

ASSOCIATED INDUSTRIES OF FLORIDA  
**LEGISLATIVE  
DAILY BRIEF**



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The House was back in action today, while Senators continue to enjoy their week-long Easter and Passover break. Several councils held meetings this afternoon with long agendas in order to get as many bills heard as possible.

The House Economic Expansion & Infrastructure Council headed by Chairman Dean Cannon (R-Winter Park) rolled out a much anticipated proposed committee bill on Growth Management this afternoon. The room was abuzz with representatives from the development community, local government, and citizens groups. More details on this legislation are included in today's report.

In addition, today's report includes coverage of the House's omnibus transportation package as well as legislation on Super Enterprise Zones.

Tomorrow's agenda is dominated by the day-long meeting of the House Policy and Budget Council.

### **Economic Development**

The House Economic Expansion & Infrastructure Council unanimously passed HB 1503 Relating to Super Enterprise Zones by Representative David Rivera (R-Miami). This bill creates Super Enterprise Zones and gives the Office of Tourism, Trade, and Economic Development the ability to designate five Super Enterprise Zones in the state for a 10-year period each. To qualify as a super enterprise zone an area must be located in an enterprise zone and meet specific economic criteria. Designation as a super enterprise zone will provide certified businesses in the zone with a tax-free status. Certified businesses will be eligible for a 100 percent exemption from sales and discretionary tax on tangible personal property. In addition, retail sales made by certified businesses in a super enterprise zone are provided a 100 percent exemption on sales and discretionary tax for any tangible personal property item priced up to \$1,000.

During his presentation, Representative Rivera offered an amendment that reduced the number of Super Enterprise Zones from 5 to 1. As amended, the bill creates a Super Enterprise Zone in the city of Overtown in Miami-Dade County. This Super Enterprise Zone will be implemented as a pilot program. Representative Rivera explained that he was reducing the number of sites for Super Enterprise Zones because he recognized that current budget constraints would not allow for the fiscal impact of implementing all 5 sites. He further commented on the tremendous impact this bill will have on economic development and the potential for the impact to be

expanded if cities and counties leverage other incentives available to them in these new Super Enterprise Zones.

Representative Joyce Cusack (D-DeLand) praised Representative Rivera for his bill even though it was not being implemented in her district because of the excellent precedent the bill would establish. She further commented that she looks forward to establishing more Super Enterprise Zones once the budget allows it.

HB 1503 will now be heard by the House Policy & Budget Council.

**AIF supports the concept of establishing Super Enterprise Zones. There are several examples from states with similar programs that show that these Super Enterprise Zones are successful in attracting new investment and new companies to areas that need it the most. The potential for increased job creation and higher wages makes this idea good public policy.**

## Transportation

The House Economic Expansion & Infrastructure Council unanimously approved HB 985 Relating to Transportation by Representative Rich Glorioso (R-Plant City). This is the annual transportation package that addresses a large number of transportation infrastructure and funding issues. Among other things the bill:

- Raises the Turnpike Enterprise's revenue bond cap from \$4.5 billion in bonds issued to \$9 billion in bonds outstanding. This change gives the Turnpike Enterprise more immediate bond capacity and creates a revolving line of credit to issue more bonds as the Turnpike pays down its balance.
- Clarifies that any expressway, transportation, bridge, or toll authority may enter into public-private partnerships (P3s).
- Makes numerous administrative, organizational, membership and planning process changes to the metropolitan planning organizations (MPOs) in order to bring uniformity and a more regional approach to MPOs.
- Allows the Department of Transportation to waive the requirement for contractors to be pre-qualified to bid on jobs when the project is under \$500,000 and noncompliance will not endanger the public health, safety, or welfare.

During the meeting, the bill was amended to increase the Turnpike's bonding capacity from \$9 billion to \$10 billion in order to match the bill's Senate companion, SB 2804 by Senator Carey Baker (R-Eustis). This move could provide an additional \$900 million in the next fiscal year for turnpike projects.

Of particular importance to the business community are provisions that make it easier for minority and small contractors to bid on road construction projects and those that allow

transportation authorities to enter into partnerships with private companies to develop future projects.

HB 985's next stop is the House Policy & Budget Council.

**AIF supports the concept of P3s as an alternative for dealing with Florida's huge backlog of transportation infrastructure projects. This legislation provides increased flexibility for the private sector to partner with local and state government to create a model transportation system that will benefit all Floridians.**

## **Growth Management**

The House Economic Expansion & Infrastructure Council held a workshop today on proposed committee bill (PCB) EEIC 11 Relating to Growth Management. In 2005, the Legislature passed SB 360 - a landmark growth management bill that completely altered the way local government, developers, and the state handled growth management. SB 360 implemented concurrency requirements and the concept of "proportionate fair-share mitigation" which required developers to pay-as-they built or, in other words, pay for their fair share of the infrastructure (roads, school, water) needed by new developments.

In the years since the passage of SB 360 it has become quite clear that there are some problems with the requirements established by the bill. Local governments are struggling with keeping up with the standards established by SB 360 and developers are being hit with astronomically high infrastructure fees which have caused a decrease in development throughout the state.

PCB EEIC 11 attempts to fix some of the glitches from SB 360 and also provides for some new provisions. The PCB allows local governments to take up to 15 years to resolve their infrastructure backlogs, it states that developers are not responsible for previous infrastructure backlog costs, it calls for the establishment of a state task force to address the issue of aggregate materials (these are the raw materials used for road building projects), and streamlines the local government comprehensive plan amendment process by eliminating the state review requirement established by SB 360.

Representatives from local government, the development community, and even Department of Community Affairs Secretary Tom Pelham testified during today's workshop. The consensus among these groups was that change was indeed needed, but that the Committee should proceed very cautiously because of the complexity of the growth management process. Another common theme was that it might be too late into this year's session to undertake such a massive project. Secretary Pelham urged committee members to consider waiting until the 2008 session to begin a more deliberative re-write of the state's growth management laws.

Council Chairman Dean Cannon (R-Winter Park) thanked all speakers who provided input on the PCB and announced that there would be two additional meetings on this issue before taking a vote, the first being Monday, April 9th. The time for this meeting is not yet available. Chairman Cannon encourage all interested parties who did not have a chance to speak to come back at the

next meeting. Committee members will also have a chance to ask questions since the Committee ran out of time.

**AIF has some concerns with the PCB as it is currently drafted and recognizes that this legislation is in its early stages. We look forward to working with members and staff to ensure that whatever is passed does not hurt the companies and employers that make it possible for our state to continue to grow through the construction of housing developments, roads, and other infrastructure projects.**

## **Taxation**

The House Environment & Natural Resources Council passed HB 245 Relating to Sales Tax/Agricultural Farm Equipment by Representative Baxter Troutman (R-Winter Haven). The bill provides a sales tax exemption for purchases of low-volume irrigation, or micro-irrigation equipment, or components that are used exclusively in agricultural production. On top of providing economic incentives to our state's farmers, the bill also encourages water preservation since this specific type of equipment uses much less water and accomplishes the same amount of irrigation as older, less efficient equipment.

The bill was amended, however, to include a one-year sunset of the sales tax exemption. Several committee members were disappointed and asked the sponsor to explain the reasoning behind this sunset. Chairman Stan Mayfield (R-Vero Beach) explained that the sunset was adopted because of the bill's fiscal impact (approximately \$2.4 million in general revenue) and because of the tight budget year the state is experiencing.

HB 245's next stop will be the House Policy and Budget Council.

**AIF supports legislation that establishes sales tax exemptions that benefit our state's farmers. Agriculture is one of Florida's largest industries employing more than 388,000 people and producing an excess of \$50 billion dollars in total sales.**

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- For more information on all of the important legislative information concerning the business community, go to our "members only" Florida Business Network web site at <http://fbnnet.com>
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