

ASSOCIATED INDUSTRIES OF FLORIDA  
**LEGISLATIVE  
DAILY BRIEF**



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

**MARCH 9, 2006**

### **CONSTITUTIONAL AMENDMENT REFORM**

The Senate Government Efficiency Appropriations Committee passed SB 1436 Relating to Tax/Fee Limitations by Sen. Jeff Atwater (R-North Palm Beach) by a 5-1 vote. This Senate Joint Resolution would ask the voters to pass a constitutional amendment during the next general election year requiring a two-thirds approval margin on constitutional amendments that increase an existing state tax or fee or those constitutional amendments with a fiscal impact greater than two-tenths of one percent of the state's general revenue (approximately \$50 million dollars based on the current budget).

The Florida Constitution currently has two provisions that address the financial impact of proposed amendments to the constitution. The first was approved in 1996, and it required that any proposed amendment which imposes a new state tax or fee must be approved by at least two-thirds of the voters voting in the election in which the proposal is considered. Since the amendment passed, no proposal has appeared on the ballot which would have imposed a new state tax or fee. The second provision was approved in 2002, requiring the Legislature to provide a statement to the public regarding the probable financial impact of any amendment proposed by citizens' initiative before the general election. SB 1436 is designed to address a current loop in this process since the 1996 amendment only applied to "new" amendments and not **existing** state taxes or fees.

During the committee meeting, several members of the Save the Voters Voice Coalition testified in opposition to the bill stating that it was just another roadblock placed by the legislature to make it harder for ordinary citizens to participate in the democratic process. Opponents of the bill attempted to convince committee members that recent constitutional amendment reforms passed by the legislature have made amending Florida's constitution too difficult.

The bill's sponsor, Sen. Atwater, skillfully addressed this claim by stating the Florida was one of the few states in the nation with a 4 year window for citizens to collect signatures. Signatures in other states are only valid for a period of time between 90 to 120 days. In addition, the sponsor stated that he was only following through with the intentions of the voters in 1996, who voted to increase the threshold by which amendments with significant fiscal impacts are approved.

SB 1436 will now be heard by the Senate Ways and Means Committee.

**AIF supports increasing the threshold by which constitutional amendments with significant fiscal impacts are approved. Floridians and businesses owners usually left with having to pay for these unfunded and many times ill-conceived mandates.**

## **GROWTH MANAGEMENT**

The House Local Government Council unanimously passed HB 683 Relating to Developments of Regional Impact (DRI) by Rep. Trey Traviesa (R-Brandon). This bill makes several changes to statutory provisions governing DRIs. Some of the more important provisions in the bill include:

- requiring DCA to initiate rulemaking by August 1, 2006 to revise the DRI process;
- makes various revisions and additions to the existing statutory law pertaining to development orders and permits issued by local governments;
- revises the definition of an “essentially build-out development”;
- revises the period of time for notice and a public hearing after a change to a development order;
- revises statutory exemptions to the DRI process;
- revises how certain statewide guidelines and standards are applied to determine whether a developments must undergo the DRI review;

After explaining the bill, Representative Traviesa offered a strike-all amendment which added additional provisions to the bill. The strike-all amendment was adopted and now the bill also provides special rules for single family residential portions of a DRI development. Projects are considered done if all infrastructure and horizontal development has been completed and at least 50% of the dwelling units have been completed and more than 80% of the lots have been conveyed to third parties or individual builders who own no more than 40 lots.

The strike-all amendment also contains a workforce housing provision that provides for a 15% or 100 unit increase, whichever is greater, when a developer increases the number of dwelling units dedicated to the construction of workforce housing. Workforce housing is defined to be housing affordable to a person who earns less than 120% of the area’s median income.

The new language also deals with statewide guidelines and standards for marinas. Local governments must now set aside at least 15% of the wet storage or moorings for public use and rental. The amendment consolidates the appeal process for development orders as well as challenges to comprehensive plan amendments that coincide with development orders. In addition, the amendment contains new language on recreational and commercial working waterfront to encourage public lodging projects.

HB 683 will now be heard by House Growth Management Committee. Its Senate companion SB 1020 by Sen. Mike Bennett (R-Bradenton) has also passed its first committee of reference and is also making its way through the process.

**AIF supports legislation aimed at making the DRI process more business friendly for developers by providing exemptions from the DRI review and increasing the thresholds that trigger the DRI review for newly proposed developments.**

## **AFFORDABLE HOUSING**

Senator Mike Bennett (R-Bradenton) and Representatives Mike Davis (R-Naples) and Bob Henriquez (D-Tampa) held a press conference today announcing a bipartisan strategy to make affordable housing legislation a centerpiece of the 2006 Legislative Session.

Rep. Davis has filed HB 1363 which would authorize the Florida Housing Finance Corporation to administer and provide innovation project approval and funding for Community Workforce Housing Innovation Projects for multifamily rental or single family housing for essential services personnel such as teachers, nurses, etc., who have incomes up to 150 percent of AMI.

Several bills have been filed this session to address aspects of the affordable housing dilemma. These efforts provide various levels of support for the working poor, teachers, low-income seniors, renters, and mobile home residents.

During the press conference, Rep. Henriquez stated that “affordable housing affects Democrats and Republicans alike in all walks of life.” Likewise, Senator Bennett emphasized how not having affordable housing hurts the recruitment of a qualified, well educated workforce to our state.

**The issue of affordable or “workforce” housing is a priority for our state. AIF applauds the efforts of this bi-partisan approach to finding a solution. We look forward to working with all bill sponsors on finding common sense approaches to this complex issue.**

## **TAXATION**

The House Utilities and Telecommunications Committee unanimously passed HM 883 by Rep. John Stargel (R-Lakeland). HM 883 is a memorial bill, meaning that it is just a recommendation that the US Congress take action and is not a substantive bill. The memorial asks that the US Congress support a repeal of the three percent federal excise tax on telecommunications, which has been around since the Spanish-American War. This tax was originally enacted to fund this war, and was repealed and reenacted multiple times to finance subsequent wars and other fiscal crises. While the tax has existed continuously since 1941, it was made permanent in 1990. However, the substance of the tax law has not changed since 1965, causing some items within the scope of telecommunications service to either be nontaxable, or to be unevenly taxed.

AIF’s Frank Meiners testified in support of the House memorial and stated that if Congress were to repeal this tax, it would return about \$400 Million back into Florida’s economy.

HM 883 will now be heard by Rules and Calendar Council.

**AIF supports HM 883 and the message it sends to Congress for the repeal of this out dated and unnecessary tax.**

The Senate Government Efficiency Appropriations Committee held a workshop on SB 138 Relating to Homestead Property by Senator Mike Haridopolos (R-Melbourne). This proposed constitutional amendment would provide for assessing at less than just value property purchased within 1 year after a sale of homestead property and established as new homestead property, with certain limitations. This provision would result in allowing “portability” of the “Save Our Homes” assessment limitation, which limits the annual increase in homestead property value to 3 percent of the consumer price index. In other words citizens would be given the opportunity to apply their “Save our Homes” assessment limitation to property purchased in any other part of the state.

During the meeting, the bill sponsor argued this proposal would not have a negative impact on revenue as others may claim, but would instead result in a boom for the real estate industry and increased revenue for local government.

A number of organizations took part in the workshop. According to the Florida Association of Counties, there are problems within the tax structure and a rebalancing of the tax base is needed. They would support portability if:

- Move was within the same county,
- One time instance; and,
- Only apply to those age 62 and older as well as the totally and permanently disabled

Representatives from the Florida League of Cities stated that they did not support the “Save Our Homes” exemption when it originally was passed and do not support the concept of portability. They propose that a market driven cap would be a better approach. The League also believes it is problematic to apply portability statewide.

The Florida Association of Realtors would support portability only if local governments are given the option to decide for themselves. Realtors are as diverse as the state of Florida and realtors in some counties may support portability, while others may not.

The committee will review all the similar bills which have been filed on this issue to see if consolidation is possible. Sen. Skip Campbell (D-Tamarac), a sponsor himself of one of these proposals, reasoned that all bills should be reviewed by this committee and the final product should be referred to the Senate Ways and Means Committee in order to expedite the process.

## HEALTH CARE

The Senate Health Care Committee unanimously passed SB 1412 Relating to Medicaid Fraud and Abuse. The National Health Care Anti-Fraud Association estimates that for all private and public health expenditures in 2003, between 3 percent and 10 percent of these expenditures were lost to fraud. With total national health care expenditures exceeding \$1 trillion in 2003, this would equal losses between \$51 and \$170 billion to fraud. Medicaid fraud and abuse occurs in managed care plans and in traditional, fee-for-service payment systems.

SB 1412 requires that each managed care organization that provides or arranges for the provision of health care services to Medicaid recipients must establish and maintain a special investigative unit to investigate fraudulent claims and other types of program abuse by recipients and service providers. The bill also allows consumers to access a database that will show the entities that have committed fraud and abuse.

SB 1412 will now be heard by the Senate Judiciary Committee.

**Although these added administrative costs could translate into higher premiums for consumers, AIF supports legislation aimed at curbing the rampant abuse of the Medicaid system. In the long run, Floridians should see savings in the cost of Medicaid services if these programs are enacted.**

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.

- 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.