

ASSOCIATED INDUSTRIES OF FLORIDA  
**LEGISLATIVE  
WEEKLY UPDATE**



P.O. Box 784 • Tallahassee, FL 32302 • Phone: (850) 224-7173 • Fax: (850) 224-6532 • Internet: <http://aif.com> • [fbnnet.com](http://fbnnet.com)

**FROM SPECIAL SESSION 'C'  
FOR THE WEEK OF NOVEMBER 26-30, 2001**

### **The Budget Saga**

The Florida Senate approved its budget bill today, cutting over \$1 billion in spending from the state's \$50 billion budget for the 2001-02 fiscal year. The House approved its version of the budget yesterday.

The House received the Senate budget this afternoon and refused to concur. As a result, both the Senate and House appointed members to sit on the budget conference committee. These House and Senate members will meet through the weekend to iron out the differences between their respective budgets. In terms of total amount of dollars cut, the chambers are not terribly far apart. The real negotiations will revolve around the budget's allocation, where and on what the money the money is actually spent.

The Senate will convene Monday at 9:00 a.m. to consider their many security-related bills and perhaps some other issues. It is expected that the Senate will pass several of these bills. The Security bills will then receive consideration by the House Select Committee on Security on Tuesday, December 4<sup>th</sup>.

### **Proration of the Aviation Fuel Tax**

As we reported yesterday, due to the reluctance of the legislature to enact a reduction or abatement of the aviation fuel tax, AIF is now proposing the reinstatement of two tax statutes that until recently, provided some relief to Florida-based major air carriers.

Until July 1, 2000, the *Florida Statutes* authorized certain air carriers that utilize mileage apportionment for corporate income tax purposes to prorate their aviation fuel taxes based on the ratio of Florida mileage to total mileage. Specifically, the proration was adopted to benefit airlines *based in Florida* that buy more fuel in Florida than they actually use over Florida air space. As of last year, there were 15 air carriers that prorated their aviation fuel taxes in accordance with this policy.

The Legislature allowed this policy and the governing statute to sunset (or expire) on July 1, 2000. Also, included in our proposed bill is another provision that sunsets July 1, 2001. This provision allows a credit against the aviation fuel tax if an airline expands its

workforce in Florida by over 250 employees. This provision was caught up in legislative jockeying at the end of the 2001 Regular Session and inadvertently expired.

As a matter of public policy, it is in the best interests of Florida's employers that those airlines, that maintain hubs in Florida, be given every consideration necessary to keep them flying. These expired statutory provisions should be reinstated immediately.

Representative Rob Wallace (R-Tampa) has filed the House bill, although it has yet to be numbered. AIF and others are speaking with prospective Senate sponsors.

## **The Florida Building Code**

[52-C](#) by Senator Charlie Clary (R-Destin), which delays the January 1, 2002 implementation of the new, revised Florida Building Code to March 1, 2002, remains on the Senate Special Order Calendar. Due to a change in the Senate President's schedule, the Senate only had time to work its way through the budget process today. AIF expects that the Senate will take up this bill on Monday following its consideration of several security-related bills.

A House companion bill, [77-C](#), by Representative Mike Bennett (R-Sarasota) has been filed and it has not been referred to any committees for consideration. After a bill is filed, "life begins" for the bill when it receives committee references for consideration. In special sessions, things can change in a moment. However, the fact that the bill has yet to receive any committee references seems to suggest a lack of interest on the part of the Speaker's Office.

The Florida League of Cities testified in opposition to the bill on Wednesday, November 28. A representative of the League argued, before the Senate Committee on Comprehensive Planning, Local and Military Affairs Committee, that only 32 municipalities have failed to craft the mandated wind-borne ordinance. These smaller municipalities represent only 8.8% of the state's population. The League asked the obvious question of the committee, why delay the code implementation for the whole state on behalf of such a small grouping of municipalities, many in Central and North Florida?

## **Community Colleges**

While the percentages for the anticipated cuts in the Florida community colleges system have gotten a little better, there needs to be significant improvement in the conference committee process this weekend.

Right now, in the Senate budget bill, the community colleges' program funding is slated to be cut by 6.27%, a little more than the universities who are looking at a 6.02% cut. However, the community colleges' workforce development funding is also poised for a cut of 6.57%. They get hit twice in the budget. Similarly in the House, the community

colleges face a cut of 6.42% in program funding and a 6.76% cut in workforce development funding. The universities receive a 6.55% cut.

Overall, in workforce development the House and Senate are \$6.1 million apart, with the Senate proposing more spending. Again, with regards to program funding, the House and Senate are \$4.5 million apart with Senate proposing the greater amount.

The budget process produces a host of subtleties for the members to consider in their calculations. Here is one they need to remember: The need for and participation in Florida's community colleges is inverse to the performance of the economy. When the economy goes down, students, young and old, flood the system, a system with an open door policy. Anyone who wishes to attend is allowed. Also, when the economy slumps, workers are in greater need of additional education, skills and training. The system has already been swamped by 80,000 new students, new students that were not funded in this fiscal year. Slashing workforce development funding is like draining gasoline from your car so it will be lighter and get better mileage. It's counter-productive.

AIF appreciates the efforts of Senator Don Sullivan (R-St. Petersburg), Chairman of the Senate Appropriations Subcommittee on Education, to equalize the cuts between the university and the community college systems and to simply find more money for the system.

## **Transfer of Division of Worker's Compensation to Department of Insurance**

[SB 66-C](#) by Senator Jack Latvala (R-Palm Harbor) was introduced today, outside the call. As you may recall, "the call" is shorthand for the executive order the Governor issues in bringing legislators back for a special session. The call lists the issues that the Governor believes need to be addressed. This bill, being outside the call, was not on the Governor's wish list. The Senate waived the rules and agreed to consider it. The bill has been referred to the Senate Banking & Insurance Committee and will likely be considered next Tuesday. The bill transfers the Division of Worker's Compensation from the Department Labor and Employment Security to the Department of Insurance.

Due to prior law adopted by the legislature, the Department of Labor and Employment Security is set for dissolution. Unnecessary or redundant programs are being eliminated and other services are being re-established elsewhere in the state's government apparatus. What is odd is that, up until now, the general understanding has been that the Division of Worker's Compensation will and should be housed in the Department of Revenue following the dissolution of the Department of Labor and Employment Security, based on discussions held during the last Regular Session.

There is no House companion filed at this time

Stay tuned to our daily brief and to our web site at [www.fbnet.com](http://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.

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**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](mailto:aif@aif.com) or call the Governmental Affairs department at (850)224-7173.**

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