

WEEKLY UPDATE



From April 3, 2015

SB 1468- Relating to the Regulation of Oil and Gas Resources

On Tuesday, March 31st, **SB 1468**, relating to the Regulation of Oil and Gas Resources, by **Senator Garrett Richter (R-Naples)** passed through the **Senate Environmental Preservation and Conservation Committee** with 6 yeas and 2 nays. SB 1468 is the senate companion to **HB 1205** by **Rep. Ray Rodrigues (R-Fort Myers)**.

This bill explains that 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 (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. This bill makes many revisions to the Oil and Gas Program to make this program safer and more effective for all involved.

SB 1468 will now head to its second stop in the **Senate Appropriations Subcommittee on General Government**. **AIF's Senior Vice President of State and Federal Affairs, Brewster Bevis**, stood in support of this bill.

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.

AIF's Brewster Bevis released the following statement:

AIF Applauds Lawmakers on the Senate Committee on Environmental Preservation and Conservation for Passage of Senate Bill 1468

Tallahassee, Fla. – The **Associated Industries of Florida (AIF)** today released the following statement attributable to its Senior Vice President of State & Federal Affairs, Brewster Bevis, applauding lawmakers on the Senate Committee on Environmental Preservation and Conservation for passing Senate Bill 1468, relating to the regulation of onshore oil and gas resources.

“The onshore oil and gas industry has the ability to be a robust sector of Florida's economy that can infuse jobs and capital into our state; however, the industry needs certainty and this good bill by Senator Richter is integral in not only providing that certainty to the industry, but also ensuring a regulatory framework is in place that balances the growth of the industry with environmental stewardship.

“AIF thanks the members of the committee for their consideration and passage of this responsible public policy, and we look forward to it continuing to be successful throughout the process.”

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TAXATION

FTC5- Relating to Taxation

On Tuesday, March 31st, FTC5, relating to Taxation by the **House Finance & Tax Committee**, passed through the **House Finance & Tax Committee** with 16 yeas and 1 nay.

FTC5 is a tax package bill that will encompass a wide variety of issues, from tax exemptions including agricultural items; like feed for aquatic organisms, irrigation equipment, costs of maintenance and repairs of irrigation and power farm equipment, stakes, and certain trailers, the reduction of taxes on state communications services tax (CST), to extending dates for tax credit in certain community contribution donations.

After the committee hearing, FTC5 has since been filed as **HB 7141**. **AIF's Senior Vice President of State and Federal Affairs, Brewster Bevis, stood in support of this bill.**

AIF supports tax cuts for Florida's consumers and businesses.

SB 980- Relating to Defense Contracting

On Monday, March 30th, **SB 980**, relating to Defense Contracting, by **Senator Darren Soto (D-Kissimmee)** unanimously passed through the **Senate Finance and Tax Committee** with 7 yeas and 0 nays.

SB 980 authorizes a defense industry prime contractor to reduce its net income that is subject to tax in Florida by an amount equal to four percent of payments made under certain subcontracts awarded to Florida small business subcontractors. Each prime contractor is limited to \$125 million in subcontract awards per calendar year and the entire program is limited to \$1.25 billion in subcontract awards per calendar year. The Revenue Estimating Conference has not reviewed the impact of the bill. Staff estimates that the bill will reduce General Revenue receipts by \$2.25 million annually. **AIF's Senior Vice President of State and Federal Affairs, Brewster Bevis, stood in support of this bill.**

AIF supports the reduction of taxes for defense contractors in the state of Florida and growing this important industry in our state.

SB 544- Relating to Exemption from the Sales and Use Tax for Certain Machinery and Equipment

On Monday, March 30th, **SB 544**, relating to Exemption from the Sales and Use Tax for Certain Machinery and Equipment, by **Senator Dorothy Hukill (R-Port Orange)** unanimously passed through the **Senate Finance and Tax Committee** with 8 yeas and 0 nays.

SB 544 removes the expiration date for the exemption from sales and use tax for certain industrial machinery and equipment. The current exemption for industrial machinery and equipment continues through April 2017. Therefore, the bill does not have a cash impact in Fiscal Years 2015-2016 or 2016-2017. The Revenue Estimating Conference has determined that the bill will reduce General Revenue receipts by \$122.4 million in Fiscal Year 2017-2018, with a \$122.4 million recurring impact. The bill will reduce local government revenue by \$27.4 million in Fiscal Year 2017-2018, with a \$27.4 million recurring impact.

SB 544 will now head to its last stop in the **Senate Appropriations Committee**. **AIF's Senior Vice President, Brewster Bevis, stood in support of this bill.**

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. Doing so would lead to expanded manufacturing here in Florida.

INSURANCE

SB 916- Relating to Commercial Insurer Rate Filing Procedures

On Monday, March 30th, **SB 916**, relating to Commercial Insurer Rate Filing, by **Senator Bill Montford (D-Tallahassee)**unanimously passed through the **Senate Commerce and Tourism Committee** with 4 yeas and 0 nays.

This bill removes inconsistencies in the statute with respect to commercial rate filings. In 2011, Rep. Drake unanimously passed a bill that exempted commercial insurers from filing rates for most types of commercial lines with the Office of Insurance Regulation (OIR). This flexibility was needed since commercial risks are varied, often complex, and need to be uniquely tailored to meet the needs of a particular industry and business. SB 916 removes a certification requirement to rate filings, and aligns the annual rate filing statute with the exemption for commercial multiple peril insurance and commercial motor vehicle insurance.

SB 916 will now head to the **Senate Rules Committee** **AIF stood in support of this bill.**

AIF supports removing redundant or burdensome regulations that add no value to the end user, the consumers. AIF also supports a robust and competitive commercial marketplace, as this vibrancy results in better prices and better products for business owners.

PROPERTY RIGHTS

SB 896- Relating to Location of Utilities

On Thursday, April 2nd, **SB 896**, relating to Location of Utilities, by **Senator Jeff Brandes (R- St. Petersburg)**, passed through the **Senate Transportation Committee** with 5 yeas and 1 nay.

SB 896 will clarify the difference between a Right of Way (RoW) and an easement. This bill will also define which party is financially responsible for the transfer/move in both a RoW and an easement.

This bill will head to its last committee stop in the **Senate Appropriations Committee** . The House companion, **HB 391**, is also headed its last committee stop in the **House Regulatory Affairs Committee**. **AIF's Vice President of State and Federal Affairs, Brewster Bevis, stood in support of this bill.**

AIF supports protecting the private property rights of Florida businesses.

HB 383- Relating to Private Property Rights

On Tuesday, March 31st, **HB 383**, relating to Private Property Rights, by **Rep. Katie Edwards (D-Sunrise)**, passed through the **House Appropriations Committee** with 20 yeas and 7 nays.

The US Supreme Court has ruled that a government entity cannot demand that a property owner surrender property in order to receive land use permits unless there is a nexus between the government's demand on the landowner and the effect of the proposed land use. This legislation gives landowners the right to sue government entities for damages where local and state governmental entities impose conditions that rise to the level of unconstitutional exactions.

The bill also amends the Bert J. Harris, Jr., Private Property Act to provide that only those property owners whose real property is the subject of and directly impacted by the action of a governmental entity may bring suit under the act and to provide that the safe harbor provisions for settlement agreements between a property owner and governmental entity apply regardless of when the settlement agreement was entered.

HB 383 will now head to its last stop in the **House Judiciary Committee**. **AIF stood in support of this bill.**

AIF supports this measure to protect the interests of Florida property owners.

EDUCATION

SB 118- Relating to Voluntary Contributions for Public Education Facilities

On Thursday, April 2nd, **SB 118**, relating to Voluntary Contributions for Public Education Facilities, by **Senator Alan Hays (R-Umatilla)** unanimously passed through its second stop in the **Senate Appropriations Subcommittee on Education** with 7 yeas and 0 nays.

This bill sets up a process for businesses to solicit and collect voluntary contributions for the construction and maintenance of public education facilities. Under the bill, participating businesses are required to remit the contributions to the Department of Revenue for deposit into the Public Education Capital Outlay and Debt Service (PECO) Trust Fund.

SB 118 will now head to the **Senate Fiscal Policy Committee** for its last stop. **AIF stood in support of this bill.**

AIF supports legislature to ensure that Public Education Facilities receive the funding they need for their facility costs.

ECONOMIC DEVELOPMENT

HB 451- Relating to Entertainment Industry Tax Credit Program

On Tuesday, March 31st, **HB 451**, relating to Entertainment Industry Tax Credit Program, by **Rep. Mike Miller (R-Orlando)** passed through its second stop in the **House Finance & Tax Committee** with 12 yeas and 5 nays.

The bill proposes significant modifications to the current incentives and benefits the state offers for companies within the film and entertainment industry. HB 451 both modifies the processes by which companies may receive such tax credits and exemptions and creates an additional incentive, the "Production Action Fund."

The next stop for HB 451 is the **House Economic Affairs Committee**. **AIF's Senior Vice President of State and Federal Affairs, Brewster Bevis**, stood in support of this bill.

AIF supports the Entertainment Tax Credit Program due to the jobs a more robust film industry would produce here in the state of Florida.

SB 1046- Relating to the Entertainment Industry

On Thursday, April 2nd, **SB 1046**, relating to the Entertainment Industry, by **Senator Nancy Detert (R-Venice)** unanimously passed through the **Senate Appropriations Subcommittee on Transportation, Tourism, and Economic Development** committee with 9 yeas and 0 nays.

This bill restructures Florida's approach to the entertainment industry in the state. One main benefit of this bill that is important to AIF and its members is the increased percentage of Florida residents that must be employed in qualified productions.

The next stop for SB 1046 is the **Senate Appropriations Committee**. **AIF's Senior Vice President of State and Federal Affairs, Brewster Bevis**, stood in support of this bill.

AIF supports providing tax credits to the Entertainment Industry here in Florida, as it will create more jobs for the citizens of Florida.

SB 7014- Relating to Corporate Income Tax

On Wednesday, April 1st, **SB 7014**, relating to the Corporate Income Tax, by the **Senate Finance and Tax Committee** was heard on the Special Order Calendar of the Senate floor for its 2nd reading. After the 2nd reading the Senate substituted SB 7014 for its house companion **HB 7009**.

This bill updates Florida's Corporate Income Tax Code by adopting the Internal Revenue Code as in effect on January 1, 2015. SB 7014, which is now substituted for HB 7009, will move on to the desk of the Governor for his signature.

AIF supports continuing to phase out the corporate income tax.

LEGAL & JUDICIAL

SB 1048- Relating to Motor Vehicle Manufacturers Licenses

On Thursday, April 2nd, **SB 1048**, relating to Motor Vehicle Manufacturers Licenses, by **Senator Rene Garcia (R-Hialeah)** passed through the **Senate Appropriations Subcommittee on Transportation, Tourism, and Economic Development** with 7 yeas and 1 nay. It is also the companion bill to **HB 921** by **Rep. Carlos Trujillo (R-Doral)**.

The bill provides additional grounds to deny, suspend, or revoke a license held by a manufacturer, factory branch, distributor, or importer. It also prohibits manufacturers from taking certain actions against dealers, and requires certain procedures be followed by the manufacturer when dealing with dealers. This act applies to all franchise agreements entered into, renewed, or amended after October 1, 1988, unless such application impairs valid contractual agreements in violation of the Florida Constitution or United States Constitution.

SB 1048 provides nothing but unnecessary protections for dealers, no added benefits for consumers, drives up the costs and limits the availability of cars in Florida. This bill will now move on to the **Senate Rules Committee**. **AIF stood in opposition of this bill.**

AIF opposes any legislation that creates an unfair playing field for Florida's businesses and consumers.

SB 224- Relating to Public Records/Public Agency Contracts

On Thursday, April 2nd, **SB 224**, relating to Public Records/Public Agency Contracts, by **Senator Wilton Simpson (R-New Port Richey)**, unanimously passed through the Senate floor with 36 yeas and 0 nays.

This bill addresses the procedure for obtaining records relating to a public agency's contract for services with a private contractor. As it stands today, the Florida Constitution provides every person the right to inspect or copy any public record made or received in connection with the official business of any public body, officer, or employee of the state, or of persons acting on their behalf.

However, the issue is who the party responsible for providing these public records is. If this bill becomes law, requests for records relating to a public agency's contract for services must be made to the public agency instead of the contractor. An agency who receives a request for records possessed by a contractor must attempt to obtain the records from the contractor.

SB 224 will now head to the House floor for a vote; however the House companion, **HB 163**, has one last committee stop in the **House State Affairs Committee** before heading to the floor.

AIF supports legislation that reduces frivolous law suits against Florida businesses.

PERMITTING

SB 466- Relating to Low-Voltage Alarm Systems

On Thursday, April 2nd, **SB 466**, relating to Low-Voltage Alarm Systems, by **Senator Anitere Flores (R-Miami)** unanimously passed through its last stop in the **Senate Rules Committee** with 12 yeas and 0 nays.

SB 466 amends the current law related to permits required for low-voltage alarm system installation. The bill clarifies that the current law applies to “all” low-voltage alarm system projects for which a permit is required by local government or “local enforcement agencies,” including both residential and commercial low-voltage alarm systems. The bill clarifies that a permit is not required to install or service a “wireless alarm system,” and defines “wireless alarm system” as a burglar alarm system or smoke detector that is not hardwired. The bill lowers the maximum permitting fee from \$55 to \$40 per permit label.

While SB 466 will make its first move onto the Senate floor for a vote, the House companion, **HB 413**, is on its 2nd reading on the House floor. **AIF stood in support of this bill.**

AIF supports legislature that will reduce unnecessary permitting on Florida businesses.