

APRIL 26, 2006

TAXATION

Several taxation bills of high importance to AIF were passed by the Senate during its session today. First and foremost, HB 209 Relating to Intangibles Tax by Representative Fred Brummer (R-Apopka) was passed by a vote of 30-9. The Senate had previously substituted the house version for SB 714 by Senator Jeff Atwater (R-North Palm Beach). The bill eliminates the final 0.5 mill of the intangible personal property tax. No change is made to the 2 mills non-recurring tax imposed upon obligations secured by liens on Florida property.

HB 209 has passed both the House of Representatives and the Florida Senate. After many years of work to repeal this tax, the bill will finally be sent to the Governor for his signature.

AIF supports HB 209 and the repeal of the intangible tax. It is wrong to penalize businesses and individuals who save or invest their money. We need to make Florida competitive with other states by removing this insidious tax.

SB 692 Relating to Sales Tax/School Supplies by Senator Dan Webster (R-Winter Garden) passed unanimously (39-0) out of the Senate. The bill will give Floridian's a holiday from sales tax on certain "back to school" items purchase during the period beginning on July 22 and ending on July 30, 2006. Clothing type items must cost \$50 or less and the supplies must have a selling price of \$10 or less during the time period.

SB 692 will now be sent to the House for consideration. The House version, HB 29 by Representative Ray Sansom (R-Ft. Walton Beach) has been placed on the House Calendar.

AIF supports SB 692 because it increases business activity by allowing Floridians to purchase essential school and hurricane supplies without having to pay sales tax.

Finally, SB 1074 Relating to Tax/Obsolete Agriculture Equipment by Senator Rod Smith (D-Gainesville) was also passed unanimously (39-0). The bill provides for agriculture equipment located on farming property, which is no longer used in agricultural production, to be considered obsolete and therefore assessed at salvage value for ad valorem tax purposes. The bill will help lower farmers' property taxes by reducing the taxable value of equipment no longer being used.

SB 1074 will now be sent to the House for consideration. Its House companion, HB 357 by Representative Ralph Poppell (R-Titusville) is still referenced to one more committee, the House Agriculture & Environment Appropriations Committee.

AIF supports SB 1074 as a great incentive to help the farmers of our state. The agriculture industry is one of the strongest economic drivers in our state, second only to tourism. It is important that we protect this industry and the jobs it provides.

WORKFORCE DEVELOPMENT

HB 595 Relating to Community Behavioral Health Agencies by Representative Dean Cannon (R-Winter Park) was passed 115-2 by the House. The bill limits net economic liability for community behavioral health agencies (provider) in negligence actions to \$1M per claim and \$3M per incident and specifies that damages be offset by any collateral source. It also limits non economic damages to \$200,000.00 per claim. These limitations are extended to any employee who acts in furtherance of the provider's responsibilities and not where the employee acts in a culpably negligent manner.

HB 595 will now be sent to the Senate for consideration. Its Senate companion, SB 280 by Senator Mike Fasano (R-New Port Richey), is still in the Senate Ways and Means Committee.

AIF and its newly created Governmental Outsourcing Council support HB 595. Limiting the damages awarded in these cases will have a direct positive impact on providers by containing their insurance premium costs, thereby reducing administrative costs. Reduced administrative costs will translate into increased funding for the important service provided by community behavioral health agencies.

HB 7097 Relating to Postsecondary Education by the Community Colleges and Workforce Committee was read a second time on the House floor. The bill authorizes district school boards that have established career centers as part of the district school system to enter into agreements for specific associate in applied science (AAS) degree programs with post secondary institutions.

The bill also authorizes career centers and charter technical career centers that offer a postsecondary adult vocational program designed to convert into an associate in applied science degree to use the designation "technical college" and directs the State Board of Education (SBE) to establish a career development path for specific workforce education professions including, criminal justice, business, nursing, allied health and early childhood education.

There was a late filed amendment by Representative Alan Hays (R-Umatilla) to restore the bill to its original form. The amendment was adopted and the bill rolled to third reading.

The Senate companion, SB 2326 by Carey Baker (R-Eustis), is now in Governmental Oversight and Productivity. The Senate bill has already been amended to conform to the House position.

AIF supports HB 7097 and its provisions which will help train Florida's future workforce to be the very best it can be. A well prepared workforce will ensure that Florida continues to attract high paying employers.

AFFORDABLE HOUSING

HB 1363 Relating to Affordable Housing by Representative Mike Davis (R-Naples) was read for a second time on the House floor. This is the House's most comprehensive affordable housing bill. HB 1363 is designed to stimulate workforce and affordable housing in high cost areas of the state, particularly for essential service personnel. This includes teachers, nurses, firefighters, emergency medical personnel, construction trades and areas of critical state concern. The bill includes provisions for moderate priced housing and rental units as well as increasing funding for the Florida Housing Finance Corporation. The bill also improves on workforce housing in the state by modifying Development of Regional Impact (DRI) procedures to encourage developers to increase affordable housing units.

There was a late filed amendment offered by the bill sponsor to make language more permissive and not as obligating for local governments. The amendment was introduced and a series of late filed amendments to the amendment were also taken up.

One of the amendments adopted would require local governments to go through a process before making people leave mobile home parks. This amendment does not require the local governments to do anything; it simply creates a "thought process."

Representative Dudley Goodlette (R-Naples) offered an amendment to the amendment which was adopted that deletes language that is contained in another bill (HB 821 Relating to Community Contribution Tax Credit).

Another amendment to the amendment this time by Representative Joe Pickens (R-Palatka) would have ensured that school districts would not be able to use any part of their \$2 million Fixed Capital Outlay dollars on affordable housing. The amendment was withdrawn after a lengthy debate.

HB 1363 is now ready to be read a third time and voted on by the full House. Its Senate companion, SB 1048 by Senator Jim Sebesta (R-St. Petersburg), is on the Senate calendar.

AIF supports HB 1363. The issue of affordable or "workforce" housing is a priority for our state. AIF applauds the bi-partisan efforts of the legislature to finding a solution. We look forward to working with all bill sponsors on finding common sense approaches to this complex issue.

OTHER BILLS OF INTEREST:

Minimum Wage

The Senate unanimously passed (40-0) SB 786 Relating to Minimum Wage Notification by Senator Tony Hill (D-Jacksonville). The bill requires each employer currently paying an employee the Florida minimum wage to display a poster in a conspicuous and accessible place at a worksite indicating the applicable wage. The bill requires the Agency for Workforce Innovation (AWI) to create the required posters in English and in Spanish and make them available to employers on or before December 1st of each year. Under this bill, each poster must contain specific language outlining the restrictions on employers, the rights of employees, and the penalties for non-compliance with Florida's minimum wage law. The bill also provides formatting, font and size requirements for the posters. One amendment was adopted which clarified the first line of the poster as it relates to the amount of the minimum wage for workers who earn tips.

SB 786 will now be sent to the House for consideration. Its House companion, HB 1211 by Representative Terry Fields (D-Jacksonville) is on the House calendar.

Please send your comments or suggestions to us at aif@aif.com or call the Governmental Affairs department at (850)224-7173.

- 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.