

A S S O C I A T E D I N D U S T R I E S O F F L O R I D A

LEGISLATIVE DAILYBRIEF



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

FROM SPECIAL SESSION 'E' FOR MAY 8, 2002

The Senate met on the floor today to take up legislation left undone at the end of last week's furious efforts.

Principle among the issues of interest to the business community was legislation crafted to require that when a proposed amendment to the Florida Constitution is presented to the voters on a November ballot, also provided would be a "fiscal impact statement."

The House and Senate both had bills introduced to accomplish this task, at the behest and encouragement of Governor Bush.

Today, the Senate heard and debated SB 68E by Senators Ken Pruitt (R-Port St. Lucie) and Debbie Sanderson (R-Ft. Lauderdale) and approved it by a vote of 26 Yeas to 12 Nays. The Senate then took up the House version, passed last week, amended it to reflect amendments adopted to the Senate bill, and approved it by the same vote of 26 – 12. The House bill is HB 65E by Representatives Dudley Goodlette (R-Naples) and Joe Pickens (R-Palatka). The House has the option of taking up the Senate bill and passing it or concurring in the Senate's amendments to their bill and passing it.

The impetus for this bill is two-pronged. First, in 2000, the voters approved an amendment to the Florida Constitution requiring the establishment of a High Speed Rail System. The amendment found its way on the ballot underwritten by the efforts of a concerted few who took the time to get the necessary petition signatures and one businessman, who had the financial wherewithal to spend several millions of dollars in support of the amendment drive. The voters took a look, thought it sounded like a grand idea and approved it. Lacking on the ballot was any notion of how such a rail system would be financed or how much it would cost. To this day, estimates vary from \$12 billion to \$20 billion on how much it would cost the State to put the rail system into service. The Governor and Legislature have been wrestling with this financial monstrosity ever since the amendment's adoption. They are not happy about this.

In addition, there is now an additional petition drive proposing an amendment to the Florida Constitution regarding "class room sizes." In other words, the amendment seeks to limit classroom crowding by Constitutional mandate. The courts, only a couple of weeks ago, gave the proposed language the "okay" (as being written in a manner required by law). Folks are happily signing the petitions to get the amendment on the ballot and the Legislature is staring into a financial abyss as a result.

While people such as Senator Rod Smith (D-Gainesville) have long publicly held that there should be some kind of financial impact statement on a proposed amendment to the Constitution, the class room size initiative has given the idea a particular urgency.

The business community should take an interest in this issue for one simple reason. If the State is mandated by a Constitutional amendment to underwrite a high-speed rail system or a certain teacher-student ratio, the money has to come from somewhere. Typically, this is where the business community comes into the picture. Wonderful sounding amendments can shipwreck a state budget if they are not given any kind of context. The State can find itself in the position of either rummaging through Medicaid or education funding to find the money or looking at the business community for additional tax revenues.

The legislation simply mandates that the Revenue Estimating Conference calculate and write a fiscal impact statement to appear on the ballot, letting people know that the latest neat idea from some special interest crusade may cost a great deal of money. Senator Rod Smith spoke eloquently on the bill, and offered an amendment that clarified that the State Attorney General must petition the Supreme Court to insure that the Revenue Estimating Conference's statement does not exceed the statutory mandate. This was to alleviate concerns that the Conference might editorialize about the proposed amendment, as opposed to simply providing the fiscal estimates. Some Democrats remained opposed, seeing the effort as an obvious attempt to sidetrack and undermine the ballot initiative on class sizes. They were probably right, but whatever the political motivations behind the legislation, it remains a good idea for both parties.

AIF has no position on this legislation but does see the wisdom in it. High-minded ballot initiatives can be equally seductive and ruinous. Without some notion of what a proposed amendment may cost, the voting public can blindly approve language to the Constitution that, in the long run, could do great harm to other priorities the voters hold important. The Governor of Florida and the Florida Legislature base their annual budget negotiations on the considered estimates of the Revenue Estimating Conference. The Conference's ability to forecast economic activity and state revenues has been uncannily accurate over the years. If the Florida Legislature, with so much at stake, can trust the Conference to provide them with the numbers necessary to calculate a State budget, surely the Conference is equally up to the task of providing Florida's voters with some idea of what a proposed amendment

Stay tuned to our daily brief and to our web site at www.fbnnet.com as the legislature makes some very important decisions on the state's economy. These decisions will have a major impact on the business community and AIF will be reporting to you everything that happens.

This report was prepared by Curt Leonard, Manager – Governmental Affairs at Associated Industries of Florida (AIF). Please send your comments or suggestions to us at aif@aif.com or call the Governmental Affairs department at (850)224-7173.

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