



DAILY BRIEF

From April 5, 2011

The issue of expanding Casino-Oriented Destination Resorts in Florida was brought forward today for consideration by the Senate. Members were provided the opportunity to consider legislation, which is strongly supported by AIF, that offers parity to Florida's existing pari-mutuel industry and potential gaming entities who seek to locate in Florida.

Of notable mention in the House, members of the House Federal Affairs Committee were successful in amending legislation that will save employers from costly Numeric Nutrient Criteria mandates. Under the leadership of AIF's lobby team, HB 239 by Representative Trudi Williams (R-Ft. Meyers) was amended to strengthen its intended purpose – to stop the imposition of unreasonably restrictive water quality standards on the State of Florida.

Health Care

Today, the Senate Banking and Insurance Committee approved SB 1754 by Senator Rene Garcia (R-Miami) on a 7-2 vote. The bill would insert statutory language in Florida law to negate the Federal Health Care Reform Act, which requires an individual to purchase health insurance coverage by a certain date. The bill would clarify that a Floridian cannot be compelled to purchase health insurance as provided for in the federal law. Currently, the House and Senate are moving legislation (HB 1/SB 2) that aims to amend Florida's constitution with a similar intent.

SB 1754 will now advance to the Senate Health Regulation Committee. The House companion - HB 1193 by Representative Matt Hudson (R-Naples) - is currently in the House Judiciary Committee.

AIF SUPPORTS legislation to negate the dangerous and radical proposals passed by Congress to overhaul our nation's health care system. AIF commends Senator Garcia for introducing legislation that will protect Florida consumers from the overreaching arm of federal healthcare.

Insurance

In the Senate Rules Committee today, SB 408 Relating to Property and Casualty Insurance by Senator Garrett Richter (R-Naples) was passed by a vote of 9-3. Introduced as the Senate's comprehensive property insurance bill, this legislation is a top AIF priority for the restoration of the private residential insurance market, which is essential to reducing Citizens and its potential deficit taxes. Further, SB 408 includes provisions to eliminate fraud abuse in claims relating to mandatory sinkhole coverage.

SB 408 has passed its final committee of reference and will proceed to the floor. The House measure, HB 803 by Representative John Wood (R-Haines City), was also passed out of the House Insurance & Banking Subcommittee today. A number of hostile amendments filed by the trial bar were filed, but were ultimately defeated thanks to the leadership of the bill's sponsor.

AIF SUPPORTS legislation which makes sinkhole coverage optional to the insured; reduces the time frame to file hurricane claims from 5 years to 3 years after the hurricane; increases solvency requirements for insurance companies; eliminates public adjusters' abuses; and repeals the current requirement that property replacement costs be paid up front and replace with the payment of actual cash value with a holdback until repairs are actually completed.

Space

Today, the Senate Commerce & Tourism Committee unanimously passed SB 942 Relating to Research and Development Tax Credits today by Senator Ellyn Bogdanoff (R-Ft. Lauderdale).

Tax credits for research and development is a concept that AIF has supported for a number of years as it supports growth in research and development to innovate our state's economy. Creating the state's first research and development tax credit program, SB 942 is modeled after a Federal program which will allow recipients to claim a tax credit against Florida corporate income taxes. The tax credit would be equal to 10 percent of the difference between a company's qualified research and development expenditures in the current taxable year; however, the tax credit may not represent more than 50% of the company's net income tax liability. Additionally, the bill would allow any unused tax credits to be sold to other companies. The total amount of tax credits the legislation would allow is \$15 million.

SB 942 will proceed to its final stop in the Senate Budget Committee. The House companion, HB 671 by Representative Ritch Workman (R-Melbourne), is awaiting consideration in the House Finance & Tax Committee.

AIF SUPPORTS legislation that will stimulate research and development in one of Florida's most significant, high wage industries – Space. Such proposals will simultaneously keep existing aerospace companies in Florida, while drawing new businesses into the state from across the globe.

Economic Development

Today, the Senate Commerce & Tourism Committee, chaired by Senator Nancy Detert (R-Venice), passed SB 976 by Senator Ellyn Bogdanoff (R-Ft. Lauderdale). One of AIF's top legislative priorities this session, SB 976 creates the state's first Florida Infrastructure Fund Partnership and institutes a tax credit program designed to leverage private investment in state infrastructure projects. By creating a public-private partnership fund, the intent of the legislation is to seek outside investor commitments to build capital infrastructure projects during a time when state resources are dwindling. The legislation authorizes up to \$700 million in private funds to help build water and wastewater systems, power systems, roads and other strategic infrastructure needs. In essence, this proposal would couple private sector investing to meet the needs of public sector infrastructure projects. The measure passed by a vote of 5-1 today.

SB 976 has one remaining stop in the Senate Budget Committee before proceeding to the floor. The House measure, HB 943 by Representative Eric Eisnagle (R-Orlando), has passed its committees of reference will be reported to the House Calendar.

AIF SUPPORTS legislation that will encourage direct investment in our state's infrastructure projects. Furthermore, we commend Senator Bogdanoff for bringing forth a proposal to effectively stimulate private sector growth and create jobs when our state needs it the most.

Today, the House Finance & Tax Committee unanimously passed HB 879 Relating to Tax Refund Program for Qualified Target Industry Businesses by Representative Eric Eisnaugle (R-Orlando).

As one of the state's lead economic development incentives, the Qualified Target Industry Tax Refund Program (QTI) is intended to attract businesses that offer high-wage jobs to relocate in Florida. This is effectively done by providing refunds on corporate income, sales, ad valorem, and certain other taxes to the relocating businesses.

The QTI program provides several criteria for the Governor's Office of Tourism, Trade, and Economic Development (OTTED) and Enterprise Florida to review when establishing the list of target industries for the incentive. HB 879 revises the criteria of QTI's by providing special consideration to industries that strengthen the state's position as a global trade and logistics hub, which may have the effect of encouraging private sector economic activity in that particular industry.

HB 879 passed without debate or opposition and will now proceed to the House Economic Affairs Committee for further consideration. The Senate companion, SB 1318 by Senator Lizbeth Benacquisto (R-Wellington), will be heard in the Senate Budget Committee.

AIF SUPPORTS continued availability of state funds for creating incentives that will stimulate economic development and recruit businesses to Florida – a top priority for Governor Rick Scott.

Destination Resorts

Today, the Senate Commerce & Tourism Committee considered legislation that would allow Destination Resorts to expand gaming and operations in Florida – SB 2050 by Senator Oscar Braynon (D-Miami Gardens). Senator Braynon explained that this bill would create an overarching gambling commission that would oversee all gaming in the state. Five regions would be created within Florida to assist in determining where Destination Resorts could locate. The seven-member Destination Resort Commission, which is created through this legislation, would ultimately determine where a Casino is allowed to be built. The bill also provides a graduated gross receipts tax rate that would be based upon the infrastructure investment in each resort. The tax rate ranges from 10 percent for investments of \$2.5 billion or more, 15 percent for investments of between \$1 billion to \$2.5 billion, and 20 percent for investments under \$1 billion.

A nearly identical proposal to this measure – SB 1708 by Senator Dennis Jones (R-Seminole) – was met with great concern and consequently withdrawn from further consideration earlier this year. **Barney Bishop, AIF's President & CEO**, was present to testify in support of the proposal. Mr. Bishop commented that with the expansion of Destination Resorts in Florida, our state will experience significant economic growth in the way of job creation and increased tourism.



The bill was passed by a vote of 4-2 and will now proceed to the Senate Government Oversight & Accountability Committee for further consideration. The House measure, HB 1415 by Representative Erik Fresen (R-Miami), is currently in the House Business & Consumer Affairs Subcommittee.

AIF SUPPORTS legislation that will allow for free market bidding, ensuring that premier development companies come to Florida to build world-class destinations and bring all of these direct and indirect economic benefits to Florida and Florida businesses.

Business Regulation

Today, the Senate Governmental Oversight and Accountability Committee approved SB 1382 Related to Rulemaking by Senator Mike Bennett (R-Bradenton). Last session, the Florida Legislature passed HB 1565 that made significant changes to the way rule making is handled in Florida. If a rule is going to cost more than \$1 million over a five-year period to implement, then the rule has to go back to the Florida Legislature for ratification.

SB 1382 requires agencies to include in each notice of rulemaking whether the proposed rule will require legislative ratification and resolves timing conflicts created by last year's bill.

SB 1382 has one final stop in the Senate Budget Committee. The House proposal, HB 993 by Representative Ken Roberson (R-Port Charlotte), is slated to be heard by the House Rules & Calendar Committee.

AIF SUPPORTS efforts to keep agencies from promulgating burdensome rules and stifling further expansion and growth within Florida's economy.

Transportation

The Senate Transportation Committee met today and passed legislation that would create the "Small Trucker Relief Act" – SB 1912 by Senator Greg Evers (R-Crestview). Senator Evers offered a strike-all amendment that essentially created a nine-member workgroup to review issues relative to the small trucking industry and make recommendations to provide regulatory relief to these companies. Mary Lou Rajchel, President and CEO of the Florida Trucking Association, spoke to the bill and complimented the Senators on focusing of the needs of the trucking industry who play such a vital role in the economic development of the state. Ms. Rajchel recommended to the Senators that the bill be expanded to include small, medium and large companies and pointed out that regulatory relief should apply to the entire industry. Members passed the legislation today with unanimous consent.

SB 1912 will now proceed to the Senate Environmental & Preservation Conservation Committee. The House measure, HB 1263 by Representative Janet Adkins (R-Fernandina Beach), is slated to be heard in the House Agriculture & Natural Resources Subcommittee.

AIF OPPOSES legislation that will create a competitive disadvantage for members of the trucking industry. In effort to remain competitive, while simultaneously promoting growth and development, such proposals must be expanded to provide relief to the entire industry alike.

Legal & Judicial

Today, the House Finance & Tax Committee favorably passed legislation relating to the calculation of the state's minimum wage – HB 1425 by Representative John Tobia (R-Melbourne). Currently, AWI's method for calculating the state minimum wage rate is currently the subject of a lawsuit by various union and labor entities. The plaintiffs claim that AWI should have calculated the 2011 rate based off of the 2009 adjusted state minimum wage. HB 1425 provides the Agency for Workforce Innovation (AWI) with more specificity on how the state's minimum wage is calculated each year.

HB 1425 bill is slated to next be heard in the House Economic Affairs Committee.

AIF SUPPORTS legislation to bring clarity and predictability to this process that will avoid litigation and create a fair and balanced approach to the calculation of minimum wage in Florida.

Environmental

Today, the House Federal Affairs Subcommittee voted in favor of a proposed committee substitute (PCS) for HB 239 Relating to Numeric Nutrient Water Quality Criteria by Representative Trudi Williams (R-Ft. Meyers). The substitute language directs the Florida Department of Environmental Protection (DEP) to publish a Notice of Proposed Rulemaking no later than May 31, 2012, and to revise the dissolved oxygen criteria applicable to Florida water bodies to take into account the variability occurring in nature.

Section 2 of the PCS was of great concern to the business community; however, thanks to an amendment by Representative Williams, the section was removed. The deleted language would have allowed the DEP to develop criteria to be significantly more stringent than necessary. AIF members believed this mirrored what the Environmental Protection Agency (EPA) has proposed in its new ruling.

Finally, the bill revises the current classification of surface waters in the state. It splits the current classification system into two use expectations: Human Use (HU) and Aquatic Use (AU). Although this is less troublesome than the section amended today, AIF will continue to work with stakeholders to make modifications to this section as well. The bill passed with Democratic opposition by a vote of 9-5.

AIF encourages the Florida Legislature to engage and support our Congressional delegation in their efforts to stop the U.S. Environmental Protection Agency's (EPA) imposition of unreasonably restrictive water quality standards only on the State of Florida. These proposed federal standards are unscientific and costly for businesses and consumers. Furthermore, AIF commends Representative Trudi Williams for her leadership on this very important issue.

Taxation

Today, the House Finance and Tax Committee unanimously passed HB 887 Relating to Communications Service Tax by Vice Chair Chris Dorworth (R-Lake Mary).

Representative Dorworth explained that the bill simply allows the dealers of communications services to "round up" the calculation of service taxes when the third decimal is greater than "4". He said there was an amendment that makes minor changes to eliminate any revenue impact of this rounding algorithm. The amendment passed without objection and there was no debate on the bill as amended. Several parties waived their time in support of the bill, including **AIF Lobbyist Frank Meiners**.



HB 887 will now advance to the House State Affairs Committee, its last stop before going to the House floor. The Senate companion, SB 1198 by Senator Ellyn Bogdanoff (R-Ft. Lauderdale), is now in the Senate Budget Committee.

AIF SUPPORTS legislation that will eliminate antiquated and cost prohibitive tax criteria for multistate communications dealers.

The Senate Commerce and Tourism Committee passed SB 1548 Relating to Streamlined Sales and Use Tax Agreement by Senator Evelyn Lynn (R-Daytona Beach) today.

Senator Lynn explained that the bill implements the requirements of the streamlined sales and use tax agreement (SSUTA) by making substantial changes to Florida's sales tax laws. By being a member of the SSUTA, Florida joins 20 other states in membership of the agreement. This will allow many out-of-state sellers to voluntarily collect Florida's use tax and remit it to the DOR.

In debate, Senator Don Gaetz (R-Destin) explained that he would support the bill today; however, if it made it to the floor, he would offer an amendment to lower some other tax to offset the increase in taxes caused by the bill. He added that he felt the tax payers in Florida should not have more taxes. Several individuals testified in support of the bill, including **AIF lobbyist Frank Meiners**.

Senator Bill Montford (D-Tallahassee) said he supported the bill because of its fairness to the in-state retailers and that any new revenue it brought in could be used for education or other state needs. Chair Nancy Detert (R-Venice) said she supported the bill because we were being so unfair to our in-state retailers who paid property taxes.

In closing, Senator Lynn thanked Chair Detert for hearing the bill and stated that by Florida becoming a member of the SSUTA, it was not a new tax; but would rather make it easier for the out-of-state sellers to collect and remit the tax.

SB 1548 will now advance to the Senate Budget Committee. The companion bill in the House, HB 455 by Representative Michelle Rehwinkel Vasilinda (D-Tallahassee), waits to be heard in the House Finance & Tax Committee.

AIF SUPPORTS legislation expressing Florida's intent to join the Streamlined Sales and Use Tax Agreement. Failure to do so continues to allow out-of-state sellers to have an unfair competitive advantage over the brick and mortar retailers.