

ASSOCIATED INDUSTRIES OF FLORIDA
**LEGISLATIVE
DAILY BRIEF**



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**FROM SPECIAL SESSION 'B'
FOR OCTOBER 29, 2001**

With the exception of the House Select Committee on Security, that met this afternoon, no formal legislative committee meetings took place today.

THE BUDGET

It is expected that the Florida House of Representatives will reconvene tomorrow morning and vote on final passage of the Florida Senate's proposed budget. As you may recall, the House shocked the Senate by taking up the Senate's version of the proposed budget as opposed to adopting its own version and sending it to the Senate. Typically, that's the way it is done. However, Speaker Feeney feared that a deferral or outright repeal of the intangibles tax reduction, adopted earlier this year, would be part of the negotiations between the two chambers. By taking the Senate bill outright, the Speaker eliminated those negotiations, and consideration of the intangibles tax deferral or repeal. The \$130 million "hole" in the Senate budget, which was to be "filled" by the intangibles tax deferral or repeal, will be made up with Rainy Day Fund dollars.

It is unlikely that the House will approve certain implementing bills. These are the bills that actually execute the spending provided for in the budget. If the House takes this tack, it is expected that the legislature will be back later this year to address additional budget issues that were left unresolved by these procedural maneuvers.

AIF would like to see everyone "get along" and come to a unified consensus on the budget. However, given the way the Senate ended the regular session by adjourning early in the evening and leaving town while many House bills remained for their consideration, it is not surprising that there is a lack of congeniality and trust between the two chambers.

AVIATION FUEL TAX

As we reported Friday, there are now two versions of AIF's proposed abatement of the aviation fuel tax under consideration by the legislature.

HB 139b by Representative J.D. Alexander (R-Winter Haven) establishes a "Legislative Aviation Fuel Tax Accountability Panel" composed of three (3) Senators, three (3) Representatives and the Lieutenant Governor, to determine the extent to which airlines have in fact increased the number and capacity of flights in Florida in response to this incentive. The bill further states "it is the further intent of this act that the Legislature should allow this incentive to remain in place for the full period referred to ...of this act if the panel's accountability standards are met." The bill then directs the panel to establish standards for determining whether the expected increases in the number or capacity of flights in Florida have occurred, and by January 15, 2002, provide a report to the Speaker and the President describing the standards and the extent to which they have been met. If the panel determines that satisfactory progress has been achieved, the panel's report shall also include a recommendation that the abatement of the excise tax on aviation fuel be allowed to remain in place for the full period (until June 30, 2003). The bill also provides that the panel should consider and recommend at what rate the excise tax on aviation fuel should be reinstated subsequent to June 30, 2003.

AIF prefers the House approach. This version combines both accountability and flexibility for future policy considerations. We are meeting with members of the Senate regarding this proposal.

SB 100b simply halves the tax from 6.9 cents per gallon to 3.45 cents per gallon through July 1, 2003.

While we have our preferences, it is critical that either the House or Senate version is adopted as part of an anticipated economic stimulus package to be adopted this week.

Security Issues

As mentioned above, the House Select Committee on Security met this afternoon. The committee addressed a raft of bills that have been introduced to deal with a host of concerns surfaced by the September 11 attacks on the United States. Under consideration were bills proposing regulation of Florida's flight schools; allowing the detention of material witnesses for up to four days; allowing the FDLE to delay the release of public records; protecting the identity of law enforcement officer's cell phone and pager numbers; expanding wire tap powers to include email; and the creation of a unified database for law enforcement to adequately "connect the dots" on the movements of suspected terrorists. The majority of the bills under consideration by the committee were passed. The House staff were unable to indicate which, if any bills, will be under consideration on the floor tomorrow.

Stay tuned to our daily brief and to our web site at www.fbnet.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.

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- Send us your E-mail address and we will begin to send this report to you automatically via E-mail.