



DAILY BRIEF

For the 2020 Legislative Session

From February 13, 2020

ECONOMIC DEVELOPMENT

SB 922 – Relating to Economic Development

On Thursday, February 13, SB 922 by Senator Joe Gruters (R-Sarasota) was heard by the Senate Appropriations Subcommittee on Health and Human Services and was reported favorable with 9 yeas and 0 nays. **AIF’s Senior Vice President of State and Federal Affairs, Brewster Bevis, stood in support of this legislation.**

The bill makes changes to the Qualified Target Industry Tax Refund Program. Specifically, the bill provides that certain businesses that relocate to, or expand into, a county affected by Hurricane Michael are eligible to receive an increased tax refund and authorizes certain businesses located in a county affected by Hurricane Michael to apply for an economic recovery extension. The bill also removes the scheduled repeal date for the tax refund program.

SB 922 will now move to the Senate Appropriations Committee.

AIF supports legislation, funding and other assistance from the federal and state governments to help Florida’s panhandle recover from the impacts of Hurricane Michael.

SB 126 – Relating to Sales and Use Tax

On Thursday, February 13, SB 126 by Senator Joe Gruters (R-Sarasota) was heard by the Senate Finance and Tax Committee and was reported favorable with 8 yeas and 0 nays. **AIF’s Senior Vice President of State and Federal Affairs, Brewster Bevis, stood in support of this legislation.**

Florida levies a 6 percent sales and use tax on the sale or rental of most tangible personal property, admissions, transient rentals, rental of commercial real estate, and a limited number of services.

The bill requires marketplace providers and out-of-state retailers with no physical presence in Florida (such as online retailers) to collect Florida’s sales tax on sales of taxable items delivered to purchasers in Florida if the marketplace provider or out-of-state retailer makes a substantial number of sales into Florida. A substantial number of remote sales means conducting 200 or more retail sales during the previous calendar year or conducting any number of retail sales in an amount exceeding \$100,000 during the previous calendar year.

The Revenue Estimating Conference determined that the bill will increase General Revenue Fund receipts by \$320.8 million (\$479 million recurring) in Fiscal Year 2020-2021. Local government revenues are estimated to increase by \$100.1 million (\$132.9 million recurring) in Fiscal Year 2020-2021.

SB 126 will now move to the Senate Appropriations Committee.

AIF supports legislation that provides a level playing field for Florida's brick and mortar stores and online retailers.

SB 524 – Relating to Sales Tax Holiday for Disaster Preparedness Supplies

On Thursday, February 13, SB 524 by Senator Joe Gruters (R-Sarasota) was heard by the Senate Finance and Tax Committee and was reported favorable with 8 yeas and 0 nays. **AIF's Senior Vice President of State and Federal Affairs, Brewster Bevis, stood in support of this legislation.**

Florida levies a 6 percent sales and use tax on the sale or rental of most tangible personal property, admissions, transient rentals, rental of commercial real estate, and a limited number of services.

The bill establishes an 18-day "disaster preparedness" sales tax holiday, from Friday, May 29 to Monday, June 15, 2020, during which time certain items purchased for disaster preparedness and protection are exempt from the sales and use tax and local discretionary sales surtaxes. The bill allows the Department of Revenue to adopt emergency rules in order to implement the sales tax holiday.

SB 524 will now move to the Senate Appropriations Committee.

AIF supports legislation that reduces taxes and provides Floridians with a preparedness tax exemption encouraging them to protect their assets against potential destruction.

SB 542 – Relating to Back-to-School Sales Tax Holiday

On Thursday, February 13, SB 542 by Senator Keith Perry (R-Gainesville) was heard by the Senate Finance and Tax Committee and was reported favorable with 8 yeas and 0 nays. **AIF's Senior Vice President of State and Federal Affairs, Brewster Bevis, stood in support of this legislation.**

Florida levies a 6 percent sales and use tax on the sale or rental of most tangible personal property, admissions, transient rentals, rental of commercial real estate, and a limited number of services.

The bill establishes a 10-day "back-to-school" sales tax holiday, from Friday, July 31, 2020 to Sunday, August 9, 2020, for certain clothing, school supplies, personal computers, and personal computer-related accessories.

AIF supports tax cuts for Florida's consumers and businesses.

SB 362 – Relating to Florida Tourism Marketing

On Thursday, February 13, SB 362 by Senator Ed Hooper (R-Palm Harbor) was read a third time on the Senate floor and passed with a vote of 36 yeas and 0 nays.

The bill extends the scheduled repeal date for the Florida Tourism Industry Marketing Corporation, doing business as VISIT FLORIDA, until October 1, 2028, and removes the scheduled repeal date for the Division of

Tourism Marketing within Enterprise Florida, Inc. Without the bill, the statutory provisions for these entities will be repealed on July 1, 2020.

SB 362 will now go to the House for consideration.

AIF supports investment in building a world-class marketing engine with top talent, analytics, and funding that develops and executes data-driven branding strategies.

LEGAL & JUDICIAL

HB 7071 – Relating to Contingency Risk Multipliers

On Thursday, February 13, HB 7071, sponsored by the House Judiciary Committee, was heard by the House Commerce Committee and was reported favorable with 16 yeas and 7 nays. **AIF's Senior Vice President of State and Federal Affairs, Brewster Bevis, stood in support of this legislation.**

In certain situations, after the resolution of a court case, the court may require one party to pay the opposing party's attorney fees. Several Florida and federal statutes, known as "fee-shifting statutes," entitle the prevailing party to a "reasonable" attorney fee as a matter of right. When a fee-shifting statute applies, the court must determine what constitutes a "reasonable" attorney fee.

Florida courts calculate reasonable attorney fees under the "lodestar amount." The lodestar amount, in this context, is the number of hours reasonably expended on the litigation multiplied by a reasonable hourly rate for the attorney's services on behalf of the insured or beneficiary.

Federal case law states that a contingency fee multiplier may only be used in rare and exceptional circumstances, and that the multiplier is completely unavailable under certain federal statutes. Contrary to Federal case law, the Florida Supreme Court in 2017 ruled that the contingency fee multiplier in Florida courts is not subject to the "rare and exceptional circumstances" requirement. Thus, there is now a difference between Florida and federal law with respect to this issue.

The bill prohibits a court from using a contingency fee multiplier when calculating an attorney fee award unless an applicable statute expressly allows use of the contingency fee multiplier.

HB 7071 will now move to the House floor for consideration.

AIF supports legislative efforts that prevent unscrupulous actors from taking advantage of property insurance disputes which will keep insurance rates low and allow growth in Florida businesses.