

ASSOCIATED INDUSTRIES OF FLORIDA
**LEGISLATIVE
DAILY BRIEF**



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**FROM SPECIAL SESSION 'C'
FOR DECEMBER 5, 2001**

The Florida Legislature is in the eighth day of Special Session 'C'.

The Florida House got together today for only two hours. However, those two hours were busy, interesting and sometimes contentious, just the way a good democracy should be.

The House floor debate on a number of issues provides the substance of today's brief. Absent today's floor considerations, the legislature is basically "on hold" while the 72-hour clock ticks down. Once the 72 hour "cooling off period" expires tomorrow, the legislators will then be able to cast their vote on the new, revised budget for the fiscal year – a budget that cuts some \$1.3 billion from the budget adopted earlier this year.

SECURITY ISSUES

The House took up and passed 11 bills related to security issues forced upon the legislature by the ongoing war against terrorists and terrorist states.

As we have previously reported, the 11 bills originated with the House during the last special session. These bills ultimately did not pass in that special session. The Senate took up these same House products at the beginning of this special session, considered and amended them before sending them back to the House. What was left to the House this week was to consider these amended bills for final adoption.

The following bills were adopted by the House today and are on their way to the Governor:

6C & 8C by Senators Brown-Waite (R-Brooksville) and Smith (D-Gainesville):

The bills provide a statutory definition for "terrorism" and provide additional sentencing guidelines for said acts of terrorism.

10C by Senators Brown-Waite (R-Brooksville) and Smith (D-Gainesville):

Expands the current statute related to poisoning to include acts of poisoning related to terrorism.

12C by Senators Brown-Waite (R-Brooksville) and Smith (D-Gainesville):

The bill amends the statutes to provide that the Governor, Attorney General, the Statewide Prosecutor or any State Attorney may authorize an application to a judge for the interception of wire, oral or electronic communication for the FDLE related to threats of air piracy or other acts of terrorism.

14C by Senator Steve Geller (D-Hallandale Beach):

The bill authorizes the Dept. of Agriculture and Consumer Services to establish, by rule, requirements for aircraft used in the aerial application of pesticides, fertilizers or seed.

16C by Senators Brown-Waite (R-Brooksville) and Smith (D-Gainesville):

The bill maintains the secrecy of security system plans.

18C by Senators Brown-Waite (R-Brooksville) and Smith (D-Gainesville):

The bill provides confidentiality for hospital emergency management plans related to terrorists acts.

20C by Senators Brown-Waite (R-Brooksville) and Smith (D-Gainesville):

The bill maintains the secrecy of information regarding the amount, type and location of pharmaceutical supplies related to terrorist acts.

22C by Senators Brown-Waite (R-Brooksville) and Smith (D-Gainesville):

The bill exempts records requests from law enforcement agencies to other agencies from the public records law, maintaining the exemption for the life of the active investigation.

24C by Senators Brown-Waite (R-Brooksville) and Crist (R-Tampa):

The bill directs the Department of Law Enforcement to coordinate and direct the law enforcement, initial emergency, and other initial responses to acts of terrorism within or affecting this state.

26C by Senator Victor Crist (R-Tampa):

The bill creates a Florida Domestic Security and Counter-Terrorism Intelligence Center with the FDLE.

INTANGIBLES TAX DELAY OR REPEAL?

The House took up two bills related to the intangibles tax. The first, 23-C by Representative Jerry Maygarden (R-Pensacola) and a host of others stipulated that the whole miserable tax would be simply be repealed on January 1, 2004. This proposal came in the wake of a systematic reduction in the tax over the past three sessions further complicated by an anticipated *delay* in the latest reduction in the tax to balance the budget. The thinking was, "okay, we'll delay the latest reduction this time, but let's be clear, the whole tax has to go."

During the debate, Representative Maygarden and others had it right, the tax is actually double and even triple taxation, and it penalizes savings, investment and inhibits the movement of risk capital. It also has the perverse effect of slowing the relocation of companies to Florida. CEO's, whose compensation packages so often revolve around company stock plans, take a dim view of Florida when evaluating it as a prospective site for relocation. This is a glaring problem when other states offer a much better tax treatment to their portfolios. As a reminder to the, "tax the rich" crowd, *CEO's come with companies that hire employees that live in legislative districts.*

As it is, after a rollicking debate, the bill failed to be rolled over to "third reading" for a final vote today. In order to move a bill from second to third reading the rules must be waived with the consent of two-thirds of the House. The motion failed to by two votes, 78 to 40. It will automatically roll over to third reading tomorrow. It is unlikely that the Senate will take it up if the House should pass it tomorrow.

Following that debate, the House then took up 44-C by Senators Ken Pruitt (R-Port St. Lucie) and Steve Geller (D-Hallandale Beach) which delays the implementation of the intangibles tax reduction originally passed during the 2001 Regular Session. This bill was considered as part of the “budget deal.” By delaying the implementation of this reduction, the legislature was able to “find” \$140 million to help balance the state budget. The delay passed by a vote of 102 to 17.

As a matter of policy AIF recognizes that there are necessary taxes, bad taxes and really awful taxes. The intangibles tax is just below “awful.” However, given the suddenness of Florida’s economic downturn and the speed with which the legislature and governor have had to react, AIF sympathizes with the need to delay the implementation of the latest reduction in the intangibles tax. However, we hope that in the sessions ahead this tax is completely repealed and forgotten.

FLORIDA BUILDING CODE DELAY

Like a bolt out of the blue, the House moved to take up 77-C by Representative Mike Bennett (R-Sarasota) to delay the implementation of the revised Florida Building Code, currently due to go into effect on January 1, 2001. The bill had not been heard in committee. The rules were waived to bring it to the floor. The House then moved to take up the Senate version of the delay, 52-C by Senator Charlie Clary (R-Destin), which delays the implementation to March 1, 2002.

There was a real, visceral discomfort on the part of the House in considering a further delay in implementing this code. Simply put, the health, welfare and safety of the citizens are at stake in establishing this code. It’s already been delayed once, by six months, since the spring and, prior to that, the Legislature gave the cities and counties over 18 months to get ready for the code.

The sticking point is that some cities and counties have failed to draw up their wind born debris zone plans for approval by the Department of Community Affairs. In reality, the laggard counties and municipalities only represent 8.8% of the population. Everyone else is good to go with the new code.

Sensing the bipartisan discomfort, Representative Jack Seiler (D-Ft. Lauderdale) offered an amendment on third reading that said in effect, design professionals (architects, builders, etc...) who have been preparing construction documents in anticipation of the new code may have their projects governed by the new code, in spite of the delay. Representative Bennett approved the amendment and it was adopted.

However, more hearty language is needed. The bill needs to read that counties and municipalities that have completed their plans should comply by January 1, 2002. Those who don’t get it done have an additional 60 days with the threat that the DCA will come in and do it for them if they can’t get it done by March 1, 2002. Why should suppliers and manufacturers, who have spent millions of investment dollars in getting ready for this new code be penalized by catering to a handful of counties and cities? We hope the Senate will see fit to further refine the language so that the bill, if passed, is a “win, win” for Florida’s citizens and builders.

AIF thanks Representative Seiler for his nimble efforts on the floor in attempting to salvage a bill that is arguably bad policy.

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.