



# DAILY BRIEF

**From April 29, 2010**

With one day left to go in the 2010 legislative session there remains a number of top business issues in play. Progress was slowed down due to controversy over issues dealing with abortion. A proposal originating in the Senate that would require that women seeking abortions be offered an ultrasound created a stir in the House where Democrats shut down the action in protest over this proposal. House Democrats have enough members to prevent bills requiring a 2/3rds vote to be considered.

Some of the major issues still awaiting final action include property insurance reform, the "Jobs for Florida" package, recycling, growth management, and the elimination of the cap on affordable housing funds. In light of all of the controversy dealing with the abortion issue and the announcement by Governor Crist that he would run as an Independent for the U.S. Senate, some AIF priorities still saw action today. Legislation dealing with water policy (SB 550), Space (HB 451, HB 969, HB 1389), and the Back to School Sales Tax Holiday (HB 983) is on its way to the Governor for his signature.

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## **Space**

Today, members of the Florida Senate unanimously passed HB 969 Relating to Space & Aerospace Infrastructure by Representative Steve Crisafulli (R-Merritt Island). This bill provides Space Florida with the needed flexibility to spend approximately \$10 million of funds allocated in 2008 to make improvements at the existing launch complexes in Florida. This legislation is vitally critical to keep Florida as the leader in space and will allow our state to leverage the existing infrastructure to lure commercial space projects to Florida.

Since HB 969 has now passed the House & Senate, the bill has been ordered enrolled and will proceed to the Governor's desk.

**AIF SUPPORTS giving Space Florida the flexibility to allocate any of the un-obligated Launch Complex (LC) 36 funds for any purpose determined to have the greatest benefit to the commercial space industry in Florida.**

Another priority issue for AIF that was unanimously passed by the Senate today was HB 1389 Relating to Space & Aerospace infrastructure by Representative Steve Crisafulli (R-Merritt Island) today. This bill designates the "Space Transition & Revitalization (STAR) Act" which allows the use of 20 percent of the Quick Action Closing Fund to be used for attracting and retaining aerospace and high-tech jobs. Additionally, the language provides Space Florida with flexibility in using funds appropriated for Launch Complex 36 for other launch complexes or related uses.

Senate members recognize the necessity for legislation addressing the needs of Florida's space industry, and as such, passed HB 1389 unanimously with no questions or debate.

HB 1389 will now be immediately enrolled and sent to the Governor for final approval.

**AIF SUPPORTS giving Space Florida the flexibility to allocate any of the un-obligated Launch Complex (LC) 36 funds for any purpose determined to have the greatest benefit to the commercial space industry in Florida. AIF also SUPPORTS this legislation as it will establish a number of incentives for luring new commercial space projects to Florida.**

Today, the Florida Senate unanimously passed HB 451 Relating to Space Florida by Representative Steve Crisafulli (R-Merritt Island). This legislation will streamline the board of Space Florida by reducing the number of Space Florida Board members from 19 to 15 and make it a more industry-credible body with the ability to recruit and retain aerospace businesses throughout Florida.

As with most space-related legislation this session, the Senate overwhelmingly passed HB 451 with no questions or opposition.

HB 451 has been requested to be immediately enrolled and sent to the Governor for final approval.

**AIF SUPPORTS legislation to reorganize the board structure of Space Florida – the state’s aerospace development organization.**

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## **Business Regulation**

Today, the Florida Senate unanimously passed (36-0) HB 1565 Related to Rulemaking by Representative Chris Dorworth (R-Heathrow). The bill passed without any debate or question from members.

HB 1565 requires an agency to prepare a statement of estimated regulatory costs (SERC) prior to the adoption, amendment, or repeal of any rule, not just on those having an impact on small business or those requested by a substantially affected person. Additionally, the measure would also cause an agency’s failure to prepare a SERC on any rule to be a material failure. The bill also expands SERC requirements to include an economic analysis that demonstrates if a rule:

- Creates a regulatory environment that impedes or hinders economic growth and private-sector job creation;
- Expands the growth of state government that is not provided in the enabling statute for the rule;
- Increases regulatory costs to small businesses; and
- Is likely to adversely impact private-sector job creation or result in higher unemployment.

The bill requires the Joint Administrative Procedures Committee (JAPC) to determine whether a SERC prepared by an agency complies with the requirements for an economic analysis, as well as existing requirements for a SERC. If the economic analysis portions of the SERC indicate the proposal will perform any of the actions reviewed in the economic analysis, the rule may not take effect until it is submitted to the legislature for review at the next regularly scheduled session. The legislature may reject, modify, or take no action pertaining to a rule. If the legislature takes no action, the rule will take effect upon adjournment sine die by the Legislature.

Furthermore, this bill signals a warning to state agencies that do not fully contemplate and report the implications that administrative rules have on Florida’s economic freedom.

HB 1565 has been ordered immediately enrolled and will now proceed to the Governor’s desk for final approval.

**AIF applauds Representative Chris Dorworth and Senator Mike Bennett for his commitment to creating a regulatory environment that is not destructive, but rather complementary to the Florida business community.**

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## **Affordable Housing**

Today the Senate passed HB 665 Relating to Affordable Housing by Representative Gary Aubuchon (R-Cape Coral) after adding one amendment to the bill. As originally received by the Senate, the bill includes a segment to remove the cap on the Housing Trust fund, also known as the Sadowski Trust Fund. A portion of documentary stamp taxes are placed in this fund to be used for affordable housing activities. Currently, there is a statutory cap on how much of the trust fund can be allocated toward affordable housing. HB 665 allows the cap to be lifted and all monies collected within the Sadowski Trust Fund can be used to fund affordable housing.

During today's session, the bill's Senate sponsor Senator Mike Bennett (R-Bradenton) added some controversial language dealing with the reauthorization of some permit extensions in South Florida. This caused the bill to be sent back to the House, where Representative Aubuchon refused to concur with Senator Bennett's amendment causing the bill to be sent back to the Senate where it awaits further action.

**AIF SUPPORTS legislation that repeals the Housing Trust Fund cap and appropriates all doc stamp revenue toward affordable housing. AIF has worked closely with the Sadowski Coalition in effort to allocate these funds for which they were originally intended.**

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## **Taxation**

Today, the Florida Senate overwhelmingly approved HB 483 by Representative David Rivera (R-Miami), effectively creating a three-day sales tax holiday in Florida. The bills do away with sales tax on books, clothing, wallets, or bags, including handbags, backpacks, fanny packs, and diaper bags, but excluding briefcases, suitcases, and other garment bags, having a sales price of \$50 or less. The same sales tax exemption would apply to school supplies valued under \$10 dollars. The proposed sales tax holiday would take place August 13-15, 2010.

The only nay vote today came from Senator Nan Rich (D-Sunrise) who provided remarks in opposition to the measure. Senator Rich argued that in time of a budget crisis, Florida's citizens cannot justify additional tax exemptions while other programs are experiencing cuts.

HB 483 will be immediately enrolled and sent to the Governor to be signed into law.

**AIF SUPPORTS the enactment of a sales tax holiday for school supplies. Research has shown that customers increase their spending during these tax-free periods; therefore, stimulating economic activity in our state.**

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## Economic Development

HB 7109 was passed unanimously today in the Senate, following its passage on the House floor on Monday, April 26. The bill, sponsored by Representative Jennifer Carroll (R-Jacksonville), makes extensive changes to the incentive program and tax refunds of the Qualified Target Industry (QTI) program. Created in 1994, the QTI program awards businesses with certain eligibility requirements to obtain refunds for specific state and local taxes based upon their creation of new jobs in the State of Florida. The tax refund amount is contingent on several factors, including wages paid, number of jobs, and where in the state the business is located.

HB 7109 extends the QTI program for ten additional years, and in 2020 it will again be subject to another sunset review. Additionally, HB 7109 defines “return on investment” (ROI) which is the state gain in revenue as a percentage of the incentive investment, and further requires that the Office of Economic and Demographic Research review every three years the model of ROI calculations. The ROI will also be a major component in applicants’ acceptance to the program. The bill provides for further analysis of the QTI program through requiring the Office of Tourism, Trade, and Economic Development (OTTED) to determine causes of incompleteness of the program requirements to determine why some companies successfully complete the program and others do not. Finally, the bill allows for a continued review of the programs’ goals through the requirement that OTTED review the list of targeted industries every four years in cooperation with local economic development programs, economists, and the state university system.

HB 7109 has been ordered enrolled and will proceed to the Governor’s desk to be signed into law.

**AIF supports the QTI initiative as this bill is considered to be part of the state’s economic development ‘tool kit.’ Furthermore, this bill directly benefits businesses in the state of Florida due to the fact that all recipients must be headquartered in Florida and meet certain wage requirements in order to qualify.**

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## Seaports

Today, the Florida Senate unanimously passed a priority measure for AIF’s Florida Maritime Council. HB 963 Relating to Florida’s Seaports by Representative Lake Ray (R-Jacksonville) passed unanimously without question or debate from members.

This critical bill enhances the positioning of our state’s seaports as global economic drivers of the future – particularly in light of the upcoming expansion of the Panama Canal and the resulting increased international trade activity in the ports. This legislation authorizes seaports to receive or solicit proposals from and enter into public-private infrastructure project agreements with private entities to build, operate, maintain, or finance port-related public infrastructure projects.

HB 963 will also allow any of Florida’s 14 deepwater ports to apply to the Department of Environmental Protection (DEP) for a port conceptual permit, including applicable authorization to use sovereign submerged lands, either under a joint coastal permit or the environmental resource permit for all or a portion of the port.

HB 963 will be immediately enrolled and proceed to the Governor’s desk for final approval.

**AIF commends Representative Ray for his vision and leadership in developing this legislation to help Florida's port businesses expand Florida's position as an international commerce leader.**

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## **Elections**

Today, both the senate and the House passed HB 131 Relating to Absent Uniformed Services and Overseas Voters by Representative Sandy Adams (R-Oviedo). The key provision of this legislation is the reenactment of provisions regulating electioneering communications organizations (ECOs) to replace similar provisions that were thrown out by a federal court in late 2008. The new regulatory scheme limits the definition of electioneering communications to comport with the court decision. It also sets out the period during which ECO regulation is required-- 60 days before a general election or 30 days before a primary. The registration and reporting scheme is essentially the same as for candidates and other types of committees.

There were a number of other changes in the bill in areas such as voter registration, voting procedures, and so forth, many of which were technical or clarifying. Nonetheless, the ECO rewrite is the true substance of the bill for AIF and other groups that are very active politically.

Following its passage today, HB 131 was ordered engrossed and immediately enrolled so that it may proceed to the Governor for final approval.

**AIF SUPPORTS the enactment of Electioneering Communications Organizations (ECO) legislation that follows the guidelines established by federal courts.**

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## **Environmental**

Today, the Florida Senate passed SB 550 by Senator Lee Constantine (R-Altamonte Springs), known widely as the omnibus water bill. The bill was a consensus driven product that contains many issues important to the business community. In light of the upcoming EPA rule on numeric nutrient criteria, language is included that states the Total Maximum Daily Load (TMDL) program is the best approach for establishing numeric criteria. It also states that the EPA's proposed criteria do not take into consideration the unique characteristics of Florida's thousands of lakes, rivers, streams, in another words, our state's water bodies. Further the bill claims that the EPA proposal will have extreme economic impacts on the state.

The legislation consolidates all water supply-related sections such as water supply policy, planning, production and funding currently spread throughout Chapter 373 into a new Part VII of that Chapter. It will centralize water supply provisions into one location and will lead to a more efficient management and administration of water law.

Instead of the "Responsible Management Entity" (RME) system as found in the original bill, an inspection program was included and supported by the Florida Home Builders Association and the Florida Realtors. The inspection program would begin next year and would require an inspection to take place every five years to see if the system needs to be pumped out, repaired or replaced. If replacement is needed, a grant program has been created to help those at 200% of the poverty level.

Other issues in the bill included expedited permitting for renewable energy projects; tax credits for Brownfield redevelopment projects and provides a longer duration for limestone permits. Also construction and demolition debris landfills will have to be lined in the future.

**AIF supports SB 550 and thanks Senator Constantine for his leadership on this consensus driven legislation that will benefit both the environment and businesses in our state.**

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## **Transportation**

Today, the House of Representatives unanimously passed HB 1271 Relating to Transportation by Representative Mike Horner (R-Kissimmee). Known as the Senate's 2010 Transportation package, the annual omnibus transportation package has been less than controversial this year, and contains provisions that look to do the following:

- Create the Osceola County Expressway Authority;
- Authorize a weight increase or "scale tolerance" for commercial motor vehicles;
- Authorize regional transportation or transit authorities to levy up to a 1% discretionary sales surtax for transportation systems by a vote of the county electorate; and
- Clarify the notification requirements for issuance of a toll violation, and clarifies the land uses associated with outdoor advertising.

HB 1271 also includes language dealing with the regulation of Harbor Pilots who work in Florida's 14 deep-water ports. This consensus language calls for a study of this rate-making board and requires the appointment of new representatives to their boards. The Transportation package passed with full support from the Senate, drawing no questions or debate from its members.

HB 1271 has been ordered enrolled and will proceed to the Governor's desk for final approval.

**AIF SUPPORTS raising the weight limit on commercial trucks using state and local roadways to weight limits that are equal to those of our surrounding states. Furthermore, we believe that increased truck weight limits will have a positive effect for the Florida business community by reducing the shipping costs for moving goods, and aligning Florida's current weight limits with those of our surrounding southern states.**