

ASSOCIATED INDUSTRIES OF FLORIDA
**LEGISLATIVE
WEEKLY UPDATE**



P.O. Box 784 • Tallahassee, FL 32302 • Phone: (850) 224-7173 • Fax: (850) 224-6532 • Internet: <http://aif.com> • fbnnet.com

FROM THE WEEK OF APRIL 9 – APRIL 13, 2007

With just three more weeks to go in the 2007 Legislative Session, AIF and the business community find themselves in the “thick of things” as it relates to furthering Florida’s business agenda. This week was especially eventful as the Senate finally revealed its property tax reform plan on Thursday, April 12th and then held a workshop on the plan on Friday, April 13th. AIF is actively reviewing the Senate’s plan, but from first glance it seems to be much more business friendly than the other plans being considered.

One of AIF’s priorities this session is the repeal of the cap placed on the Sadowski Trust Fund. This trust fund is used to pay for affordable housing projects throughout the state. Although chances of “scrapping the cap” seem slim this year, an important first step was taken on Friday, April 13th when the House Policy & Budget Council held a workshop on HB 367 by Representative Ron Saunders (D-Tavernier) that would do just that. Workforce housing is critical for employers in Florida, and AIF will continue to work on this issue in the years to come.

In addition, both the Senate and House spent long hours debating and passing their respective budgets. This year the Senate and House are significantly apart in their projections, about \$1.5 billion, mostly due to philosophical difference between each chamber. The Senate believes it needs to spend money to kick the state’s economy back into gear; one way they are doing this is by proposing an additional \$600 million dollars in transportation projects. The House on the other hand, is being fiscally conservative by keeping about \$2 billion dollars in reserves as a protection for future declines.

Several AIF priority bills continued moving this week. The Communication Services Tax Reduction bill as well as several workforce development bills passed their respective committees of reference and are continuing their progress. AIF is also working hard to slow down the progress of several health insurance mandates that seem to have grown some legs. Florida has one of the highest numbers of health insurance mandates in the country; these mandates, although noble, are one of the reasons why health insurance is so expensive in our states and they contribute to the problem of Florida’s uninsured.

More details on these and many other bills being tracked by AIF can be found in this week’s report.

Property Tax Reform

At the end of Thursday's Senate Session, President Ken Pruitt (R-Port St. Lucie) called upon Senator Mike Haridopolos (R-Melbourne) to explain the Florida Senate's Property Tax Reform plan. Before beginning the presentation, President Pruitt commented on how proud he was of the Senate and that he believes they have come up with a plan that would benefit every Floridian. As he has stated before, the Senate has to get the tax plan right the first time.

Senator Haridopolos called the reforms, the "People's Plan" as they took the recommendations from the citizens of the state during the 14 Town Hall meetings scheduled around the state before Session began. The two most important points to the plan are "Savings Now" and "Predictability." There are three main objectives to the plan:

1. Protect Florida's tax payers – there are no new taxes in this plan
2. Make sure Save Our Homes stays in tact
3. Protect Florida's Future

On Friday, April 13th the Senate held a workshop on their property tax reform plan. Approximately 18 senators took advantage of this forum to learn more about the proposal. The following is a list of topics they discussed:

- "Property Taxpayers' Rights." Local governments take personal property in a process called eminent domain. However, when the person goes to purchase a new home, there is not a mechanism to allow them to take their Save Our Homes tax savings. Under the Senate plan when a homestead property is taken by eminent domain the property owner must be compensated for the loss of their Save Our Homes tax savings, including expected future tax savings.
- "Highest & Best Use" – As the legislators traveled the state in their town hall meetings they heard time and time again that one of the biggest problems was the way property appraisers assess the property. The Senate plan will change the highest and best use assessment standard to include the criteria used by the Appraisal Standards Board and cited in the Department of Revenue (DOR) Real Property Appraisal Guidelines. These changes are intended to clarify the statute and reflect case law.
- Transparency – This section has three parts: truth in spending; transparency in budget and transparency in contracts. Local governments will be required to post on its website its revenues and expenditures. The reporting requirements will take effect in 2009 and are phased in over a 3-year period so that local governments have time to prepare. DOR will be responsible for developing a uniform format for the information and how it is posted on the website. The transparency in budget section will begin this year and requires local governments to post its proposed budget, anticipated revenues, and tentative millage rate on a local website by the time the Truth in Millage (TRIM) notice is mailed. By November, the large local governments will be required to post contracts of \$25,000 or more

on its website. Medium and small sized local governments will have 2 years to comply. Medium sized local governments will post contracts of \$15,000 or more, and small sized ones must post contracts of \$5,000 or more.

- There will be a study of the assessment appeal process, including the Value Adjustment Boards that must be completed by the next Legislative Session. It is to include recommendations on improving this process to ensure fair and uniform treatment of taxpayers.
- The Senate plan rolls back city and county property taxes to 2005-06 levels. Based on the 2005-06 revenues, allowable property tax revenues for 2007-08 will be determined by combining impact of population growth (new construction in each city and county) and growth in per capita personal income. That will give the maximum property tax that can be levied in 2007-08. If for any reason the 2007-08 amount is lower than 2006-07, then the 2006-07 revenues become the maximum. The rates for the property tax will be frozen for one year. Beginning in 2009-10, increases in the maximum city and county property tax revenues are limited to growth in population and per-capita income. The limit may be exceeded only with a 2/3 vote of the governing body after holding 3 public hearings or if approved by a referendum of the voters.
- The Senate plan also includes a constitutional amendment. Since the Legislature will be proposing this amendment it does not have the same single subject requirements as a citizen's petition. Therefore, three areas will be included: Homestead Plus, Tangible Personal Property Exemption, and Portability. The Senate is still trying to determine if the constitutional amendment will be considered in a Special Election or if they will wait until 2008 General Election.
- A first time homebuyer will get an additional \$25,000 homestead exemption that decreases as their "Save Our Homes" (SOH) differential increases. The Senate plan gives a \$25,000 exemption for tangible personal property. In their efforts to help all Floridians, every business owner that owns taxable property will get some benefit from this exemption with a majority of them being totally exempt from this tax.
- Portability of the SOH is included in the Senate plan. Their proposal allows a homestead property owner to transfer up to \$500,000 on SOH differential to a newly established homestead. The assessed value of the new homestead will grow by 10 % a year until it equals the just value of the new homestead at the time it was established, grown by the SOH growth rate for the same period. Once it reaches that point, it grows at the same SOH growth rate. However, if a homesteader decides to downsize its property, they may not transfer the entire differential because the assessed value of the new homestead cannot be less than that of the old homestead.
- Another problem the Senate plan tries to address is dealing with affordable housing. Their plan protects affordable housing projects by requiring property appraisers to use the rental-income approach when determining just value. This should help protect affordable housing projects that serve our elderly and those with extremely low and very low incomes.

In the original presentation last Thursday the Senate plan should give more than \$11 billion in total savings to Florida taxpayers over the next 5 years. On Tuesday the Senate Finance & Tax Committee will review the actual runs on what the savings will be now that they have proposed legislation to work with for their estimates.

As with any comprehensive reform proposal, AIF is in the process of studying the Senate's property tax reform plan. We are pleased to see that the Senate is not considering an increase to the state's sales tax and that their plan includes relief for businesses in the form of the \$25,000 tangible property exemption.

Workforce Housing

On Thursday, April 12th the House Economic Expansion and Infrastructure Council passed HB 1375 by Representative Mike Davis (R-Naples). The bill contains a number of provisions that further encourage the development of affordable housing projects for Floridians that need it the most including:

- authorizing local governments to grant an exception to concurrency requirements for transportation facilities and to exempt certain trips from the concurrency requirement when considering proximity of affordable housing to employment centers;
- creating the Affordable Housing Property Tax Relief Initiative and providing criteria to be used in assessing just valuation of certain affordable housing properties serving extremely-low-, low-moderate-, and very-low-income persons, and requiring a rental income approach for assessment of specified affordable housing properties; and
- removing the pilot status of the Community Workforce Housing Innovation Program (CWHIP).

The bill also provides property tax relief for certain affordable housing projects by requiring that they be appraised based on the rental income they generate. An amendment by Representative Peter Nehr (R-Tarpon Tower) was adopted today, which requires that counties with large gaps (greater than \$150,000 dollars) between the median income of a family of four and the median cost of housing must develop a plan identifying potential sites for the building of affordable housing. Failure to do this would result in those counties losing access to state affordable housing dollars.

HB 1375 will now be considered by the House Policy & Budget Council.

The Senate Community Affairs Committee also approved a similar bill, SB 780 Relating to Affordable Housing by Senator Rudy Garcia (R-Miami) on Thursday, April 12th. The Senate's version seeks to accomplish many of the same goals found in HB 1375. SB 780 was also amended today to include Representative Nehr's language tying state affordable housing grants to specific plans developed by counties where the disparity between median income and median cost of housing is greater than \$150,000 dollars.

SB 780 will now be heard by the Senate Transportation and Economic Development Appropriations Committee.

AIF supports legislation that provides incentives for local governments and developers to build new workforce housing projects. Employers in Florida must be able to attract a stable and dependable workforce. This can only be accomplished if employees can find affordable homes close to the jobsite. In addition, local governments must be held accountable so that the dollars they receive from the state are well spent.

Workforce Development

On Monday, April 9th the Senate Commerce Committee unanimously approved SB 1222 Relating to Student Financial Assistance by Senator Jeremy Ring (D-Margate). The bill creates the Sure Futures Postgraduate Scholarship Program to match private-sector businesses with students who are seeking advanced degrees and employment. A corporate sponsor would provide a scholarship for a student, who would agree to work for the corporate sponsor for a minimum of 4 years after graduation. In return, the corporate sponsor becomes eligible for a credit against its corporate income tax liabilities equal to the donation. The maximum corporate income tax credits available the first 2 years of the program shall be \$10 million annually, minus the costs to administer the scholarship program. The bill also creates a non-profit board of directors to administer the program.

During debate, Senator Evelyn Lynn (R-Ormond Beach) asked the bill sponsor whether the bill specified that this program should be geared toward hi-tech fields. Senator Ring was not sure if the bill did so and agreed with Senator Lynn that the emphasis should be on hi-tech jobs.

AIF supports legislation that strengthens the quality of Florida's workforce by encouraging the state's best and brightest to remain in state and work for business and corporations based in Florida. In addition, the bill has the potential to increase the number of post-graduate degrees being awarded in Florida by allowing businesses in Florida to pay students to obtain these advanced degrees.

On Tuesday, April 10th the Senate Committee on Education Pre K - 12 considered two workforce development bills supported by AIF. One of which was SB 2458 Relating to the High School to Business Career Enhancement Act by Senator Victor Crist (R-Tampa). The program would do a number of things for students hoping to get on-the-job career training as well as for businesses that may benefit from a better prepared and more skilled workforce. The act would require each district school board to adopt policies and provide internships for high school students through businesses that partner within the school district. The internships, which would be provided based on the career goals of each participating student, would include an evaluation component based on criteria established by the school district. Participating businesses are eligible for a tax credit equal to 50 percent of the total wages paid to the student during the internship (if the

business pays the student minimum wage with an average of up to 20 hours a week). Participating businesses may claim credits for up to four internships per year.

SB 2458 was passed unanimously and will now be considered by the Senate Finance & Tax Committee.

AIF supports legislation that encourages schools boards to establish partnerships with the private sector aimed at making easier for our students to gain valuable on-the-job experience. Better-prepared students equal a better trained workforce; one that will be able to meet the demands of the global economy.

Communication Services Tax

On Thursday, April 12th the Senate Communications and Public Utilities Committee approved SB 980 Relating to a Reduction in the Communications Services Tax by Senator Mike Haridopolos (R-Melbourne). This proposal is one of AIF's top priorities for the 2007 Legislative Session. This bill simply lowers the state communications services tax (CST) by 1.17 percent effective January 1, 2007. It does not affect the gross receipts tax component of the state CST that goes to the Public Education Capital Outlay (PECO) fund used for building public schools. The total impact is \$211 million in lower taxes for telephone, wireless phone, cable TV, and Satellite TV customers in Florida.

The only committee member voting against the bill was Senator Gwen Margolis (D-Miami Beach).

SB 980 will now be considered by the Senate Finance & Tax Committee. Its House companion, HB 567 by Representative Ron Reagan (R-Sarasota), has passed the House and is currently in Senate messages. The House version only contains a .25 percent reduction as opposed to the 1.17 percent reduction in the Senate bill.

The Legislature should consider reducing the tax on communication services; in fact it should make every effort to enhance its communications infrastructure. Reducing the state CST is a good first step in achieving these worthy goals. AIF supports this reduction and will work diligently this session to help pass some savings for the business and residents of Florida.

State-Issued Cable Franchises

On Thursday, April 12th the Senate Community Affairs committee considered SB 998 Relating to Cable TV/Video Franchises by Senator Mike Bennett (R-Bradenton). The bill provides for a state wide cable TV franchise process administered by the Department of State (DOS) rather than the existing method of obtaining franchises from negotiations with local governments. At the beginning of the meeting, Chairman Rudy Garcia (R-Miami) announced that the bill was not to be heard and temporally postponed the bill. He told all interested parties, that they had to continue to negotiate and work out their differences.

AIF supports legislation to allow for state-issued cable franchises because it opens up the cable market to the free market. Increased competition will only ensure better service, a better product, and more importantly, lower prices for the citizens and businesses of our state.

Government Accountability

One of AIF's priorities for 2007 is the strengthening of the Florida Government Accountability Act, which was enacted in 2006. This Act provides for a periodic review process for the continuation, modification, or abolition of many of the state agencies currently in existence. The Act also establishes an eight-year review schedule under which each state agency is given a termination date. This is important to the business community because employers interact with state agencies on a daily basis through the application of permits or through enforcement of licensure. The Act creates a joint committee tasked with reviewing each agency and making recommendations as to whether to keep or abolish each agency.

This year the legislature is considering a proposed committee bill, PBC 4, which strengthens and modifies many of the provisions in the original bill. For starters, it changes the existing review committee to a commission. This subtle change allows the new entity to be statutorily created and not be subject to the rules of standing legislative committee, in other words it is given a much higher authority. In addition, this year's legislation makes changes to the agency review schedule by grouping agencies according to subject matter so that the review commission can consider them across a common policy arena.

Representative Kevin Ambler (R-Tampa) presented a "strike-everything" amendment containing the above provisions and it was received with much skepticism by members of the Democratic Party who were not happy about the timing of the PCB's release. Representative Jack Seiler (D-Pompano Beach) stated that members of his party had not been given sufficient time to consider this major overhaul of a substantial piece of legislation.

Chairman Ray Sansom (R-Ft. Walton Beach) assured everyone that there would be ample time to discuss this bill before it was considered on the floor. Since this was the only committee of reference for PBC 4 it is now ready to be voted on the floor of the House.

AIF supports the strengthening and continuation of the Florida Government Accountability Act. Curbing unnecessary government expansion is wise public policy. Businesses and employers in Florida must be lean and efficient. Holding state agencies to this standard is not only appropriate, but also necessary for Florida's economy to continue to prosper.

Economic Development

On Monday, April 9th the Senate Commerce Committee unanimously passed SB 856 Relating to Economic Development by Senator Alex Diaz de la Portilla (R-Miami). The bill would create a pilot Super Enterprise Zone in the Overtown area of Miami Dade County. Businesses that operate or relocate to this Super Enterprise Zone would be effectively free of taxes.

Senator Diaz de la Portilla offered a “strike-everything” amendment that made the Senate bill identical to its House companion, HB 1503 by Representative David Rivera (R-Miami).

The next stop for SB 856 is the Senate Transportation and Economic Development Appropriations Committee.

On Friday, April 13th the House Policy & Budget Committee unanimously approved HB 1503 Relating to Super Enterprise Zones by Representative David Rivera (R-Miami). The bill is now ready to be considered on the floor of the House for final passage.

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.

On Friday, April 13th the Senate Finance & Tax Committee passed SB 2420 Relating to the SURE Venture Capital Act by Senator Jeremy Ring (D-Margate). This is just one of the bills that make up the SURE Ventures Commercialization Program being sponsored by Senator Ring. There was a “strike-everything” amendment to revise some of the tax credit provisions, but the premise of the bill was left intact, which is to promote small and start up businesses by giving them access to venture capital and university research and commercialization resources. Senator Ronda Storms (R-Brandon) had a few questions about making sure the bill will truly help small businesses, Senator Ring assured her that was the intent of the bill.

AIF supports legislation that creates the Sure Ventures Commercialization Program. Florida must begin to get in the proper posture to be able to compete with other states for these valuable venture capital dollars. This type of investment is critical for the growth of high-paying, high-skill, companies and for the diversification of Florida’s economy. The jobs created by these emerging technologies are typically much higher-paying than others and attract the very best workers to our state.

Health Care

The Senate Banking & Insurance Committee approved SB 366 Relating to Infant Eye Care by Senator Frederica Wilson (D-Miami) on Monday, April 9th. This bill requires a certain type of eye examination for all infants born in Florida hospitals. SB 366 also requires health insurance policies and health maintenance contracts to provide coverage for an eye examination performed using an ophthalmoscope and dilation of the pupils at birth, at 6 to 8 weeks of age, and at 6 to 9 months of age to detect pediatric congenital and ocular abnormalities and developmental abnormalities.

The bill requires follow-up visits that may not be medically necessary and may also increase health insurance costs. These costs would ultimately be passed on to consumers in the forms of higher premiums.

SB 366 will now be heard by the Senate General Government Appropriations Committee where we expect some tough questions will be asked regarding the bill's fiscal impact on health insurance plans.

On Tuesday, April 10th the Senate Health Policy Committee unanimously approved SB 110 Relating to Health Insurance/Prostate Cancer by Senator Tony Hill (D-Jacksonville). The bill mandates that health insurance policies, group health insurance policies, & health maintenance contracts provide coverage for annual screening for prostate cancer for men forty years or older.

Currently, insurance coverage issued in the state of Florida covers testing done as medically necessary preventative services for the screening of prostate cancer. However, there is a discrepancy as to what ages should be covered in such testing. Most testing covered by insurance plans limits them to age fifty and over. The current plans do not include younger men who are of a higher risk of contracting prostate cancer.

SB 110 will now be heard by the Senate General Government Appropriations Committee.

AIF consistently opposes additional mandated coverages because the resultant cost increases could force some insurers out of the market and price health care insurance out of the reach of many employers and businesses.

Business Regulation

On Monday, April 9th the Senate Regulated Industries Committee unanimously passed SB 2234 presented by Senator Steve Wise (R-Jacksonville) which would provide licensure and regulation of private home inspections services while exempting from law engineers, architects, building code administrators, real estate appraisers, and fire safety inspectors. The bill would also require examination for licensure that includes the completion of a 120-hour course of study, and require 14 hours of continuing education every 2 years. SB 2234 also would provide for licensure of mold assessors

and remediators exempting certain contractors, engineers, architects and pest control agents to name a few.

Currently, there are numerous companies in Florida that hold themselves as mold assessors or mold remediators yet there is no state licensure or regulatory requirements for these companies. Although home inspectors frequently advertise themselves as “certified” or “licensed” the only certification programs offered to home inspectors in Florida are the voluntary programs offered by one of hundreds of organizations that offer this type of training. As a result, consumers’ are often led to believe that the state has adopted legally mandated requirements for home inspectors in order to protect consumers and the general public against fraud and unscrupulous trade practices.

SB 2234 will now be considered by the Senate Criminal Justice Committee.

On Thursday, April 12th the House Jobs & Entrepreneurship Council unanimously passed HB 1399 Relating to Regulation of Building Inspection Professionals by Representative Carl Domino (R-Juno Beach). This is the House companion to SB 2234. Two amendments were adopted during the meeting. The first was offered by Representative Domino and it changes the term "homeowner" to "client" in the home inspection section of the bill to ensure the person who hires a home inspector receives the home inspector’s report. The second amendment was offered by Chairman Ron Reagan (R-Sarasota) and it lowered the number of full-time employees allocated to the Department of Business and Professional Regulation (DBPR) to implement this bill from 8.5 to 3.

HB 1399 will now be considered by the House Policy & Budget Council.

<p>AIF supports establishing a regulatory process for home inspectors, mold assessors, and mold remediators. These guidelines would protect both consumers and businesses from those who practice this trade fraudulently.</p>

Private Property Rights

On Monday, April 9th the Senate Commerce Committee considered SB 736 Relating to Trespass on Commercial Premises by Senator Steve Oelrich (R-Gainesville). This was the second time the bill was being considered by the Committee since the bill had been temporarily postponed at the previous meeting because of some problems with the scope of the bill. In general, the bill prohibits a person from remaining on any property or in any structure that is open to the public for commercial purposes if the owner or owner’s agent has ordered the person to leave the premises due to activity deemed detrimental to the commercial purpose of the property.

During the meeting Senator Oelrich presented a “strike-everything” amendment, which sought to more narrowly define the provisions in the bill and included some anti-discrimination language. As amended, the bill would continue to give property owners the right to determine which groups, if any, would be allowed to come onto a commercial

property to gather petitions, solicit donations, or undertake any other non-commercial activities.

According to the sponsor, the intent of this legislation is to clarify and codify into statutes the rights of property owners when it comes to what they can do with individuals who come onto their property to engage customers in any manner.

In the end, Senator Oelrich's "strike-everything" amendment was defeated on a 5-3 vote and Chairman Alex Diaz de la Portilla (R-Miami) offered to once again temporarily postpone the bill. Senator Oelrich agreed.

On Thursday, April 12th the House Economic Expansion & Infrastructure Council approved HB 559 Relating to Property Rights/Ballot Initiatives by Representative Don Brown (R-DeFuniak Springs). The bill allows private property owners to regulate petition gatherers who operate on their premises. The language in this particular section of the bill grants private property owners the explicit right to prohibit signature-gathering activities relating to citizen ballot initiatives; the property owner may prohibit activities generally or on any specific initiative, or may permit such activities with reasonable "time, place, and manner" restrictions to be uniformly applied.

AIF Chief Lobbyist, Keyna Cory, testified in support of the bill and clarified some assumptions dealing with the concept of "town centers" raised by Representative Susan Bucher (D-West Palm Beach).

HB 559 is now ready to be placed on the House calendar for final passage.

AIF supports legislation that codifies the property rights of business owners and the rights of patrons to engage in commerce. Business owners have the right to determine which groups, if any, are authorized to conduct any activity other than commercial endeavors on their property.

Guns in the Workplace

On Tuesday, April 19th SB 2356 Relating to Individual Personal Property Rights by Senator Durell Peaden (R-Crestview) was heard by the Senate Judiciary Committee. More commonly, though, this bill relates to guns in the workplace. Throughout the bill it refers to personal property that an individual lawfully possesses and has a right to possess. However, the heart of the matter really is about guns or firearms.

SB 2356 prohibits a property owner – whether a public or private entity – from barring customers or employees from its premises if those people are in legal possession of a firearm that is locked inside or locked to their vehicle. The bill also prohibits searches or investigations of vehicles for firearms by business owners. It would also prohibit an employer from adopting or maintaining any employment policies that would prohibit possession of such items within the employees' cars.

AIF was not given the opportunity to speak at this committee hearing today. However, we have previously voiced our opposition to this legislation and will continue to oppose it at future committee stops in both the House and Senate. This bill will undermine the doctrine of employment at will and takes away an employer's ability to freely set his or her own policies relating to firearms or other dangerous items in the workplace. Although the bill carves out a few exempt locations such as schools or national defense facilities, it leaves many businesses who serve vulnerable customers at risk – such as nursing homes or day care facilities.

SB 2356 has cleared its last committee of reference and is now headed to the Senate floor for further consideration. Its House companion, HB 1417 by Representative Dennis Baxley (R-Ocala), has not been heard in any committee as of today.

AIF opposes legislation that prohibits businesses from enforcing or maintaining policies that ban guns in the workplace. Employers should be allowed to establish these types of policies and exert their rights as property owners. Maintain a safe work environment is paramount for the longevity of any employer in Florida.

Taxation

During its Thursday morning session, the Senate unanimously (40-0) approved two sales tax holiday bills supported by AIF. The first was SB 1456 Relating to Sales Tax/School Supplies & Clothing by Senator Dan Webster (R-Winter Garden). This bill establishes a ten day period during which certain school supplies under \$50 are exempt from sales tax. The second was HB 211 Relating to Hurricane Preparedness/Sales Tax passed by Representative Peter Nehr (R-Tarpon Tower). This bill establishes a ten-day sales tax holiday beginning on June 1st (the start of the annual hurricane season) on certain items used by Floridians to prepare for hurricanes such as generators, batteries, weather radios, tarp, etc.

SB 1456 is now in House messages. HB 211 has passed both the House and Senate and was ordered enrolled.

On Friday, April 13th the House Policy & Budget Council unanimously approved HB 215 Relating to Sales Tax/School Supplies & Clothing by Representative Marti Coley (R-Marianna). The bill provides for a sales tax holiday on school supplies and clothing. The bill was amended to reduce the price from \$100 to \$50 for those items eligible for the sales tax exemption. It also changed the date for the sales tax holiday from July 21, 2007 to July 30, 2007 to August 4, 2007 until August 13, 2007. The reason for the reduction in the price of the items eligible for the sales tax exemption is due to a tight budget year.

HB 215 is now ready to be considered on the floor of the House for final passage.

AIF supports increasing business activity by allowing Floridians to purchase essential hurricane and school supplies without having to pay sales tax.

On Friday, April 13th the Senate Transportation and Economic Development Appropriations Committee passed out SB 90 by Senator Jim King (R-Jacksonville) by a unanimous vote. SB 90 is the Motor Fuel Taxes/Commercial Aviation tax reduction plan. The bill would entitle businesses that purchase and use motor fuel in operation of aviation ground support vehicles and equipment to a refund of the motor fuel sales tax, the state comprehensive enhanced transportation system tax, and the local option fuel tax as long as none of the vehicles are operated on public roads. Because these taxes collected are to finance state highway and other transportation projects the taxes on these vehicles is inappropriate. Currently the same tax exemption exists for fuel bought for agriculture, aquaculture, and commercial fishing purposes.

Senator King noted in his presentation of the bill that these vehicles are kept on airport grounds and that no particular participant or airline would benefit significantly more than another. The bill passed by a unanimous vote and Chairman Mike Fasano (R- New Port Richey) declined from making the bill into a Committee Substitute so that the bill would be available for a floor vote as soon as possible.

SB 90's House companion, HB 67 by Representative Dave Murzin (R-Pensacola), also passed out of its last committee stop today, House Policy and Budget, and will be ready for a floor vote in the House soon.

AIF supports providing refunds on motor fuel taxes to the airline industry as an incentive for these companies to perhaps expand their services in the future.

On Friday, April 13th The Senate Finance & Tax Committee unanimously approved SB 1416 Relating to Agricultural Sales Tax Exemptions by Senator Jeff Atwater (R-North Palm Beach). The bill establishes a sales tax exemption for electricity that is being used directly or indirectly for production or processing of agricultural products on Florida's farms. Florida's farmers are looking at approximately \$1.7 million dollars in savings from this proposal. In 2006 the legislature passed an exemption for electricity being used directly for production or processing. The intent behind this year's measure is to clarify the intent of the 2006 legislation to include indirect usage too.

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.

Transportation

On Friday, April 13th the Senate Transportation & Economic Development Appropriations Committee passed SB 506 Relating to the Tampa Bay Regional Transportation Authority by Senator Mike Fasano (R-New Port Richey). The objective of the legislation is to create a new entity able to overcome the parochial pitfalls of addressing infrastructure needs on a county by county basis. The authority's purview would include entering into public-private partnerships (P3s), building limited access toll expressways, developing mass transit and more.

SB 506 is now ready to be considered on the floor of the Senate for final passage.

AIF supports the ability of multi-county areas in Florida to form regional transportation authorities, empowered to implement infrastructure improvements and to increase consideration for vital transportation corridors, seaports, airports and other regionally significant business centers.

Environment

On Wednesday, April 11th the House Environment & Natural Resources Council approved proposed committee bill (PCB) ENRC 4 Relating to Environmental Goldstar Recognition. This bill would reward companies with good compliance records with eligibility for longer permits and short form renewals. This proposal would be a wonderful cost savings to many of AIF members. Unfortunately, there are several parts of the bill that AIF has concerns with, especially how the Department of Environmental Protection (DEP) is allowed to deny permits.

The bill in its current form gives very little incentives for short-form permit renewals, expedited permits and longer permits in some cases. Because of definition problems, we are not sure if any company will ever be able to qualify for the new “Gold Star Permitting” status.

AIF opposes the Florida Gold Star Permitting Act as it currently reads. We would like to thank Representative Williams for her willingness to work on this issue and look forward to our continued negotiations on this legislation.

- 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>
- Send us your E-mail address and we will begin to send this report to you automatically via E-mail.