



BROWARD COUNTY - TALLAHASSEE

# LEGISLATIVE UPDATE

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## February 9-13 Committee Week

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### Budget

The Policy Committee of Ways and Means, which met Monday afternoon, opened its meeting by describing an additional \$1.9B deficit expected within the current fiscal year's budget. The Special Session on the budget anticipated additional drops in revenue; however members discussed preliminary reports of revenue estimates in advance of the March 13<sup>th</sup> formal conference and posited that the entire \$366M working capital balance will soon be depleted. Committee members were given a list of considerations to determine what currently provided programs and services would be appropriate for elimination. Some considerations mentioned include:

- is the program or service authorized in Florida Statute or in the State's Constitution;
- does the program or service require any maintenance of effort;
- does the program or service have an economic benefit;
- is the program or service mandated by federal law;
- is the program or service duplicated in whole or in part by any other state, local, or federal agency;
- does the program or service provide grants to local governments, and/or;
- does the program or service have statewide impact.

At the Senate's Finance and Tax Committee meeting on Tuesday, the budget workshop centered around a discussion of the impacts of the "roll-back," Amendment 1, and Amendments 3, 4 and 6, which passed on the November ballot. Absent millage caps and the implementation of "roll-backs," the

Department of Revenue estimated that the State would have a significantly higher revenue collection rate--approximately \$4.7B more. Of further interest is the State's position that the ballot language in Amendment 3 inaccurately asserted that the Renewable Energy and Wind Resistance exemption was no longer in effect, which may lead to court action. In addition, the terminology in Amendment 4, related to Conservation Lands, may be challenged in the courts as a result of its ambiguity. The ballot language interchangeably utilized the terms "land" and "real property", while also failing to explicitly identify who is to make a the conservation designation. Amendment 6, dealing with Working Waterfronts, offered a checklist to determine who would qualify for the benefit; however, the legislature will still need to define terms used in the checklist, such as, "predominant use," "accessible to the public," and "water dependent."

### TRIM Notice

Additionally, members of the Finance and Tax Committee were provided a presentation by the Department of Revenue (DOR) regarding their required report, The Effects of Recent Changes In Law On The Notice of Proposed Property Taxes. The intent of the Truth in Millage (TRIM) notice enacted in 1980 was to provide the taxpayer with sufficient information to separate the impacts of the property appraiser's determination of taxable value of property and the local government's tax levy as well as information regarding public hearings for taxpayer input. Recent changes in law such as optional local exemptions and Amendment 1 have further complicated the

TRIM notice. In the report, DOR has suggested expanding the notice to two pages in order to detail fiscal information more accurately for the taxpayer and a degree of flexibility in designing the form citing as a related issue the desire of some counties to expand the use of the form.

The Senate Health and Human Services Appropriations committee met each day this week, asking various agencies to make presentations of their base budgets and core services. All agencies over which the committee has jurisdiction completed their presentations by Wednesday at noon, at which time the Chairman, Senator Peaden, indicated that he would like to have the Department of Children and Families (DCF), Agency for Health Care Administration (AHCA), as well as the Department of Health (DOH), return with information about their discussions with the Governor's office about potential impacts of the federal stimulus bill (ARRA). The Chair asked AHCA and DOH to consider combining sections, or collapsing in order to save money.

### **Visit Florida**

In the Senate Transportation and Economic Development Committee on Wednesday morning, Visit Florida was placed under a high level of scrutiny, apparently in an effort to mitigate press coverage of their \$600K contract with a Kansas City corporation to operate the Visit Florida call center and undertake "fulfillment" activities. Senator Diaz de la Portilla announced that he spent several hours the previous afternoon calling the Kansas City call center with basic questions about Florida, such as: the location of its capitol; whether the capitol was on the beach; the driving distance between Miami and Orlando, etc. Senator Diaz de la Portilla's assertion was that on none of the five times he spoke with a call center representative, could any of those three questions be answered accurately. Chairman Fasano asked pointed questions about the source of cash for the overall budget, as well as Visit Florida staff salaries, bonuses, and

commission payments. Senators Storms and Gardiner followed up with concerns about the use of tax dollars for specific types of travel, as well as justifiable impact, or "return on investment," from travel activities. In the end, Chairman Fasano indicated that he would be recommending that Visit Florida receive no TEDS funding at all in the next fiscal year, or at the very least that no taxpayers' dollars be directed toward bonuses, commissions, or travel expenses.

### **Early Learning Coalitions**

HB 501, by Representative Evers, seeks to eliminate Early Learning Coalitions and Advisory Councils, statewide, and transfers current functions to the Agency for Workforce Innovation. The bill also substantially alters definitions of "market rate" and "prevailing market rate," as well as the differentiation of services offered, with respect to child care provider services charges in F.S. 402.3051. Finally, the bill alters the section of Florida Law currently expressing legislative intent with respect to school readiness efforts, and deletes any reference to Early Learning Coalitions as separate from the Agency for Workforce Innovation.

### **Cigarette Tax**

Florida is not the only state considering an increase in cigarette taxes. According to a survey by the National Conference on State Legislatures, at least 17 states have pending legislation that would increase tobacco taxes. The bills vary in the amount of the increase as well as the purposes of the increased revenue; some states specifically target the funding for health care or smoking cessation while others are just seeking increased general revenue. The federal government has already passed a bill increasing the federal tobacco tax by 61.6 cents. Cigarette tax increase legislation was filed last year but was not heard in the House and died in committee in the Senate. This year, Senate and House leadership have said the issue will be considered.