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MEMORANDUM

DATE: March 13, 2009

TO: Florida Port Directors

FROM: Michael L. Rubin

SUBJECT: **FLORIDA LEGISLATIVE REPORT – MARCH 13, 2009**

The Florida Legislature completed the second week of Regular Session 2009, and only seven (7) weeks remain until the end of this Regular Session. We provide the following report on current issues:

1. Budget. Budget numbers continue to look bleak, and the Legislature is still trying to figure out whether non-recurring federal stimulus dollars can be used to fill some holes in the FY 09/10 budget. The Revenue Estimating Conference is meeting today to decide on the estimates that will be used for the budget. The initial numbers from the Conference are not good – they are predicting that tax collections for the last four months of the current FY 08/09 fiscal year will plunge by approximately \$1 billion, and next year’s revenues will fall approximately \$2 billion below what the Governor’s initial budget submission to the Legislature earlier this month predicted. Thus, initial budget recommendations in the Governor’s FY 09/10 budget proposal must be revised to reflect this decline. We expect that this bleak picture will continue to make an already cranky group of legislators a little crankier.
2. Sales Tax Exemptions: The Finance and Tax Committees in both the House and Senate are trying to wrap their arms around sales tax reform. Initial discussions have included repeal of some existing sales tax exemptions, and even a discussion by the Florida Tax Watch in the Senate Finance and Tax Committee on the need to review taxation of some services. It is unclear at this time whether the ultimate outcome of these discussions will result in any substantive legislation or reform. We continue to watch these discussions very carefully.
3. Seaport Security: Since our telephonic discussion, the Senate Military Affairs and Domestic Security Committee held a “workshop” discussion on potential reforms. Representatives from Associated Industries of Florida, Florida Trucking Association, and Longshoremen Unions testified in front of the committee concerning the need to repeal state credentialing requirements. Representatives from the Governor’s Office of Policy and Budget and the Office of Drug Control testified on the need to maintain a state background check process – including the need to maintain a check for additional disqualifying felonies (especially burglary) that are

not disqualifiers on the federal list. Randy Ball, Governor's Office of Policy and Budget, specifically stated that the Governor wanted to try and move to "one card," but also wanted to maintain burglary as a disqualifying felony.

There was no time left to hear testimony from Deputy Commissioner Ken Tucker, Florida Department of Law Enforcement (FDLE). However, Senator Dave Aronberg (D-Palm Beach), Chair of the Committee, stated that Mr. Tucker had some statutory recommendations that could help resolve some outstanding issues and enable the state to reduce costs on users for a state background check. We have not seen any statutory language to date, but we have been informed that the FDLE is working on some type of "compromise language."

Since our last discussion, the situation in the House has gotten a bit murkier. Representative Julio Robaina (R-Miami/Dade) was removed as Chair of the House Council on Criminal and Civil Justice Policy. Representative William Snyder (R-Stuart) has replaced Representative Robaina as the Chair, and Representative Sandy Adams (R-Orlando) was named Vice-Chair of the Council. This situation has complicated the procedural issue of which committee will develop legislation to resolve outstanding statutory issues. Representative Greg Evers (R-Milton), Chair of the House Committee on Roads, Bridges and Ports, may ultimately handle any initial legislation in his committee.

We continue to meet with leadership in the House on this issue. The consistent statement from leadership at this time is that they are not ready to completely remove the additional layer of state criminal history database screening. However, they are seeking ways to resolve the issue in a manner that reduces operational costs at seaports and reduces fees on workers and port users. Current discussions include removing seaports from the background check process and having FDLE conduct these checks with access eligibility provided to the ports via a central database system; working with the federal government to resolve information sharing on TWIC waivers and FCIC/NCIC database issues; and reducing the cost to workers and port users on any additional state check – a potential one time cost for a five-year card. We expect that the House and Senate will direct additional meetings with FDLE, the Governor's Office, seaports, and other interested parties to develop and refine legislation that contains compromise language that all parties can ultimately agree upon as at least an interim solution.

We will provide you with any documents and updates on these issues as they are received.

If you have any questions or comments, please call us at (850) 222-8028.

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