

ASSOCIATED INDUSTRIES OF FLORIDA

LEGISLATIVE DAILY BRIEF



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FROM SPECIAL SESSION 'B' FOR OCTOBER 30, 2001

The Florida House adjourned Sine Die this evening after passing out the Senate version of the budget. The Senate recessed and are not scheduled to be in session again until Thursday, but they can be called back onto the Floor by the Senate president.

AVIATION FUEL TAX

As you all are aware, the legislature has been in the midst of an historic collision over how to balance the state's budget. In the midst of this contentious debate in the House and Senate, other policy considerations simply fell by the wayside. The aviation fuel tax reduction or repeal was one of them. This necessary tax relief proposal was destined for consideration under a larger bill related to stimulating Florida's economy – a bill that had been largely crafted and advocated by the governor. However, given the status of the budget negotiations, parallel discussions between the two chambers on an economic stimulus package suffered equally and the House failed to act on any such package before adjourning.

The sad part of all this is the abatement of the aviation fuel tax, whether it had been a permutation either the House or the Senate, would have had an immediate and inarguable impact on air routes to Florida's cities.

If and when, and it's more likely when, the legislature reconvenes this year to address further budget issues, we have the assurances of the legislative leadership that this issue will be revisited. We hope so. Our nation's airlines, perhaps more so than any other state in the union, are the lifeline of the Florida economy.

THE BUDGET

As expected, the House simply took up the Senate's proposed budget and passed it late this afternoon. Today's activities were the culmination of a tumultuous seven days of bartering, debate and frustration. In the end, the disagreement between the two chambers was pretty straightforward. The Senate took a rosier view of our current economic slide and approached balancing the budget by cutting the state's 2001-02 fiscal year budget by \$800 million. The House took a dimmer view and crafted a budget that cut roughly \$1.3 billion. In addition, the Senate wanted to make the cuts more tolerable by, at first, repealing the intangibles tax reduction enacted earlier this year. Energizing the Senate's bid for repealing or delaying the tax reduction was the governor's acquiescence to the idea last Wednesday. It was clear to the House that the Senate was intractable in its opposition to further cutting the budget or allowing the tax cut to go forward. The Speaker pivoted, and rather than go through the motions of a counter-offer, took up the Senate bill, moved its adoption absent the intangibles tax repeal or delay and left town with every intention to fight another day.

Unless the economy makes a dramatic bounce back, it is very likely that the legislature will be back in Tallahassee in November and December to craft further changes to the budget. With the Department of Justice issuing "terrorist alerts" every other week, it is unlikely that tourism, the state's economic engine, will make a happy return.

THE FLORIDA BUILDING CODE

All the suppliers, wholesalers, retailers, and countless other business interests that have spent a great deal of time, money and energy investing in compliance with the new Florida Building Code can breathe a little easier. Legislation written to delay the code's implementation yet again failed to pass when the House refused to consider the legislation today.

The Senate sent two versions over to the House for consideration. One delayed the building code's implementation by 60 days. The other, tucked away in a larger Senate economic stimulus bill, provided for a 90-day delay. Neither bill was taken up by the House for reasons provided in our brief related to the aviation fuel tax. The budget debate simply swallowed up any other policy considerations.

The Florida Home Builders Association kindly provided a letter to AIF stating that they have no intention of seeking any further delays if the 60-day delay were adopted. We also appreciate the sound reasoning that Senator Tom Lee (R-Tampa) provided for the delay on the Senate floor today prior to its passage by the body, stating that the local commissions responsible for crafting the "wind-borne debris protection zones" in question simply have not completed the task. Senator Lee's position is a rational argument. However, in the end, AIF's position is, "get it done." A deadline is a deadline – particularly when lives and property are at stake. Further largess on behalf of the city and county commissions charged with drawing these zones only encourages more delay.

SECURITY ISSUES

Prior to adjournment, the House passed out several security related bills to be considered by the Senate later this week. Legislation related to interception of communications, domestic security, "aerial applications" – i.e., crop dusters, poisoning, emergency planning for hospitals and certain public records exemptions was adopted with near unanimous consent. If the Senate should act later this week, we will update you with more details on the proposals actually adopted.

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.

- 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://fbnet.com>
- Send us your E-mail address and we will begin to send this report to you automatically via E-mail.