

ASSOCIATED INDUSTRIES OF FLORIDA
**LEGISLATIVE
DAILY BRIEF**



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UTILITIES AND TELECOMMUNICATIONS

The House Finance and Tax Committee passed HB 1199 Relating to Statewide Television Franchises by Representative Trey Traviesa (R-Brandon). The bill establishes within the Department of State (DOS) the authority to issue state-wide cable franchises, and the bill also designates DOS as the state franchising authority. The bill preempts local government authority to negotiate cable service franchises.

In 1984, Congress passed the Cable Communications Policy Act. This law established policies for franchise provisions and renewals as well as subscriber rates. The law prohibited cable operators from providing service without obtaining a franchise from local governments. HB 1199 would transfer the authority to grant cable franchises from local governments or municipalities to a unified statewide entity, in this case the DOS. The bill also establishes a number of provisions for the operating of state-wide cable franchises such as customer service standards, buildout provisions, franchise fees, and right-of-way use.

Representative Traviesa began his presentation on shaky ground, having arrived late to the committee meeting because of another bill presentation. It was clear that Chairman Fred Brummer (R-Apopka) was not thrilled. Despite his tardiness, Representative Traviesa delivered an excellent explanation of why he believes this bill is necessary. He presented some startling facts including that the cost of cable services has increase 86% percent since 1995 and that 98% of markets in Florida do not offer multiple choices for cable providers. Representative Traviesa's presentation revolved around the premise that more competition will equal greater service and lower costs for the consumers of our state.

Representative Traviesa offered several amendments, which were adopted, that he described as concessions to representatives from local governments, who even with the amendments are very much opposed to this legislation. The amendments dealt with right-of-way guarantees and buildout requirements. Representative John Stargel (R-Lakeland) expressed his concerns with the bill and also offered some amendments. One amendment by Representative Stargel which dealt with ensuring that companies looking to get statewide cable franchises have the financial and operational track record to be successful failed because committee members felt that it would preclude new and minority businesses from participating.

AIF's Keyna Cory testified in support of Representative Traviesa's bill. Members of the cable industry as well as representatives from local government spoke in opposition to the bill stating

that passage of this bill would lead to increased litigation as a result of contract impairment issues.

HB 1199 will now be heard by the House Commerce Council.

AIF supports legislation to open up the cable market to the free market. Increased competition will only ensure better service, a better product, and more importantly lower prices for the citizens of our state.

TAXATION

The House Fiscal Council unanimously approved HB 7179 Relating to Corporate Income Tax by the House Finance and Tax Committee today. This legislation is more commonly known as the “corporate piggyback” bill. It updates the Florida Income Tax Code to reflect changes Congress made to the U.S. Internal Revenue Code during 2004.

AIF supports this legislation so that corporations which are subject to Florida corporate income tax can base their calculations on current IRS rules. If the Legislature does not pass this bill, corporations would have to keep two sets of records: one for Florida and one for the IRS.

The House Fiscal Council also unanimously approved HB 743 Relating to Agricultural Tax on Fuel and Electricity by Representative Marty Bowen (R-Winter Haven). This legislation provides a sales tax exemption for electricity used directly and exclusively for the production or processing of agricultural products on a farm as long, as the electricity used is separately metered. It also expands the sales tax exemption for diesel fuel when such fuel is used in any tractor, vehicle, or other equipment that is used exclusively on a farm or for processing farm products on the farm.

AIF supports HB 743 because of its positive impact on Florida’s agriculture industry. The agricultural industry is the second largest contributor to Florida’s economy.

GROWTH MANAGEMENT

The House Transportation & Economic Development Appropriations Committee passed HB 683 by Representative Trey Traviesa (R-Brandon) on a vote of 16-1. This bill makes several changes to existing law governing developments of regional impact (DRI). DRIs are large-scale developments that are likely to have regional effects beyond the local government jurisdiction in which they are located. The DRI process is important to the business community because it directly affects how fast an employer can or cannot get their projects started and how developers interact with local governments. The current committee substitute:

- Makes revisions to current statutory law relating to a binding letter determination made by the Department of Community Affairs (DCA);
- Makes various revisions and additions to the existing statutory law pertaining to development orders and permits issued by local governments;
- Provides bonuses for a developer providing a certain level of affordable housing;
- Revises statutory exemptions to the DRI process;
- Expressly removes marina and port facilities from DRI review; and
- Revises how certain statewide guidelines and standards are applied to determine whether a development must undergo DRI review.

No amendments to the bill were proposed during the meeting, however it is anticipated that an additional workshop will be held and a final strike-all amendment will be offered during the next meeting of the State Infrastructure Council.

AIF supports HB 683 because of the increased thresholds and expanded exemptions from the DRI review process made available to the development community.

The Committee also unanimously passed HB 7253 by the House Growth Management Committee at its meeting today. This bill revises current law related to last year's landmark growth management legislation (SB 360). Some of the provisions in this year's bill include:

- Removing the requirement that the entire local comprehensive plan be financially feasible.
- Providing that a third party challenge, or the outcome of such challenge, to the 5-year schedule of capital improvements does not affect adoption of further plan amendments to the future land use map.
- Providing for certain exemptions from transportation concurrency.
- Providing for a waiver of the transportation facilities concurrency requirements for certain urban infill, redevelopment, and downtown revitalization areas.
- Providing for a partial exemption from development of regional impact review for urban service boundaries, infill and redevelopment areas, and rural land stewardship areas if the required binding agreement for the full exemption is not attained.

- Providing for a transportation concurrency exemption for municipalities 90% built-out and provides criteria to be eligible for such an exemption.

There was one amendment by Representative Ed Jennings (D-Gainesville) which provides that the Century Commission membership should reflect the demographic make up of the state. Representative Jennings withdrew the amendment with the anticipation that it could be further refined and brought up at the next committee, which is the State Infrastructure Council.

This bill contains language that was passed in the House bill last year that was either rejected by the Senate or not amended into the bill. The substantial issues deal with school concurrency; partial exemptions for urban infill; and transportation concurrency clean up. The bill will benefit the development community to the extent that some of the growth management processes will be streamlined by this bill.

HB 7253 will now be heard by the House State Infrastructure Council.

AIF supports HB 7253 as a step in the right direction for encouraging smart, sustainable growth. Florida must address the backlog of infrastructure needs by providing the development community with clear direction and some leeway in dealing with these issues.

ECONOMIC DEVELOPMENT

The House Fiscal Council approved HB 1283 Relating to Innovation Incentives by Representative Frank Attkisson (R-Kissimmee) today after a lengthy debate. This legislation creates the Innovative Incentive Program within the Office of Tourism, Trade, and Economic Development (OTTED) for qualified innovation businesses. The purpose of the Program is to improve the state's ability to compete effectively in attracting science-based research projects of significant scale and world class excellence and innovation business projects to this state. The sum of \$50 million for the next five years will be available to entice these types of businesses to Florida. For a company to be eligible for the award of funding, the local government where it will be stationed will have to come up with matching funds. To be eligible in an urban county, the company must create at least 1,000 new jobs at the site at the pay scale of 130% of the average wages paid in that county. For the rural counties, the company must create at least 750 jobs at the site at the pay scale of 130% of the average wages paid in that county. Enterprise Florida, Inc. (EFI) will evaluate applications for incentive awards and make recommendations to OTTED who will in turn make recommendations to the Governor. The bill requires the Governor to consult with the President of the Senate and the Speaker of the House before releasing the funds.

The bill passed 15 to 6 and now goes to the Commerce Council.

AIF supports this pro-active measure to recruit high tech and high paying jobs to Florida. As Representative Attkisson stated in his closing, "This legislation will give us a rate of return on our money right here, right now!"

ETHICS AND ELECTIONS

The House State Administration Council passed HB 773, An Act Relating to the Petition Process by Representative Dudley Goodlette (R-Naples). Representative Goodlette explained to the Committee members that the current bill differed greatly from the bill presented at the first meeting. HB 773 sets forth standards for the petition signature gathering process, codifies many existing rules and provides safeguards for protecting the petition initiative process. The bill does not prohibit paying signature gatherers by the signature. Additionally, HB 773 neither restricts who can gather signatures nor provides for new criminal penalties.

The League of Women Voters spoke in opposition of the bill. Although the League acknowledged that the current version of the bill is a drastic improvement over the initial bill, it still has problems with the provision which allows private property owners to exclude petition initiative signature gatherers from their property. The League also has problems with the provisions of the bill regarding who has standing to challenge the validity of a petition. The League believes that this expansion of current law is unnecessary as there has been no documentation of fraud.

Associated Industries of Florida and other members of the business community waived their time in support of the bill. Chairman Don Brown (R-DeFuniak Springs) and Representative Audrey Gibson (D-Jacksonville) spoke in favor of the bill. Representative Gibson urged the League to talk to Representative Goodlette regarding their issues with the bill.

HB 773 will now be placed on the House calendar and considered on the floor.

<p>AIF supports HB 773 and its efforts to address the need for regulation in the petition gathering process, but does so without onerous provisions and criminal penalties.</p>
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OTHER BILLS OF INTEREST:

Minimum Wage

The House Commerce Council unanimously passed HB 1211 Relating to State Minimum Wage Notification by Representative Terry Fields (D-Jacksonville). You may recall that voters in Florida overwhelmingly approved a constitutional amendment during the 2004 general election which increased the minimum wage in Florida. The amendment also tasks the Agency for Workforce Innovation (AWI) with using the Consumer Price Index to establish what the new minimum wage should be each year.

The bill requires each employer currently paying an employee the Florida minimum wage to display a poster in a conspicuous and accessible place at a worksite indicating the applicable wage. The bill requires the Agency for Workforce Innovation (AWI) to create the required posters in English and in Spanish and make them available to employers on or before December 1st of each year. Under this bill, each poster must contain specific language outlining the restrictions on employers, the rights of employees, and the penalties for non-compliance with Florida's minimum wage law. The bill also provides formatting, font and size requirements for the posters.

HB 1211 will now be placed on the House calendar and considered on the floor.

Workforce Development

The House Commerce Council also unanimously passed HB 531 Relating to Prosperity Campaigns by Representative Ed Jennings (D-Gainesville). The bill creates the Prosperity Campaign Council to coordinate a state wide effort aimed at connecting low-wage workers to the Earned Income Tax Credit. The bill also requires financial literacy instruction to be included in the required high school life management skills course.

Educating our youngest citizens about important life skills such as financial management, savings investments, credit scores, and economics is critical to the development of a strong workforce.

HB 531 will now be placed on the House calendar and considered on the floor.

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.