MEMORANDUM Agenda Item No. 11(A)(3)

TO: Honorable Chairman Dennis C. Moss and Members, Board of County Commissioners

DATE: February 18, 2010

FROM: R. A. Cuevas, Jr. County Attorney

SUBJECT: Resolution urging the Florida Legislature to pass SB 1430, HB 697 or similar legislation creating a tax-based incentive program for the film and entertainment industry in Florida

The accompanying resolution was prepared and placed on the agenda at the request of Prime Sponsor Commissioner Bruno A. Barreiro.

R. A. Cuevas, Jr.
County Attorney

RAC/cp

MEMORANDUM

(Revised)

TO: Honorable Chairman Dennis C. Moss and Members, Board of County Commissioners

DATE: February 18, 2010

FROM: R. A. Cuevas, Jr. County Attorney

SUBJECT: Agenda Item No. 11(A)(3)

Please note any items checked.

_____ **"3-Day Rule" for committees applicable if raised**

_____ **6 weeks required between first reading and public hearing**

_____ **4 weeks notification to municipal officials required prior to public hearing**

_____ **Decreases revenues or increases expenditures without balancing budget**

_____ **Budget required**

_____ **Statement of fiscal impact required**

_____ **Ordinance creating a new board requires detailed County Manager's report for public hearing**

✓ **No committee review**

_____ **Applicable legislation requires more than a majority vote (i.e., 2/3's ____, 3/5's ____, unanimous_____) to approve**

_____ **Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required**

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 11(A)(3)
2-18-10

RESOLUTION NO. _____

RESOLUTION URGING THE FLORIDA LEGISLATURE TO PASS SB 1430, HB 697 OR SIMILAR LEGISLATION CREATING A TAX-BASED INCENTIVE PROGRAM FOR THE FILM AND ENTERTAINMENT INDUSTRY IN FLORIDA

WHEREAS, a recent economic impact study of Florida's film and entertainment industry by the Hass Center for Business Research and Economic Development concluded that in 2007, film and entertainment-related spending accounted for:

$17.9 billion, or 2.4 percent, of Florida's Gross State Product (GSP),

$8.5 billion in personal income in Florida,

$498 million in tax revenue to Florida, and

207,800 jobs (direct and indirect) in Florida; and

WHEREAS, the Hass study also indicated that for every $1 spent on film and entertainment production in Florida, the state sees a return on investment of $1.60; and

WHEREAS, in state fiscal year 2007-08, there were 53 film and digital media productions that spent $118.6 million in qualified expenditures, including $73.4 million in wages to 15,323 Florida workers and $44.4 million to Florida businesses; and

WHEREAS, the State of Florida currently offers incentives to the film and entertainment industry in the nature of cash reimbursements to production companies based on a percentage of certain expenses related to the filming of movies, television shows and commercials; and

WHEREAS, under current law, the cash reimbursements are paid after the production is complete; and

WHEREAS, in recent years, funding for Florida's existing film incentive program has been cut dramatically, resulting in a sharp decline in production projects lost to competing states; and

WHEREAS, funding for Florida's existing film incentive program is subject to annual appropriations by the Florida Legislature and has fluctuated in recent years as the state has faced declining revenues; and

WHEREAS, Florida's existing film incentive program was funded at $25 million for state fiscal year 2007-08, fell to $5 million in state fiscal year 2008-09, and was funded at $10.8 million for state fiscal year 2009-10; and

WHEREAS, as the state's budget gap continues to grow, there will be additional pressure to cut film incentive funding; and

WHEREAS, SB 1430 by Senator Mike Haridopolos and HB 697 by Representative Stephen Precourt, have been filed for consideration during the 2010 session that would change the film incentive program from a cash reimbursement program to a tax credit program; and

WHEREAS, the tax credit program would apply against Florida sales and corporate income taxes, with the tax credits being uncapped and transferrable; and

WHEREAS, similar tax credit programs have a proven record of attracting and growing the film industry in New York, New Mexico, Louisiana, Connecticut, Massachusetts and Illinois; and

WHEREAS, the aforementioned bills also increase the incentives that are offered; and

WHEREAS, for example, a television show under current law is eligible for a 15 percent reimbursement of qualified expenditures of at least $625,000 with a maximum incentive payment of $8 million, while a television show under SB 1430 and HB 697 would be eligible for

a 20 percent tax credit on qualified expenditures of at least $500,000 with no maximum tax credit; and

WHEREAS, passage of SB 1430 and HB 697 would bring Florida in line with the majority of states that provide tax credits or sales tax exemptions or both to the film industry, and make Florida more competitive with other states in attracting the film and entertainment industry; and

WHEREAS, this change in law also would remove film industry incentives from yearly fluctuations through the appropriations process,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board:

Section 1. Urges the Florida Legislature to pass SB 1430, HB 697 or similar legislation creating a tax-based incentive program for the film and entertainment industry in Florida.

Section 2. Directs the Clerk of the Board to transmit a certified copy of this resolution to the Governor, Senate President, House Speaker, the Chair and Members of the Miami-Dade County State Legislative Delegation, Senator Mike Haridopolos and Representative Stephen Precourt.

Section 3. Directs the County's state lobbyists to advocate for the passage of the legislation and the implementation of the reforms set forth in Section 1 above, and authorizes and directs the Office of Intergovernmental Affairs to include this item in the 2010 State Legislative Package.

The Prime Sponsor of the foregoing resolution is Commissioner Bruno A. Barreiro. It was offered by Commissioner , who moved its adoption. The motion was seconded by Commissioner and upon being put to a vote, the vote was as follows:

Dennis C. Moss, Chairman
Jose "Pepe" Diaz, Vice-Chairman

Bruno A. Barreiro	Audrey M. Edmonson
Carlos A. Gimenez	Sally A. Heyman
Barbara J. Jordan	Joe A. Martinez
Dorrin D. Rolle	Natacha Seijas
Katy Sorenson	Rebeca Sosa
Sen. Javier D. Souto	

The Chairperson thereupon declared the resolution duly passed and adopted this 18th day of February, 2010. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By:_____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency. JMM

Jess M. McCarty