



# DAILY BRIEF

From February 14, 2012

As the House and Senate begin to narrow their scope and focus on the predominant issues of 2012, the respective chambers are experiencing internal strife among members on both sides of the aisle. In the Senate, legislation that would have facilitated prison privatization in 18 South Florida counties was narrowly defeated following weeks of careful deliberation and strong support by Senate leadership. Across the hall, House members turned to politically divisive legislation – HB 7087 by Chairman Steve Precourt (R-Orlando) – that would provide comprehensive tax relief to Florida businesses. Members of the Democratic party filed a number of amendments to the bill that were not supported by the bill sponsor. Specifically, this measure would:

- Increase the corporate income tax exemption from \$25,000 to \$50,000;
- Expand the number of airplanes eligible for exemptions of sales taxes on maintenance and repair;
- Remove sales taxes on chemicals and machinery used in the production of airplane and gas turbines; *and*
- Lower the requirement for industrial output from 10 percent to 5 percent to receive a sales tax exemption on new equipment and machinery.

Nevertheless, HB 7087 was read on the House floor for a second time and is expected to be passed by the full House of Representatives in due haste.

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## Ports

The House Transportation & Economic Development Appropriations Subcommittee considered and passed HB 1399 Relating to Transportation presented by Representative Jeff Brandes (R-St. Petersburg).

HB 1399 looks to create jobs and fund infrastructure projects at Florida's 14 deepwater ports. Currently, Florida statutes require that a minimum of \$8 million per year be made available from the State Transportation Trust Fund (STTF) to fund the Florida Seaport Transportation and Economic Development (FSTED) Program. FSTED has been funded at a level of \$15 million since 2004 and in order to match current practice, HB 1399 increases the minimum FSTED funds available from \$8 million to \$15 million per year. HB 1399 also provides that the FSTED program may be used to finance port projects that retain or enhance the creation of jobs in all areas of the state. HB 1399 also removes the limit of a single port's distribution of funds to \$7 million during one calendar year or \$30 million during any five calendar year period.

HB 1399 will create the Strategic Port Investment Initiative within the Department of Transportation (DOT). Beginning in fiscal year 2012-13, a minimum of \$35 million will be available annually from the State Transportation Trust Fund (STIF) for the initiative. DOT is required to work with the deepwater ports to develop and maintain a priority list of strategic projects that meet the state's economic development goal of becoming a hub for trade, logistics, and export oriented activities.

Finally, HB 1399 creates the Intermodal Logistics Center Infrastructure Support Program within DOT to provide funds to local governments and seaports thereby enabling the state to respond to private sector

market demands and meet the state's economic development goal of becoming a hub for trade, logistics, and export-oriented activities. Beginning in fiscal year 2012-2013, up to \$5 million per year shall be made available from the STTF for the program.

HB 1399 has one final stop in the House Economic Affairs Committee. The Senate companion – SB 1866 by Senator Jack Latvala (R-St. Petersburg) – is currently in the Senate Budget Subcommittee on Transportation, Tourism, and Economic Development Appropriations.

**AIF will continue to SUPPORT legislation that focuses on the development and expansion of Florida's 14 deepwater ports.**

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## **Environmental**

On Tuesday, HB 1323 Relating to Metal Theft by Representative Brad Drake (R-DeFuniak Springs) cleared the House Justice Appropriations Subcommittee with unanimous consent.

HB 1323 increases the penalty for a person found guilty of metal theft from a first degree misdemeanor to a third degree felony. In addition, this bill also incorporates the definition for electrical substations.

Metal theft has been on the upswing across the State of Florida. In recent metal theft incidents, electrical substations have been a major target for thieves. When this crime occurs, it not only costs the company and rate payers money, lives are at stake. Outages effect medical equipment used at homes, street lights can go dark and in Miami-Dade a woman was killed while crossing a dark street.

**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.**

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## **Energy**

The Senate Environmental Preservation and Conservation Committee approved SB 648 Relating to Florida Climate Protection Act by Senator Alan Hays (R-Umatilla). This legislation repeals the Florida Climate Protection Act, which authorized the Department of Environmental Protection (DEP) to adopt rules creating a cap-and-trade program. Additionally, it also deletes a provision allowing for cost recovery relating to greenhouse gas registries.

The Florida Climate Protection Act was created in 2008 as part of then Governor Charlie Crist's energy initiatives. The Department of Environmental Protection was slated with developing rules by January of 2010 to implement the program, while the Legislature was tasked to ratify the rules; however, this never occurred. As expected, the bill passed along a party line vote of 5-2.

**AIF SUPPORTS legislation to repeal the Florida Climate Protection Act and eliminate efforts to implement a “cap-and-trade” program for the reduction of greenhouse gas emissions.**