



MAF CAPITAL REVIEW

March 26, 2010

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First Coast Manufacturers in Town

Manufacturers from the First Coast Manufacturers Association were in town this week to visit with legislators. We were delighted that they were able to watch the debate on passage of the Senate "Jobs" Bill, SB 1752. Nancy Stephens, MAF, and Mark Wilson, Florida Chamber, provided the group with an overview of session issues. Thanks to Lad Daniels and the FCMA team for spending the time at the capital talking about manufacturing issues.

Manufacturing Tax Bills That Passed

March 25 was a good day for manufacturers in Tallahassee.

In the morning the Senate passed SB 1752 that includes:

- A 2-year sales tax holiday on the purchase of manufacturing machinery and equipment for purchases greater than that spent in 2008. (Example: If you spent nothing in 2008, all your purchases for machinery and equipment would be tax exempt from July 1, 2010 through June 30, 2011. If you spent \$10,000 on machinery and equipment in 2008, then everything you purchased above \$10,000 in fiscal years 2010 and 2011 would be tax exempt.) There would be no 10% productivity showing requirement in those two years.
- Tax credits for entertainment industry businesses.
- Tax credits to certain businesses that employ unemployed workers.
- An increase in the amount of tax refunds available to pay the state's share of refunds under the qualified defense contractor and space flight business tax refund program for qualified target industry businesses.
- Revisions to the Qualified Target Industry program, including a return on investment calculation.
- A Research Commercialization Matching Grant Program to provide grants to certain small companies;
- New procedures for the delegation of environmental programs to local governments.
- Expansion of the DEP on-line self certification for certain permits and exemptions.
- Funding for Space Florida to provide targeted business-development support services and business recruitment.
- An appropriation to retrain workers in the space industry.
- Extension of the expiration dates of certain DEP or water management district permits.
- Preference to Florida residents on state funded construction projects.
- Funds for the Florida Export Finance Corporation to capitalize an expansion of its existing loan program for exporters.

In the afternoon, the House Finance & Tax Committee passed PCB FTC 10-11 that redefines productive output for use in qualifying for a sales tax exemption for machinery and equipment to:

- a) allow a business to qualify for a tax exemption when expanding a product line by 10%;
- b) allow a business to choose the 12-month period within a 2-year period to show 10% increase in productivity.

Recycling Bill Gets Chilly Reception in House

HB 1559 by Rehwinkel Vasilinda was temporarily postponed by the House Agriculture and Natural Resources Committee on March 25. This was the companion, albeit a much less comprehensive bill, to SB 570 by Constantine that has passed one committee in the Senate. It is unlikely that a recycling bill will move forward in the House.

Water Bills Emerge

SB 550 by Senator Constantine passed the Senate Environmental Protection Committee on March 23. The bill promotes water supply planning and development, directs DEP to develop a statewide stormwater management rule, redefines pollution to include excess nutrients, provides springs definitions, directs DEP to establish and implement numeric nutrient criteria, prohibits land application of septage, requires DEP to submit a report on reclaimed water use, requires the adoption of spring protection zones, requires Total Maximum Daily Load calculations for springs, and more. The bill is now in the Governmental Oversight and Accountability Committee.

On March 25 the House Agriculture and Natural Resources Committee considered a committee bill related to water supply projects and then temporarily postponed consideration on PCB ANR 10-13. There was some talk about further study over the next year. This would have been the closest thing to a companion for SB 550.

Space and Port Bills Launching

The Senate Commerce Committee passed SB 2606 Space Florida, SB 1188 Space Flight, Zones, SB 2500 Space and Aerospace Infrastructure, and SB 2476 Space Business Investment all related to the space program on March 24. The House Economic Development Policy Committee passed HB 963 Seaports on March 25 and the House Finance & Tax Committee passed HB 1169 Ports, creating the Florida Ports Investment Act on the same day. The Senate passed SB 200 Seaports on March 23. MAF supported the bills.

Consumptive Use Permits

The House Agriculture and Natural Resources Committee passed HB 7175 Consumptive Use Permitting on March 26. The bill reduces the frequency of compliance reports for 20-year consumptive use permits from every 5 years to every 10 years. It also prohibits the reduction of water allocations when a permitted has not used the maximum allocation due to conservation.

REMINDERS!

- MAF/EFI Export Webinar on March 31 at 10:00 a.m. E.T. Contact us to register.
- Register online now for the MAF Safety Conference on April 13-14, 2010 in Tampa.
- Mark your calendars for the MAF Post Session Briefing and Reception on May 13 in Orlando.

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