APRIL 11, 2007

Debate on the budget was the order of the day in both the House and Senate, as members prepare to pass their respective budgets and enter into conference next week. Legislators had their first opportunity to run amendments and hold discussions on this year's budget. Several amendments caused prolonged debate. In the Senate, Senator Alex Villalobos (R-Miami) offered an amendment that would alter they way funding is distributed to all school districts throughout Florida. The amendment was not adopted, but only after intense debate. In the House, members of the Democratic Party offered several amendments that were controversial. Representative Ron Saunders (D-Tavernier) offered an amendment that would reduce the amount local school districts must collect for funding educational programs. The intent of the amendment was to reduce the amount of property taxes paid by Floridians. Several bills being tracked by AIF will be on the agenda tomorrow including: legislation dealing with workers' compensation, affordable housing, regulation of home inspectors/mold assessors, state-wide cable franchises, as well as some energy policy bills.

Environment

The House Environment & Natural Resources Council approved proposed committee bill (PCB) ENRC 4 Relating to Environmental Goldstar Recognition. This bill would reward companies with good compliance records with eligibility for longer permits and short form renewals. This proposal would be a wonderful cost savings to many of AIF members. Unfortunately, there are several parts of the bill that AIF has concerns with, especially how the Department of Environmental Protection (DEP) is allowed to deny permits.

The bill in its current form gives very little incentives for short-form permit renewals, expedited permits and longer permits in some cases. Because of definition problems, we are not sure if any company will ever be able to qualify for the new "Gold Star Permitting" status.

AIF opposes the Florida Gold Star Permitting Act as it currently reads. We would like to thank Representative Williams for her willingness to work on this issue and look forward to our continued negotiations on this legislation.

Property Tax Reform

The House Government Efficiency & Accountability Council approved proposed committee bill (PCB) GEAC 23 Relating to Ad Valorem Tax Relief for Renters. Representative Frank Attkisson (R-Kissimmee) presented the PCB and described the legislation as a homestead exemption for Floridians that rent. The bill provides renters who have a signed lease with an exemption from ad valorem taxes. Currently, renters pay property taxes every month in the form of their rent check to the owners of their rental unit. The intent of this legislation is for renters to receive a check from the property appraiser that would serve as a refund for the percentage of property taxes they pay on a rental unit.

Representative Attkisson estimated that most renters would receive around \$100 in refund checks. Some of the Committee members were unclear about who would really receive the benefits of this legislation. Representative Attkisson admitted that these were untested waters and that something like this had never been done before.

Taxation

The Senate considered took up SB 92 Relating to Hurricane Preparedness/Sales Tax by Senator Carey Baker (R-Eustis) during its session today. This is the third year in a row that the Legislature has sought to pass a sales tax holiday for hurricane supplies. The bill establishes a sales tax holiday starting on June 1, 2007 on items such as weather band radios, coolers, flashlights, tie-down kits, batteries, portable generators, etc. The sales tax holiday would be in affect for twelve days.

AIF supported the original hurricane preparedness legislation that passed last year and we continue our support for this sales tax holiday. Having our employees and our businesses better prepared for a hurricane is beneficial in so many ways. Employees can return to work quicker and businesses can open their doors sooner when everyone is prepared.

On a motion by Senator Baker, SB 92 was substituted by HB 211, its House companion, which had already passed the House. HB 211 is now ready to be voted on for final passage by the Senate.

AIF supports increasing business activity by allowing Floridians to purchase essential hurricane supplies without having to pay sales tax.

Please send your comments or suggestions to us at <u>aif@aif.com</u> 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.