



DAILY BRIEF

From April 29, 2009

AIF achieved a number of victories on Wednesday as several priority bills are on their way to the Governor for his signature. First and foremost, AIF has been working all session long to develop a plan that would help ensure the sustainability of Florida's unemployment compensation system without unfairly expanding benefits for employees in Florida. Today, [SB 810](#) by [Senator Rudy Garcia \(R-Miami\)](#) was passed by the House of Representatives. This proposal is the business community's solution for dealing with the future insolvency of the unemployment compensation trust fund.

Additionally, AIF's [Florida Maritime Council](#) achieved a great victory today with the passage of [HB 7141](#) Relating to Seaport Security by [Representative Sandy Adams \(R-Oviedo\)](#). This bill provides some significant savings for employers who do work in Florida's 14 deep water ports. AIF has been working on this issue all session long and we are happy to report that we achieved our goals of saving money for employers while preserving security at our ports.

Unemployment Compensation

After long hours of debate, the House of Representatives unanimously passed [SB 810](#) Relating to Unemployment Compensation by [Senator Rudy Garcia \(R-Miami\)](#). This legislation addresses the looming insolvency of Florida's unemployment compensation trust fund. The bill provides the following four measures through which employers' unemployment compensation tax obligations will change:

- Increasing the taxable wage base upon which unemployment taxes are calculated from \$7,000 to \$8,500;
- Permanently increasing the Unemployment Compensation Trust Fund trigger thresholds from 3.7% to 4% and 4.7% to 5%;
- Reducing the period within which an employer may recoup its tax credits from 4 years to 3 years to better stabilize the fund; and
- Extending the eligibility of current unemployment recipients through approximately \$700 million in federal stimulus funds available from the federal government.

These measures will represent an increase in the average Florida employer's unemployment tax of approximately \$35 per employee for small employers with a minimal experience rating. However, the measures are said to be needed to avoid imposition of a forced repayment program from the federal government that would likely result in loss of some or all employer unemployment compensation tax credits and an additional legislative assessment on all employers above the current tax level.

During debate a number of amendments offered by members of the Democratic Party were defeated. These amendments would have expanded benefits for unemployed workers and would have forced employers to pay even more in exchange for just two additional months of benefits for the unemployed. AIF and its partners in the business community have worked all session long to come up with a plan that would deal with the insolvency in the unemployment compensation trust fund, while striking a balance as it relates to expanded benefits.

[SB 810](#) will now be sent to the Governor for his approval.

AIF supports the passage of this bill as the best means for Florida's employers to mitigate the increasing levels of unemployment our state is acing and ensure adequacy in funding of the system. We are committed to continuing to work with legislative and agency leaders to develop and implement the least expensive means of addressing the looming insolvency.

Business Regulation

Today, the Florida Senate approved (36-3) [SB 2626](#) Relating to Telecommunications Companies by [Senator Mike Haridopolos \(R-Melbourne\)](#). The bill allows for the competitive market to serve as the regulator of non-basic telecommunications service, but continues to have Public Service Commission (PSC) regulation over basic service. **Senator Haridopolos** stated that government regulation is a substitute for competition and as long as there was a monopoly government regulation was required, but since there is pervasive competition throughout the state, continuing PSC regulation on non-basic service was unnecessary. He further said the legacy regulatory policy was from the time when there was only one monopoly provider and telecommunications has changed dramatically with 91 percent of the zip codes in Florida having at least four telecommunications providers.

Two amendments were adopted yesterday on second readings that were very consumer friendly, which caused the AARP to become neutral on the bill. The two amendments would allow for the continuation of the price cap of CPI minus 1 percent on basic service to apply even when a customer added a non basic service. This was a change from a two year period to forever for this price cap. The other amendment went back to existing law requiring the phone companies to inform the customer of the lowest priced service available.

[SB 2626](#) will now be sent to the House for consideration.

AIF supports this measure because it brings fair competition to the communications industry by creating a level playing field among the many providers of telecommunications services in Florida, including wireless, cable, VOiP and the incumbent local exchange carriers. The open competition will benefit our members with new and innovative services that may not be offered without a level playing field among the competitors.

Growth Management

Today, the Florida Senate unanimously approved (38-0) [HB 7053](#) Relating to Rural Agricultural Industrial Centers by the [House Agriculture & Natural Resources Committee](#). The bill authorizes the expansion of existing agricultural and industrial facilities employing at least 200 employees, and would restrict such expansion to like uses. Spurring this economic growth could aide in necessary job creation for those local areas.

[HB 7053](#) will now be sent to the Governor for his approval. If signed into law, this legislation may offer expansion of existing agricultural areas with a presumption that they are not urban sprawl.

AIF supports efforts to increase economic development in the rural parts of the state by expanding the provisions of Florida's agricultural industrial centers statutes.

Today, the Florida House approved (76-41) [SB 360](#) Relating to Growth Management by [Senator Mike Bennett \(R-Bradenton\)](#). The bill has changed somewhat from its original filing, in that the exemption for projects from both transportation concurrency and the DRI process is now limited to urban service boundary areas of those defined counties and cities. The bill still enjoys broad, although somewhat muted support from large developers. This is because some of the largest projects are beyond the urban service boundaries. Overall, the legislation remains a bill that its sponsors say cannot be amended for fear of losing DCA support.

The bill picked up some minor amendments, including a provision crediting the costs of improvements of certain transportation facilities paid by the developer towards fair share obligations. All of the amendments added were in conformance with agreements between the Governor's, the Speaker's and the Senate President's offices.

[Representative Chris Dorworth \(R-Heathrow\)](#) commended the measure stating that it will help Florida to once again be competitive against neighboring states in growth, and will make the dream of moving to Florida more affordable and attainable.

[SB 360](#) will now be sent to the Senate for consideration.

AIF supports this measure as a way to stimulate Florida's economy through low cost regulatory measures that seek to reduce unnecessary government oversight.

Legal & Judicial

Today, the Florida House unanimously approved (116-0) [SB 872](#) Relating to Fictitious Names by [Senator Chris Smith \(D-Ft. Lauderdale\)](#). Public notice laws are an important issue and are included in AIF's 2009 Session Priorities. In 2001 the Legislature gave the Secretary of State the authority to waive the requirement to publish a fictitious name in a newspaper of general circulation and post those names on their website. The current exemption language does not provide notice to individuals who do not have access to the internet. [SB 872](#) will still allow fictitious names to be posted on the Secretary of State's website, but reinstates that fictitious names are to be published as well.

[SB 872](#) will now be sent to the Governor for his approval.

AIF is a member of Keep the Public Noticed Coalition, a broad based group who believes that legal notices should be published and posted on the internet to increase the opportunity for public to receive important information. This change in the fictitious name law will protect the public by providing information on the parties who are doing business in their area in a local newspaper as well as on the Secretary of State website.

Taxation

Today, the Florida House unanimously approved (117-0) [SB 2504](#) Relating to Corporate Income Tax by [Senator Thad Altman \(R-Melbourne\)](#). This is the annual corporate "piggyback" bill, which updates the Florida Income Tax Code to reflect changes Congress made to the Internal Revenue Code by adopting the Code as in effect on January 1, 2009. As was the case last year, the bill does not adopt federal bonus depreciation provisions due to the state's financial situation.

AIF's Tax Committee has reviewed the language in [SB 2504](#) in order to prevent the costly mistake included in last year's version of the corporate "piggyback" bill.

[SB 2504](#) will now be sent to the Governor for his approval.

AIF supports passage of SB 2504 so that Florida businesses do not have to endure the burdensome task of filing duplicative tax records.

Today, the Florida House unanimously approved [SB 2430](#) Relating to Discretionary Surtax on documents by [Senator Al Lawson \(D-Tallahassee\)](#). The bill:

- Extends the authority of Miami-Dade County to assess discretionary surtax on documents for the purpose of homeownership assistance and rental housing units;
- Amends statutory language to revert to previous law relating to the application of the excise tax on documents for transactions involving legal entities (referred to as the *Crescent Heights* Fix);
- Creates a housing assistance voucher program;
- Specifies that any uncommitted surtax funds for the purpose of homeownership or rental housing assistance shall be reallocated in subsequent years at a rate of 35 percent for homeownership and 35 percent for rental assistance activities; and
- Authorizes the Department of Revenue to adopt implementing emergency rules for s. 201.02, Florida Statutes, as amended in [SB 2430](#).

An amendment was adopted yesterday which eliminated language that would authorize new bonds for the Florida Forever and Save Our Everglades programs. The amendment eliminated all funding for these programs.

Today, [Representative Carlos Lopez-Cantera \(R-Miami\)](#) proposed an amendment which would allow for documentary stamp taxes to “prop up” existing bonds relating to the Florida Forever and Save Our Everglades programs. **Representative Lopez-Cantera’s** amendment was a compromise with the Senate that put ‘half’ of the original language back into the bill. The amendment was ultimately adopted by the House.

Representative [Ron Saunders \(D-Tavernier\)](#) proposed a strike-all amendment which would revert the bill back to the original Senate language, including full funding for the environmental programs. **Representative Saunders’** amendment failed.

The adoption of **Representative Lopez Cantera’s** amendment today is a compromise with the Senate and its version to fully fund The Florida Forever and Save Our Everglades programs. The bill authorizes documentary stamp revenue to pay off existing debt service, but does not authorize revenue for new debt service. The Florida Forever program represents the State’s most significant vehicle for the purchase of environmentally sensitive lands for conservation purposes.

[SB 2430](#) will now be sent to the Senate for consideration.

AIF supports efforts to close this type of doc stamp loophole, but we do oppose any efforts to change the way certain types of properties are transferred by small business owners and families.

Seaport Security

Today, the seaport security legislation that AIF has been working on all session, [HB 7141](#) by [Representative Sandy Adams \(R-Oviedo\)](#), was approved (36-2) by The Florida Senate. AIF supports this legislation because it substantially reduces the costs of doing business in Florida seaports through lowering the charges payable for criminal background checks and other credentialing processes for seaport access. The legislation also provides private sector business with a voice on the Seaport Security Advisory Council.

[HB 7141](#) will now be sent to the Governor for his approval.

AIF supports this legislation because it significantly reduces the costs to employers conducting business at Florida's public seaports.

Gaming

Today, [SB 836](#) Relating to Gaming by [Senator Dennis Jones \(D-Seminole\)](#) was heard on second reading during the Senate Session. [Senator Ronda Storms \(D-Brandon\)](#) proposed an amendment, which would have increased the minimum gambling age from 18 to 21. The amendment failed.

Senator Jones then substituted [SB 836](#) for [HB 7145](#) ([Select Committee on Seminole Indian Compact Review](#)) as an amendment. The bill:

- Closes quarter horse loophole and subjects quarter horse permit holders to the same permit and licensure requirements as other horse racing permit holders;
- Reduces the annual slot machine license fee from \$3 million to \$2 million;
- Replaces the current tax rate on slot machines (18 percent) to twice (36 percent) the revenue sharing rate applicable to the Tribe set forth in the original Compact or a minimum of \$140 million for slot machine tax collections;
- Extends the hours of operations for card rooms from 12 hours to 24 hours;
- Increases wager limits for various card games;
- Eliminates the mileage limitation or ratification election when transferring from a quarter horse to thoroughbred racing permit;
- Specifies that slot machine licensees in Broward and Miami-Dade Counties must pay a surcharge if their taxes paid in a subsequent FY are not equal or greater than taxes paid by all slot machine licensees for FY 2008-2009; and
- Specifies that the Act will take place for FY 2009-2010, except for amendments to s. 551.106, *Florida Statutes*, which can only take place upon a ratified compact by the Florida Legislature and is approved by the U.S. Department of the Interior as evidenced by the publication of the executed compact in the Federal Register.

All amendments to **Senator Jones'** amendments were withdrawn. [HB 7145](#) was then approved by the Senate on a vote of 29 to 8. Senator Jones requested that the bill be negotiated through the conference committee process.

There appears to be disagreement between the House and Senate regarding the gambling bills. The House refused to concur with [HB 7145](#) as passed by the Senate. [Representative Bill Galvano \(R-Bradenton\)](#) also requested that the bill be referenced to a conference committee. Additionally, the House refused to concur with the Senate's Seminole Compact bill, [SB 788](#) by **Senator Jones**, which was subsequently referenced to the conference committee. The passage of these bills will be contingent on negotiations taking place during the conference process.

The state's reliance on revenue from the Seminole Compact is compounding the issues facing the Pari-mutuel industry and gaming regulation in the state. Additionally, [HB 7145](#) will provide the state with guaranteed revenue from the Seminole Tribe. It remains to be seen to what extent the House and Senate can agree to specific terms during the conferences committees. AIF supports the additional revenues derived from the gaming compact; as long as Florida's long-standing pari-mutuel industry is allowed to remain a viable entity in the state.