



DAILY BRIEF

From February 13, 2012

Week 6 of the Legislative Session kicked off with tremendous turnout at this year's AIF's annual Mid-Session Briefing in Tallahassee. Addressing approximately 75-80 of Florida's business leaders, Senate President-elect Don Gaetz (R-Destin) & House Speaker-designate Will Weatherford (R-Wesley Chapel) outlined the Legislature's priorities for the remaining 2012 Session as well as their top initiatives as incoming leaders of the House & Senate, respectively. **AIF President & CEO Tom Feeney** was also on hand to introduce the distinguished leaders before the attending audience.



House Speaker-designate Will Weatherford (R-Wesley Chapel) with AIF President & CEO, Tom Feeney and AIF Vice President of Governmental Affairs, Jose Gonzalez.



Senate President-elect Don Gaetz (R-Niceville) addresses the crowd.

This week, AIF is calling upon its members to combat a proposal that will solidify an unfair tax advantage over Florida-based hotels & motels. Currently, online travel companies (OTCs) choose to remit the taxes they owe based on the wholesale rate they pay hotels for rooms instead of collecting and remitting sales and occupancy taxes on the retail rates paid by consumers for hotel rooms. HB 1393 would maintain the status quo and permanently hinder Florida's tourism-based economy.

Environmental

On Monday, the Senate Agriculture Committee took up and unanimously passed SB 1858 Relating to Water Storage and Water Quality Improvements by Senator Thad Altman (R-Melbourne).

This legislation encourages public-private partnerships to accomplish water storage and water quality improvements on private agricultural lands. Currently, if a landowner uses its property to store water there is a fear that it could be classified as a wetland if they the landowner tried to revert the property back to agricultural use. This legislation clarifies that the land would not be classified as a wetland. If passed, the agricultural community will be able to store the much needed water on their property without such concern.

SB 1858 could provide an economic benefit to farmers and ranchers by increasing their ability to store water and provide water quality benefits on their land without incurring the permitting restrictions associated with creating wetlands.

Keyna Cory, AIF's Senior Lobbyist, spoke in favor of the bill. "AIF has been supportive of alternative water supply projects for years as it is vital for the economic growth in Florida and vital for our environment. Since we are short of funding this year, we need to be creative on how to make water available for our agricultural community. This bill is a creative way to accomplish this goal," said Cory.



AIF has always supported legislation that would encourage public-private partnerships for Florida's infrastructure needs especially when it pertains to water.

AIF will continue to SUPPORT legislation encouraging public-private partnerships for Florida's infrastructure needs, particularly as it relates to water.

Business Regulation

On Monday, the House Health Care Appropriations Subcommittee passed HB 1401 Relating to Public Assistance by Representative Scott Plakon (R-Longwood).

As filed, HB 1401 would prohibit the use of electronic benefit transfer (EBT) cards to purchase alcohol or tobacco products, as well as the ability to use it at an automatic teller machine located in gambling establishments, adult entertainment establishments and out of state. Another section of Rep. Plakon's legislation would have prohibited individuals from using their federal Supplemental Nutrition Assistance Program (SNAP) funds to purchase of a list of items that had sugar such as sweetened beverages, candy, cake, ice cream, etc.

Thanks to an amendment passed by Representative Dana Young (R-Tampa) today, the section concerning SNAP funds to purchase certain food items was deleted. AIF was present to express support for the amendment. With over 20,000 new products on the market each year it would be overwhelmingly burdensome for retailers to determine which items would be acceptable to purchase and which would not. Members on the committee voice their support for this reason, also stating that the proper role for the Florida Legislature is not to micromanage people's eating habits but instead to educate and encourage them.

HB 1401 passed along party line by a vote of 9-5. The bill has one more stop in the House Health & Human Services Committee before proceeding to the House floor.

AIF commends Representative Young for her leadership and support of Florida retailers who would suffer the unintended consequences under this legislation as originally filed.

Energy

On Monday, the Senate Communications, Energy, and Public Utilities Committee took up and passed SB 1158 Relating to the Development of Oil and Gas Resources by Senator Greg Evers (R-Crestview). The bill passed by a vote of 10-4.

Specifically, this legislation would allow the Board of Trustees of the Internal Improvement Trust Fund (the Governor and Cabinet) to negotiate, sell and convey leasehold lands of the State for the purpose of exploration for oil and natural gas. It would further allow for the State to enter into public-private partnerships for purposes of contracts and would set up a process for bidding and selection. The bill would in effect allow entities to do geophysical seismic testing and exploration and make a determination as to the feasibility of extraction of the natural resource. This legislation, however, would not allow for exploration in environmentally sensitive areas or offshore exploration.

During consideration, SB 1158 was amended to allow the partnership agreements only on state lands whose management plans have been amended by the state Acquisition and Restoration Council.

AIF's Vice President of External Relations, Brewster Bevis, was present to wave in support of the proposal.



SB 1158 will now proceed to the Senate Environmental Preservation and Conservation Committee. The House proposal – HB 695 by Representative Clay Ford (R-Pensacola) – is scheduled for hearing in the House Appropriations Committee on Wednesday, February 15th.

AIF SUPPORTS legislation that will encourage public-private partnerships which could provide potential for new investment and job growth.

Also on Monday, the Senate Agriculture Committee took up SB 2094 by the Senate Communications, Energy, and Public Utilities Committee. This bill contains many of the provisions outlined by the Commissioner of Agriculture and Consumer Services Adam Putnam, and adds a few additional provisions.

Specifically, the proposal:

- Authorizes a municipality to pay a public utility the additional costs of renewable energy in excess of the utility's full avoided costs;
- Requires that the Public Service Commission (PSC), in reviewing a ten-year site plan, also review specified information on renewable energy;
- Authorizes a local government to provide financial assistance to owners of residential property who make energy efficiency improvements to or install renewable energy devices on the residential property and defines what is included in the term renewable energy devices;
- Recreates and amends a prior sales tax exemption for materials used in the distribution of renewable fuels for motor vehicles, up to a limit of \$1 million in tax each state fiscal year for all taxpayers, with payment on a first-come, first-served basis, based upon the date complete applications are received;
- Revives and amends the renewable energy technologies investment tax credit, limiting it to investments in renewable fuels for motor vehicles, increasing the limit on the tax credit from up to \$6.5 million to up to \$10 million per state fiscal year for all taxpayers, and providing that each applicant is eligible to receive up to \$1 million in tax credits;
- Revives and amends the Florida renewable energy production credit such that each applicant is eligible to receive up to \$500,000 in tax credits;
- Requires that the Department of Management Services (DMS) coordinate with the Department of Agriculture and Consumer Services (DACCS) in adopting rules and forms for the development of the state energy management plan, and requires that the plan include standard and uniform

benchmarking requirements as a measure to evaluate the energy efficiency of state owned and leased buildings;

- Clarifies that the exclusion of “any electrical utility” from the definition of “target industry business”, and therefore the tax benefits, only applies to a utility “as defined in s. 366.02(2)”, thereby allowing renewable energy producers who only sell electricity to a utility at wholesale to be eligible for the tax refund, if they meet the other requirements;
- Exempts electric vehicle charging stations from regulation by the PSC under chapter 366 and provides for regulation in building and sales;
- Provides for DACS permitting for introduction or release of algae and blue-green algae, clarifies existing language on an exemption from the permit requirement, and provides additional guidance for decreasing the required bond;
- Requires DACS to conduct a comprehensive statewide forest inventory;
- Requires the Office of Energy, within DACS, in consultation with specified entities, to develop a clearinghouse of information regarding cost savings associated with various energy efficiency and conservation measures and post the information on its website; *and*
- Requires the PSC to evaluate and prepare a report on the Florida Energy Efficiency and Conservation Act statutes and determine whether they remain in the public interest.

During consideration, Senator Bill Montford (D-Tallahassee) introduced an amendment that would have allowed utilities to recover costs for plant upgrades without having to go to the Public Service Commission for a rate request. Ultimately, Sen. Montford withdrew the amendment during consideration citing concerns with complicated, far reaching implications contained within its amendment’s language.

AIF commends Commissioner Putnam for offering a comprehensive proposal that will address the future of Florida’s energy policy. Furthermore, AIF looks forward to working with Commissioner Putnam and his department to adequately address our state’s energy needs.