



WEEKLY LEGISLATIVE UPDATE FROM APRIL 25, 2008

With one week to go in the 2008 session, AIF is poised for the most hectic time of the year. Most of our top priorities end up being the subject of debate and negotiations during the last week of session. This is true for AIF priorities such as property insurance, energy, property tax reform, economic stimulus, and a number of others.

AIF was successful in sending legislation to the Governor that would help curb the costly and dangerous practice of secondary metal theft. HB 105 by Representative Baxter Troutman (R-Winter Haven) is now on the way to the Governor's desk for his signature.

The Taxation and Budget Reform Commission also concluded its business last week with meetings on Thursday and Friday. The Commission has approved a number of proposals to be included in the November 2008 ballot, including the AIF opposed "tax swap" proposal advocated by former Senate President John McKay. The business community will surely be united in fighting this bad amendment this summer and fall.

Taxation

On Monday, April 21st the House Policy & Budget Council approved HB 135 Relating to Exemptions from the Tax on Sales, Use, and Other Transactions by Representative Baxter Troutman (R-Winter Haven) on a 23-5 vote. This proposed legislation would give a sales tax exemption on electricity used for packing houses. A packing house is a place where fresh fruits and vegetables are packed, or otherwise prepared, for market or shipping for wholesale distribution. The legislation does not give the exemption to buildings or structures where agriculture products are sold at retail prices.

Agriculture is the second largest economic contributor to the State of Florida. This sales tax exemption will help our farming community keep prices as low as possible.

HB 135 is now ready for consideration on the House floor. Its Senate companion, SB 394 by Senator Jeff Atwater (R-North Palm Beach), will now be considered by the Senate Finance & Tax Committee.

AIF supports legislation that establishes sales tax exemptions that benefit our state's farmers. Agriculture is one of Florida's largest industries employing more than 388,000 people and producing an excess of \$50 billion dollars in total sales.

The Council also unanimously approved HB 893 Relating to Tax on Sales, Use, and Other Transactions by Representative Marti Coley (R-Marianna). The bill would allow a sales tax holiday for school items in 2008, but not before making some significant changes. For the past several years, Florida has had a "Sales Tax Holiday" for back to school supplies. The first sales tax holiday for back-to-school supplies began in 1998, but in 2002 and 2003 it was not enacted due to revenue shortfalls.

An amendment was adopted to shorten the time frame for the sales tax holiday from 10 days to 7 days. Now the sales tax holiday will begin on August 2nd and end at midnight on August 8th. The amendment also changed the type of items eligible for the sales tax exemptions. These include clothing, wallets, or bags, including handbags, backpacks, fanny packs, and diaper bags, but exclude briefcases, suitcases, and other garment bags, and must have a sales price of \$50 or less per item. The final change allows school supplies having a sales price of \$10 or less per item to be eligible for the sales tax holiday as well. In previous years books have been included in the sales tax holiday, but due to the fiscal impact, they were not included in this year's list of items.

HB 893 is now ready for consideration on the House floor. Its Senate companion, SB 2094 by Senator Daniel Webster (R-Winter Garden), is on the Senate calendar for April 28th.

AIF has consistently supported sales tax holidays for back-to-school supplies throughout the years. The holiday entices residents from neighboring states come across Florida's border to purchase these items, thus generating extra revenue to Florida businesses.

On Tuesday, April 22nd the Senate General Government Appropriations Committee unanimously passed SB 2080 Relating to Value Adjustment Boards (VAB) by Senator Mike Haridopolos (R-Melbourne). The bill requires that the Department of Revenue (DOR) develop a uniform policies and procedures manual for use in proceedings before value adjustment boards. It revises membership of value adjustment boards and deletes provisions authorizing county attorneys to act as counsel for such boards. It also provides a requirement that value adjustment boards must appoint special magistrates for certain purposes. This provision now applies to all counties, not just ones with a population over 75,000.

Two amendments were adopted that removed the financial impact on DOR by allowing them to charge a tuition fee to whoever attends the training courses the Department must conduct. There were no questions or debate on the bill.

SB 2080 is now ready for consideration on the Senate floor. Its House companion, HB 909 by Representative Peter Nehr (R-Tarpon Springs) was debated on Friday, April 25th on the House floor, but is not identical to its Senate companion at this time. The House is expected to pass HB 909 during the last week of session.

AIF supports this bill because it contains improvements favorable to the taxpayer when contesting the property appraiser's value of the taxpayer's property. The changes to existing law will give AIF members a more level playing field when going before the VAB and contesting property tax disputes.

On Tuesday, April 22nd the House considered HB 1283 Relating to Ad Valorem Tax Assessment Value Challenges by Representative Dean Cannon (R-Winter Park) requires the property appraiser to earn the presumption of correctness by showing that his or her assessment was arrived at by complying with the law and professionally accepted appraisal practices. Once done, the taxpayer has to show by a preponderance of the evidence that the assessment of value exceeds just value.

On Wednesday, April 23rd the House passed HB 1283 by a 114-1 vote. The only no vote on the bill was Representative Curtis Richardson. HB 1283 will now go to the Senate where it faces an uphill battle; since its companion bill, SB 678 by Senator Mike Fasano (R-New Port Richey), has never even been heard in a committee meeting.

AIF supports the bill because it makes the process of challenging the value of ones property as determined by the property appraiser fairer for the taxpayer. The issue of "presumption of correctness" has allowed over-assessed property to become too prevalent.

HJR 949 Relating to Maximum Ad Valorem Tax Limitation; Voter-Approved Exception by Representative Carlos Lopez-Cantera (R-Miami) was debated on the House floor on Tuesday, April 22nd. The resolution proposes an amendment to Florida's constitution that limits the total property tax that may be levied on any parcel of real property to 1.35 percent of the property's highest taxable value. It also distributes tax revenues that exceed this cap in accordance with general law, and exempts from this cap taxes levied for the payment of bonds and taxes that are imposed for a period of 2 years or less, when authorized by a vote of the electors. If passed, this resolution would go on the November, 2008 ballot.

During debate, Representative Richardson offered an amendment to exempt fiscally constrained counties, but due to lack of votes it failed.

On Wednesday, April 23rd the House passed HJR 949 on a 79-38 vote. However, the Senate version of the resolution, SB 2190 by Senator Mike Bennett (R-Bradenton), is still in committee and will most likely not pass.

AIF has not taken an official position on this proposal. Although the property tax savings would be significant for employers, the unintended consequences on local government must be considered.

Also on Wednesday, April 23rd the House passed HJR 7005 Relating to Taxpayers' Bill of Rights by Representative Frank Attkisson (R-Kissimmee) on an 86-29 vote. The bill amends the state Constitution to remove the government's presumption of correctness and places the burden of proof, by a preponderance of the evidence, upon the government to prove that the assessment does not exceed just value. It also provides that the taxpayer is entitled to reasonable attorney's fees to be specified in general law.

There were no questions or debate on the bill. HJR 7005 is now ready for consideration on the Senate floor.

AIF supports this resolution because it gives our members a much fairer chance at prevailing in a challenge of the property appraiser's assessment of their property, both real and tangible personal.

Education & Workforce Development

On Monday, April 21st the House Policy & Budget Council unanimously passed SB 1908 Relating to Designation of High School Grades by Senator Don Gaetz (R-Ft. Walton Beach). This is the high school grading bill that set off the reading of all bills in entirety in the House on Friday. Representative Joe Pickens introduced it appropriately as, "the bill that started it all."

The proposal, supported by AIF, is an enhancement to education accountability in a manner that encourages more access to and performance on rigorous coursework and career education. It also reduces the influence of the FCAT on high school grades, which determines how much reward money schools get. Other factors, including the graduation rate and students' scores on Advanced Placement tests would be included.

SB 1908 is now ready for consideration on House floor and would need to return to the Senate for final approval.

AIF supports SB 1908 because it is important to continue to build on the K-12 accountability system with particular focus on improving the value of a high school diploma. Employers must be able to trust that a high school diploma ensures that a graduate can communicate and operate effectively in the workplace.

Also on Monday, the Council also unanimously passed SB 1906 Relating to Alternative Credit High School Courses by Senator Gaetz. This bill creates a pilot project for career academies to earn core course credit for career education courses provided the appropriate course content matches Florida's state standards, and the student demonstrates mastery of those concepts on an end of course exam. SB 1906 was amended in the House to include the Ready to Work bill, HB 985 by Representative Bryan Nelson (R-Apopka), which is another AIF supported bill.

SB 1906 is now ready for consideration on the House floor.

AIF supports SB 1906 and its efforts to link career education with more traditional instruction so that students are prepared for both higher education and immediate employment in a high wage high skill job that is in demand in today's economy.

Infrastructure

On Tuesday, April 22nd the Senate Transportation Committee passed SB 474 Relating to Growth Management by Senator Rudy Garcia (R-Hialeah) on a 7-1 vote. The bill represents the Department of Community Affairs (DCA) legislative package, which was criticized by several committee members as well as speakers. This criticism was directed towards provisions in the bill dealing with areas of coastal development, transportation concurrency and the "citizens' bill of rights" – a plan designed to increase citizen participation in the growth management process.

SB 474 was to be considered by the Senate Transportation and Economic Development Appropriations Committee, but this committee reference was removed and the bill is now on the Senate calendar for April 28th. Its House companion, HB 7129 by Representative Dean Cannon (R-Winter Park), passed out of the House Policy & Budget Committee on Monday, April 21st but has some differences from the Senate version, which is generally viewed to be closer to the DCA's original proposal. On Friday, April 25th HB 7129 was considered on the House floor and will most likely be voted during the last week of session.

Informal negotiations are already underway between the two houses, with the biggest question remaining, whether the Senate can reach consensus within its own ranks as to what the bill should look like.

In its current form, SB 474 contains a number of problematic provisions for the business community. AIF looks forward to the development of a legislative proposal that would build on the gains made last year in growth management legislation. The reform of growth management laws is important to employers because they have the potential to impact the construction of roads, schools, and water projects, which are essential to economic development.

On Friday, April 25th HB 699 Relating to Affordable Housing by Representative Gary Aubuchon (R-Cape Coral) was amended onto HB 7129, the House Growth Management bill. The original bill amends current law to remove the provision requiring the Florida Housing Finance Corporation (FHFC) to pay a General Revenue service charge at the time of the original transfer or rights and liabilities between its entities. The bill also substantially revises and updates current statutes, which govern the definitions and implementation of the State Housing Initiatives Partnership (SHIP) Act. It also allocates SHIP funding for manufactured housing with a 15% cap, and gives local jurisdictions the authority to reassign a one-cent tax on hotel rooms for purposes of providing affordable housing and creates new criteria for the State Apartment Incentive Loan (SAIL) program.

HB 7129 was read a second time on the floor – meaning that it is now ready for a final vote during the last week of session. Its Senate companion, SB 482 by Senator Rudy Garcia (R-40), Hialeah; was temporarily postponed on second reading on the 25th and placed on Special Order for April 28, 2008.

AIF supports this bill as it directly provides a mechanism to lower housing costs for Florida's citizens. The issue of funding affordable housing is part of AIF and the business community's Economic Stimulus Package. Spending dollars on housing is directly tied to increases in state revenue.

Energy

On Friday, April 25th the House finally considered HB 7135 Relating to Energy by the Environment and Natural Resources Council after much anticipation from members of the business community and other interested parties. This comprehensive energy policy package includes a number of changes to Florida's energy laws including provisions dealing with renewable portfolio standards, renewable fuel standards, and guidelines for energy efficiency for state buildings as well as the state's building code.

Over 50 amendments were considered during Friday's House session some of which turned out to be somewhat controversial including changes to how the Public Service Commission will nominate members to the newly created Florida Energy and Climate Commission. A heated debate was also sparked by an amendment by House Energy Committee Chairman Paige Kreegel (R-Punta Gorda) who proposed that the state look at the electricity rates being charged by municipal-owned utilities, especially since many of them provide the electricity for state and local government entities. The majority of the amendments were technical in nature and those were easily adopted.

Included in the bill as amended on Friday, is language that would preempt local governments from adopting ordinances prohibiting the use of plastic bags by retailers. AIF worked diligently with other members of the business community to convince legislators to adopt this language. The issue of plastic bags will be studied by the Department of Environmental Protection.

HB 7135 is now ready for final passage by the House during the last week of session. All along, the plan has been for the Senate to take up the House's version of the energy package and pass it out.

AIF and its Florida Energy Council recognize the importance energy plays in keeping Florida's economy healthy and vibrant. Any recommendations considered in the formation of Florida's energy policy should allow for reasonable implementation, should support efficiencies and should ensure that undue mandates and costs are not placed on Florida's businesses and consumers, thereby creating a unilateral economic disparity. Florida should ensure that every effort is made to undertake a balanced approach that avoids unrealistic requirements on energy producers and suppliers.

Economic Development

On Tuesday, April 22nd the Senate Governmental Operations Committee unanimously passed SB 928 Relating to Economic Development by Senator Alex Diaz de la Portilla (R-Miami). This bill was then combined with SB 930, also by Senator Diaz de la Portilla, to create the state's first Small Business Advisory Committee. This committee will be tasked with working with all state agencies in monitoring regulatory requirements of small businesses and making recommendations to the state Legislature on how regulations may be reduced, in order to help small businesses survive and thrive in our state.

SB 928 is now ready for consideration on the Senate floor. As a note, HB 7111 by Representative Dean Cannon (R-Winter Park), has nearly identical language in its current form and will most likely become the House vehicle by which this legislation is ultimately passed.

AIF supports this legislation in its entirety and we hope that as the 2008 Session comes to a close these issues related to economic development will be approved by the Legislature and sent to the Governor for his approval.

On Tuesday, April 22nd the Senate General Government Appropriations Committee unanimously passed SB 432 Relating to Artificial Reefs by Senator Mike Bennett (R-Bradenton). The bill seeks to create economic activity by allowing Florida to offer a matching grant to local governments in order to participate in the sinking of decommissioned naval vessels to serve as a tourist attraction. Administered by the Florida Fish and Wildlife Conservation Commission, these matching grants may be used for the reconditioning, towing and sinking of such vessels in Florida with the hopes that recreational divers, fishermen and swimmers will take advantage of this generating millions in state revenues to the area. As reported earlier, in 2006, the USS Oriskany was sunk off the coast of Pensacola, generating \$2 million in economic activity to Escambia County alone and a total of \$3.6 million for the area, creating almost 67 new jobs. This revenue was generated by fishing and some 4200 charter diving trips around the vessel.

The bill passed with no questions or debate and is now ready to be considered on the floor of the Senate. Its House companion, HB 179 by Representative Doug Holder (R-Sarasota), was never heard by its last committee of reference - the House Policy & Budget Council.

AIF supports this creative way to stimulate Florida's economy by using the state's natural resources.

Legal & Judicial

On Monday, April 21st the House Policy & Budget Council unanimously passed HB 7127 Relating to Administrative Procedures by Representative Ed Homan (R-Temple Terrace). The bill creates incentives for state agencies to properly promulgate rules when

the Legislature provides statutory authority to do so. This bill will provide more predictability and fairness for all Florida businesses and residents dealing with state agencies on virtually any matter.

HB 7127 is now ready for consideration on the House floor. Its Senate companion, SB 704 Relating to the Administrative Procedures Act by Senator Mike Bennett (R-Bradenton) was unanimously passed by the Senate on Thursday, April 24th. SB 704 was immediately certified and sent to the House who will likely consider and pass the Senate version during the last week of session.

AIF supports this proposal since it provides additional incentives for agencies to adopt their policies using the required rulemaking process. Businesses use the APA on a daily basis when interacting with state government. Any improvements to the Act are welcomed by the business community.

Health Care

On Monday, April 21st the House Select Committee on Autism and Developmental Disorders discussed options for addressing the issue related to those with this condition. The proposed council bill, **HCC 27**, does not contain an insurance mandate at this time. Instead, it provides the following:

Directs Office of Insurance Regulation (OIR) to convene a workgroup of insurers, including self-insured employers, the Governors office and the Legislature to develop an agreement on the following issues:

1. Penalties to be imposed on insurers who deny coverage for medically necessary services due to the presence of a developmental disability.
2. Methods for communicating with beneficiaries on the scope and extent of their insurance coverage for habilitation services and behavioral intervention.
3. Development of new product lines to provide financing and insurance opportunities for services related to developmental disorders.

On Tuesday, April 22nd the House Healthcare Council passed HCC 27 and assigned it a bill number HB 7153. The bill will now move to the full House for consideration.

AIF is consistently opposed to additional health insurance mandates because of their potential to increase the cost of health insurance. This proposal does provide some flexibility and we are currently studying its impact on the cost of health insurance plans for employees.

On Thursday, April 24th the Senate unanimously passed SB 1012 Relating to Health Insurance Claims Payments by Senator Don Gaetz (R-Ft. Walton Beach), which addresses concerns raised by physicians about "silent PPO networks" and the time period allowed to insurers to "look-back" at claims paid.

The compromise language worked out between the business community, including AIF, insurers and the Florida Medical Association has alleviated all concerns on the bill and it now appears poised to pass the Legislature tomorrow.

SB 1012 was immediately certified and sent to the House where it was substituted for HB 405 by Representative Bill Galvano (R-Bradenton) on Friday, April 25th

AIF no longer opposes HB 405 and SB 1012 and would like to thank Representative Galvano and Senator Gaetz for their willingness to compromise on an issue that would have increased health care costs for employers across the state.

Florida Forever

On Monday, April 21st the House Policy and Budget Council unanimously passed HB 7141 Relating to Florida Forever by the House Environment and Natural Resources Council. AIF has been working with the *Florida Coalition for Responsible Preservation of Public Land* (FRPPL) on a successor program for Florida Forever. Since the beginning of Florida Forever, the state has purchased more than 600,000 acres of environmentally sensitive land. The FRPPL supports the continuation of this land acquisition program, but would like more access to these state owned public lands for recreational water usage, alternative water supply programs, and relocation of imperiled species. The FRPPL would like to see better management practices implemented on these state owned public lands as well.

HB 7141 re-institutes the Florida Forever program for another 10 years and enhances the current program to prioritize public water access, alternative water supplies, imperiled species mitigation, and performance standards for land management. The bill also includes some important working waterfront provisions that will ensure that these culturally sensitive lands are also protected using the Florida Forever model.

On Wednesday, April 23rd the Senate unanimously passed (38-0) SB 542 Relating to Florida Forever by Senator Burt Saunders (R-Naples). SB 542 was immediately certified and sent to the House where it will most likely be substituted for the House version (HB 7141)

AIF and the Florida Coalition for Responsible Preservation of Public Land support the implementation of a successor program for Florida Forever that includes additional uses of public lands such as alternative water supply programs, expanding the use of mitigation programs for imperiled species, allowing for utility infrastructure access to public lands, and emphasizing public access to water for outdoor recreational opportunities.

Environment

On Tuesday, April 22nd the Senate General Government Appropriations Committee unanimously passed the proposed brownfields legislation, but as an amendment – not as SB 2594. The entire language found within SB 2594 Relating to Brownfield Site Redevelopment by Senator Lee Constantine (R-Altamonte Springs) appeared as an amendment proposed by Senator Mike Bennett (R-Bradenton) to SB 2018 Relating to Contaminated Petroleum Site/Financial Assistance by Senator Bill Posey (R-Rockledge).

AIF continues to support the brownfield legislation. A brownfield site is property, which may be complicated by actual or perceived environmental contamination during the expansion, redevelopment or reuse of the property. The proposal includes for a one-time, 25 percent tax credit of up to \$500,000 for the construction and operation of new health care facilities or health care providers on brownfield sites. Also, solid waste removal costs can be a part of the tax credits allowed under this section, if the site was not previously a landfill or dump.

This move is not unusual at this point in the session. Sometimes bills will be combined in order to accelerate them through the legislative process. Apparently the House companion bill to SB 2018, HB 1091 by Representative Frank Attkisson (R-Kissimmee), was not moving well on the House side, and SB 2594 was moving too slowly in the Senate. By combining the bills, both have a better chance of passage this session.

SB 2018 is now ready for consideration on the Senate floor. Its House companion, HB 1091, is ready for consideration on the floor of the House.

AIF supports this legislation as it will hopefully increase participation in the redeveloping of brownfield sites and therefore promote economic development efforts. The reuse of property is an important component of sound land use policy and the economic development advantage is great in promoting the growth of new jobs.

On Wednesday, April 23rd the House Environment & Natural Resources Council held a meeting to discuss HB 301 Relating to Recycling by Representative Janet Long (D-St. Petersburg). This bill would require state agencies and airports to recycle. It also requires any business, association or organization that receives state funding to recycle to the greatest extent practicable aluminum beverage cans, recyclable plastic and glass at all locations where the business, association or organization operates or does business. AIF supports recycling but has repeatedly asked for language to be included in the bill that say to recycle to the greatest extent practicable and *economically feasible*. It does not make sense for a small business or not-for-profit business, association or organization to spend more money trying to recycle than what they may receive at a recycling center.

The bill was debated on the House floor on April 25th.

AIF continues to oppose this bill until we see the final proposed amendment. We thank Chairman Mayfield for his willingness to work with us to resolve this issue.

Secondary Metal Theft

On Tuesday, April 22nd the Senate Criminal & Civil Justice Appropriations Committee unanimously passed SB 1384 Relating to Theft of Copper or Other Nonferrous Metals by Senator Charlie Dean (R-Inverness). The bill provides that it is a felony of the first degree to knowingly and intentionally take copper or other nonferrous metal from a utility or communications services provider, thereby causing damage to the facilities of a utility or communications services provider or interrupting or interfering with utility or communications services.

There were no questions or debate on the bill. SB 1384 is now ready for consideration on the Senate floor. Its House companion, HB 799 by Representative Sandy Adams (R-Oviedo), has passed the House and is now ready for consideration on the Senate floor. Therefore, the bill is ready to pass the Legislature and go on to the Governor in the next few days.

AIF supports legislation, which helps law enforcement find these thieves and makes it harder for them to unload their stolen goods. Metal thieves may get a few hundred dollars for the metal they steal, but a business may have to spend 100 times that amount to repair the damage.

On Wednesday, April 23rd the Senate passed HB 105 Relating to Secondary Metals Recyclers by Representative Baxter Troutman (R-Winter Haven) by a 37 to 1 margin after substituting this bill for its Senate companion, SB 556 by Senators Lee Constantine (R-Altamonte Springs) and Victor Crist (R-Tampa). The *Floridians for Copper and Metal Crime Prevention Coalition* and Associated Industries of Florida applaud the work of the Florida Legislature in passing crucial legislation to help curb metal theft activity, a crime that has seen a dramatic rise in recent years. This legislation will act to deter thieves from bringing stolen items to a legitimate secondary metal dealer by requiring these metal dealers to keep records from who they acquire metal. In addition, any unscrupulous metal dealers who do not provide the required information for a sale and who receive stolen property can be charged with a third-degree felony.

Due to the increasing worldwide demand for metals, metal theft is on the rise and can jeopardize the safety of individuals who are affected by the theft, as well as wreaking havoc on communities by causing power outages and surges. We are grateful for the hard work and commitment of Representative Troutman, Senator Constantine and Senator Crist; the Coalition is confident this legislation will protect the safety of all Floridians.

HB 105 will now be sent to the Governor for his signature.

AIF and the *Floridians for Copper and Metal Crime Prevention Coalition* support this legislation to help law enforcement find these thieves and make it harder for them to unload their stolen goods. Metal thieves may get a few hundred dollars for the metal they steal, but a business may have to spend 100 times that amount to repair the damage.

Space

On Tuesday, April 22nd the Senate Transportation and Economic Development Appropriations Committee unanimously passed SB 2666 Relating to Space Flight Contractors/Tax Refunds by Senator Bill Posey (R-Rockledge). This legislation expands the successful qualified defense contractor tax refund program to allow for space flight businesses, or entities with space flight contracts, to now qualify for these tax refunds. To be eligible for a refund, the space flight business contract or facility must result in a new increase in space flight business employment at a Florida facility. SB 2666 also allows local governments to use donated or discounted land and buildings to qualify as the required local match.

On Friday, April 25th the House unanimously passed SB 2666's House companion - HB 1373 Relating to Qualified Defense Contractor Tax Refund Program by Representative Thad Altman (R-Melbourne). The bill expands the qualified defense contractor tax refund program to allow for space flight businesses, or entities with space flight contracts, to qualify for these tax refunds. The bill also amends the amount of tax refund available to qualified applicants to match the tiered system used to award tax refunds under the Qualified Targeted Industry Tax Refund Program. This will raise the maximum tax refund created from \$5,000 to as high as \$8,000 per job, if the project is in a rural county or enterprise zone and the average wage per job is 200 percent of the average private sector wage in the area.

Also on Friday, the Senate substituted HB 1373 for their bill, and it is now ready for final passage during the last week of session.

AIF supports adding space flight businesses to the Qualified Defense Contract Tax Refund Program. The incentives included in this successful program should go a long way in helping Florida maintain and attract commercial space industries. This will be instrumental in creating more jobs with higher pay in Florida.

Transportation

On Monday, April 21st the House Policy and Budget Council passed HB 1399 Relating to the Department of Transportation by Representative Gary Aubuchon (R-Cape Coral) by a 25-6 margin. This is the massive transportation bill for the 2008 session. AIF supports many of the provisions in the bill, which seek to improve transportation policies in Florida, especially the provisions that help ensure the success of the commuter rail project in Central Florida.

The Council spent over two hours questioning Representative Aubuchon and representatives from Florida Department of Transportation regarding several provisions associated with CSX and the commuter rail project. Most of the angst revolved around the immunity portion of the deal with CSX and the cost of the project.

On Thursday, April 24th the House considered HB 1399 on the House floor during an extensive debate. A number of unfriendly amendments for the bill's sponsor were filed but they ultimately failed or were withdrawn. The bill is now ready to voted on during the last week of session.

On Tuesday, April 22nd the Senate Transportation and Economic Development Appropriations Committee unanimously passed SB 1978 Relating to the Department of Transportation by Senator Carey Baker (R-Eustis). This is the Senate's version of the annual legislative package for the Florida Department of Transportation (FDOT). As is usually the case, this complex piece of legislation has become the "vehicle" for a number of legislative proposals that are included in other bills making their way through the process or for bills that have stalled in committee. Some of the proposals included in this bill are the transportation disadvantaged issue, the red light camera bill, as well as a number of license plate proposals.

The most controversial provision in the bill was added in the meeting, via an amendment by Senator Dan Webster (R-Winter Garden), which allows FDOT to purchase the necessary land required for the state to implement commuter rail in Central Florida. The amendment would authorize FDOT to spend \$450 million to purchase the necessary track of land and it provides for a controversial grant of immunity to CSX for the usage of their tracks for passenger cars.

Included in the amendment is also the authorization for 6 counties (mainly in Central and South Florida) to raise the rental car surcharge for vehicles rented in airports if approved via referendum. AIF is strongly opposed to this language because of the already high taxes on rental cars currently in place in these counties. In addition, although the intent of Senator Webster is for these higher taxes to be paid by tourists who rent at airports – a significant number of Floridians also rent from airports. This increase in taxes for rental cars could have the potential to negatively impact tourism in these counties. At this time, the rental car surcharge language is not included in SB 1978's House companion, HB 1399 by Representative Gary Aubuchon (R-Cape Coral).

SB 1978 was also amended during an impromptu meeting of the Senate Transportation and Economic Development Committee on Thursday, April 24th. The bill is now ready to be considered on the floor of the Senate.

AIF supports many of the transportation policy innovations contained in these omnibus transportation bills, but we are strongly opposed to the prospect of any additional rental care surcharges as included in SB 1978. At a time when Florida's economy is suffering and tourism is down, providing for increases in taxes for rental cars sends the wrong message to those individuals wanting to visit our state.

On Wednesday, April 23rd the House unanimously passed HB 1245 Relating to Regional Transportation Authorities by Representative Bill Galvano (R-Bradenton). This bill would greatly benefit the state's regional transportation authorities because it would allow authorities in Northwest Florida, South Florida and the Tampa Bay area to receive 80 percent of the existing rental car surcharge dollars collected in the counties they represent.

The bill would also provide funds to support a regional approach to building needed transportation projects, which could include the more effective attraction of federal matching dollars for certain projects and consideration of public-private partnerships to build regionally significant toll facilities.

HB 1245 will now be sent to the Senate for consideration.

AIF supports the ability of multi-county areas in Florida to form regional transportation authorities, empowered to implement infrastructure improvements and increase consideration for vital transportation corridors, seaports, airports, and other regionally significant business centers.

TBRC

On Thursday, April 24th the Taxation and Budget Reform Commission held one of its last two meetings today. On their agenda was the approval of the Style and Drafting Committee's recommended ballot summaries for the constitutional proposals approved by the Commission. The majority of proposals were non-controversial in nature, except of course for CP 002 by Commissioner John McKay. This proposal, better known as the "tax swap," is opposed by AIF and the majority of the business community because of the uncertainty it would bring to Florida's business climate.

In the end, the Commission voted to approve all the proposals on the agenda including the working waterfront proposal supported by AIF, allowing local counties to approve (via referendum) a sales tax increase to help fund community colleges, and the McKay tax swap.

The Commission held its last meeting on Friday, April 25th and approved two proposals dealing with education. The first was CP 40 which dealt with school vouchers. The TBRC had originally voted CP 40 down, but it was brought back to life on a motion to reconsider by Commissioner Randy Miller. The Commission then approved CP 26 which requires that 65 percent of school

funding go to classroom instruction activities and not administrative costs. The proposals were then combined into one and will appear together on the November 2008 ballot.

AIF would like to thank all the Commissioners who voted in favor of CP 6/8/34, the combined working waterfront amendment, which if approved by the voters in Florida will go a long way in providing property tax relief for the business owners located on Florida's vibrant working waterfronts. AIF lobby team members worked for over a year on this proposal and we are thrilled at the prospect of bringing this much needed property tax relief before the voters.

Unfortunately, AIF is also disappointed with the actions of the TBRC on CP 2. The level of uncertainty that this proposal, if approved, will bring to Florida's business climate is matter of grave concern. The elimination of the Required Local Effort (RLE) or school property taxes, although tempting, will leave legislators with a gaping budget hole that will only be filled by raising the state's sales tax, eliminating valuable sales tax exemptions, and possibly instituting a services tax that will be devastating for the thousands of small business owners across Florida.

Ports

Port security received major attention from the Florida Legislature last week, more than at any other time since the security laws were originally enacted. The pleasant difference was that for the first time since the events of 9/11/01, legislators examined the question of whether duplicitous credentialing standards at Florida ports is worthwhile or whether it is actually counterproductive.

The discussion actually began in the Senate a few weeks ago when Senator Dan Webster (R-Winter Garden) raised the question of funding for the Florida Uniform Port Access Credential (FUPAC) during a meeting of the Senate Transportation & Economic Development Appropriations Committee. He put the idea on the table that Senators should consider not funding the program because of the difficulties with implementation. He suggested that in the interim maybe progress would be made and that the subject could be revisited next year.

In a conversation with Committee Chair, Senator Mike Fasano (R-New Port Richey), they examined the logic of such a proposal and concluded it was a good idea. In the end, all members of the committee that includes Senators Alex Diaz de la Portilla (R-Miami), Tony Hill (D-Jacksonville) and Gwen Margolis (D-Miami Beach) all contributed similar comments about their many concerns about FUPAC and the financial impacts on Florida's maritime industry.

The House and Senate later passed their respective budgets with the Senate budget eliminating funding for FUPAC. However, funding was included in the House. As the two sides went into conference to resolve their differences, AIF and the Florida Ports Council worked together to persuade the House to take the Senate position. House conference committee members Kevin Ambler (R-Tampa), Michael Scionti (D-Tampa), Rich Glorioso (R-Plant City) and Susan Bucher (D-West Palm Beach) led the way in convincing their committee colleagues. The funding was removed in the conference report and is now part of the appropriations bill that will be considered for final passage this week.

However, agreement with delaying FUPAC was strongly objected to by Representative Sandy Adams (R-Oviedo) and Senator Charlie Dean (R-Inverness), the chairs of the respective security committees in the House and Senate. They found a way to introduce legislation, even though bill filing deadlines were long past. The bills (HB 7119 and SB 1470) would implement FUPAC and while it allowed the acceptance of the federal Transportation Workers Identification Credential (TWIC), the bills still required additional paperwork and a Florida criminal background check in addition to the federal check.

Under this proposed legislation, the costs of credentialing would be three or two times the cost of accepting the federal card alone. AIF vehemently opposed both bills. The bill was never heard in the Senate. In the House AIF testified in opposition to the bill when it was heard in committee, but it passed and was sent to the floor.

This week Representative Adams tried to pass her bill and send it to the Senate. She had some friends including Representative Gayle Harrell (R-Port St. Lucie) supporting her, but a large groundswell of opposition began to form, lead by Representative Ambler. Last week's debate on the House floor was intense. Legislators from just about every area of the state were voicing concerns about the Adams' bill.

An amendment by Representative Ambler was filed. It would have provided that Florida ports would accept the federal card and eliminate the duplicate background check. It soon became clear Ambler had broad support and that the amendment would be received the necessary votes to be adopted. It was also clear that without the amendment the House would vote to kill the bill.

Faced with the certain demise of her bill, Representative Adams reported she would ask that her bill not be taken up again under those circumstances. AIF's preference would have been to amend the bill and send it to the Senate. HB 7119 is still pending on the House calendar for the last week of session. A compromise has been offered by Representative Ambler.

The concern that remains is while Adams has few supporters in the Florida House, members of the Governor's policy and budget staff have supported her position. She has also enlisted the support of Attorney General Bill McCollum and a deputy director in his office has written a comment regarding McCollum's support for FUPAC.

The suspension of FUPAC is now in question because of the influence of the Governor and Attorney General and their opinion that security in our ports will be weakened under those circumstances. They say that FUPAC covers crimes not included in the federal law, therefore provides more security. However, there are other opinions to the contrary including that of Jacksonville Sheriff, John Rutherford. Rutherford, the only one participating in this argument who is actually involved in providing daily security at a Florida port, has submitted the following statement:

"As Sheriff of a major seaport community, I have a genuine concern for the security of our Port and its impact on the City of Jacksonville and the state of Florida. Currently, the Jacksonville Sheriff's Office - in partnership with the Jacksonville Port authority - provides perimeter security on a daily basis. The overlay of the FUPAC over the TWIC will unnecessarily confuse security and hamper effective efforts.

I believe that the simple voluminous enumeration of felonies does not lead to greater port security and other more important elements such as biometric screening that are in the TWIC plan are more relevant. I support the amendment calling for an OPPAGA study to determine if my professional opinion is correct."

AIF is grateful for the leadership and support this week of Representatives Ambler, Bucher, Glorioso, Hudson, Reagan and Scionti and many, many others. With their help AIF will continue to pursue the elimination of the FUPAC program. Please thank them and encourage your legislators to remain resolute in this very important effort to help Florida's ports.