



# DAILY BRIEF

**From April 21, 2010**

All of the budget conference committees concluded their work today “bumping” up the budget items they could not agree on to the respective budget chairs in the House and Senate. It is now up to Representative David Rivera (R-Miami) and Senator JD Alexander (R-Lake Wales) to try to work out the differences between the House and Senate on these items. One the “bump” items important to the business community has to do with the amount of dollars to earmarked for Florida’s economic development “tool kit” which includes the Quick Action Closing Fund and other important economic incentives. It appears that legislators are on target to finish the budget in time for the end of session.

In the House, a number of Memorials were considered today. Memorials are special messages to the U.S. Congress that are non-binding and typically ceremonial. Several memorials dealing with space were adopted today including: HM 1187 by Representative Mike Horner (R-Kissimmee) which urges the Congress to fully support space program & recognize significance of research related to human space flight and SB 944 by Senator Thad Altman (R-Melbourne) which urges the Congress of the United States to direct that one of the retiring space shuttle orbiters be preserved and placed on permanent display at the Kennedy Space Center.

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## **Information Technology**

Today, the Florida Senate unanimously passed SB 1706 Relating to State Financial Matters by Senator JD Alexander (R-Winter Haven).

Senator Alexander explained that this bill enhances the authority of the Legislature over agency contracting that affects the state budget. It prohibits agencies, with exceptions, from obligating the state through certain types of contractual clauses, and requires advance notice to the Governor and Legislature before entering into certain high-value or no-cost contracts.

Senator Alexander added that the bill specifies contractual language addressing the state’s ability to terminate contracts, which must be included in all executive and judicial contracts, and creates misdemeanor penalties for agency employees who willfully violate these provisions.

Furthermore, the bill requires that acceptance or rejection contract deliverables be in writing, and prohibits agencies from entering into lease or deferred payment purchases of greater than \$500,000 without legislative approval or during the interim Legislative Budget Commission approval. The bill also requires agency heads or their equivalents to sign contracts worth more than \$25,000, and to certify compliance with applicable contracting provisions for all contracts with terms of greater than 12 months.

The bill will now be sent to the House for consideration by its members. The House measure, HB 1491 by Representative Elaine Schwartz (D-Hollywood), has not yet been heard in committee.

**AIF's IT Council was one of the most vocal OPPONENTS of this legislation during the 2009 session. AIF continues to be OPPOSED because this bill will place an inordinate amount of restrictions on businesses contracting with the state.**

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## **Energy**

The House of Representatives adopted HM 1535 Relating to Federal Energy or Climate Legislation or Regulations by Representative Sandy Adams (R-Oviedo). The Memorial would urge the President, Congress and the Florida Congressional delegation to oppose the American Clean Energy and Security Act (HR 2454, the Waxman-Markey bill) and any other proposals by federal agencies that will artificially raise energy prices for consumers and place an undue burden on the economy for little or no environmental benefit.

**AIF's Florida Energy Council (FEC) voted overwhelmingly to SUPPORT this Memorial, as the federal legislation has the potential to impede the already fragile recovery of Florida's economy. The Council recognizes that any federal legislation or agency rules that would cause energy prices to increase, thereby inflating the cost of doing business is not warranted at this time. Not only are Floridians struggling in this difficult economy, but Florida's employers cannot withstand what amounts to an additional tax on energy.**

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## **Taxation**

The House unanimously passed HB 7219 Relating to Corporate Income Tax by Representative Joe Abruzzo (D-Wellington) today. Known as the "corporate piggyback bill," the bill simply adopts the 2010 version of the Federal IRS code changes for the state Corporate Income Tax.

HB 7219 will now head to the Senate for consideration.

**AIF SUPPORTS legislation that adopts the latest changes of the Federal IRS code so businesses only have to maintain one set of books for Florida. Failure to pass this bill would result in increased bookkeeping burdens for Florida's businesses.**

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## **Transportation**

The **Transportation and Economic Development Appropriations Conference Committee** wrapped up their work today and bumped one very significant issue up to the Appropriation Chairmen – Senator JD Alexander (R-Lakes Wales) and Representative David Rivera (R-Miami) – for resolution this week.

In addition to the \$160M cash sweep from the state Transportation Trust Fund into the state's General Revenue Fund, the conference committee addressed one issue of high importance to AIF.

As part of the Department of Transportation (DOT) budget conforming bill language – a current House proposal will require the FDOT to expend their cash balance down to \$50 million before the agency can elect to defer projects. This is a troublesome position as cash flow is important for a highly leveraged work program. AIF and others in the road building and transportation community will continue to work on this issue with House and Senate leadership.

**AIF is OPPOSED to any raids of the state's Transportation Trust Fund because of the negative impact it will have on jobs and road building projects in Florida.**

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## **Growth Management**

Today, the Senate took up HB 7099 Relating to Legislative Reauthorizations by Representative Dorothy Hukill (R-Port Orange). Commonly referred to as the "bridge bill", this bill provides a safety net for developers who have relied on certain provisions of last year's landmark growth management bill (SB 360), which is currently being challenged in state courts. Known as the "Community Renewal Act," SB 360 offered larger developments the option of avoiding the Developments of Regional Impact (DRI) process in certain densely populated areas, as defined by legislation. Should the challenge be successful and the bill be declared unconstitutional, numerous developers would face a regulatory nightmare for having followed the provisions of the bill, particularly as it relates to Developments of Regional Impact (DRI).

During today's Senate session, HB 7099 was amended to include the re-authorization of the Department of Community Affairs (DCA), which the House has refused to take up this session, and an amendment dealing with agricultural enclaves. The bill must now be sent back to the House in hopes that they will concur with the amendments.

These two amendments are problematic since the House has been adamant in their refusal to hear legislation surrounding the re-authorization of DCA, and will likely consider not taking the bill out of messages. Furthermore, the agricultural enclaves amendment will also be opposed by the DCA.

This legislation, which is so important to the development community and has not received a single negative vote in committee, has now become extremely controversial.

HB 7099 will now be sent back to the full House and awaits their consideration.

**In the event that 2009's SB 360 is found unconstitutional, AIF SUPPORTS the addition of language which clarifies that a developer still has the opportunity to re-enter the process without penalty.**

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## **Environmental**

House Memorial (HM) 1589 was adopted today by the Florida House of Representatives which urges the U.S. Environmental Protection Agency (EPA) to withdraw proposed numeric nutrient criteria for the water quality standards of our state's water bodies. EPA is slated to release numeric nutrient criteria that may make the majority of Florida's water impaired without scientific bases. The cost to bring our standards to EPA proposed levels could cost Florida approximately \$140 million a year.

HM 1589 has been sent to the Senate and awaits consideration by its members.

**AIF supports the House Memorial and thanks our Florida Congressional Delegation for their efforts to have EPA delay or withdraw their proposed numeric nutrient criteria standards.**