



DAILY BRIEF

From April 27, 2010

As we move forward into the final stretch of the 2010 legislative session, the House and Senate continue to move at full throttle. Spending much of their time addressing legislation on Special Order today, members considered many of AIF's top priorities on second reading, including a hotly contested property insurance measure (SB 2044), the much anticipated "Jobs Package" legislation (SB 1752), and much more. We expect both of these priority bills to be voted on in the next days to come.

As today indicated, however, key issues may not always present themselves early on. With the passage of a substantial energy measure in the House today, this legislation (HB 7229) may have significant implications on renewable energy projects in the state of Florida. Be sure to check out today's edition of the daily brief to learn more about this initiative, as well as other priority legislation that is headed to the Governor's desk for final approval.

Taxation

Today, the Florida Senate considered HB 981 Relating to Agriculture by Representative Denise Grimsley (R-Sebring). The Senate measure, SB 2182 by Senator JD Alexander (R-Lake Wales), was laid on the table and substituted for HB 981 upon final passage.

This proposed legislation would clarify in state law that land classified as "agricultural" retains that classification when offered for sale. AIF supports HB 981 by Representative Grimsley as it will allow owners of property formerly classified as agricultural, but being offered for sale, retain their agricultural assessments. Additionally, owners of agricultural improvements, structures, or equipment on agricultural land used as a natural conservation or to implement best management practices may be subject to lower property taxes.

The bill passed without debate or questions. The legislation was voted on favorably by all members, with the exception of one "no vote" by Senator Arthenia Joyner (D-Tampa).

HB 981 has been ordered enrolled and will now proceed to the Governor's desk for final approval.

AIF SUPPORTS legislation that reduces the burden on Florida's agricultural industry. As the second largest industry in the state, it is important that AIF take the appropriate measures to reduce assessments on Florida's farmers.

Energy

Today, the Florida House of Representatives passed a comprehensive energy initiative that would change the way Florida's energy providers pursue renewable energy projects. HB 7229 Relating to Economic Incentives for Energy Initiatives by Representative Steve Precourt (R-Orlando) passed by a vote of 83-34.

During its final consideration in the House today, HB 7229 was significantly amended to address concerns surrounding mandatory provisions surrounding renewable energy production. The most significant of these changes was offered by Representative Seth McKeel (R-Lakeland), incentivizing utility companies to participate in renewable energy projects by allowing providers to recover costs up to and in excess of its "full avoided costs" for the production or purchase of renewable energy. This recovery of costs would be limited to two percent of a provider's revenue from the retail sale of electricity for the calendar year of 2009. The renewable component may be for either a new facility or for a conversion of an existing facility.

In its current form, HB 7229 adds to the states energy policy by ensuring an affordable, adequate, secure and reliable energy supply that minimizes energy cost volatility, as well as the negative impacts of energy production on the state's environment. The initiative maximizes economic synergies for the state associated with its energy policy and reduces the net export of energy expenditures. The bill would also add "recycling byproducts" to the definition of biomass and would exempt a solar generating facility of any size from the definition of an electrical power plant. HB 7229 would also prohibit the Department of Environmental Protection (DEP) from enacting any rules on carbon emissions or cap and trade.

Lastly, the bill would create the Energy, Technology, and Economic Development Guaranty Fund to issue bonds in conjunction with the monies flowing from the American Recovery and Reinvestment Act of 2009.

HB 7229 will now proceed to Senate messages.

AIF SUPPORTS initiatives that incentivize participation in the purchase and production of renewable energy alternatives. AIF recommends that the Legislature take a very deliberate approach when considering implementation of a RPS standard.