprisonment and a $5,000 fine. Sections 775.082 and 775.083, F.S.

<sup>23</sup> “Unenclosed curtilage of a dwelling” means the unenclosed land or grounds, or any outbuildings, directly and intimately adjacent to and connected with the dwelling and necessary, convenient, and habitually used in connection with that dwelling. Section 810.09(1)(b), F.S.

<sup>24</sup> A first degree misdemeanor is punishable by up to one year in county jail and a $1,000 fine. Sections 775.082 and 775.083, F.S.

<sup>25</sup> A second degree misdemeanor is punishable by up to 60 days in county jail and a $500 fine. Sections 775.082 and 775.083, F.S.

<sup>26</sup> See, notes 2-4 supra.

<sup>27</sup> See, sections 501.021-501.055, F.S.

<sup>28</sup> Section 501.021, F.S.
III. **Effect of Proposed Changes:**

*Section 1* creates s. 501.0195, F.S., which provides a definition for an unlicensed vendor, requires them to perform their duties within specific timeframes, and sets criminal penalties for the failure to meet those requirements.

The bill defines an unlicensed vendor as a person who is not deemed a contractor in Florida who also provides or promises to provide services related to a residential home or the extended parcel of land on which the home is situated. This may include work on driveways, lawns, trees, gardens, walls, fences, or other vegetation or fixtures located on the land.

An unlicensed vendor who has agreed to perform a job and has accepted any amount of money as an initial payment for the job must perform the following duties:

- Apply for any required work permits within 14 days after receiving the consumer’s initial payment;
- Start the work within 14 days after either receiving an initial payment or within 14 days after all necessary work permits have been issued; and
- Continue the work until completion, with no breaks that are 14 days or longer in duration.

The unlicensed vendor may deviate from the above duties only when the consumer has agreed to a longer timeframe in writing, or when the unlicensed vendor has just cause.

Additionally, the bill creates a rebuttable presumption that that an unlicensed vendor’s deviation from the above duties, or failure to refund payment within 14 days, is a violation of this law. It is the unlicensed vendor’s burden to rebut this presumption and to plead and prove any just cause for the violation.

An unlicensed vendor who violates this section may be subject to the following penalties:

<table>
<thead>
<tr>
<th>Offense Level</th>
<th>The Bill: Total Money Received</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Degree Felony</td>
<td>≥ $50,000</td>
</tr>
<tr>
<td>Second Degree Felony</td>
<td>≥ $5,000 but &lt; $50,000</td>
</tr>
<tr>
<td>Third Degree Felony</td>
<td>≥ $300 but &lt; $5,000,000</td>
</tr>
<tr>
<td>First Degree Misdemeanor</td>
<td>&lt; $300</td>
</tr>
</tbody>
</table>

*Section 2* amends s. 501.022, F.S., to require solicitors, salesperson, and agents to conduct a sale, lease, or rental of consumer goods or services by sample, catalog, or brochure for future delivery to obtain a home solicitation sales permit from the pertinent county’s clerk of the circuit court before they begin their door-to-door sales. This type of solicitor is currently exempt from the permitting requirement.
Section 3 provides an effective date of July 1, 2020.

IV. Constitutional Issues:
A. Municipality/County Mandates Restrictions:
   None.
B. Public Records/Open Meetings Issues:
   None.
C. Trust Funds Restrictions:
   None.
D. State Tax or Fee Increases:
   None.
E. Other Constitutional Issues:
   None.

V. Fiscal Impact Statement:
A. Tax/Fee Issues:
   None.
B. Private Sector Impact:
   Homeowners who use unlicensed vendors for services and repairs to their property may be less susceptible to theft of their payments and more timely performance of their repairs as a result of the criminal penalties implemented by this bill.
   
   Solicitors who conduct door-to-door sales, leases, or rentals of consumer goods or services by sample, catalog, or brochure for future delivery will be required to obtain a permit to perform their work. This will increase to cost to do business as such a solicitor. Consumers targeted by such solicitors may be less subject to unscrupulous sales as a result of the permitting process.
C. Government Sector Impact:
   The bill creates a new criminal penalty, which may increase the need for prison beds if the number of successful prosecutions increases.
County clerks of circuit courts may see an increase in permit processing for certain door-to-door solicitors.

VI. Technical Deficiencies:

None.

VII. Related Issues:

The bill’s definition of an unlicensed vendor is relatively broad and may ultimately capture professionals who are licensed in some capacity by the state of Florida.

It is unclear whether an unlicensed contractor is excluded from the definition of an unlicensed vendor. Therefore, an unlicensed contractor may be subject to penalty under both this law and contractor theft (s. 489.126(2), F.S.).

As written, the bill appears to require all unlicensed vendors to refund their payment within 14 days after receiving it, whether or not they have otherwise complied with their duty outlined in the bill to perform work in a timely fashion.

Section 501.0195(3)(b) provides that there is a presumption that an unlicensed vendor does not have just cause if [he or she] “fails to continue the work for any 14-day period after the date all necessary permits for work, if any, are issued.” This is repetitive of the presumption that an unlicensed vendor lacks just cause if he or she “fails to comply with paragraph (a)” on lines 45-47, also within paragraph (3)(b) of the bill because subparagraph (3)(a)3. provides that an unlicensed vendor must “[p]erform the work, without any failure to continue the work for any 14-day period after payment is made or 14 days after the date all necessary permits for work, if any, are issued.” The inclusion of this duty twice in paragraph (3)(b) may be problematic when interpreting the law.

VIII. Statutes Affected:

This bill creates section 501.0195, F.S., and amends section 501.022 of the Florida Statutes.

IX. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:

CS by Commerce and Tourism on December 10, 2019:
The CS clarifies that an unlicensed vendor is an individual who is not deemed a contractor in Florida who also provides or promises to provide services related to a residential home or the extended parcel of land on which the home is situated.

B. Amendments:

None.
The Committee on Commerce and Tourism (Baxley) recommended the following:

**Senate Amendment**

1. Delete line 27
2. and insert:
   3. residential home or the extended parcel of land on which
   4. the
A bill to be entitled 
An act relating to consumer protection; creating s. 
501.0195, F.S.; providing legislative findings and 
intent; defining the term "unlicensed vendor"; 
requiring an unlicensed vendor to take certain actions 
within a specified timeframe after receiving payment; 
providing an exception; providing that the unlicensed 
vendor has the burden to prove just cause; providing 
criminal penalties; amending s. 501.022, F.S.; 
removing an exemption from permitting requirements for 
certain solicitors, salespersons, and agents; 
providing an effective date. 

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

Section 1. Section 501.0195, Florida Statutes, is created 
to read: 

501.0195 Home repairs by unlicensed vendors.— 
(1) The Legislature finds that vigorous enforcement of 
residential contracting laws is necessary to protect residents, 
consumers, and this state’s economy, and therefore, the 
Legislature intends that this section be strictly construed and 
enforced. 

(2) For the purposes of this section, the term “unlicensed 
vendor” means a person who:

(a) Provides or promises to provide services related to a 
residential home and the extended parcel of land on which the 
home is located, including, but not limited to, driveways, 
lawns, trees, gardens, landscaping areas, walls, fences, or 
other vegetation or fixtures located thereon; and 

(b) Is not deemed a “contractor” under s. 489.105(3). 

(3)(a) An unlicensed vendor who receives an initial payment of any amount must do all of the following unless the unlicensed vendor has just cause or has agreed, in writing, with the person who made the payment to a longer timeframe for performance: 

1. If the work requires a permit, apply for such permits 
within 14 days after receiving payment for the work. 

2. Start the work within 14 days after receiving payment 
for the work or within 14 days after the date all necessary 
permits for work, if any, are issued. 

3. Perform the work, without any failure to continue the 
work for any 14-day period after payment is made or 14 days 
after the date all necessary permits for work, if any, are 
issued. 

(b) There is a presumption that an unlicensed vendor does 
not have just cause if the unlicensed vendor fails to comply 
with paragraph (a), fails to refund the payment within 14 days 
after receiving payment, or fails to continue the work for any 
14-day period after the date all necessary permits for work, if 
any, are issued. The burden is on the unlicensed vendor to prove 
just cause and to rebut the presumption. 

(4) A violation of this section is: 

(a) If the total money received is less than $300, a 
misdemeanor of the first degree, punishable as provided in s. 
775.082 or s. 775.083. 

(b) If the total money received is less than $300 and the 
unlicensed vendor has had more than one violation within a 3-
year period, a felony of the third degree, punishable as 

Page 1 of 4 
CODING: Words are deletions; words are additions.
provided in s. 775.082, s. 775.083, or s. 775.084.

(c) If the total money received is greater than or equal to $300 but less than $5,000, a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

(d) If the total money received is $5,000 or more but less than $50,000, a felony of the second degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

(e) If the total money received is $50,000 or more, a felony of the first degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

Section 2. Paragraphs (a) and (b) of subsection (1) of section 501.022, Florida Statutes, are amended to read:

501.022 Home solicitation sale; permit required.—
(1)(a) It is unlawful for any person to conduct any home solicitation sale, as defined in s. 501.021, or to supervise excluded minors conducting such sales provided in subparagraph (b)4., in this state without first obtaining a valid home solicitation sale permit as provided in this section.

(b) The following are excluded from the operation of this section:
1. Bona fide agents, business representatives, or salespersons making calls or soliciting orders at the usual place of business of a customer regarding products or services for use in connection with the customer’s business.
2. Solicitors, salespersons, or agents making a call or business visit upon the express invitation, oral or written, of an inhabitant of the premises or her or his agent.
3. Telephone solicitors, salespersons, or agents making calls which involve transactions that are unsolicited by the consumer and consummated by telephone and without any other contact between the buyer and the seller or its representative before delivery of the goods or performance of the services.
4. Solicitors, salespersons, or agents conducting a sale, lease, or rental of consumer goods or services by sample, catalog, or brochure for future delivery.
5. Minors, as defined in s. 1.01(13), conducting home solicitation sales under the supervision of an adult supervisor who holds a valid home solicitation sale permit. Minors excluded from operation of this section must, however, carry personal identification which includes their full name, date of birth, residence address, and employer and the name and permit number of their adult supervisor.
6. Those sellers or their representatives that are currently regulated as to the sale of goods and services by chapter 475 or chapter 497.
7. Solicitors, salespersons, or agents making calls or soliciting orders on behalf of a religious, charitable, scientific, educational, or veterans’ institution or organization holding a sales tax exemption certificate under s. 212.08(7).

Section 3. This act shall take effect July 1, 2020.
November 4, 2019

The Honorable Chair Joe Gruters
324 Senate Office Building
Tallahassee, Florida 32399

Dear Chairman Gruters,

I would like to request that SB 498 Consumer Protection be heard in the next Commerce & Tourism Committee meeting.

This good bill amends sections of the “Theft by Abandonment” and “Unauthorized Home Solicitation” statues to fix several loopholes that prevent law enforcement and state’s attorney’s from pursuing criminal prosecution for fraudulent contractors and solicitors.

Thank you for your favorable consideration.

Onward & Upward,

Senator Dennis K. Baxley
Senate District 12

DKB/dd

cc: Todd McKay, Staff Director
I. **Summary:**

SB 654 creates a sales tax refund for eligible job training organizations. Under the bill, an eligible job training organization may apply for a refund of 10 percent of the sales tax the organization remitted to the Department of Revenue on its sales of donated goods during the previous fiscal year.

The use of sales tax refunds issued to an eligible job training organization is limited to any of the following purposes:
- Growth in employment hours;
- Job training and employment services to low-income persons, individuals with workplace disadvantages, and individuals with barriers to employment; or
- Job training and employment services for veterans.

The amount of refunds issued may not exceed $2 million in any state fiscal year.

Except as otherwise expressly provided for in the bill, the bill takes effect upon becoming law.

II. **Present Situation:**

**Florida Sales Tax**

Florida levies a 6 percent sales and use tax on the sale or rental of most tangible personal property,\(^1\) admissions,\(^2\) transient rentals,\(^3\) and a limited number of services. Chapter 212, F.S., contains provisions authorizing the levy and collection of Florida’s sales and use tax, as well as the exemptions and credits applicable to certain items or uses under specified circumstances.

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\(^1\) Section 212.05(1)(a)1.a, F.S.
\(^2\) Section 212.04(b), F.S.
\(^3\) Section 212.03(1)(a), F.S.
Sales tax is added to the price of the taxable good or service and collected from the purchaser at the time of sale.\textsuperscript{4} Sales tax receipts accounted for approximately 77 percent of the state’s General Revenue in Fiscal Year 2018-2019.\textsuperscript{5}

In addition to the state level tax, counties are authorized to levy local discretionary sales surtaxes under certain situations.\textsuperscript{6} Surtaxes apply to all transactions occurring in the county that are subject to the state level tax.\textsuperscript{7} Discretionary sales surtax rates currently levied vary by county in a range of 0.5 to 2.5 percent.\textsuperscript{8}

**Charitable Organizations**

Charitable organizations are eligible to receive tax-deductible contributions.\textsuperscript{9} To qualify as a charitable organization under section 501(c)(3) of the Internal Revenue Code an organization must be organized and operated exclusively for an exempt purpose,\textsuperscript{10} none of its earnings may inure to any private shareholder or individual, and it cannot be an action organization.\textsuperscript{11} Additionally, organizations that qualify under section 501(c)(3) may be eligible for other tax benefits, such as state and federal sales, property, and income tax exemptions.\textsuperscript{12}

**Qualified Job Training Organizations**

Section 288.1097, F.S., allows a “qualified job training organization” to receive grant funding from the Department of Economic Opportunity (DEO). To be eligible, a job training organization must:

- Be exempt under s. 501(c)(3) or (4) of the Internal Revenue Code;
- Provide job training and employment services to individuals who have workplace disadvantages or disabilities;
- Be accredited by the Commission on Accreditation of Rehabilitation Facilities;
- Collect Florida sales tax;
- Specialize in the retail sale of donated items;
- Operate statewide through more than 100 locations;
- Use a majority of its revenues for job training and placement programs that create jobs and foster economic development; and

\begin{itemize}
  \item \textsuperscript{4} See s. 212.07(2), F.S.
  \item \textsuperscript{6} Section 212.055, F.S.
  \item \textsuperscript{7} Section 212.054, F.S.
  \item \textsuperscript{8} Supra note 5, at 225-226.
  \item \textsuperscript{9} 26 U.S.C. s. 170
  \item \textsuperscript{10} Exempt purposes include: charitable, religious, educational, scientific, literary, testing for public safety, fostering national or international amateur sports competition, and preventing cruelty to children or animals. IRS, *Exempt Purposes - Internal Revenue Code Section 501(c)(3)*, available at [https://www.irs.gov/charities-non-profits/charitable-organizations/exempt-purposes-internal-revenue-code-section-501c3](https://www.irs.gov/charities-non-profits/charitable-organizations/exempt-purposes-internal-revenue-code-section-501c3) (last visited Dec. 9, 2019).
  \item \textsuperscript{11} A charitable organization “may not attempt to influence legislation as a substantial part of its activities and it may not participate in any campaign activity for or against political candidates.” IRS, *Exemption Requirements - 501(c)(3) Organizations*, available at [https://www.irs.gov/charities-non-profits/charitable-organizations/exemption-requirements-section-501c3-organizations](https://www.irs.gov/charities-non-profits/charitable-organizations/exemption-requirements-section-501c3-organizations) (last visited Dec. 9, 2019).
• Be certified by the DEO that the organization meets the requirements described above.

The DEO is permitted to release funds to the organization pursuant to a contract with the organization. The contract must require the organization to meet certain performance conditions in order to receive the grant funds, including net new employment in the state, the methodology for validating performance, the schedule of payments, and sanctions for failure to meet the performance requirements. Salaries paid to officers and employees of the organization must meet certain Internal Revenue Code requirements.\(^\text{13}\)

The organization must use the grant funds solely to encourage and provide economic development through capital construction, improvements, or the purchase of equipment that will result in expanded employment opportunities. The following results must also be met within a 10-year period:\(^\text{14}\)
- Creation of at least 5,000 direct, new jobs;
- Minimum of 23,000 new clients served;
- Production of a minimum of $24 million in new sales tax revenues from increased sales;
- Minimum of $42 million in new salaries; and
- Minimum of $6 million for job placement services.

### III. Effect of Proposed Changes:

Section 1 of the bill creates s. 212.094, F.S., which would allow eligible job training organizations to apply for a 10 percent refund on the sales tax collected on the sale of donated goods. The bill defines an eligible job training organization as an organization that:
- Is an exempt organization under section 501(c)(3) of the Internal Revenue Code;
- Provides job training and employment services to low-income persons,\(^\text{15}\) individuals who have workplace disadvantages, or individuals with barriers to employment; and
- Is accredited by the Commission on Accreditation of Rehabilitation Facilities.

The bill specifies that an eligible job training organization comprised of commonly owned and controlled entities is deemed to be a single organization.

An organization seeking a refund must submit an application to the DEO by July 15. Applications must establish that the organization meets the eligibility requirements and ensure that the refund will be used exclusively for any the following purposes:
- Growth in employment hours;
- Job training and employment services to low-income persons, individuals with workplace disadvantages, and individuals with barriers to employment; or
- Job training and employment services for veterans.

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\(^{13}\) Section 288.1097(2), F.S.

\(^{14}\) Section 288.1097(3), F.S.

\(^{15}\) Section 420.0004, F.S., defines a low-income person as “one or more natural persons or a family, the total annual adjusted gross household income of which does not exceed 80 percent of the median annual adjusted gross income for households within the state, or 80 percent of the median annual adjusted gross income for households within the metropolitan statistical area (MSA) or, if not within an MSA, within the county in which the person or family resides, whichever is greater.”
The DEO is required to verify applications and notify an organization of their determination within 15 days of receiving a completed application. If an organization is approved, the DEO will provide the organization and the Department of Revenue (DOR), if applicable, with a certification of eligibility. The DEO must communicate decisions in writing, or in e-mail if agreed to by the organization. Certifications remain valid so long as the organization is in compliance with the eligibility requirements.

Organizations that are certified by the DEO must then apply to the DOR between August 1 and August 31 of each year the organization seeks a refund. A copy of the organization’s certification must be included in the organization’s first application but is not required to be included in subsequent applications.

By August 1 following each state fiscal year an eligible job training organization receives a refund, the organization must provide the DEO with a report regarding the use of its refund. The report must include:

- The amount of the refund used to create growth in employment hours;
- The total growth in employment hours;
- The amount of the refund used for job training and employment services;
- The number of individuals who participated in job training and employment services at the eligible job training organization; and
- A statement declaring that the organization continues to meet the requirements of the tax refund.

The bill authorizes the DEO to adopt rules to administer the sales tax refund, including rules for the approval and disapproval of the application. If the DEO determines that a job training organization is no longer qualified to receive a refund, the DEO must notify the DOR by August 31. The DOR is prohibited from issuing a refund after receiving such notification. The overpayment of a refund and refunds issued to ineligible organizations are subject to repayment and interest at the rate calculated pursuant to s. 213.235, F.S.

The total amount of refunds that may be issued in any state fiscal year must not exceed $2 million. Refunds are granted on a first-come, first-served basis.

Section 1 of the bill takes effect July 1, 2020.

Section 2 authorizes the DOR to adopt emergency rules for the purpose of administering the sales tax refund. Any other law notwithstanding, emergency rules are effective for 6 months after adoption and may be renewed while procedures to adopt permanent rules are pending. Section 2 of the bill expires July 1, 2021.

Section 3 provides that, except as otherwise expressly provided for in the bill, the bill takes effect upon becoming law.
IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

Article VII, s. 18 of the Florida Constitution governs laws that require counties and municipalities to spend funds, limit the ability of counties and municipalities to raise revenue, or reduce the percentage of state tax shared with counties and municipalities. Except upon approval of each house of the Legislature by two-thirds vote of the membership, the legislature may not enact, amend, or repeal any general law if the anticipated effect of doing so would be to reduce the authority that municipalities or counties have to raise revenue in the aggregate, as such authority existed on February 1, 1989. However, the mandates requirements do not apply to laws having an insignificant impact,\textsuperscript{16,17} which is $2.1 million or less for Fiscal Year 2019-2020.\textsuperscript{18}

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

The bill creates a sales tax refund for eligible job training organizations equal to 10 percent of the sales tax remitted to the DOR on its sales of goods donated to the organization during the prior state fiscal year.

B. Private Sector Impact:

The bill will likely have a positive fiscal impact on the job training organizations that receive a sales tax refund.

\textsuperscript{16} FLA. CONST. art. VII, s. 18(d).

\textsuperscript{17} An insignificant fiscal impact is the amount not greater than the average statewide population for the applicable fiscal year multiplied by $0.10. See Florida Senate Committee on Community Affairs, \textit{Interim Report 2012-115: Insignificant Impact}, (September 2011), available at \url{http://www.flsenate.gov/PublishedContent/Session/2012/InterimReports/2012-115ca.pdf} (last visited Dec. 9, 2019).

\textsuperscript{18} Based on the Demographic Estimating Conference’s population adopted on July 8, 2019. The conference packet is available at \url{http://edr.state.fl.us/Content/conferences/population/ConferenceResults.pdf} (last visited Dec. 9, 2019).
C. Government Sector Impact:

The Revenue Estimating Conference has not yet met regarding the bill.

The DOR has stated the bill will not have an impact on its expenditures.\textsuperscript{19}

The DEO has not yet analyzed the bill’s fiscal impact on its expenditures. For a comparable bill, SB 1098 (Regular Session 2019), the DEO stated that the total impact of expenses incurred to accept and approve applications was not known.\textsuperscript{20}

VI. Technical Deficiencies:

None.

VII. Related Issues:

The bill requires the DEO to notify the DOR by August 31 of any eligible job training organizations that no longer qualify for the sales tax refund. However, organizations must apply to the DOR between August 1 and August 31 to receive a refund. This may result in the DOR processing an organization’s refund before receiving notice from the DEO that the organization has been determined as ineligible for the refund. The bill also provides that refunds issued to ineligible organizations are subject to repayment at interest rates specified in statute, though it is unclear how the DOR will facilitate repayments.

VIII. Statutes Affected:

This bill creates section 212.094 of the Florida Statutes.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

\textsuperscript{19} Department of Revenue, 2020 Agency Legislative Bill Analysis: SB 654, November 14, 2019. On file with the Senate Committee on Commerce and Tourism.

The Committee on Commerce and Tourism (Torres) recommended the following:

**Senate Amendment**

Between lines 66 and 67

insert:

(d) Immigration status shall not be a basis for or to deny access to job training programs that benefit from the refunds under this section.
A bill to be entitled An act relating to a sales tax refund for eligible job training organizations; creating s. 212.094, F.S.; defining terms; providing a sales tax refund for eligible job training organizations; specifying the percentage of sales tax remitted on certain sales which may be refunded to such organizations; limiting the use of the refund by such organizations to certain purposes; specifying an annual limit on refunds issued by the Department of Revenue and the priority of granting refunds; specifying requirements and procedures for applying for certification with and approving certification by the Department of Economic Opportunity; specifying requirements and procedures for applying for the refund with the Department of Revenue; providing construction; requiring organizations receiving refunds to provide specified reports to the Department of Economic Opportunity; authorizing the Department of Economic Opportunity to adopt rules; providing requirements and procedures relating to ineligible organizations; authorizing the Department of Revenue to adopt emergency rules; providing for expiration of the authorization; providing effective dates.

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

Section 1. Effective July 1, 2020, section 212.094, Florida Statutes, is created to read:

CODING: Words stricken are deletions; words underlined are additions.
must reserve the refund exclusively for use in any of the following:

(a) Growth in employment hours.

(b) Job training and employment services to low-income persons as defined in s. 420.0004, individuals who have workplace disadvantages, and individuals with barriers to employment.

(c) Job training and employment services for veterans.

(3) The total amount of refunds that the department may issue under this section may not exceed $2 million in any state fiscal year. Refunds must be granted on a first-come, first-served basis.

(4) An organization seeking a refund under this section must first submit an application to the Department of Economic Opportunity by July 15 which sets forth that the organization meets the requirements under paragraph (1)(a) and that the refund will be used exclusively for the purposes listed in subsection (2). The organization must submit supporting information as prescribed by the Department of Economic Opportunity by rule.

(5)(a) The Department of Economic Opportunity shall verify the application and notify the organization of its determination within 15 days after receiving a complete application. The Department of Economic Opportunity shall communicate its decision in writing or, if agreed to by the applicant, via email.

(b) If the Department of Economic Opportunity approves the application, the notice sent to the eligible job training organization must include a certification that the organization meets the requirements of this section.

(6) An eligible job training organization certified under this section must apply to the department between August 1 and August 31 of each year to receive a refund. A copy of the certification must be included in an eligible job training organization’s first application for a refund, but is not required to be included in subsequent applications. The organization must submit any information required by the department as part of its application for the refund.

(7) For purposes of this section, an eligible job training organization comprised of commonly owned and controlled entities is deemed to be a single organization.

(8) By August 1 following each state fiscal year in which an eligible job training organization received a refund pursuant to subsection (2), the organization must provide a report to the Department of Economic Opportunity regarding the use of the funds in accordance with subsection (2). The report must include at least all of the following:

(a) The amount of the refund used to create growth in employment hours.

(b) The total growth in employment hours.

(c) The amount of the refund used for job training and education.
employment services.

(d) The number of individuals who participated in job
training and employment services at the eligible job training
organization.

(e) A statement declaring that the eligible job training
organization continues to meet the requirements of this section.

(9)(a) The Department of Economic Opportunity may adopt
rules to administer this section, including rules for the
approval and disapproval of applications.

(b) If the Department of Economic Opportunity determines
that an eligible job training organization no longer qualifies
for the refund under this section, the Department of Economic
Opportunity must notify the department by August 31. The
department may not issue a refund after receiving such
notification.

(c) The overpayment of a refund or a refund issued to an
ineligible organization is subject to repayment and interest at
the rate calculated pursuant to s. 213.235.

Section 2. (1) The Department of Revenue is authorized, and
all conditions are deemed met, to adopt emergency rules pursuant
to s. 120.54(4), Florida Statutes, for the purpose of
administering this act.

(2) Notwithstanding any other law, emergency rules adopted
pursuant to subsection (1) are effective for 6 months after
adoption and may be renewed during the pendency of procedures to
adopt permanent rules addressing the subject of the emergency
rules.

(3) This section expires July 1, 2021.

Section 3. Except as otherwise expressly provided in this
act, this act shall take effect upon becoming a law.
To: Senator Joe Gruters, Chair  
    Commerce and Tourism Committee

Subject: Committee Agenda Request

Date: November 6, 2019

I respectfully request that Senate Bill #654, relating to Sales Tax Refund for Eligible Job Training Organizations, be placed on the:

☐ committee agenda at your earliest possible convenience.

☒ next committee agenda.

Senator Tom Lee  
Florida Senate, District 20
I. Summary:

CS/SB 530 creates the Film, Television, and Digital Media Targeted Rebate Program to encourage economic development related to the production of film, television, and digital media in Florida. The Program offers rebates to certified film, television, and digital media projects that, among other requirements, employ Florida residents and spend at least 70 percent of their production days in Florida. A certified project may only receive a rebate after it has completed production, and its expenditures have been verified by the Office of Film and Entertainment in the Department of Economic Opportunity.

The Program is subject to legislative appropriation, but there is currently no appropriation of state funds in the bill.

The bill takes effect upon becoming law and expires on June 30, 2023.

II. Present Situation:

The Office of Film and Entertainment (Office) within the Department of Economic Opportunity (Department) develops, markets, promotes, and provides services to Florida’s entertainment industry.¹

The Commissioner of Film and Entertainment, who is hired by the Department’s Executive Director, administers the Office’s programs and provides other advice and counsel relating to entertainment in Florida.

The Florida Film and Entertainment Advisory Council is an advisory body that serves the Office and the Department in an administrative role to provide insight and expertise related to Florida’s entertainment industry. The Council consists of 17 appointees who are active in Florida’s motion picture and entertainment industries, including representatives of local film commissions, entertainment associations, entertainment industry labor organizations, and executives of important industry businesses and offices.

Florida Film Tax Incentive and Exemption

In order to promote film and entertainment in Florida, the Office administers two economic incentive programs that are available to film, television, digital media, and other similar projects that are produced in Florida: a tax credit incentive and a tax exemption.

Entertainment Industry Financial Incentive Program

In 2003, the Legislature created the Entertainment Industry Financial Incentive Program (incentive program). Originally, the incentive program offered a reimbursement for qualified expenditures relating to entertainment industry productions in Florida. In its most recent iteration (from July 1, 2010 to June 30, 2016), the incentive program provided transferrable tax credits for qualified wage, equipment, rental, and other expenditures made to Florida vendors for qualified entertainment industry productions. A qualified production was defined as a motion picture, commercial, music video, industrial or educational film, infomercial, documentary film, television series, or digital media project. Qualified productions that successfully completed their project and had their expenses verified by the Office could receive up to 30 percent of their qualified expenditures, or $8 million, in tax credits—whichever is less. Recipients were permitted to apply their tax credits to their corporate income taxes, sales taxes, or both; alternately, the recipients could sell their tax credits on the market or back to the state at a reduced rate.

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2 Section 288.1251(1)(b), F.S.
3 See, e.g., sections 288.1254(3)(g) and 288.1254(4)(b)4., F.S.
4 Section 288.1252, F.S.
6 Chapter 2003-81, Laws of Fla.
8 Section 288.1254(7), F.S. In 2012, the Legislature added an additional year to the program. See s. 15, ch. 2012-32, Laws of Fla.
9 Chapter 2010-147, Laws of Fla. See also, s. 288.1254, F.S.
10 Section 288.1254(4), F.S.
11 Sections 288.1254(5)-(6), F.S. See also, Florida EDR, supra note 7.
During its 6-year lifetime, the incentive program was allocated $296 million.\textsuperscript{12} The Office reports that it awarded $288 million in tax credit incentives to 299 certified productions by the end of the incentive program.\textsuperscript{13}

\textbf{The Entertainment Industry Sales Tax Exemption Program}

The Entertainment Industry Sales Tax Exemption (tax exemption program) offers tax exemption certificates to companies that create qualified productions in Florida.\textsuperscript{14} This tax exemption program currently offers several exemptions from taxes under ch. 212, F.S., for the following:

- \textit{Lease or rental of real property} that is used as an integral part of an activity or service performed directly in connection with the production of a qualified motion picture (“activity or service” includes photography, casting, location scouting, and set design);\textsuperscript{15}
- \textit{Fabrication labor} when a producer uses his or her own equipment and personnel to produce a qualified motion picture;\textsuperscript{16}
- \textit{Purchase or lease of motion picture and video equipment and sound recording equipment} used in Florida for motion picture or television production or for the production of master tapes or master records;\textsuperscript{17} and
- \textit{Sale, lease, storage, or use of blank master tapes, records, films, and video tapes}.\textsuperscript{18}

To qualify for these tax exemptions, a company must submit an application to the Department of Revenue (DOR). This application must then be approved by the Office.\textsuperscript{19} The Office approved 1,024 applications for the tax exemption program during Fiscal Year 2018-2019.\textsuperscript{20} Purchases under this tax exemption program are not subject to verification, but may be subject to audit by the DOR.

\textbf{Other Film Incentives}

\textbf{Florida Local Incentive Programs}\textsuperscript{21}

Several of Florida’s local governments offer production incentives.

- Miami-Dade County has a two-tier incentive. The first tier grants up to $100,000 to productions that spend at least $1 million, and the second tier grants up to $50,000 to productions that spend $500,000 to $999,999 in Miami-Dade.\textsuperscript{22} At least 70 percent of all

\begin{footnotes}
\textsuperscript{12} Section 288.1254(7), F.S.
\textsuperscript{13} Florida Office of Film and Entertainment, \textit{supra} note 1, at 5.
\textsuperscript{14} Section 288.1258, F.S.
\textsuperscript{15} Section 212.031(1)(a)9., F.S.
\textsuperscript{16} Section 212.06(1)(b), F.S., provides a definition of the term “qualified motion picture” for purposes of ch. 212, F.S.
\textsuperscript{17} Section 212.08(5)(f), F.S.
\textsuperscript{18} Section 212.08(12), F.S.
\textsuperscript{19} Section 288.1258(2), F.S.
\textsuperscript{20} Florida Dept. of Economic Opportunity, \textit{Entertainment Industry Sales Tax Exemption Fiscal Year Comparison FY 2001-2019}, on file with the Senate Committee on Commerce and Tourism.
\textsuperscript{21} See, Florida EDR, \textit{supra} note 4, at 6-7.
qualified productions must take place within the county, in addition to other hiring and salary requirements.\(^{23}\)

- Hillsborough County offers a 10 percent rebate for companies that spend at least $100,000 on production in the county.\(^{24}\)
- Jacksonville offers 10 percent of a production’s qualified expenditures as an incentive to film in Duval County; a production must make at least $50,000 in qualified expenditures to qualify.\(^{25}\)

**Other State’s Programs**\(^{26}\)

The popularity of entertainment industry incentives has decreased in state legislatures. In 2009, 44 states offered some form of entertainment industry incentive, but in 2018, only 31 states did so.\(^{27}\) However, Georgia continues to fund its film tax credit program at the level of demand by placing no cap on their program.\(^{28}\) North Carolina reversed its 2014 decision to eliminate film tax credits, and offered $31 million in available incentives for productions made in its state in 2018.\(^{29}\)

### III. Effect of Proposed Changes:

The bill creates the Film, Television, and Digital Media Targeted Rebate Program (rebate program) within the Department, to be supervised by the Commissioner of Film and Entertainment (Commissioner). The rebate program gives rebates to certified projects that engage in film, television, and digital media production in the state in order to create high-paying jobs, expand the industry’s impact on Florida’s economy, enhance tourism, and encourage more family-friendly productions in Florida. After production has completed, each certified project is eligible to receive a rebate for up to 23 percent of its qualified expenditures, or $2 million, whichever is less. A project’s qualified expenditures, and its continued 3 percent bonus eligibility, must be verified by the Commissioner before the project may receive its rebate payment and any such payment is subject to claw back if received as a result of fraudulent information.

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\(^{28}\) Georgia offers a 20 percent tax credit for productions that spend $500,000 or more in the state, with an additional 10 percent tax credit if the project includes a Georgia promotional logo on its project. Georgia Dep’t. of Economic Development, *Incentives and Applications*, [https://www.georgia.org/industries/film-entertainment/georgia-film-tv-production/production-incentives](https://www.georgia.org/industries/film-entertainment/georgia-film-tv-production/production-incentives) (last visited Dec. 10, 2019).

**General Project Requirements**

A proposed project is eligible for a rebate under the rebate program if it:
- Is registered to do business in Florida;
- Is a film, television, or digital media project that is not obscene, as defined in s. 847.001, F.S., or pornographic;
- Has a proposed budget of qualified expenditures of at least:
  - $1.5 million for a film project,
  - $500,000 per episode for a television project, or
  - $1.5 million for a digital media project.
- Projects to employ a crew, excluding extras, made up of at least 60 percent Florida residents, and at least one military veteran;
- Proposes to spend at least 70 percent of its total production days in Florida;
- Does not use both the Florida entertainment sales tax exemption, established under s. 288.1258, F.S., and a rebate available under the rebate program;
- Makes a good faith effort to use existing Florida providers of infrastructure or equipment, including providers of gear, grip and lighting equipment, vehicles, and postproduction services and to employ a cast and crew who are Florida residents;
- Agrees to include marketing that promotes Florida tourism or Florida’s film and entertainment industry on its project, e.g., a “Filmed in Florida” logo, local film office logo, or other statement that has been approved by the Commissioner;
- Permits the Commissioner or an affiliate to visit the project’s production site, along with at least two guests; and
- Provides at least five photos of the production to the Commissioner for use in promoting Florida as a film, television, or digital media production location, or a tourist destination.

**Application and Award Process**

To become a qualified project that is eligible to receive a rebate under the rebate program, an applicant must submit an application to the Office. The Commissioner will receive assistance from the Florida Film and Entertainment Advisory Council (Council) to review the applications and assign a score to each. Ultimately, the Commissioner alone will make a determination to certify or reject the project. This process is discussed in detail below.

**Application**

To qualify for the rebate program, a film, television, or digital media project must submit an application that outlines the project’s:
- Proof of funding;
- Employment information, including how many Florida residents it intends to employ;
- Line-item budget of planned qualified expenditures;
- Distribution plan for use in estimating the project’s potential economic impact in Florida;
- Expected total expenditures in Florida—both qualified and non-qualified—including a specific amount for wages to be paid to Florida residents;
- Most recent script, production schedule, Day out of Days report, and list of expected shooting locations, if it is a film project;
Final script, production schedule, Day Out of Days report, and a list of the expected shooting locations, if it is a television pilot project;

Latest scripts for at least two episodes and a production schedule, a Day Out of Days report, and a list of the expected shooting locations for the first episode, if it is a television series project;

Detailed game design document, if it is a digital media project;

A signed affirmation that the information included in the application is correct; and

Florida tax identification number.

An applicant or its parent company may submit up to five applications per application window, but only one project per applicant, per year may receive a rebate.

The Commissioner will determine the start date for both application windows, but the windows must end on or before the fifth business day after July 1, and the fifth business day after January 1, respectively. The proposed project must begin production within 6 months after July 1 or January 1, depending on the window during which the application was submitted.

Scoring Criteria

The Council and Commissioner, with input from other persons must develop a priority order and scoring system (scoring system) to apply to the applicants as part of the determination for certification for the rebate program. The system must include consideration of the project’s:

- Overall qualified expenditures;
- Employment of Florida residents, including their wages paid, benefits provided, and duration of employment;
- Full-time-equivalent jobs created;
- Economic impact on direct and indirect tourism based on its distribution plans;
- Production in an underutilized area, defined as any Florida county, excluding Broward, Miami-Dade, Orange, and Seminole counties;
- Status as a family friendly project, defined as a project that has cross-generational appeal, is appropriate in theme, content, and language for a broad audience, embodies a responsible resolution of issues, and does not contain drunkenness, illicit drug use, sex, nudity, gratuitous violence, vulgar or profane language, or smoking portrayed in a positive light;
- Employment of a Florida resident as a writer, producer, or star;
- Employment of Florida film school graduates;
- Employment of veterans who are also residents of Florida;
- Use of a Florida film, television, or digital media school to assist with its production; and
- Leadership team’s track record.

The Commissioner and Council may use any other criteria they determine important, but they must be outlined as part of the scoring system before the first application window opens. Specifically, the highest scores must apply to the projects determined to provide the best economic impact and return on investment to Florida.
Award of Rebates

After the initial review and scoring of the applicants, the Commissioner makes the final determination to certify or reject an applicant. The Commissioner must also send a notice of the decision to each applicant. If a project is certified, the Commissioner must include in the notice the project’s maximum rebate amount and the specific percent of qualified expenditures for which the project is eligible.

The Commissioner must also give the Department a list of certified projects and their maximum rebate amounts. Based on this notice, the Department must set aside enough money to fund the rebates, if funds are available. However, the number of rebates awarded in the first application window is limited because the Department may only set aside up to 60 percent of the fiscal year appropriation or rolled-over rebate funds for those applications. Any rebate funds that are not set aside for the first application window roll over to be applied to the second application window. The Department cannot accept additional applications for the rebate program if all of its rebate funds are allocated to other projects. Additional applications may be processed after the rebate program receives additional funds. Funds appropriated to the rebate program are not subject to reversion.

Determination and Verification of Qualified Expenditures

Qualified Expenditures

The rebate award starts at 20 percent of a project’s verified qualified expenditures; a project may earn one additional 3 percent bonus if either 75 percent of its production will occur in an underutilized area,30 or its content is family friendly. Therefore, a project’s rebate award is capped at 23 percent of its qualified expenditures, or $2 million—whichever is less.

A qualified expenditure is a preproduction, production, or postproduction expenditure made by a qualified project in Florida to a Florida resident or Florida-registered business for:

- Goods rented or leased from, or services provided by, a Florida vendor that is registered with the Department of State or the DOR, has a physical address in Florida, and employs one or more Florida residents in a full-time capacity;
- Salaries or wages, including benefits such as pension or healthcare payments, paid to Florida residents, up to $200,000 per resident;
- Car, truck, or trailer leases or rentals, if the vehicle is registered with the Department of Highway Safety and Motor Vehicles;
- Catered meals and on-set craft service supplies; and
- Rented hotel rooms or other accommodations for cast or crew.

Qualified expenditures exclude internet transactions; costs associated with the project’s development, marketing or distribution; airfare costs; and purchases made before the project qualified for the rebate program.

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30 An underutilized county is defined in the bill as any county in Florida that is not Broward County, Miami-Dade County, Orange County, or Seminole County.
Verification

A certified project may not collect its rebate until it has completed its production and its qualified expenditures and bonus eligibility have been verified by the Commissioner. The Commissioner must develop policies and procedures to implement this process, which must require all of the following:

- Submission by the Project within 120 days after making its final qualified expenditure, but no later than 1 year after its production start date, of:
  - Data that substantiates each qualified expenditure, which has been audited by an independent certified public account (CPA) who is licensed in Florida;
  - Documents that verify the Florida residency of the persons represented as such;
  - The project’s final script;
  - The project’s most recent production board and shooting schedule;
  - The project’s most recent credit list, which shows the required marketing logo or other approved statement;
  - The project’s cast list and final crew list with contact information; and
  - Verification that at least one person employed by the project is a veteran of the United States Armed Forces.
- An affidavit or written declaration signed under the penalty of perjury by the qualified project that states that all of the salaries, wages, and other compensation submitted as a qualified expenditure to the Office comply with the requirements of the rebate program; and
- A compliance audit, to be conducted by an independent CPA at the project’s expense, to prove each qualified expenditure and a report of the audit’s findings, including substantiating data. The audit and report must be submitted to the Commissioner within a reasonable amount of time after the Commissioner’s initial receipt of records from the project.

The Commissioner must report the Project’s actual qualified expenditures, the amount of rebate and any bonus due to the Project to the Department. The Department then must approve the project’s final rebate amount and issue the rebate within a reasonable amount of time.

Disqualification and Reimbursement of Awards

Disqualification

A certified project may be disqualified from the rebate program if it:

- Does not begin principal photography within 30 days before, or 90 days after the production start date listed on the project’s application;
- Fails to abide by the policies, procedures, deadlines, or requirements of the rebate program’s verification process;
- Changes the project’s production start date without also providing notice of the change to the Commissioner;
- Submits fraudulent information; or
- Uses the state sales tax exemption established under s. 288.1258, F.S.

In addition to disqualification, an applicant that submits fraudulent information is subject to re-payment of costs and fees associated with the Department’s investigation and prosecution of the project’s fraudulent statements, reimbursement of any rebate awards, and civil and penalties.
Miscellaneous

The Department is granted rulemaking authority to administer the rebate program.

The Commissioner must provide an annual report to the Governor, President of the Senate, and Speaker of the House of Representatives by November 1 of each year. The report must identify the rebate program’s return on investment and resulting economic benefits from the previous fiscal year.

The rebate program expires on June 30, 2023. Any funds that were appropriated to the rebate program that have not been earmarked and set aside for qualified projects revert to the General Revenue Fund at the rebate program’s expiration. All remaining funds revert to the General Revenue Fund by October 31, 2024.

The bill takes effect upon becoming law.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.
C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

The bill creates an unnumbered section of the Florida Statutes.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:
   (Summarizing differences between the Committee Substitute and the prior version of the bill.)

   CS by Commerce and Tourism on December 10, 2019:
   • Clarifies that both a television series and a television pilot are eligible for the rebate;
   • Adds application requirements for television series and pilot applicants;
   • Requires the Commissioner to verify a project’s rebate bonus eligibility after the project’s production has completed; and
   • Grants rulemaking authority for the rebate to the Department.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill’s introducer or the Florida Senate.
The Committee on Commerce and Tourism (Gruters) recommended the following:

**Senate Amendment (with title amendment)**

Delete everything after the enacting clause and insert:

Section 1. Film, Television, and Digital Media Targeted Rebate Program.–

(1) CREATION AND PURPOSES OF PROGRAM.–The Film, Television, and Digital Media Targeted Rebate Program is created within the Department of Economic Opportunity under the supervision of the Commissioner of Film and Entertainment.
(a) The purpose of the program is to boost this state’s economic prosperity by:
1. Creating high-paying jobs;
2. Broadening the film, television, and digital media industry’s impact on the state by giving a modest bonus for projects that take place in underutilized areas;
3. Enhancing tourism by choosing projects that encourage tourists to visit this state; and
4. Encouraging more family-friendly productions to be produced in this state.
(b) This purpose shall be accomplished by providing a limited rebate to projects that provide the highest return on investment and economic benefit to the state, as determined after a project has made its expenditures in the state.

(2) DEFINITIONS.—As used in this act, unless the context otherwise requires, the term:
(a) “Certified project” means a qualified project that has been scored by the council, has been determined by the commissioner to meet or exceed the desired economic impact and other criteria of the program, and has rebate funds allocated to it based on the project’s estimated qualified expenditures.
(b) “Commissioner” means the Commissioner of Film and Entertainment as described in s. 288.1251(1)(b), Florida Statutes.
(c) “Council” means the Florida Film and Entertainment Advisory Council.
(d) “Department” means the Department of Economic Opportunity.
(e) “Digital media project” means a commercial video game,
including an educational video game, which includes at least 30 minutes of game play time. The term does not include a project that may be considered obscene, as defined in s. 847.001, Florida Statutes.

(f) “Family friendly” means having cross-generational appeal; being appropriate in theme, content, and language for a broad family audience; embodying a responsible resolution of issues; not containing any act of drunkenness, illicit drug use, sex, nudity, gratuitous violence, or vulgar or profane language; and not portraying smoking any substance in a positive light.

(g) “Film project” means a theatrical, direct-to-video, television, cable, Internet, streaming service, or animated narrative motion picture at least 75 minutes in length. The term does not include a project deemed by the office to have content that is obscene, as defined in s. 847.001, Florida Statutes.

(h) “Florida resident” means a person who has a valid Florida driver license or Florida identification card issued under s. 322.051, Florida Statutes, and has signed an affidavit confirming residency.

(i) “Office” means the Office of Film and Entertainment within the department.

(j) “Principal photography” means, for a film project or television project, the filming of major or significant components of the project which involve lead actors, or, for a digital media project, the period of time during which the work of the majority of the crew is dedicated solely to the project.

(k) “Production start date” means:
   1. For film and television projects, the start date of principal photography, as listed in the project’s application.
2. For digital media projects, the start date of final storyboards or a later date as specified in the project’s application.

   (l)1. "Qualified expenditures" means expenditures made in this state and paid to residents of this state or to businesses registered in this state and made solely for preproduction, production, or postproduction of the qualified project, including the following:

   a. Rented or leased goods or services provided by a vendor or supplier in this state which is registered with the Department of State or the Department of Revenue; which has a physical address in this state other than a post office box; and which employs one or more Florida residents on a full-time basis. The term does not include rebilled goods or services provided by an in-state company from out-of-state vendors or suppliers. When services provided by the vendor or supplier include personal services or labor, only personal services or labor provided by Florida residents qualifies.

   b. Payments to Florida residents in the form of salary or wages up to a maximum of $200,000 per resident, including amounts paid per diem to a worker who is a Florida resident and amounts paid through payroll service companies, and benefits such as pension, health, and welfare payments for technical and production crews, directors, producers, and performers. For purposes of this sub-subparagraph, payments do not include wages for executives, legal staff, or other corporate staff who are not employed to work solely on the project.

   c. Rented or leased cars, trucks, and trailers if the vehicles or trailers are registered with the Florida Department
of Highway Safety and Motor Vehicles.

d. Purchases of catered meals and on-set craft service
supplies.

e. Rented hotel rooms or other accommodations for cast or
crew.

2. The term does not include expenditures not expressly
identified in subparagraph 1., expenditures made before
qualification for the program, expenditures made via Internet
transactions, expenditures for airfare, or any costs associated
with development, marketing, or distribution.

3. For the purposes of a digital media project, the term
includes only those qualified expenditures made within 9 months
after the project’s first qualified expenditure.

(m) “Qualified project” means a film project, television
project, or digital media project that meets the application
requirements and for which a complete application for the
program has been submitted to the commissioner and accepted for
consideration by the office. The term does not include a weather
or market program; a sporting event or a sporting event
broadcast; a gala; an awards show; a production that solicits
funds; a home shopping program; a political program; a gambling-
related project or production; a concert production; a news or
current events show; a sports or sports recap show; a
pornographic production; or any production deemed obscene under
chapter 847, Florida Statutes.

(n) “Television project” means a television pilot program
or a television series that:

1. Is a scripted drama, comedy, animation, or reality show;
2. Has a runtime of at least 30 minutes but not more than
60 minutes; and

3. If the television project is a television series, has a minimum of 7 episodes; or, if the television project is a reality program or series, at least 10 episodes.

The term does not include a project deemed by the office to have content that is obscene, as defined in s. 847.001, Florida Statutes.

(o) “Underutilized area” means any county in this state other than Broward County, Miami-Dade County, Orange County, or Seminole County.

(3) REBATE ELIGIBILITY.—

(a) To be eligible for a rebate, an applicant must be registered to do business in this state and must be producing a project that:

1. Has projected qualified expenditures of:
   a. For a film project, at least $1.5 million;
   b. For a television project, at least $500,000 per episode;
   or
   c. For a digital media project, at least $1.5 million;

2. Is projected to employ a crew, including cast and stand-ins, but not including extras, also known as background performers, of which at least 60 percent will be residents of this state and at least one member will be a military veteran;

3. Is projected to spend at least 70 percent of its total production days in this state; and

4. Will not receive a sales tax certificate of exemption pursuant to s. 288.1258, Florida Statutes, for the project.

(b) A project may receive a rebate in the amount of up to
20 percent of its verified qualified expenditures. A bonus may be earned in the amount of an additional 3 percentage points if 75 percent of the project’s production in this state will take place in an underutilized area or if its content is deemed family friendly. A certified project may not receive more than one bonus, and the total that may be awarded under any rebate may not exceed 23 percent of its verified qualified expenditures or $2 million, whichever is less.

(c) A certified project must make a good faith effort to use existing providers of infrastructure or equipment in this state, when available, including providers of camera gear, grip and lighting equipment, vehicles, and postproduction services, and to employ cast and crew who are residents of this state.

(4) APPLICATION WINDOWS.—Applications must be accepted for the program during two application windows each fiscal year. The commissioner shall set a start date for both application windows. However, the first application window may begin before the start of the fiscal year and must end no later than 5 business days after July 1, and the second must end no later than 5 business days after December 1.

(a) The department may not earmark or set aside more than 60 percent of any appropriated or rolled-over rebate funds for any given fiscal year for applications submitted during the first application window. Rebate funds not earmarked and set aside for applicants applying during one application window roll over for use in the next application window.

(b) If all rebate funds are earmarked and set aside for certified projects, additional applications may not be accepted until more funds become available for the program.
(5) APPLICATION PROCESS.—

(a) A company that plans to produce a film, television, or digital project in this state may submit an application to the commissioner during one of the two application windows. Each fiscal year, a project must have a production start date that is within 6 months after July 1 if applying in the first window or within 6 months after January 1 if applying in the second window.

(b) An applicant or its parent company may submit an application for no more than five projects in any single fiscal year. However, except in the case of a TV pilot and the television series the pilot is based on being certified within the same fiscal year, only one project per applicant may be certified within a fiscal year.

(c) The application must include:

1. Proof of funding;
2. Project-related employment information, including employment numbers for residents of this state;
3. A full line-item budget and a detailed qualified expenditures budget;
4. A detailed distribution plan to assist with determining the potential economic impact of the project in this state;
5. The applicant’s expected total qualified expenditures for wages paid to residents of this state;
6. The applicant’s expected total qualified expenditures and nonqualified expenditures in this state;
7. For a film project, the latest script, a production schedule, a Day Out of Days report, and a list of the expected shooting locations;
8. For a digital media project, a detailed game design document, including a production schedule;

9. For a television project that is a pilot, a final script, a production schedule, a Day Out of Days report, and a list of the expected shooting locations;

10. For a television project that is a series, the latest scripts for at least two episodes and a production schedule, a Day Out of Days report, and a list of the expected shooting locations for the first episode;

11. An affirmation signed by the applicant that the information on the application is correct;

12. The applicant’s Florida tax identification number.

(d) Within a reasonable period of time after the last business day of each application window, the commissioner shall:

1. Review all applications submitted during the application window and determine the eligibility of each applicant;

2. Determine each applicant’s expected qualified expenditures;

3. Determine the maximum rebate amount that each eligible applicant may be awarded;

4. Determine whether an eligible applicant’s project is deemed family friendly;

5. Determine the percentage of the applicant’s production, if any, which is proposed to occur in an underutilized area;

6. Determine whether each eligible applicant is a corporation registered in this state;

7. Contact each applicant with any questions, as necessary;

8. Gather any additional information needed to address the criteria specified under subsection (6);
9. Assemble a package containing the details of each eligible applicant’s project and deliver it to each council member; and

10. Give notice to the council of the date and time when the council must convene to assess each qualified project. The council may meet in person or by conference call.

(e) The council shall determine a score for each qualified project using the criteria specified under subsection (6), with the highest scores going to projects determined to provide the best economic impact and return on investment to this state.

(6) CRITERIA FOR DETERMINING PROJECT SCORES.—

(a) The priority order and scoring system of the criteria specified in paragraph (b) must be determined by the commissioner, with assistance from the council and other persons, as determined by the commissioner, before the first application window.

(b) The council shall use, at a minimum, the following criteria in determining a qualified project’s score:

1. The amount of the project’s overall qualified expenditures.

2. The amount of the project’s Florida-resident wages.

3. The number of full-time-equivalent jobs created by the project.

4. Whether the project provides pension, health, and welfare benefits to its workforce in this state.

5. The estimated direct and indirect tourism benefit of the project, based on the submitted distribution plan.

6. The duration of Florida-resident employment for the project.
7. What percentage of the project, if any, is being made in an underutilized area.

8. Whether the project is family friendly.

9. Whether the project has a Florida-resident writer, producer, or star.

10. Whether a Florida film, television, or digital media school will assist with the production of the project.

11. Whether the project leadership team has a successful track record.

12. The number of Florida-resident veterans the project will hire.

13. The number of Florida film school graduates the project will hire as cast or crew.

(7) NOTIFICATION OF DECISION.—

(a) After the council determines a project’s score, the commissioner shall, in a timely manner:

1. Make a final determination on certifying or rejecting each qualified project, giving consideration to the council’s scoring.

2. Provide a list of certified projects to the department which includes the associated maximum rebate amounts that the respective applicants may receive.

3. Notify each certified project of the specified percentage of qualified expenditures for which it is eligible and the maximum rebate amount that it may receive.

4. Provide a notice of rejection to each rejected applicant; however, the failure to notify an applicant of its rejection does not deem the applicant’s project a certified project.
(b) Based on the final determination of the commissioner, the department shall earmark and set aside the amount necessary to fund the total maximum that may be awarded for the certified projects, if funds are available.

(8) (a) VERIFICATION PROCESS.—The commissioner shall develop a process to verify the actual qualified expenditures and rebate bonus eligibility of a certified project after the project’s work in this state is complete. The process must require all of the following:

1. Submission to the commissioner of at least all of the following information, electronically or in hard copy, or both, by each certified project:
   a. Data substantiating each qualified expenditure, which has been audited by an independent certified public accountant licensed in this state, as required under subparagraph 4.;
   b. Copies of documents verifying residency of persons represented as being residents of this state;
   c. The final script;
   d. The most recent production board and shooting schedule;
   e. The most recent credit list showing where the credits required under subsection (9) will appear;
   f. A cast list and a final crew list with contact information;
   g. For any veterans employed by the project, a copy of at least one of the veterans’ DD Form 214, as issued by the United States Department of Defense, or another acceptable form of identification as specified by the Department of Veterans’ Affairs; and
   h. Any other information determined necessary by the
commissioner.

2. Signing, and submission to the commissioner, by the lead producer or studio executive in charge of the certified project, of an affidavit or written declaration signed under the penalty of perjury as specified in s. 92.525, Florida Statutes, stating that all salaries, wages, and other compensation submitted as qualified expenditures are in compliance with this section.

3. The information and affidavit required by subparagraphs 1. and 2. must be received by the commissioner within 120 days after the certified project has made its last qualified expenditure, but no later than 1 year after its production start date. Pursuant to the rules adopted by the department, the commissioner may, upon a showing of good cause, grant a one-time extension of this deadline.

4. The conducting of a compliance audit, at the certified project’s expense, by an independent certified public accountant who is a resident of this state to substantiate the qualified expenditures, and submission of a report of the audit findings, including substantiating data, to the commissioner within a reasonable period of time after the initial receipt of records from the certified project.

(b) The commissioner shall review the report and data required under paragraph (a) within a reasonable period of time after receipt of the report and data and shall report to the department the final verified amount of actual qualified expenditures the certified project made and the amount of the rebate, including any bonus, due to the project.

(c) Upon approval by the department of the final rebate amount, which may not exceed the maximum specified in the notice
provided under subparagraph (7)(a)3., the rebate must be issued within a reasonable period of time.

(9) MARKETING AND TOURISM REQUIREMENT.—

(a) The commissioner shall ensure, as a condition of receiving a rebate under this section, that a certified project include marketing promoting this state as a tourist destination or film and entertainment production destination. At a minimum, the marketing must include placement in the end credits of a “Filmed in Florida” or “Produced in Florida” logo with size and placement commensurate to other logos included in the end credits or, if no logos are used, the statement “Filmed in Florida” or “Produced in Florida” or a similar statement approved by the commissioner and the logo of the local film office, if applicable. A digital media project must also supply a 5-second or longer animated logo with “Produced in Florida” or other text, including the logo of the local digital media office, if applicable, as preapproved by the commissioner, in a manner easily seen by a consumer of the digital media project. The commissioner shall provide the logos for the purposes specified in this paragraph, not including the logo for a local office, which must be provided by the applicable office.

(b) A certified project must allow the commissioner, or an affiliate, and a minimum of two guests to visit the production site upon the request of the commissioner. Upon such request, the certified project must give the commissioner reasonable notice of a visit date and time that is acceptable to the production. The commissioner or an affiliate is not required to make a visit to the set.

(c) A certified project must provide at least five
preapproved photos of the production to the commissioner and
grant the commissioner free use of the photos in promoting this
state as a film, television, or digital media production
location or tourist destination.

(10) DISQUALIFICATION.—The department shall disqualify a
certified project and may not issue a rebate to the project if
the project:

(a) Does not begin principal photography in this state
within the period beginning 30 days before and ending 90 days
after the project’s listed production start date. Pursuant to
department rule, the commissioner may, upon a showing of good
cause, grant a one-time extension of this deadline;

(b) Does not abide by the policies, procedures, deadlines,
or requirements of the application verification process;

(c) Does not notify the commissioner of any change in the
production start date before commencing production;

(d) Submits fraudulent information; or

(e) Uses the state sales tax exemption established under s.
288.1258, Florida Statutes.

(11) FRAUD.—An applicant that submits fraudulent
information under this section is liable for reimbursement of
the reasonable costs and fees associated with the review,
processing, investigation, and prosecution of the fraudulent
submission. An applicant that obtains a rebate under this
section through a claim that is fraudulent shall reimburse the
program for the rebate awarded and reasonable costs and fees
associated with the review, processing, investigation, and
prosecution of the fraudulent claim and shall pay a civil
penalty in an amount equal to double the rebate amount and any
criminal penalty to which the applicant may be subject.

(12) RULES; POLICIES; PROCEDURES.—The department may adopt rules and shall develop policies and procedures to administer this section, including, but not limited to, rules specifying requirements for the application and approval process and the determination of qualified expenditures.

(13) ANNUAL REPORT.—Each November 1, the commissioner shall provide an annual report on the program for the previous fiscal year to the Governor, the President of the Senate, and the Speaker of the House of Representatives. The report must identify the return on investment associated with, and economic benefits to this state attributable to, the program.

(14) FUNDS NOT SUBJECT TO REVERSION.—Notwithstanding s. 216.301, Florida Statutes, funds appropriated for this purpose shall not be subject to reversion.

(15) EXPIRATION.—The Film, Television, and Digital Media Targeted Rebate Program expires June 30, 2023, at which point all remaining appropriated funds not earmarked and set aside for certified projects must revert to the General Revenue Fund. All remaining appropriated funds must revert to the General Revenue Fund no later than October 31, 2024.

Section 2. This act shall take effect upon becoming a law.

================= T I T L E A M E N D M E N T =================
And the title is amended as follows:
Delete everything before the enacting clause and insert:
A bill to be entitled
An act relating to the entertainment industry;
creating the Film, Television, and Digital Media Targeted Rebate Program within the Department of Economic Opportunity under the supervision of the Commissioner of Film and Entertainment; providing purposes for the program; defining terms; requiring that film, television, and digital media projects being produced in this state meet specified criteria for rebate eligibility; authorizing applicants to receive rebates up to a specified amount, including bonuses; requiring an applicant that receives funding to make a good faith effort to use existing providers of infrastructure or equipment in this state and to employ residents of this state; requiring the commissioner to set application windows for the rebate; providing requirements for the department relating to earmarking and setting aside rebate funds; providing procedures and requirements for applicants applying for the rebate; requiring the commissioner to take specified action within a reasonable period of time; requiring the Florida Film and Entertainment Advisory Council to determine a score for each qualified project using specified criteria; requiring the commissioner to determine the priority order and scoring system of the specified criteria with assistance from the council and certain other persons; requiring the council to use certain criteria; requiring the commissioner to take certain actions relating to the certification or rejection of qualified projects in a timely manner; requiring the
department to earmark and set aside funding necessary to fund the total maximum that may be awarded to the certified projects, if funds are available; requiring the commissioner to develop a process to verify the actual qualified expenditures and rebate bonus eligibility of a certified project after the project’s work in this state is complete; providing requirements for the verification process; requiring that the rebate be issued within a reasonable period of time upon approval of the final rebate amount by the department; requiring that certain marketing be included with a project; requiring certified projects to allow certain persons to visit the production site upon request of the commissioner and after providing the commissioner with reasonable notice; specifying that the commissioner or his or her affiliate is not required to visit the production site; requiring the department to disqualify a project under certain circumstances; providing for liability and imposing civil penalties for an applicant that submits fraudulent information; providing for rulemaking; requiring the commissioner to provide an annual report to the Governor and the Legislature on a specified date; providing that certain appropriated funds are not subject to reversion; providing for the expiration of the program; providing an effective date.
A bill to be entitled

An act relating to the entertainment industry; creating the Film, Television, and Digital Media Targeted Rebate Program within the Department of Economic Opportunity under the supervision of the Commissioner of Film and Entertainment; providing purposes for the program; defining terms; requiring that film, television, and digital media projects being produced in this state meet specified criteria for rebate eligibility; authorizing applicants to receive rebates up to a specified amount, including bonuses; requiring an applicant that receives funding to make a good faith effort to use existing providers of infrastructure or equipment in this state and to employ residents of this state; requiring the commissioner to set application windows for the rebate; providing requirements for the department relating to earmarking and setting aside rebate funds; providing procedures and requirements for applicants applying for the rebate; requiring the commissioner to take specified action within a reasonable period of time; requiring the Florida Film and Entertainment Advisory Council to determine a score for each qualified project using specified criteria; requiring the commissioner to determine the priority order and scoring system of the specified criteria with assistance from the council and certain other persons; requiring the council to use certain criteria; requiring the commissioner to take certain actions relating to the certification or rejection of qualified projects in a timely manner; requiring the department to earmark and set aside funding necessary to fund the total maximum that may be awarded to the certified projects, if funds are available; requiring the commissioner to develop a process to verify the actual qualified expenditures of a certified project after the project’s work in this state is complete; providing requirements for the verification process; requiring that the rebate be issued within a reasonable period of time upon approval of the final rebate amount by the department; requiring that unallocated rebate funds and rebate funds allocated but not awarded during a fiscal year roll over to the next fiscal year; requiring that certain marketing be included with a project; requiring certified projects to allow certain persons to visit the production site upon request of the commissioner and after providing the commissioner with reasonable notice; specifying that the commissioner or his or her affiliate is not required to visit the production site; requiring the department to disqualify a project under certain circumstances; providing for liability and imposing civil penalties for an applicant that submits fraudulent information; providing for rulemaking; requiring the commissioner to provide an annual report to the Governor and the Legislature on a specified date; providing for the expiration of the program; providing an effective date.
Be It Enacted by the Legislature of the State of Florida:

Section 1. Film, Television, and Digital Media Targeted Rebate Program.—

(1) CREATION AND PURPOSES OF PROGRAM.—The Film, Television, and Digital Media Targeted Rebate Program is created within the Department of Economic Opportunity under the supervision of the Commissioner of Film and Entertainment.

(a) The purpose of the program is to boost this state’s economic prosperity by:

1. Creating high-paying jobs;

2. Broadening the film, television, and digital media industry’s impact on the state by giving a modest bonus for projects that take place in underutilized areas;

3. Enhancing tourism by choosing projects that encourage tourists to visit this state; and

4. Encouraging more family-friendly productions to be produced in this state.

(b) This purpose shall be accomplished by providing a limited rebate to projects that provide the highest return on investment and economic benefit to the state, as determined after a project has made its expenditures in the state.

(2) DEFINITIONS.—As used in this act, unless the context otherwise requires, the term:

(a) “Certified project” means a qualified project that has been scored by the council, has been determined by the commissioner to meet or exceed the desired economic impact and other criteria of the program, and has rebate funds allocated to it based on the project’s estimated qualified expenditures.

(b) “Commissioner” means the Commissioner of Film and Entertainment as described in s. 288.125(1)(b), Florida Statutes.

(c) “Council” means the Florida Film and Entertainment Advisory Council.

(d) “Department” means the Department of Economic Opportunity.

(e) “Digital media project” means a commercial video game, including an educational video game, which includes at least 30 minutes of game play time. The term does not include a project that may be considered obscene, as defined in s. 847.001, Florida Statutes.

(f) “Family friendly” means having cross-generational appeal; being appropriate in theme, content, and language for a broad family audience; embodying a responsible resolution of issues; not containing any act of drunkenness, illicit drug use, sex, nudity, gratuitous violence, or vulgar or profane language; and not portraying smoking any substance in a positive light.

(g) “Film project” means a theatrical, direct-to-video, television, cable, Internet, streaming service, or animated narrative motion picture at least 75 minutes in length. The term does not include a project deemed by the office to have content that is obscene, as defined in s. 847.001, Florida Statutes.

(h) “Florida resident” means a person who has a valid Florida driver license or Florida identification card issued under s. 322.051, Florida Statutes, and has signed an affidavit confirming residency.

(i) “Office” means the Office of Film and Entertainment.
(i) “Principal photography” means, for a film project or television project, the filming of major or significant components of the project which involve lead actors, or, for a digital media project, the period of time during which the work of the majority of the crew is dedicated solely to the project.

(k) “Production start date” means:

1. For film and television projects, the start date of principal photography, as listed in the project’s application.

2. For digital media projects, the start date of final storyboards or a later date as specified in the project’s application.

(iii) “Qualified expenditures” means expenditures made in this state and paid to residents of this state or to businesses registered in this state and made solely for preproduction, production, or postproduction of the qualified project, including the following:

a. Rented or leased goods or services provided by a vendor or supplier in this state which is registered with the Department of State or the Department of Revenue; which has a physical address in this state other than a post office box; and which employs one or more Florida residents on a full-time basis. The term does not include rebilled goods or services provided by an in-state company from out-of-state vendors or suppliers. When services provided by the vendor or supplier include personal services or labor, only personal services or labor provided by Florida residents qualifies.

b. Payments to Florida residents in the form of salary or wages up to a maximum of $200,000 per resident, including:

CODING: Words ___ are deletions; words ___ are additions.
Florida Senate - 2020

23-00204A-20 2020530

Page 7 of 17

CODING: Words [strike] are deletions; words [underline] are additions.

To be eligible for a rebate, an applicant must be registered to do business in this state and must be producing a project that:

1. Has projected qualified expenditures of:
   a. For a film project, at least $1.5 million;
   b. For a television series, at least $500,000 per episode;
   or
   c. For a digital media project, at least $1.5 million;

2. Is projected to employ a crew, including cast and standing, but not including extras, also known as background performers, of which at least 60 percent will be residents of this state and at least one member will be a military veteran;

3. Is projected to spend at least 70 percent of its total production days in this state; and

4. Will not receive a sales tax certificate of exemption pursuant to s. 288.1258, Florida Statutes, for the project.

(b) A project may receive a rebate in the amount of up to 20 percent of its verified qualified expenditures. A bonus may be earned in the amount of an additional 3 percentage points if 75 percent of the project’s production in this state will take place in an underutilized area or if its content is deemed family friendly. A certified project may not receive more than one bonus, and the total that may be awarded under any rebate may not exceed 23 percent of its verified qualified expenditures or $2 million, whichever is less.

(c) A certified project must make a good faith effort to use existing providers of infrastructure or equipment in this state, when available, including providers of camera gear, grip and lighting equipment, vehicles, and postproduction services, and to employ cast and crew who are residents of this state.

(4) APPLICATION WINDOWS.—Applications must be accepted for the program during two application windows each fiscal year. The commissioner shall set a start date for both application windows. However, the first application window may begin before the start of the fiscal year and must end no later than 5 business days after July 1, and the second must end no later than 5 business days after December 1.
3. A full line-item budget and a detailed qualified expenditures budget;

(b) If all rebate funds are earmarked and set aside for certified projects, additional applications may not be accepted until more funds become available for the program.

5. APPLICATION PROCESS.—

(a) A company that plans to produce a film, television, or digital project in this state may submit an application to the commissioner during one of the two application windows. Each fiscal year, a project must have a production start date that is within 6 months after July 1 if applying in the first window or within 6 months after January 1 if applying in the second window.

(b) An applicant or its parent company may submit an application for no more than five projects in any single fiscal year. However, except in the case of a TV pilot and the television series the pilot is based on being certified within the same fiscal year, only one project per applicant may be certified within a fiscal year.

(c) The application must include:

1. Proof of funding;
2. Project-related employment information, including employment numbers for residents of this state;
3. A full line-item budget and a detailed qualified expenditures budget;
4. A detailed distribution plan to assist with determining the potential economic impact of the project in this state;
5. The applicant’s expected total qualified expenditures for wages paid to residents of this state;
6. The applicant’s expected total qualified expenditures and nonqualified expenditures in this state;
7. For a film project, the latest script, a production schedule, a Day Out of Days report, and a list of the expected shooting locations;
8. For a digital media project, a detailed game design document, including a production schedule;
9. An affirmation signed by the applicant that the information on the application is correct; and
10. The applicant’s Florida tax identification number.

(d) Within a reasonable period of time after the last business day of each application window, the commissioner shall:

1. Review all applications submitted during the application window and determine the eligibility of each applicant;
2. Determine each applicant’s expected qualified expenditures;
3. Determine the maximum rebate amount that each eligible applicant may be awarded;
4. Determine whether an eligible applicant’s project is deemed family friendly;
5. Determine the percentage of the applicant’s production, if any, which is proposed to occur in an underutilized area;
6. Determine whether each eligible applicant is a corporation registered in this state;
7. Contact each applicant with any questions, as necessary;
8. Gather any additional information needed to address the criteria specified under subsection (6).

9. Assemble a package containing the details of each eligible applicant’s project and deliver it to each council member; and

10. Give notice to the council of the date and time when the council must convene to assess each qualified project. The council may meet in person or by conference call.

(e) The council shall determine a score for each qualified project using the criteria specified under subsection (6), with the highest scores going to projects determined to provide the best economic impact and return on investment to this state.

(6) CRITERIA FOR DETERMINING PROJECT SCORES.—

(a) The priority order and scoring system of the criteria specified in paragraph (b) must be determined by the commissioner, with assistance from the council and other persons, as determined by the commissioner, before the first application window.

(b) The council shall use, at a minimum, the following criteria in determining a qualified project’s score:

1. The amount of the project’s overall qualified expenditures.

2. The amount of the project’s Florida-resident wages.

3. The number of full-time-equivalent jobs created by the project.

4. Whether the project provides pension, health, and welfare benefits to its workforce in this state.

5. The estimated direct and indirect tourism benefit of the project, based on the submitted distribution plan.
(b) Based on the final determination of the commissioner, the department shall earmark and set aside the amount necessary to fund the total maximum that may be awarded for the certified projects, if funds are available.

(8)(a) VERIFICATION PROCESS.—The commissioner shall develop a process to verify the actual qualified expenditures of a certified project after the project’s work in this state is complete. The process must require all of the following:

1. Submission to the commissioner of at least all of the following information, electronically or in hard copy, or both, by each certified project:
   a. Data substantiating each qualified expenditure, which has been audited by an independent certified public accountant licensed in this state, as required under subparagraph 4.;
   b. Copies of documents verifying residency of persons represented as being residents of this state;
   c. The final script;
   d. The most recent production board and shooting schedule;
   e. The most recent credit list showing where the credits required under subsection (9) will appear;
   f. A cast list and a final crew list with contact information;
   g. For any veterans employed by the project, a copy of at least one of the veterans’ DD Form 214, as issued by the United States Department of Defense, or another acceptable form of identification as specified by the Department of Veterans’ Affairs; and

2. Signing, and submission to the commissioner, by the lead producer or studio executive in charge of the certified project, of an affidavit or written declaration signed under the penalty of perjury as specified in s. 92.525, Florida Statutes, stating that all salaries, wages, and other compensation submitted as qualified expenditures are in compliance with this section.

3. The information and affidavit required by subparagraphs 1. and 2. must be received by the commissioner within 120 days after the certified project has made its last qualified expenditure, but no later than 1 year after its production start date. Pursuant to the rules adopted by the department, the commissioner may, upon a showing of good cause, grant a one-time extension of this deadline.

4. The conducting of a compliance audit, at the certified project’s expense, by an independent certified public accountant who is a resident of this state to substantiate the qualified expenditures, and submission of a report of the audit findings, including substantiating data, to the commissioner within a reasonable period of time after the initial receipt of records from the certified project.

(b) The commissioner shall review the report and data submitted by the certified public accountant within a reasonable period of time after receipt of the report and data and shall report to the department the final verified amount of actual qualified expenditures the certified project made and the amount of the rebate due to the project.

(c) Upon approval by the department of the final rebate
(c) A certified project must provide at least five preapproved photos of the production to the commissioner and grant the commissioner free use of the photos in promoting this state as a film, television, or digital media production location or tourist destination.

(10) DISQUALIFICATION.—The department shall disqualify a certified project and may not issue a rebate to the project if the project:

(a) Does not begin principal photography in this state within the period beginning 30 days before and ending 90 days after the project’s listed production start date. Pursuant to department rule, the commissioner may, upon a showing of good cause, grant a one-time extension of this deadline;

(b) Does not abide by the policies, procedures, deadlines, or requirements of the application verification process;

(c) Does not notify the commissioner of any change in the production start date before commencing production;

(d) Submits fraudulent information; or

(e) Uses the state sales tax exemption.

(II) FRAUD.—An applicant that submits fraudulent information under this section is liable for reimbursement of the reasonable costs and fees associated with the review, processing, investigation, and prosecution of the fraudulent submission. An applicant that obtains a rebate under this section through a claim that is fraudulent shall reimburse the
(12) RULES; POLICIES; PROCEDURES.—The commissioner may adopt rules and shall develop policies and procedures to administer this section, including, but not limited to, rules specifying requirements for the application and approval process and the determination of qualified expenditures.

(13) ANNUAL REPORT.—Each November 1, the commissioner shall provide an annual report on the program for the previous fiscal year to the Governor, the President of the Senate, and the Speaker of the House of Representatives. The report must identify the return on investment associated with, and economic benefits to this state attributable to, the program.

(14) EXPIRATION.—The Film, Television, and Digital Media Targeted Rebate Program expires June 30, 2023, at which point all remaining appropriated funds not earmarked and set aside for certified projects must revert to the General Revenue Fund. All remaining appropriated funds must revert to the General Revenue Fund no later than October 31, 2024.

Section 2. This act shall take effect upon becoming a law.
**THE FLORIDA SENATE**

**APPEARANCE RECORD**

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

<table>
<thead>
<tr>
<th>Meeting Date</th>
<th>1/10/19</th>
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<tr>
<td>Bill Number (if applicable)</td>
<td>530</td>
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<tr>
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<td>pic</td>
<td>Entertainment Industry</td>
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<tr>
<td>me</td>
<td>Brewster Bevis</td>
</tr>
<tr>
<td>Title</td>
<td>Senior Vice President</td>
</tr>
<tr>
<td>dress</td>
<td>516 N. Adams St</td>
</tr>
<tr>
<td>Phone</td>
<td>224-7173</td>
</tr>
<tr>
<td>Email</td>
<td><a href="mailto:bbevis@aif.com">bbevis@aif.com</a></td>
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<tr>
<td>speaking:</td>
<td></td>
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<tr>
<td>Waive Speaking:</td>
<td>✓ In Support</td>
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<tr>
<td>(The Chair will read this information into the record.)</td>
<td></td>
</tr>
<tr>
<td>Representing</td>
<td>Associated Industries of Florida</td>
</tr>
<tr>
<td>appearing at request of Chair:</td>
<td>Yes</td>
</tr>
<tr>
<td>Lobbyist registered with Legislature:</td>
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*Note: It is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be limited to five minutes.*
Meeting Date: 12/10/19

Topic: Film Incentives

Name: Kyle Biskach (Palm Beach)

Job Title: Economist

Address: 106 W. Boulevard St
Street

Tallahassee, FL 32301
City State Zip

Speaking: □ For □ Against □ Information

Waive Speaking: □ In Support □ Against
(The Chair will read this information into the record.)

Representing: Florida TaxWatch

Appearing at request of Chair: □ Yes □ No

Lobbyist registered with Legislature: □ Yes □ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.
<table>
<thead>
<tr>
<th>Topic</th>
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<tr>
<td>Name</td>
<td>Call Morgan</td>
</tr>
<tr>
<td>Job Title</td>
<td>Emerald Coast Film Commissioner</td>
</tr>
<tr>
<td>Address</td>
<td>1540 Miracle Strip Parkway,</td>
</tr>
<tr>
<td>City</td>
<td>Fort Walton Beach, FL 32548</td>
</tr>
<tr>
<td>Speaking</td>
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<tr>
<td>Representing</td>
<td>Emerald Coast Film Commission</td>
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<td>Yes [✓] No</td>
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<tr>
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### The Florida Senate Appearance Record

**Meeting Date**: 12/10/19

**Bill Number**: SB 530

**Topic**: Entertainment Industry

**Name**: Lauren Storch

**Job Title**: Government Relations

**Address**: 601 E. Kennedy Blvd.

**City**: Tampa

**State**: FL

**Zip**: 33601

**Phone**: 813-274-6831

**Email**: Storchla@OCFL.gov.net

**Speaking**

- [ ] For
- [ ] Against
- [X] Information

**Waive Speaking**

- [ ] In Support
- [ ] Against

*(The Chair will read this information into the record.)*

**Representing**: Hillsborough County

**Appearing at request of Chair**

- [ ] Yes
- [X] No

**Lobbyist registered with Legislature**

- [X] Yes
- [ ] No

*While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.***
THE FLORIDA SENATE

APPEARANCE RECORD

12/10/19

Meeting Date

Topic Entertainment Industry

Name Carolyn Johnson

Job Title Policy Director

Address 136 S Bronough St

Phone 850-521-1200

Email cjohnson@flchamber.com

Speaking:  For ☐ Against ☐ Information

Waive Speaking:  ☑ In Support ☐ Against

Representing Florida Chamber of Commerce

Appearing at request of Chair:  ☑ Yes ☐ No

Lobbyist registered with Legislature:  ☐ Yes ☐ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.
The Florida Senate

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

Meeting Date: 12/10/19

Bill Number (if applicable): 530

Topic: Entertainment Industry

Name: Paul Lowell

Job Title: ""

Address: 307 W Pek Ave # 214

Street: Tallahassee

City: Florida

State: 32309

ZIP: 850-728-0861

Phone: Email: paul@convergegov.com

Waive Speaking: □ In Support □ Against

(Lobbyist registered with Legislature: Yes No)

 Appearing at request of Chair: Yes □ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.
The Florida Senate
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

12-10-2019
Meeting Date

Topic Entertainment Industry

Name Jack Herbert

Job Title Govt Affairs Dir.

Address 2655 Ulmerton Rd #276 Phone 727-560-3323
Street CLEARWATER FL 33762
City State Zip

Speaking: [ ] For [ ] Against [ ] Information

Waive Speaking: [ ] In Support [ ] Against
(The Chair will read this information into the record.)

Representing American Advertising Federation 4th Dist.

Appearing at request of Chair: [ ] Yes [ ] No

Lobbyist registered with Legislature: [ ] Yes [ ] No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.
The Florida Senate

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

Meeting Date: 12-10-19

Topic: Entertainment Industry

Name: Kaitlyn Bailey

Job Title: BSA Consulting

Address: 113 E College Ave, Tallahassee, FL 32301

Phone: 850-585-0520

Speaking: [ ] For [ ] Against [ ] Information

Waive Speaking: [ ] In Support [ ] Against

(The Chair will read this information into the record.)

Representing: Film Tampa Bay

Appearing at request of Chair: [ ] Yes [ ] No

Lobbyist registered with Legislature: [ ] Yes [ ] No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.
The Florida Senate
APPEARANCE RECORD
( Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

Meeting Date: 12/10/19

Topic: Film/Entertainment Industry

Name: John Lux

Job Title: Executive Director

Address: 2516 Quail Park Terr, Kissimmee, FL 34743

Phone: 407-494-6195

Email: jlux@film.florida.org

Speaking: ☑️ For ☐ Against ☐ Information

Representing: Film Florida

Appearing at request of Chair: ☐ Yes ☑️ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.
The Florida Senate

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

Meeting Date: 12/10/19

Topic: FILM

Name: SATER BAILESS

Job Title: 

Address: 204 S. MONROE ST

City: TALLAHASSEE
State: FL
Zip: 32301

Phone: 222 8900
Email: SWARE@carlenas

Speaking: □ For □ Against □ Information
Waive Speaking: □ In Support □ Against
(The Chair will read this information into the record.)

Representing: FILM FLORIDA

Appearing at request of Chair: □ Yes □ No
Lobbyist registered with Legislature: □ Yes □ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.
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<tr>
<td>Name</td>
<td>David Shepp</td>
</tr>
<tr>
<td>Job Title</td>
<td>lobbyist</td>
</tr>
<tr>
<td>Address</td>
<td>P.O. Box 3739</td>
</tr>
<tr>
<td>Phone</td>
<td>863 581-4250</td>
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<tr>
<td>Email</td>
<td><a href="mailto:shepp@thesouthercroup.com">shepp@thesouthercroup.com</a></td>
</tr>
<tr>
<td>Speaking</td>
<td>☐ For ☐ Against ☐ Information</td>
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<tr>
<td>Representing</td>
<td>Feld Entertainment</td>
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<tr>
<td>Appearing at request of Chair:</td>
<td>☐ Yes ☑ No</td>
</tr>
<tr>
<td>Lobbyist registered with Legislature:</td>
<td>☑ Yes ☐ No</td>
</tr>
</tbody>
</table>

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.
The Florida Senate

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

Meeting Date

Bill Number (if applicable)

Topic  Film / Entertainment

Name  Chris Romung

Job Title  Chair

Address  403 Sherman Road

Phone

Email

Speaking:  ☑ For  ☐ Against  ☐ Information

Waive Speaking:  ☐ In Support  ☑ Against

(The Chair will read this information into the record.)

Representing

Appearing at request of Chair:  ☑ Yes  ☐ No  Lobbyist registered with Legislature:  ☑ Yes  ☐ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.
10:07:40 AM Roll call
10:07:57 AM Quorum present
10:08:09 AM Tab 2
10:08:21 AM Sen. Baxley presents bill,
10:09:38 AM Amendment
10:09:45 AM Amendment adopted
10:09:51 AM Question, Sen. Torres
10:10:03 AM Response of bill sponsor
10:10:43 AM Roll call on SB 498
10:10:56 AM Favorable vote
10:11:02 AM Tab 1, SB 202
10:11:14 AM Sen. Broxson
10:11:54 AM Sen. Torres question
10:12:08 AM Response of sponsor
10:12:38 AM Roll call on SB 292
10:12:52 AM Favorable vote
10:13:06 AM Vice Chair asks Chair Gruters to explain SB 530
10:14:32 AM Amendment
10:15:10 AM Amendment adopted
10:16:40 AM Phillip Sniderman, Americans for Prosperity speaker
10:19:06 AM John Lux, Ex. Dir, Film Florida
10:22:19 AM Sen. Stewart comment on bill
10:23:17 AM Vice Chair Torres comments on bill
10:23:45 AM Chair Gruters close on SB 530
10:24:37 AM Roll call on SB 530
10:24:48 AM Favorable vote
10:28:55 AM Tab 3, Sen. Lee
10:29:29 AM Tab 3, Sen. Lee, SB 654
10:30:32 AM Late filed amendment by Sen. Torres
10:32:10 AM Sen. Torres WD late-filed amendment
10:32:38 AM Sen. Lee closes on bill
10:32:55 AM Sen. Lee closes on bill and addresses Sen. Torres’ concerns
10:33:46 AM Roll call on SB 654
10:33:51 AM Favorable vote
10:33:58 AM Sen. Hutson moved adjournment