



DAILY BRIEF

From January 10, 2012

Regarded as the official “kick-off” to Florida’s lawmaking session, AIF’s 2012 Legislative Reception welcomed several hundred attendees Monday evening, including state and federal law makers, members of the Florida Cabinet, and locally elected officials. Notable appearances included **Governor Rick Scott, Attorney General Pam Bondi, Commissioner of Agriculture Adam Putnam, Chief Financial Officer Jeff Atwater,** House Speaker Dean Cannon (R-Winter Park), Senate President Mike Haridopolos (R-Melbourne) and **U.S. Congressman Steve Southerland (R-Panama City),** among many others.



With the 2012 Legislative Session officially beginning today, Senate President Mike Haridopolos and Speaker Cannon called their respective chambers to order to lay the foundation for the lawmaking season. During his remarks, Speaker Cannon emphasized the importance of passing a balanced budget while continuing to facilitate a predictable climate for Florida’s businesses and families. President Haridopolos thanked lawmakers for their hard work in 2011 and promised to continue his focus on job creation. “That will be our primary focus once again this year and I’m glad we have a governor who focuses every single day on that effort,” President Haridopolos said.

Following these speeches, Governor Rick Scott provided his “State of the State” address before members of the Legislature to share his vision for the forthcoming year. By emphasizing a recurring theme of “Let’s Get to Work...Together,” Governor Scott expressed a desire to promote cooperation by partnering with job creators while continuing his commitment to education. Governor Scott commended members of the Florida Legislature for their continued efforts to build a better Florida, citing that “last year you passed and I signed a budget we balanced without raising taxes or fees despite a revenue shortfall of nearly 4 billion dollars. We did this by making government lean and effective.”

As a reminder, AIF will continue to release a “Daily Briefing” at the conclusion of each regular session day to recap the business community’s most important initiatives seeing action. On each Friday, members will be provided a “Weekly Briefing” including a snapshot of the week’s highlights and happenings.

Destination Resorts

On Monday, January 11th Senator Elynn Bogdanoff (R-Ft. Lauderdale) presented SB 710, otherwise known as the “Destination Resort Act,” before the Senate Regulated Industries Committee.

SB 710 passed its first major legislative hurdle when the measure (which was amended with a strike-all) was passed out of the Senate Regulated Industries by a vote of 7-3. The legislation would allow for the creation of three destination resorts in Florida. The strike-all amendment differs from the original bill in that the legislation now would allow existing pari-mutuels to expand their gambling operations to include banked card games and slots, provided local voters pass separate county referendums allowing slots and expanded gaming. In order to add banked card games the pari-mutuels would have to invest \$100 million in their facilities.

In addition, the new version of the bill would regulate, rather than ban Internet cafes. Under an amendment by Senator Charlie Dean (R-Inverness), pari-mutuels would pay a 10 percent tax on slot machines, if voters pass a referendum allowing slots.

SB 710 is slated next to be heard in the Senate Budget Committee. The House measure – HB 487 by Representative Erik Fresen (R-Miami) – will be discussed during a workshop in the House Business & Consumer Affairs Subcommittee on Wednesday.

AIF SUPPORTS any proposal 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 including thousands of jobs to Florida.

Information Technology

On Monday, January 9th Senator Chris Smith (D-West Palm Beach) presented SB 678 Relating to State Contracts.

Senator Smith explained that the bill simply adds a requirement that all state contracts over \$35,000 include a provision requiring any call-center to be staffed by persons located within the US.

He added that with unemployment as high as it is, we should expect contractors receiving state funds to provide employment to persons in the country.

A number of Senators asked questions regarding the implementation and enforcement of this new provision. Senator Rene Garcia (R-Hialeah) expresses concern about government imposing requirements on private companies and what impact it may have on free enterprise and the state's cost of doing business.

During public testimony, **AIF lobbyist Frank Meiners** waived his time in opposition of the bill. Mike Fields with Bank of America testified that the committee should be thoughtful in going forward with this bill and cited the requirement by the state that many call-centers be open 24 hours a day, 7 days a week.



The Chair called for a vote and the bill passed by a vote of 11-0.

SB 678 is now in the Senate Commerce & Tourism Committee. The House proposal – HB 649 by Representative Betty Reed (D-Tampa) – is currently in the House Government Operations Subcommittee.

AIF OPPOSES legislation that will create another layer of government regulation that interferes with a businesses' freedom to control costs and provide state services at the lowest possible price.

Environmental

SB 820 by Senator Charlie Dean (R-Inverness) was unanimously approved by the Senate Environmental Preservation & Conservation Committee on Monday, January 9th. This proposed legislation repeals the statewide onsite sewage treatment and disposal system inspection program that was created in 2010. The bill was amended and now local governments will decide whether they want to have an inspection program for septic tanks. If a county has a first magnitude spring, they will have to pass an ordinance to “opt-out” of the program and all other local governments will have to “opt-in” the program. In addition, local governments will decide who will conduct the inspections. There is a grandfather clause for those local governments with inspection programs already in place.

SB 820 will now advance to the Senate Health Regulation Committee. Its House companion, HB 999 by Representative Chris Dorworth (R-Heathrow), awaits consideration in the House Economic Affairs Committee.

AIF SUPPORTS onsite sewage treatment and disposal legislation that is both workable and mindful of environmental sustainability. AIF has been working closely with the Florida Home Builders Association and the Florida Association of Realtors on this proposal.

Also on Monday, the Senate Commerce & Tourism Committee unanimously approved SB 540 Relating to Secondary Metals Recyclers by Senator Chris Smith (D- Oakland Park). This legislation, as amended, is designed to decrease copper and metal theft that is plaguing our state. AIF and the Floridians for Copper & Metal Crime Prevention Coalition ([read the Coalition's handout here](#)) have been working closely on this bill with Senator Smith. The new legislation clarifies permissible types of personal identification necessary for the legal sale of regulated metal, prohibits cash transactions on restricted regulated metal property and for those which require proof of ownership, prohibits checks for metal purchases to be sent to a P.O. Box and implements a statewide standard to keep metal thieves from “shopping” stolen property to cities or counties with less onerous penalties.

Keyna Cory, Senior Lobbyist for AIF spoke in support of the proposed legislation. She explained to members of the committee that copper and metal crime has happened in every Senator's district during the last year and asked for their support of SB 540.



SB 540 will now proceed to the Senate Community Affairs Committee.

AIF and the Floridians for Copper & Metal Crime Prevention Coalition SUPPORT legislation that will enact precautionary methods to help deter the removal of metal from private property and government structures, causing economic loss for both the private and public sectors.

Taxation

On Monday, January 9th the Senate Commerce & Tourism Committee took up and considered SB 170 Relating to the Transfer of Tax Liability by Senator Thad Altman (R-Melbourne). Tres Holton, presenting the bill on Senator Altman's behalf, explained that the bill changes the process for purchasing a business that may have an unpaid tax. Presently, the transferee assumes the tax liabilities unless an exception applies. Today there are three different statutes that apply to tax liability; one for sales tax liability, one

for communications services tax and another for state taxes in general. The bill repeals the two specific statutes and amends the statute relating to all taxes owed to the state.

The bill allows the transferee to take the business without assuming the transferor's liability under either of these circumstances:

- The transferee obtains a certificate of compliance for the Department of revenue that the business owes no back taxes, or
- The transferee requests an audit by the Department of Revenue within 90 days to find out that the transferor is not liable for any outstanding taxes.

Mr. Holton went on to say that the exact same bill passed the House last session without any "no" votes but died on the Special Order Calendar in the Senate on the last day of session.

Senator Paula Dockery (R-Lakeland) asked if it meant any transfer or if was limited to family. Mr. Holton answered that the transfer was uniform. With no further questions the Florida Bar, Florida Banker's Association and AIF all waived their time in support.

The bill passed with unanimous consent

SB 170 has one remaining stop in the Senate Budget Committee before proceeding to the floor. The House measure – HB 103 by Representative John Wood (R-Haines City) – has passed its respective committees of reference and awaits consideration on the House floor.

AIF SUPPORTS legislation that will make Florida more attractive for potential buyers of businesses by providing certainty on not having to assume any outstanding tax liabilities or clarifying the maximum tax liability if the buyer agrees to assume them.

Space

Today, the full Senate took up and unanimously passed SB 634 Related to Spaceport Facilities by Senator Lizbeth Benacquisto (R-Wellington).

The bill amends current law by defining the term "launch support facilities" and deleting the term "spaceport launch facilities." Proponents of this legislation, including AIF and Space Florida, maintain that the bill will provide for:

- The ability to better fund infrastructure upgrades and improvements to space-related facilities by using SIS monies more appropriately for space infrastructure projects not airport related; *and*
- The alignment of federal and state definitions so that any future federal grants may qualify for the same projects.

The House proposal, sponsored by Representative Ritch Workman (R-Melbourne), has been placed in the House Calendar and is expected to be passed in the coming week(s).

AIF SUPPORTS this legislation as a means of providing Florida's aerospace industry with the proper incentives to create jobs in a variety of high-value-added sectors. Furthermore, we commend members of the Senate for their continued support of Florida's vital space industry.