

ASSOCIATED INDUSTRIES OF FLORIDA
**LEGISLATIVE
DAILY BRIEF**



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SUBSTITUTE COMMUNICATIONS SYSTEM TAX

Today on the House Floor, HB 49 by Representative John Stargel (R-Lakeland) passed unanimously on a 117-0 vote. This is the bill to repeal the substitute communications systems tax, which if allowed to be collected would tax many of the everyday communication systems in all of Florida's businesses and homes. AIF would like to thank Representative Stargel and all other bill sponsors for their yeoman's job on this important bill to the business community.

We are now 1/3 of the way through since the Senate must still consider their version of the bill. AIF will now focus their efforts on the Senate.

AIF supports repeal of the substitute communications system tax because as the law is now written, any business with a computer network or an in-house telephone system may become subject to the communications services tax.

CONSTITUTIONAL AMENDMENTS

The House Judiciary Committee met this morning to vote on a series of proposed joint resolutions dealing with the Constitutional amendment and citizen initiative process. Representative Joe Pickens (R-Palatka) picked up from where he left off yesterday and presented four proposals that would make amending Florida's Constitution much harder.

All four proposals passed but not without some debate from members of the minority party. The first proposal would increase the threshold for passing a Constitutional amendment to 60%, currently Constitutional amendments only need a 50% + 1 margin to pass. Representative Dan Gelber (D-Miami Beach) presented an amendment to the joint resolution that would implement a statutory initiative alternative, as a way for Floridians to have an alternative to amending the Constitution. According to Representative Gelber, since the legislature was already making it more difficult to amend the Constitution another route was needed to ensure that the citizens of Florida could still amend their constitution. Under Representative Gelber's statutory alternative; initiatives would only require a 50% + 1 margin and fewer signatures than the current amendment process. In addition, under this proposed statutory alternative, the legislature would be able to amend any citizen initiative that was passed via the statutory process by a 2/3 margin of both houses for three years after the statute was passed. After the third year, the statute would be "in the books" and could not be amended.

This amendment was greeted with obvious skepticism by many members of the committee. Most of the debate centered on the fear of committee members that Florida would suffer from many of the situations faced in California, a state with a process that has led to hundreds of citizen initiatives being placed on the ballot every year. The result has been the consistent passage of populist initiatives, but with the reluctance to pay for such, which has led to California's financial mess. Representative Dennis Baxley (R-Ocala) raised other concerns including the question that if citizens and special interests were given the ability to pass statutes then why have a legislature at all?

After much debate the amendment failed, and the committee moved on to discuss the other three proposals.

The second proposed joint resolution would require that any amendment or revision proposed by the citizen initiative process that imposes a cost on the state, municipal or local government greater than one-tenth of one percent of the state budget must pass by at least 2/3 of those electors voting on the proposal, which is the same vote margin required by the legislature. This proposal was the most popular of the four and was passed without much debate.

The third proposed joint resolution would institute a subject matter “filter” that would limit the subject matter of any proposed Constitutional amendment to include only those provisions or proposals that :

- amend or repeal an existing section of the Constitution on the same subject and matter;
- address a right of a citizen of the state related to Article I of the Florida Constitution; or
- change the basic structure of state government as established in Articles II through V of the Florida Constitution.

An amendment by Representative Gelber unsuccessfully attempted to remove specific references to any of the articles laid out in the proposal. His reasoning behind this amendment was that if the subject matter filter as proposed was adopted, Floridians would not be able to create any new rights for themselves such as recent popular policy ideas such as the smoking ban and class size reduction. They would be limited only to those rights previously enumerated.

The final and most controversial of the four proposed joint resolutions would require geographic equity. This joint resolution if approved by voters, would require that an amendment to or revision of the Florida Constitution proposed by citizen initiative, in addition to being approved by a majority of the electors voting on the amendment must also be approved by a majority of those voting on the amendment or revision in at least half of the Congressional districts of the state. The present threshold for approval of an amendment by citizen initiative, other than one proposing a new tax or fee, is a simple majority of those voting on the proposal statewide.

Shortly after Representative Pickens presented this joint resolution, an amendment by Representative Jeff Kottkamp (R-Cape Coral) was taken up which would increase the threshold from a simple majority (50% + 1) to 60% of those voting on the amendment in at least 60% of the congressional districts of the state.

This amendment was supported by Representative Pickens and was ultimately passed in spite of the vocal opposition by members of the minority party who expressed concerns over the unknown consequences of adopting this measure (no data was available to see how many amendments would have passed in recent years if this type of limitation was placed on the process).

In the end all four proposed resolutions were voted out of the Judiciary Committee and submitted as committee bills for further consideration.

AIF supports reforms to the process for amending the state Constitution by citizen initiative. Florida’s Constitution is too easily manipulated by special interests, subverting the deliberation of public policy decisions and threatening the business community with the enactment of economically destructive programs and mandates.

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.