



DAILY BRIEF

From January 25, 2016

ENERGY

SB 318- Relating to Regulation of Oil and Gas Resources

On Wednesday, January 13th, **SB 318**, relating to Regulation of Oil and Gas Resources, by **Senator Garrett Richter (R-Naples)** was heard by the **Senate Appropriations Subcommittee on General Government** and passed with 4 yeas and 2 nays. **AIF stood in support of this bill.**

SB 318 makes many revisions to the Oil and Gas Program (Program) to make this program safer and more effective for all involved. The Department of Environmental Protection's (DEP) Mining and Minerals Regulation Program in the Division of Water Resource Management (Division) oversees permitting for oil and gas drilling, production, and exploration within Florida through its Oil and Gas Program. The Program's primary responsibilities include conservation of oil and gas resources, correlative rights protection, maintenance of health and human safety, and environmental protection.

The next and final committee stop for SB 318 will be in the **Senate Appropriations Committee.**

AIF supports the need to maintain appropriate permitting laws to protect the environment, to enhance efficiency between industry and the state, and to ensure appropriate standards are clearly communicated.

Please read below a statement from our Senior VP of State and Federal Affairs, Brewster Bevis, regarding SB 318:

**AIF Statement on Senate Bill 318
Passing Appropriations Subcommittee on General Government**

Tallahassee, Fla. – The **Associated Industries of Florida (AIF)** today released the following statement attributable to its Senior Vice President of State and Federal Affairs Brewster Bevis regarding Senate Bill 318, which is sponsored by Senator Garrett Richter (R-Naples), following its passage in the Senate Appropriations Subcommittee on General Government.

“Senator Richter has worked tirelessly on this good legislation, making a number of changes to the language as he continues to hear concerns and work with Floridians and third-party groups. These changes include an amendment adopted today that clarifies the regulation of oil and gas are preempted to the state; but, also ensures counties and municipalities are allowed to adopt and enforce zoning or land use requirements which may restrict the exploration and production of oil and gas, so long as it does not effectively impose a ban.

“If successful this session, this good legislation will also ensure that the responsible onshore oil and gas industry is allowed to continue to operate, but does so in a commonsense, regulated manner under an empowered DEP, which will be granted increased oversight authority over all high-pressure well stimulation techniques.

“While AIF continues to have concerns about the inclusion of a study, as we find it unnecessary; overall, we are supportive of Senator Richter's SB 318, and thank him for his work on this good bill, as well as his willingness to work with concerned parties throughout the process.”

For more information on AIF, please visit AIF.com and follow [@VoiceofFLBiz](https://twitter.com/VoiceofFLBiz).

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INSURANCE

HB 1097- Relating to Assignment or Transfer of Property Insurance Rights

On Monday, January 25th, **HB 1097**, relating to Assignment or Transfer of Property Insurance Rights, by **Rep. Matt Caldwell (R-Lehigh Acres)** was heard in front of the **House Insurance & Banking Subcommittee** and unanimously passed with 12 yeas and 0 nays.

HB 1097 was replaced with a substitute version which removed the policyholder's enforcement protections and included modifications to several claims timeframes. In order to accommodate these changes, the committee had to adopt a title amendment, changing the bill title to "insurance claims." **AIF's General Counsel, Tammy Perdue**, testified expressing concerns on changes to those timeframes, due to the unstudied effect on property insurance as well as multiple other lines. Many members of the committee also expressed concern about timeframes and are in support of reinstating the enforcement protection for policyholders, which would prevent the transfer of the one-way attorney fee statute. AIF will continue to work with the bill sponsor and continue to keep our members updated on any changes that may occur.

The next committee stop for HB 1097 will be in the **House Regulatory Affairs Committee**.

AIF supports HB 1097 because it aims to stamp out cost drivers and control attorneys' fees for the benefit of premium payers statewide.

TAXATION

SB 98- Relating to the Exemption from the Sales and Use Tax for Certain Machinery and Equipment

On Monday, January 25th, **SB 98**, relating to the Exemption from the Sales and Use Tax for Certain Machinery and Equipment by **Senator Dorothy Hukill (R-Port Orange)** was heard before the **Senate Finance and Tax Committee** and unanimously passed with 6 yeas and 0 nays. **AIF stood in support of this bill.**

Since April 30, 2014, the state has provided an exemption for certain manufacturing equipment from the 6% sales and use tax that is set to expire on April 30, 2017. To qualify for this exemption machinery or equipment must be used at a fixed location in the state and eligible businesses include only those classified in the North American Industry Classification System (NAICS) under codes 31, 32, or 33. Manufacturing establishments classified under these codes include food, apparel, wood, paper, printing, chemical, pharmaceutical, plastic, rubber, metal, transportation, and furniture manufacturing. SB 98 aims to remove the 2017 expiration date and make the exemption permanent.

SB 98 will now head to the Senate floor for consideration.

AIF supports the removal of the three-year sunset on the complete elimination of sales tax imposed on the purchase of manufacturing equipment and machinery.

Below is a statement from our President and CEO, Tom Feeney, regarding the passage of SB 98:

AIF Statement on Manufacturing Equipment & Machinery Tax Exemption Advancing in the Senate

Tallahassee, Fla. – The **Associated Industries of Florida (AIF)** today released the following statement attributed to its President & CEO Tom Feeney regarding the passage of Senate Bill 98, relating to the exemption from the sales and use tax for certain machinery and equipment, by the Senate Finance and Tax Committee.

“As Florida’s leader in manufacturing and Florida’s affiliate for the National Association of Manufacturers, AIF applauds the Senate Finance and Tax Committee today for passing Senate Bill 98. AIF supports permanently eliminating the sales tax imposed on the purchase of manufacturing equipment and machinery.

“This tax exemption, which is part of Governor Scott’s \$79.3 billion budget proposal for FY 2016-17, is good for Florida’s employees and employers, and would help advance Florida’s manufacturing footprint, diversify the economy and create jobs. “With SB 98 now heading to its last committee stop in the Senate, the full Appropriations Committee, we look forward to working with lawmakers to advance this pro-business tax cut that will lead to growing the manufacturing sector in the Sunshine State.”

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WORKFORCE

SB 294-Relating to Labor Regulations

On Monday, January 25th, **SB 294**, relating to Labor Regulation, by **Senator Geraldine Thompson (D- Orlando)** was heard in the **Senate Commerce and Tourism Committee** and failed by a vote of 2 yeas and 4 nays.

SB 294 would have mandated employers to provide wages to all employees (even part time workers or those not otherwise qualified for leave benefits) for “sick” leave in a wide variety of situations many of which may not be connected to the employee’s personal sickness. This expensive mandate has been considered by several local governments throughout the state and AIF has proudly stood with our colleagues in the business community to fight against this costly measure that would hamper job growth in our state. We are pleased with the bill’s fate this afternoon and thank all the senators who voted against it today.

AIF opposes SB 294 and any other legislation that increases costs and undermines the rights of private employers to establish their own benefit programs suitable to the need and nature of their industry.