



DAILY LEGISLATIVE BRIEF FROM APRIL 22, 2008

The issue of property taxes once again dominated the debate on the House floor today as a number of property tax bills were considered and debated. Tonight's report contains coverage of some of the bills which impact AIF members the most. The majority of these property tax bills will be ready for a final vote on Wednesday, April 23rd. Make sure to check back Wednesday night for a full re-cap of the status of these bills. Unfortunately, the chance for passage in the Senate for most of these bills is unlikely, as Senate leadership has demonstrated very little appetite for any further property tax reform.

The budget conference process continued into the night today, and conference committees will once again meet on Wednesday. After 12:00 pm tomorrow, any unresolved issues will be bumped up to Representative Ray Sansom (R-Ft. Walton Beach) and Senator Lisa Carlton (R-Osprey) who have until Friday of this week to resolve any differences. If any issues are still unresolved at that point, it has been announced that it will then be up to each chamber's presiding officer to take part in the final negotiations.

Taxation

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) is now ready for consideration on the House floor, but is not identical to its Senate companion at this time.

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.

Today, the House considered two taxation bills on second reading that are important to AIF this session.

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.

During debate, Representative Curtis Richardson (D-Tallahassee) asked if there has been any evidence to support that the system needs to be changed. Representative Cannon responded that the bill simply provides a level playing field for taxpayers when contesting the assessed value of their property.

Representative Richardson continued with questions all centered on there being no need to change current law and the impact it may have on local government revenues. Representative Cannon said that local governments had nothing to worry about if the property appraiser has not over assessed the taxpayer's property.

Representative Debbie Boyd (D-High Springs) said she was concerned about small, rural counties who have large corporations who contest their assessment. This change may make it difficult for them to defend their assessments. Representative Cannon responded that if the assessment was not too high they had nothing to be concerned about, as this bill just leveled the playing field for the taxpayer.

HB 1283 is now ready for final passage and will probably be voted on tomorrow. This is an excellent bill for AIF members. Unfortunately the Senate companion, SB 678 by Senator Mike Fasano (R-New Port Richey), is stuck in its first committee and will most likely not pass this session.

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) 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.

Questions from Democratic Party members centered on the issue of how deep the cut would be for the counties, cities and special districts if they held schools harmless. Representative Ron Saunders (R-Naples) offered an amendment to remove education from the cap and reduce the cap to 1 percent on all the other property tax recipients. After extensive debate, the amendment failed on a voice vote.

Other questions from members pertained to why they did not wait to see the effect of last year’s millage roll back and Amendment 1 on property taxes before going forward with this constitutional amendment. Representative Carlos Lopez-Cantera (R-Miami) said that the citizens already had one third of the signatures necessary to put this exact resolution on the ballot in 2010. If passed, this resolution would go on the November, 2008 ballot.

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

HJR 949 is now ready for final passage and will probably be voted on during session tomorrow. 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.

Infrastructure

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.

Amendments were withdrawn at the last committee stop in order to have enough time to pass the bill out. Those amendments are sure to be seen again at its next stop, the Senate Transportation and Economic Development Appropriations Committee, and possibly the Senate floor. The amendments range from relatively benign provisions, to the removal of whole sections of the bill, such as the coastal language, which prohibits public monies from being spent to increase development in coastal zones, a provision that the DCA says is necessary for their continued support of the bill.

SB 474 will now be considered by the Senate Transportation and Economic Development Appropriations Committee. Its House companion, HB 7129 by Representative Dean Cannon (R-Winter Park), passed out of the House Policy & Budget Committee yesterday, but has some differences from the Senate version, which is generally viewed to be closer to the DCA's original proposal. HB 7129 is now ready for consideration on the House floor.

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.

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 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 today, 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 is now ready to be considered on the floor of the Senate.

AIF supports many of the transportation policy innovations contained in this omnibus bill, but we are strongly opposed to the prospect of any additional rental care surcharges. 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.

Economic Development

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.

Also created in the bill is the establishment of the state's first Small Business Advocate, a position that would be responsible for representing the views and interests of small businesses before the agencies and the Legislature, informing small businesses of local and state assistance. The position is also charged with receiving and responding to complaints from small businesses about issues that are adversely affecting their economic activity and viability.

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.

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), will now be considered by the House Policy & Budget Council.

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

Health Care

The House Healthcare Council passed proposed council bill HCC 27 Relating to Children with Disabilities, which is a compromise to the extreme pressure legislators are under to pass an insurance mandate for autism spectrum coverage. The bill is a direct product from a Select Committee which was formed by Speaker Marco Rubio (R-Miami). This is a major priority for Speaker Rubio. The bill would allow children with autism, who are under the age of 6 to receive services through the state Healthy Kids program, which is a low cost health insurance program for low income children. The Office of Insurance Regulation is directed to negotiate a compact with insurance companies on coverage of habilitative services and behavioral interventions for children with developmental disabilities.

HCC 27 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.

Environment

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 bill provides 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.

Secondary Metal Theft

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.

Space

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.

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 1373 by Representative Thad Altman (R-Melbourne), is now ready for consideration on the floor of the House.

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.