

ASSOCIATED INDUSTRIES OF FLORIDA
**LEGISLATIVE
DAILY BRIEF**



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**FROM SPECIAL SESSION 'B'
FOR OCTOBER 24, 2001**

THE GOVERNOR TESTIFIES BEFORE THE LEGISLATURE

Today was the third day of the special session called to address a \$1.4 billion shortfall in the state's 2001-02 fiscal year. A budget shortfall is the result of anticipated tax dollars falling short of projections made by the legislature during its 2001 session. Tax dollars are the result of economic activity. Therefore, unsurprisingly, chief among the topics of the special session, in addition to balancing the budget, is how does Florida get its economy going again?

To answer this question, Governor Jeb Bush appeared before the Senate Commerce and Economic Opportunities Committee to explain his proposed economic stimulus package. The Governor recommended and explained the following to the committee:

- Accelerate a total of \$192.6 million in planned school construction and renovation.
- Provide an additional \$20 million in funding to VISIT FLORIDA to promote tourism in Florida.
- Apply Fast-Track Permitting to additional capital investment projects.
- Expand the availability of the Capital Investment Tax Credit.
- Flexible use of aviation program dollars.

The last item refers to "aviation program dollars." These are the dollars that come in from the aviation fuel tax, which is currently at 6.9 cents per gallon. These dollars, under the program, are currently restricted to funding construction projects. The governor recommends that these dollars be freed up to fund operational and security expenses, as well.

We support the governor's stimulus package. However, we again must reiterate our position that the aviation fuel tax needs to be eliminated or dramatically cut back through July 1, 2003 to make airline routes to Florida profitable. The state's aviation fuel tax is the highest in the nation. Our nation's airlines are simply not flying routes that are unprofitable. With the reduction of flight loads, the margins are thin. As a result, routes to our major metropolitan areas have been eliminated at an alarming rate. The airlines need cash flow to stay afloat. The math demands that the airlines identify and fly only routes that are profitable. Abating the aviation fuel tax would have an immediate and very real impact on the profitability of routes to Florida. To assist the countless businesses that rely on Florida's tourist and business travel, we must act quickly to make the math, the profitability of the airlines' routes, work on our behalf. If we do not, travelers will watch our tourism promotion ads on the airport TV prior to boarding a plane to Reno.

WILL FLORIDA'S BUILDING CODE REWRITE BE DELAYED?

Every special session is subject to the "call" of the governor. As part of the call, the governor must provide an agenda or reason. The reason for this special session is to balance the state's budget, in keeping with the requirement of the state's constitution.

However, much legislation has been introduced outside "the call" addressing issues apart from the state's budget. One bill, SB 38-B was introduced and heard today in the Senate Comprehensive Planning, Local and Military Affairs Committee. The bill was passed by a vote of 5-2. The bill simply delays the implementation of the Florida Building Code rewrite from January 1, 2002 to April 1, 2002. The new code was originally adopted in 2000.

The supposed reason for this proposed delay is that Florida's community colleges and Department of Business and Professional Regulation have not adequately trained the inspectors, agents and other personnel that will be responsible for enforcing the new code. We have heard that this is simply not the case. Both the DBPR and AIF contacts in the building industry are adamant that everyone is, in fact ready for the new code.

We fear that delaying the code's implementation is a tactical move. If the building code's implementation can be delayed from January 1 to April 1, then opponents of the building code will have free reign to dilute or repeal the law during the regular session when it convenes on January 22, 2002. It would be impossible for opponents of the new code to do anything if the code has already been rolled out for compliance earlier in the year.

Lost in all this maneuvering is the simple recognition that the Florida Building Code was rewritten in order to save lives and property. The rewrite took up almost every waking hour of members of both the House and Senate for two years. It was exhaustively reviewed and debated in the committee process and, as far as we know, no special interest group openly opposed its passage when it came to the House and Senate floor for final adoption. The legislation is scheduled to go into effect on January 1, 2002, eighteen months following its adoption, and certain groups are advocating further delay? The issue has been vetted, the industry and regulatory authorities are ready and lives and property are at stake. AIF believes that any further delay would be disingenuous and unnecessary. Delaying the building code's implementation has no business being considered during this special session.

Stay tuned to our daily brief and to our web site at www.fbnnet.com as the legislature makes some very important decisions on the state's economy. These decisions will have a major impact on the business community and AIF will be reporting to you everything that happens.

This report was prepared by Curt Leonard, Manager – Governmental Affairs at Associated Industries of Florida (AIF). Please send your comments or suggestions to us at aif@aif.com or call the Governmental Affairs department at (850)224-7173.

- For more information on all of the important legislative information concerning the business community, go to our "members only" Florida Business Network web site at <http://fbnnet.com>
- Send us your E-mail address and we will begin to send this report to you automatically via E-mail.