

CAPITOL UPDATE

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UPDATED BUDGET PROJECTIONS FORECAST GREATER DEFICITS

On Friday morning, March 13, Florida's Revenue Estimating Conference reported their newest economic forecast on the state's revenue collections.

The Conference announced a \$1 billion shortfall in the current fiscal year that ends June 30, and an additional \$2 billion shortfall to a projected \$5 billion deficit for the upcoming FY 2010 budget that begins July 1. These continuing declines in revenue follow on the heels of a special session in January, where \$2.4 billion was cut to maintain a balanced budget as required by the Florida Constitution.

The Legislature has been searching for additional funds to shore up the budget, including a proposal to borrow funds from Florida's Prepaid College Program, and increasing the cigarette tax. Meanwhile, the House Council on Finance and Tax continued its review of the state's sales tax exemptions to see if any can be eliminated to bolster revenues. Florida TaxWatch, a private, non-partisan research institute, conducted an independent analysis to produce its own recommended list of 17 exemptions to end that would generate an estimated \$224 million a year in

state revenue. The group also suggested services that could be taxed to increase revenues of approximately \$335 million, such as dry cleaning and personal care.

In addition, legislation has been filed in both chambers, SB 2576 and HB 1163, that would require an automatic periodic review of sales tax exemptions and automatic abolishment (with the exception of food, medicine, etc.) unless saved by the Joint Legislative Sunset Committee.

List of Recommended Exemptions by Florida TaxWatch

INTERNET SAFETY BILL LAUNCHES IN SENATE

Legislation expanding Hillsborough County's highly successful public library internet safety program statewide passed the Senate Governmental Oversight and Accountability Committee on Wednesday afternoon. SB 324 sponsored by Senator Victor Crist (R - Hillsborough County), passed by unanimous vote.

A priority of the Hillsborough Board of County Commissioners, the legislation incentivizes Florida's public libraries to implement an age appropriate, law enforcement endorsed internet safety education program to teach children how to safely use the internet, and proper on-line deportment. Those libraries who success-

fully participate will receive additional points when applying for state technology grants

The Senate bill has two remaining committee stops before consideration by the entire body. Its House companion, HB 233 by Representative Rachel Burgin (R - Tampa) is ready to be heard.

DID YOU KNOW...

- Florida's 160 legislators have filed 2,138 bills for the 2009 legislative session?
- Florida has over 100 specialty license plates, the most in the U.S.? 18 new plates are being proposed this session.

PROPERTY TAX REFORM PROPOSALS ADVANCE

A series of property tax reform measures were advanced this week in the Legislature:

HJR 385 proposes a constitutional amendment to limit the combined amount of ad valorem taxes that can be collected by local taxing authorities to 1.35% of a property's highest taxable value. It passed on a 9-3 vote. Its Senate companion, SJR 738, will be heard on March 17 in the Senate Community Affairs Committee.

HJR 97 is Governor Charlie Crist's newest property tax

proposal. Its consists of two components:

- A limit on annual property tax assessment increases for commercial or residential rental property to the greater of 5% or the average annual percentage growth in revenues derived from the property over the proceeding three years if ownership has not changed; and
- A 50% homestead exemption for first time homebuyers up to \$250,000, which will then be reduced by

20% each year thereafter.

The Senate companion bill, SJR 532, will also be heard on March 17.

HB 521 shifts the burden of proof to the property appraiser for showing that an ad valorem tax assessment is correct. It has two similar bills in the Senate - SB 1006, which will be considered on March 17, and SB 1102, which is available for consideration.

In the Senate, the Community Affairs Committee considered SJR 1906, a proposed consti-

tutional amendment to cap state and local government revenues at 2010-2011 levels and limit growth inflation and population or school enrollment. It would also requires a referendum for any new tax, fee or assessment.

After extensive public testimony and debate among committee members, the bill passed 6-4 along party lines. It is scheduled to be heard in the second of its five committees of reference, Governmental Oversight and Accountability, on March 18.

STATE PROMOTES BUDGET TRANSPARENCY

In response to citizen interest, a pair of proposals to expand transparency and shed light into how taxpayer funds have been filed for consideration.

SB 1972 by Senator Ronda Storms (R - Hillsborough County) creates the "Track Your Taxes—The Florida Budget Openness Act." It would require the Florida Department of Financial Ser-

vices to create a searchable, free website with information on government budgets at all levels having a population over 10,000. The House companion, HB 971, will be heard in the House Government Accountability Act Council on March 17.

SB 594 and HB 1421 create the "Taxpayer Transparency Act," and are similar in scope to the previously referenced

bills. They require the Governor's Office of Policy and Budget to develop a searchable database for public knowledge. SB 594 was workshopped by the Senate Governmental Oversight and Accountability Committee on March 5, where ideas for improvement and clarification of the measure was discussed.

ART IN PUBLIC BUILDINGS

Two Hillsborough Legislative Delegation members have filed legislation addressing the acquisition and display of public art in state buildings.

SB 1104 by Senator Ronda Storms (R - Hillsborough County) and HB 1295 by Representative Rich Glorioso (R - Plant City) would repeal the statutory requirement that funding up to 5% of the total cost of a new state building be allocated to purchase public art.

The Senate Governmental Oversight and Accountability Committee passed its version by a vote of 4 - 3. The House bill is awaiting a hearing.

To learn more about a particular bill, the budget, or members of the Florida Legislature, visit *Online Sunshine* at: www.leg.state.fl.us

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THE FUTURE OF STATE AGENCIES

Members of the House and Senate are exploring the idea of merging or dismantling some state agencies in an effort to save money or streamline what some consider duplicative functions. This week the House Military and Local Affairs Committee considered proposed committee bill MLA 09-01, which would abolish the Depart-

ment of Community Affairs, and assign some of its current responsibilities to the Department of State and the Executive Office of the Governor. Members voted 12 - 3 to introduce the proposal as a formal bill for future consideration. Discussion has also taken place about merging the Department of Health with the

Agency for Health Care Administration. Agencies are statutorily created extensions of the Executive Branch. Any legislation altering the structure or existence of an agency require legislative action, and are subject to the Governor's review.

**GOVERNOR
BOB
MARTINEZ
HONORED**

Former Florida Governor and Tampa Mayor Bob Martinez was designated this week as a 2009 Great Floridian in honor of his major contributions to the progress and welfare of the state.

Governor Martinez, the state's 40th Governor from 1987 - 1991, was recognized for his leadership in the area of environmental land acquisition and surface water improvement, as well as his work to eliminate wasteful spending and fight illegal drugs.

The award will be presented on March 25 in Tallahassee.



Governor Bob Martinez