



DAILY BRIEF

From February 21, 2012

A tumultuous year has House & Senate leadership hoping to bring the 2012 Legislative Session in with a steady landing. Politically sensitive issues are falling by the wayside as the House & Senate continue their focus on the budget and the upcoming election cycle.

Nonetheless, the business community's top priorities continue to advance as policymakers hope to continue to create jobs and spur economic development. These issues include:

- SB 1150 Relating to New Markets Development Program by Senator Garrett Richter (R-Naples) which increases the total amount of tax credits available to be allocated for the New Markets Development Program from \$97.5 million to \$195 million, as well as increases the amount of permissible tax credits to be distributed in a single fiscal year from \$20 million to \$40 million.
- SB 704 Relating to Building Construction and Inspection by Senator Mike Bennett (R-Bradenton) provides that if a building code administrator or building official provide for electronic filing, then construction plans, drawings, specifications, reports, final documents, or documents prepared or issued by a licensee may be dated and electronically signed and sealed by the licensee and transmitted electronically to the building code administrator or building official for approval.

Yesterday, AIF's Daily Brief alerted members of the business community to one of AIF's top priorities of 2012 - SB 668 Relating to Workers' Compensation Medical Services by Senator Alan Hays (R-Umatilla).

This legislation focuses on correcting a loophole in the workers' compensation system that allows physicians to dispense repackaged drugs and charge employers exorbitant prices that greatly exceed the statutory reimbursement for the same pharmaceuticals dispensed by pharmacies. The existing loophole allows repackaged or relabeled prescription drugs to be dispensed at rates up to 679% more than what a pharmacy would charge.

Economic Development

On Tuesday, the Senate Budget Committee unanimously passed SB 1150 Relating to New Markets Development Program by Senator Garrett Richter (R-Naples).

Florida's New Markets Tax Credits Program was enacted in 2009. The program was established to encourage capital investment in rural and urban low-income communities by allowing taxpayers to earn credits against specified taxes by investing in qualified community development entities that make qualified low-income community investments in qualified active low-income community businesses to create and retain jobs.

Prior to enactment of the 2009 legislation, Florida attracted approximately \$29 Million annually in federal new markets investments. Once the state program was implemented, investment increased to \$113 million per year and has been responsible for more than 1,800 jobs created or retained. The program is unique in that the state investments were not made until private sector dollars were deployed in low-income communities.

SB 1150 increases the total amount of tax credits available to be allocated for the New Markets Development Program from \$97.5 million to \$195 million, as well as increases the amount of permissible tax credits to be distributed in a single fiscal year from \$20 million to \$40 million. The bill also increases the number of years that a qualified community development entity is prohibited from making cash interest payments in excess of their operating income on long term debt securities issued as qualified investments from six years to seven. Lastly, SB 1150 specifies that a qualified community development entity's cumulative operating income should be calculated without giving effect to the interest expense on such long-term debt security.

SB 1150 will now head to the Senate floor. The House version – HB 1119 by Representative Steve Crisafulli (R-Merritt Island) – is currently on the House Floor.

AIF SUPPORTS the authorization of additional resources for eligible businesses that are committed to growing Florida's economy.

Growth Management

On Tuesday, the Senate Budget Committee took up and unanimously passed SB 704 Relating to Building Construction and Inspection by Senator Mike Bennett (R-Bradenton).

SB 704 bill provides in part that if a building code administrator or building official provide for electronic filing, then construction plans, drawings, specifications, reports, final documents, or documents prepared or issued by a licensee may be dated and electronically signed and sealed by the licensee and transmitted electronically to the building code administrator or building official for approval.

In addition, the bill also expands the definition of “contractor” to include those persons or businesses that contract to demolish any residence or building. Currently, contractor licensure to demolish buildings and residences only applies when these particular structures are over three stories tall.

SB 704 will now proceed to the Senate Floor. An similar measure in the House – HB 651 by Representative Daniel Davis (R-Jacksonville)– is scheduled to be heard on Wednesday, February 22nd in the House Economic Affairs Committee.

AIF SUPPORTS legislation that will generate cost savings resulting from efficiencies associated with electronic filing.

Information Technology

On Tuesday, the Senate Commerce and Tourism Committee unanimously passed SB 678 Relating to State Contracts by Senator Chris Smith (D-Oakland Park). Sen. Smith explained that this legislation would simply require any company doing business with the State of Florida to have call centers located within the United States.

During public testimony, **AIF lobbyist Frank Meiners** waived his time in opposition of the bill.



SB 678 is now ready for consideration on the Floor. The House proposal – HB 649 by Representative Betty Reed (D-Tampa) – has yet to be heard 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.