



From March 24, 2017

LEGAL & JUDICIAL

HB 775-Relating to Motor Vehicle Warranty Repairs and Recall Repairs

On Tuesday, March 21st, HB 775, by Representative Manny Diaz (R-Hialeah Gardens) was heard in the House Careers and Competition Subcommittee, and passed by a vote of 13 yeas to 0 nays. AIF's Senior Vice President of State and Federal Affairs, Brewster Bevis, stood in opposition to this bill.

This bill prohibits a licensee, except as authorized by law, from denying a dealer's claim, reducing the dealer's compensation, or processing a chargeback to a dealer for performing covered warranty or recall repairs on a used motor vehicle under specified circumstances. The bill alters the playing field and may have a chilling effect on manufacturing in general. The complex issue surrounding safety recalls should be a federal matter, better addressed at the national level with the goal of creating uniform public policy that improves motor vehicle safety, encourages technological innovation, and protects our planet.

HB 775 will move on to the House Civil Justice & Claims Subcommittee to be heard.

AIF OPPOSES legislation that would intervene in any contractual agreement between a dealer franchise and an auto manufacturer, voluntarily entered by each party, and dictate new terms and conditions of such mutual agreement that favor one party over the other.

Please see the below press release from our President & CEO, Tom Feeney, regarding HB 775:

AIF: Florida Lawmakers Should Oppose Auto Dealer Recall Legislation

Tallahassee, Fla. – The Associated Industries of Florida (AIF) today released the following statement on behalf of its President & CEO Tom Feeney regarding their opposition to House Bill 775, by Representative Manny Diaz, relating to Motor Vehicle Warranty Repairs and Recall Repairs. HB 775 was today heard in the House Careers & Competition Subcommittee, its first committee of reference.

“Florida’s manufacturing sector is the highest indirect job creator of any employment sector in the state – with three indirect jobs created for every manufacturing job. As the state affiliate of the National Association of Manufacturers, AIF is committed to advancing this industry that significantly contributes high-wage and high value-added jobs to our state.

“This legislation threatens this very mission. HB 775 would create an unlevel playing field and a chilling effect on manufacturing in general. The complex issue surrounding safety recalls should be a federal matter, better addressed at the national level with the goal of creating uniform public policy that improves motor vehicle safety, encourages technological innovation and protects our planet.

“As this legislation moves through the process, we encourage Florida lawmakers to oppose auto dealer franchise legislation that would only further give auto dealers extensive additional rights, cripple future automobile manufacturers’ contract rights and increase costs to Florida consumers.”

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HB 1027 & SB 832-Relating to Drones

On Tuesday, March 21st, HB 1027, by Representative Clay Yarborough (R-Jacksonville) was heard by the House Transportation & Infrastructure Subcommittee, and unanimously passed by a vote of 13 yeas to 0 nays. AIF stood in support of this bill.

On Tuesday, March 21st, SB 832, by Senator Dana Young (R-Tampa) was heard in the Senate Committee on Criminal Justice and passed. AIF stood in support of this bill.

These bills will ensure a consistent framework for the use of drones. As the use of drones becomes increasingly more common in many different sectors of the business community throughout the state, implementing statewide regulations will establish safeguards while operating drones.

HB 1027 will go to the House Transportation & Infrastructure Subcommittee for its second hearing.

SB 832 will go to the Senate Committee on Transportation for its second hearing.

AIF SUPPORTS legislation that will streamline business regulation throughout the state.

HEALTH CARE

HB 449- Relating to Health Insurance

On Tuesday, March 21st, HB 449, by Representative Paul Renner (R-Palm Coast) was heard by the House Government Operations & Technology Appropriations Subcommittee, and passed by a vote of 10 yeas to 1 nay. AIF spoke in opposition to this bill.

This bill creates the Patient Savings Act, which requires health insurers to create a shared savings incentive program (Program) to encourage insured individuals to shop for high quality, lower cost health care services and share any savings realized as a result of the insured’s choice. While this bill has good intentions, when you look at paying an insured individual’s difference in

cost, the insurance company will end up paying a midway point which will in turn be pushed off onto Florida businesses.

HB 449 will now go to the House Health & Human Services Committee for its next hearing.

AIF OPPOSES this legislation due to the concern over the potential cost increase to business owners across the state.

TAXATION

SB 378-Relating to Taxation

On Tuesday, March 21st, SB 378, by Senator Anitere Flores (R-Miami) was heard by the Senate Appropriations Subcommittee on Finance and Tax, and passed by a vote of 4 yeas to 0 nays. AIF's Senior Vice President of State and Federal Affairs, Brewster Bevis, spoke in opposition to this bill. Follow this link to view video of testimony:

https://youtu.be/w_ytH6BGuJ0.

This legislation aims to repeal the insurance premium tax credit, which would result in a nearly \$300 million tax increase on Florida's insurance industry. Florida is one of only a few states that have two separate taxes for insurers – a corporate income tax paid by all businesses and a second, punitive tax on the insurance premiums paid by Floridians. Therefore, this premium tax credit was created in 1987 to lessen the burden on insurers while also allowing them to reinvest these funds back into their business. Repealing this 30-year insurance salary tax credit removes the mechanism that helps keep insurance rates for everyday Floridians as low as possible.

During this meeting, an amendment offered by Senator Kelli Stargel (R-Lakeland) would swap the insurance salary tax credit for a reduction in the Communications Services Tax (CST) and business rent tax. While AIF supports the goal of reducing both the CST and the business rent tax, AIF opposes this method of accomplishing that goal.

SB 378 will go to the Senate Committee on Appropriations.

AIF OPPOSES legislation that will cause nearly a \$300 million tax increase on Florida's insurance industry, resulting in an increase in insurance premiums for Florida's business community.

Please see the below press release from AIF's President & CEO, Tom Feeney, regarding SB 378:

AIF: "Keep Floridians Working & Florida-based Companies Giving"

Tallahassee, Fla. – The Associated Industries of Florida (AIF) today released the following statement on behalf of its President & CEO Tom Feeney regarding opposition to Senate Bill 378, by Senate President Pro Tempore Anitere Flores, relating to Taxation.

“AIF supports reducing the business rent tax. However, we cannot support this tax break on the back of creating what would be the largest Florida tax hike in many years if the insurance premium tax salary credit is repealed.

“Florida is one of only a few states that have two separate taxes for insurers – a corporate income tax paid by all businesses and a second, punitive tax on the insurance premiums paid by Floridians. The removal of the working tax credit would make premium tax collections from insurers in Florida increase by \$297.3 million.

“Florida simply cannot risk the future creation of new high-paying insurance jobs or the loss of such existing jobs. We need a predictable, business-friendly environment that includes reasonable incentives for corporations large and small to do business in Florida. That is what keeps Floridians working and Florida-based companies giving.”

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SB 704-Relating to Tax on Sales, Use, and Other Transactions

On Wednesday, March 22nd, SB 704, by Senator Rene Garcia (R-Hialeah), was heard in the Senate Committee on Community Affairs and passed by a vote of 5 yeas to 1 nay. AIF stood in support of this bill.

Currently, Florida is the only state that charges tax on the lease of commercial property; and while it is a major part of the state’s tax revenues, it needs to be gradually reduced and eventually eliminated to make Florida more attractive to business. This bill will provide a limited exception from the sales tax on commercial leases. While AIF would like for this tax to be permanently eliminated, we thank the sponsor for this step in the right direction.

SB 704 will now go to the Senate Appropriations Subcommittee on Finance and Tax.

AIF SUPPORTS a reduction of taxes imposed on rental or license fees charged for use of commercial real property and/or the elimination of the double taxation that occurs when a tenant pays its landlord’s property taxes.

HB 21-Relating to Limitations on Property Tax Assessments

On Thursday, March 23rd, HB 21, by Representative Colleen Burton (R-Lakeland) was read for a third time on the House floor and passed by a vote of 110 yeas to 3 nays.

In 2008, Florida voters approved Amendment 1 which, among other things, created a 10% cap on the annual increase of property taxes for all non-homestead properties. However, this amendment included a sunset provision that goes into effect on Jan. 1, 2019. HB 21 proposes a constitutional amendment be added to the ballot during the 2018 General Election to let the voters decide in making this cap 10% tax cap permanent.

HB 21 will now go to the Senate floor to be heard.

AIF SUPPORTS a permanent 10% property tax cap on second homes and commercial property.

TRANSPORTATION

SB 654-Relating to Transportation

On Tuesday, March 14th, SB 654, by Senator Jack Latvala (R-Clearwater) was heard by the Senate Appropriations Subcommittee on Finance and Tax and passed unanimously by a vote of 5 yeas to 0 nays. AIF's Senior Vice President of State and Federal Affairs, Brewster Bevis, stood in support of this bill.

This bill shifts the distribution of the annual license taxes imposed on certain motor vehicle registrations from the General Revenue Fund to the State Transportation Trust Fund (STTF). Beginning in Fiscal Year 2019-20, 50 percent of the portion of the annual license tax that is deposited into the General Revenue Fund is shifted to the State Transportation Trust Fund; in Fiscal Year 2020-2021, the remaining 50 percent is shifted into the STTF.

SB 654 will go on to the Senate Committee on Appropriations for its next hearing.

AIF SUPPORTS the distribution of additional funds to the State Transportation Trust Fund (STTF) in order to maintain Florida's infrastructure.

ENVIRONMENT

SB 532-Relating to Public Notification of Pollution

On Tuesday, March 21st, SB 532, by Senator Bill Galvano (R-Bradenton) was heard in the Senate Appropriations Subcommittee on the Environment and Natural Resources and passed by a vote of 6 yeas to 0 nays. AIF stood in opposition to this bill.

This bill will require companies to notify the state Department of Environmental Protection (DEP) about the release of any dangerous substance within 24 hours of discovery, and DEP must then publish a public notice within 24 hours.

SB 532 will now go to the Senate Committee on Appropriations to be heard.

AIF OPPOSES the need for this legislation because the DEP must already report pollution.

ECONOMIC DEVELOPMENT

SB 1040-Relating to Beer or Malt Beverages

On Tuesday, March 21st, SB 1040, by Senator Frank Artiles (R-Miami), was heard by the Senate Committee on Regulated Industries and passed unanimously by a vote of 10 yeas to 0 nays. AIF stood in support of this bill.

Currently, vendors must purchase glassware from distributors for use in their establishments. This bill allows for beer distributors to provide beer or malt beverage branded glassware to vendors for their use, cutting down on the vendors over all costs.

SB 1040 will now go on to the Senate Committee on Commerce and Tourism.

AIF SUPPORTS legislation that will reduce costs on Florida's businesses by allowing distributors to provide vendors, at no cost, glassware to use in their establishments.

AGRICULTURE

SB 1536-Relating to Agricultural Practices

On Tuesday, March 21st, SB 1536, by Senator Keith Perry (R-Gainesville), was heard by the Senate Committee on Agriculture and passed by a vote of 5 yeas to 0 nays. AIF stood in support of this bill.

This bill clarifies that livestock, poultry and aquaculture medical supplies are exempt from sales tax. The bill repeals a supplemental pesticide registration fee which was added to bi-annual pesticide registrations. The bill also expands the travel radius limitations on the state restricted agricultural tag from "150" miles to statewide.

SB 1536 will now go to the Senate Appropriations Subcommittee on Finance and Tax to be heard.

AIF SUPPORTS the various provisions of this bill which help our agricultural industry remain competitive and continue to be a driving force in Florida's economy.

REGULATIONS

SB 162-Relating to Disposable Plastic Bags

On Wednesday, March 22nd, SB 162, by Senator José Javier Rodríguez (D-Miami), was heard in the Senate Committee on Environmental Preservation and passed by a vote of 4 yeas to 1 nay. AIF stood in opposition to this bill.

This bill authorizes municipalities to establish a pilot program to regulate or ban disposable plastic bags.

SB 162 will move on to its next committee stop in the Senate Committee on Community Affairs.

AIF OPPOSES legislation that allows for local regulations resulting in increased costs for businesses.