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TO: MEMBERS OF THE FLORIDA FACILITY MANAGERS

FROM: WAYNE R. MALANEY, P.A.

DATE: JUNE 23, 2008

RE: 2008 LEGISLATIVE SESSION

The primary issue facing FFMA this year (AND IT WILL BE THE # 1 ISSUE NEXT SESSION) was the need to erase or extend the sunset on the 3 remaining tax exemptions that have not gained this position.

Currently the sales tax exemption on admission to events which are totally (100% sponsored/promoted) by a government entity, the rental sales tax exemption on services related to the use of the facility, and the rental sales tax on space used to sell novelty concessions when that space is paid for based on a percentage of the sales are due to sunset beginning July 1, 2009.

SB 1418/HB843-Sunsetting of Tax Exemptions

Our bill sponsors this year were Sen. Alex Diaz de la Portilla (SB 1418) and Rep. Rich Glorioso (HB 843). Sen. Diaz de la Portilla has sponsored the bill the last two years.

The bills had successful hearings in the House and Senate, clearing 3 different committees with unanimous votes. BUT, as you are all aware, the budget cuts prevented the bills from moving further.

I have to thank the members that stepped up this year when trying to move the bill forward was really on the line. The participation from members this year was better than in the past, on contacting legislators and responding to Rick Hamilton on the survey he and I compiled. In the end, this and getting the revenue impact reduced was not enough to overcome the economic state of affairs in Florida.

The arguments that have worked in the past—jobs, economic impact, taxes paid—are no longer enough to carry the day. It seems that unless a business or service is going to leave the state (case in point the near passage of a tax exemption on airplane's being in the state for repairs being able to avoid sales tax on the purchase price).

It is interesting to note that even the annual sales tax exemptions for school clothing and hurricane preparedness did not pass this year.

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HB 675/SB 2198-Hannah Montana

This bill was referred to as the "Hannah Montana" legislation. It was filed by Rep. Gelber and Sen. Geller, respectively. Rep. Geller was attempting to require facilities to account for the tickets—even those not in your possession or over which you had no control sales—available for any show held at the facility. The requirements created an administrative nightmare and were not going to accomplish his purposes. I met with Rep. Gelber on several occasions and was able to "educate" him on how ticket sales take place. He agreed to several amendments to make the bill less onerous. I was able to determine that there was enough opposition that the bill would die. FFMA was able to wear the white hat and continue our support of being the last line of support for the consumer. His bill was **defeated** in committee.

HB 243/SB 564-Defibrillators

This legislation broadens the scope of those who are required to receive training in the use of automated external defibrillators (AED) to those persons who are "reasonably expected to use the device". I sent an email to the membership and raised the issue to the board. Of those responding no one had a problem with the legislation. As such FFMA took no position on the bill. This legislation **PASSED** (see SB 564 as enrolled or Chapter Law 2008-101).

SB 2016/HB 1109-Public Food Service Establishments

This legislation **PASSED**. It now requires that food service managers obtain their certificate within 30 days, rather than 90 day, and that it be available when asked for, including during inspections. It also now echoes the sanitary requirements for employees under s.509.221 applicable to public food service establishments.

HB 711/SB 1202-Disabled Parking

This bill was filled last year and again this year. Again it did not pass. In contacting members it was determined that most if not all buildings currently meet or are able to meet the proposed standard. The proposed new standard amounts to having an additional five feet of space available for every 5 disabled parking spots.

MISCELLANEOUS

Overall, approximately 30 sales tax exemption bills were filed for subject matter covering a wide array of interest. Two of these repealed exemptions (dealing with ostrich feed and laundry facilities in certain hospitals —AND PASSED. Of the remaining bills, two passed which created an exemption (one related to Brownfield development—HB 527, the other related to the space industry-SB 2016). Many of the others focused on agriculture and food production, environment and energy—feel good political issues. As an aside, the space industry was also added to be included under qualified defense contractors that qualify for certain tax refunds.

SB 1412- Use of Public Moneys for Professional Sports Facilities

There was no House sponsor to Sen. Bennett's bill that prohibits the use of public funds on a professional sports facility without passage of a referendum by the local residents.

SB 1984/HB 633-Professional Motorsports Complexes

This bill would require certification by OTTED in order to qualify for a 30 year distribution of certain sales tax and other revenue. The bills by Sen. Bullard and Rep. Saunders died in committee.

In the Senate, Sen. Gaetz and Sen. Haridopolos filed amendments to various bills to remove tax exemptions enjoyed for various sales related to the industry. Gaetz wanted to remove the exemption on tickets sold to the Super Bowl

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and NCAA Tournaments. Haridopolos was looking at sky box rental and a variety of other sporting events that enjoy the exemption on sales tax on admissions. All these amendments were withdrawn or defeated. (More on this is discussed in the portion of this report that speaks to the future.)

WHAT TO EXPECT NEXT AFTER NOVEMBER

Proposition One, the property tax roll back, passed by the voters in January has not panned out over the last 5 months to show any signs of economic stimulus, as it was/is expected to create. Increased gas and food prices have accounted for reduced spending on taxable items. In fact, the day after signing the '08-'09 budget, Gov. Crist called for a 4% reduction in state agency budgets. This is the result of a \$1Billion shortfall already anticipated in the \$25 Billion portion of the budget for the State's operating expense.

SO, THE BUDGET PROJECTIONS FOR THE '09-'10 BUDGET ARE NO BRIGHTER THAN THIS PAST BUDGET.

In addition, a proposition put forward by the Budget and Tax Reform Commission to roll back the RLE (required local effort for school boards) will appear on the November general election ballot at AMENDMENT 5. IF THIS PASSES, Sen. Haridopolos, the Senate President-Elect, following expected incoming Senate President Atwater, will be the second most powerful senator. Sen. Haridopolos has promised to require every tax exemption stand for review and prove why it should be retained. And, he suggests that even if all the exemptions (REMEMBER FFMA BENEFITS FROM SEVERAL CURRENTLY ON THE BOOKS) were repealed (except food and medicine), there would still be the need to raise the sales tax to cover the shortfall.