



# 2011 Legislative Agenda

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## **BUDGETARY ISSUES AT ALL LEVELS OF GOVERNMENT**

### **PUBLIC RETIREMENT SYSTEMS – CHAMBER POSITION – SUPPORT MOVE FOR NEW HIRES TO DEFINED CONTRIBUTION INSTEAD OF DEFINED BENEFIT**

Background - The escalating costs of the Florida Retirement System as well as federal and local retirement systems necessitate consideration of significant reforms. Momentum for reform of public retirement systems is taking hold in an increasing number of states and cities across the country, all of which serve as a blueprint for potential initiatives and measures that could be implemented to improve and modernize Florida's retirement system. Providing an overly generous public employee benefits funded by taxpayers is a practice that Florida can no longer afford. The Chamber recommends that all levels of government consider cost-savings recommendations based on practices that have been successfully implemented to achieve cost savings in other states and would well be suited to Florida. These are based on research and analysis of these state and local initiatives and reforms done by Florida TaxWatch (see recommendations <http://www.floridatxwatch.org/resources/pdf/12082010GCTSF.pdf>).

### **Local Issues**

#### **LOCAL GOVERNMENT MILLAGE RATES – CHAMBER POSITION – SUPPORT FISCAL CONSERVATISM**

Background – Local governments have been forced to make tough decisions regarding municipal budgets, and the Chamber encourages fiscal constraint and budget cuts whenever possible to avoid increases to the millage rate which could further impede the recovery of the local economy.

#### **LOCAL SIGNAGE REGULATIONS – CHAMBER POSITION – SUPPORT RELAXATION OF REQUIREMENTS**

Background – Chamber members have been contacting the Chamber regarding signage regulations, particularly in relation to flutter signs and temporary signage. The City of Melbourne passed new sign regulations in 2010 and held public hearings, however most businesses were not keeping abreast of the changes. Most of the concern seems to revolve around regulations for wind signs, electronic changeable copy building signs (only allowed on frontages adjacent to arterial roadways), banners and sandwich board signs, which some businesses feel are so restrictive as to impede commerce. Sandwich boards in downtown Melbourne may be replaced altogether in 2011 with new wayfinding signs. The City has pledged to work with businesses to find solutions, but we may request that some of the regulations be re-looked. Brevard County may also be considering some temporary fixes to signage regs given the economic climate, and the GAC will follow those and other signage proposals.

#### **WEST MELBOURNE ECONOMIC DEVELOPMENT AND AREA ENHANCEMENT PROGRAM – CHAMBER POSITION – SUPPORT**

The Chamber supports efforts of the City of West Melbourne and Brevard County to establish a joint redevelopment project area to focus existing tax resources and coordinate potential improvement plans for the area. Several of the properties in need of renewal are within unincorporated Brevard County. We encourage the governments to work together on improving infrastructure in West Melbourne's key commercial corridors, and to assist existing businesses along these corridors to make enhancements to their sites.

**ST. JOHNS HERITAGE PARKWAY SYSTEM – CHAMBER POSITION – SUPPORT** - The implementation of the Parkway and related roads is a TPO priority and will require a coordinated, sustained effort by local, state and federal partners. Assistance may be requested to insure the Parkway is eligible for current programs (such as TRIP), to consider designating the Parkway as part of the SIS, and to create new funding mechanisms.

## **Regional Issues**

### **WATER REGULATIONS -- CHAMBER POSITION – OPPOSE**

Background - On November 14, 2010, EPA Administrator Lisa P. Jackson signed Final “Water Quality Standards for the State of Florida’s Lakes and Flowing Waters.” The final standards set numeric limits, or criteria, on the amount of nutrient pollution allowed in Florida’s lakes, rivers, streams and springs. This final action seeks to improve water quality, protect public health, aquatic life and the long term recreational uses of Florida’s waters which are a critical part of the State’s economy. The rule will take effect 15 months after it is published in the Federal Register except for the site-specific alternative criteria (SSAC) provision, which is effective 60 days from publication. EPA is extending the effective date for 15 months to allow cities, towns, businesses and other stakeholders as well as the State of Florida a full opportunity to review the standards and develop flexible strategies for implementation.

Opponents argued that the measure was based on a false starting point that the majority of the water bodies in the State need their nutrients concentrations reduced, that they underestimated the time and cost to either provide treatment or support site specific alternative criteria, and that inadequate modeling tools were used for standard setting.

The Chamber supports sensible standards which do not discriminate against the State of Florida and which allow municipalities time to come into compliance and fund mitigation efforts based on sensible schedules.

### **REGIONAL WATER STRATEGY – CHAMBER POSITION – SUPPORT**

Background - The Central Florida Regional Growth Vision called for the development of regional strategies to provide sufficient water and ensure that the water supply is in place to support new development. It also recommended the development of a regional water resources plan that includes strategies for reducing consumption, sharing available water sources, and developing alternative water sources. Another goal is to avoid the use of public money to litigate over water.

### **EXPANDING VENTURE CAPITAL – CHAMBER POSITION – SUPPORT**

The Melbourne Regional Chamber will support legislation designed to foster Florida’s entrepreneurial talent by bringing more venture capital dollars to Florida, and the East Central Florida Region, for investment in innovative enterprises and research, especially in high technology sectors.

### **INVESTING IN BIOTECHNOLOGY – CHAMBER POSITION – SUPPORT**

The Melbourne Regional Chamber will work to keep Florida's bioscience industry globally competitive by addressing the need for early-stage funding possibly through the creation of a dedicated statewide fund that invests in seed-stage companies working to advance technologies developed within the state's targeted industries, supporting efforts in the East Central Florida Region.

### **LEADING IN MODELING, SIMULATION AND TRAINING – CHAMBER POSITION – SUPPORT**

The Melbourne Regional Chamber will support Florida as a major center for modeling, simulation and training (MS&T) development and work to reinforce the state's position as a leader for MS&T industries including aviation, digital media, education, medical and military simulation, supporting efforts in the East Central Florida Region.

### **EXPANDING INTERNATIONAL TRADE – CHAMBER POSITION – SUPPORT**

The Melbourne Regional Chamber supports expanding Enterprise Florida's international budget, ratifying regional trade agreements, and focusing the attention of state policy makers on the importance of international business in order to meet the goal of doubling international trade in the next 5 years, supporting efforts in the East Central Florida Region.

### **HIGH SPEED RAIL – CHAMBER POSITION – SUPPORT**

The Melbourne Regional Chamber will continue to work with our regional and statewide partners in a detailed analysis of America's first high speed rail express service as a viable transportation option for Florida, supporting efforts in the East Central Florida Region.

## **State Issues**

### **PASSENGER RAIL LIABILITY RESOLUTION – CHAMBER POSITION – SUPPORT**

Background - In the past year, the Federal government has begun to allocate considerable funding for the expansion of existing and development of new rail transit systems across the nation. This strong commitment to rail is anticipated to continue for the foreseeable future. The FDOT responded to the availability of an initial \$8 billion in the High Speed / Intercity Passenger Rail (HSIPR) program (administered through the Federal Railroad Administration (FRA) with four applications, including the Amtrak/FEC Corridor Project (\$268 million requested. One outstanding issue relevant to the project relates to liability indemnification for Amtrak to operate along state-owned railroads. This issue was addressed satisfactorily for CSX and commuter rail in the HB-1 legislation adopted in last year's special session. However, Amtrak has raised concern regarding liability coverage for its operations. Recently, Amtrak met with Florida's Congressional representatives and FDOT to discuss the liability indemnification issues, and FDOT is reviewing possible solutions to the issue. It would appear that satisfactory resolution of this issue will be necessary for the Amtrak/FEC Corridor Project to move forward.

### **SPACE AND TECHNOLOGY – CHAMBER POSITION – SUPPORT**

The Melbourne Regional Chamber will support policies, investments, and advocacy for economic development, employment, research, and education activities that advance Space and related high-tech industries that will clearly identify Florida as the best location for the next generation of civil and military Space programs and emerging commercial Space opportunities.

### **ALTERNATIVE ENERGY STRATEGIES – CHAMBER POSITION – SUPPORT**

Background - Renewable Energy Investment Cost Recovery -- A major competitive differentiator for companies to invest in renewable energy implementation and to locate development and production facilities, from one state to the next, is the ability to recover costs which may be higher than conventional energy sources. Most states in the U.S. have adopted policies that allow a premium to be recovered for installation of various renewable energy sources, Florida is significantly behind. The markets for alternative energy, wind, biomass and particularly solar in Florida, are substantial and growing rapidly. Studies have shown a policy adopted in Florida could yield 10's of thousands of permanent quality jobs. Last session the House passed legislation by an overwhelming margin, but it was not considered in the Senate. The state should adopt a policy crafted along similar lines with higher targets for cost recovery.

### **CONSUMER CHOICE FOR INSURANCE – CHAMBER POSITION SUPPORT**

Background: The Melbourne Regional Chamber supports providing more affordable and available hurricane insurance to Florida's business owners and reducing current and potential assessments on Floridians from undercapitalized and thus potentially insolvent state-run insurers and reinsurers.

## **STATE TRANSPORTATION TRUST FUND – CHAMBER POSITION - OPPOSE ALLOWING IT TO BE USED FOR THINGS OTHER THAN TRANSPORTATION**

Background - Funding for the Florida Department of Transportation's operations comes from the State Transportation Trust Fund. The sources of revenue for this trust fund include state fuel taxes, motor vehicle fees, and federal apportionments and grants. Turnpike projects are funded by toll collections, concession revenues, and bond revenue proceeds. According to Florida Transportation Commission information supplied in May 2009 – between 1998 and 2006, not counting the most recent diversion of Florida gas tax dollars, \$3.1 billion of state transportation funding sources have been diverted from the trust fund to fund other general purpose government functions. At the same time, transportation revenue estimates for FY 2007 through FY 2014 have been reduced by \$6.2 billion, resulting in the deferral or deletion of over \$9.3 billion in project commitments.

## **INVESTING IN PORTS – CHAMBER POSITION – SUPPORT**

The Melbourne Regional Chamber will support growth opportunities for Port Canaveral and support prioritized, strategic investments in critical infrastructure needs based on the promotion of efficient connectivity among related transportation modes and facilities and the enhancement of Florida's ability to compete in the global marketplace. Such investments include those enabling Port Canaveral to capitalize on the expansion of the Panama Canal and those providing opportunities for increased trade and worldwide shipping, including capturing more discretionary cargo and adding value to discretionary cargo flowing through the state.

## **Federal Issues**

### **REPEAL OF 1099 PROVISION IN HEALTH CARE REFORM BILL – CHAMBER POSITION – SUPPORT**

Background – Efforts to repeal Section 9006 of the "Patient Protection and Affordable Care Act" focus on the burden on businesses across the United States, which will be subjected to data collection and information filing on virtually all business-to-business transactions they make equaling \$600 or more in a year. These onerous requirements will not only make it more complicated for small businesses and start ups, it may make it harder for them to conduct business at all. Section 9006 may force businesses to reduce data collection and paperwork burdens by reducing the number of vendors they work with, and refusing to entertain new business dealings.

### **REPEAL OF 1099 REQUIREMENTS FOR RENTAL PROPERTY OWNERS – CHAMBER POSITION – SUPPORT**

Background - The American Institute of Certified Public Accountants has called on Congress to repeal burdensome information reporting requirements placed on businesses and rental property owners by the *Patient Protection and Affordable Care Act* and the *Small Business Jobs Act of 2010*. Under the *Act*, businesses making purchases of \$600 or more for goods or services from another business would have to provide the vendor and the Internal Revenue Service with a Form 1099-MISC information return. The first 1099 forms would be due in 2013, so businesses would need to begin keeping records in 2012. Under the *Small Business Jobs Act of 2010*, similar reporting requirements would apply to owners of rental property for expenses related to the rental property and would take effect in 2011 for reporting in 2012.

This would be first time individual taxpayers who own rental property who are not “engaged in a trade of business” would have to provide Forms 1099-MISC. For example, owners of vacation properties that are rented part of the year to help reduce costs would be covered by the new law. There are concerns over keeping records to track expenses by providers, obtaining tax identification numbers and other information from providers of property and services and providing Forms 1099-MISC during January, a month when taxpayers would not normally be focused on tax issues, would be extremely burdensome

Also questioned is the need for sending information forms to certain providers of services, such as utility companies. The business implementation costs associated with the likely generation and receipt of millions of forms and the potentially challenging reconciliation processes for taxpayers should be weighed against the uncertainty of the benefit to be derived by the government.

### **ADDITIONAL HEALTH CARE REFORM MEASURES – CHAMBER POSITION – SUPPORT**

- **Health Information Technology (HIT)**—Widespread adoption of HIT—including electronic prescriptions and medical records—will improve quality, lower costs, and reduce medical errors. Consumer-Focused Health Care—Congress should make account-based plans more attractive to small businesses by increasing flexibility and improving the transparency of cost and quality data.
- **Medical Liability Reform**—The U.S. Chamber supports health courts, caps on punitive damages, and other medical liability reforms that ensure fair damage awards, eliminate frivolous lawsuits, and lower costs.
- **Purchasing of Plans Across State Lines**—Individuals and small businesses should be allowed to purchase health plans that are not subject to onerous state mandates. The CBO says that this will lower costs while improving choice.
- **Small Business Health Plans**—Allowing businesses to freely pool together and negotiate with health insurers will lower costs for government and businesses while improving choice and competition.
- **Payment Reform**—Congress should make it easier for employers and insurers to create insurance plans that pay for quality, not quantity, and reward doctors for keeping patients healthy.
- **Fraud and Abuse**—Medicare and Medicaid fraud is running rampant and costing the taxpayers tens of billions of dollars every year. A broad array of countermeasures should be enacted immediately.

### **"INTERNET TRAVEL TAX FAIRNESS ACT" – CHAMBER POSITION - OPPOSE**

Background - The “**Internet Travel Tax Fairness Act**” (ITTFA) would create a special federal tax preference exclusively for third party intermediaries (TPIs) such as Orbitz, Expedia, Travelocity, and hotels.com.

Many tax jurisdictions in the U.S. have become aware of that while lodging properties collect and remit room taxes based on the rate for which the room was advertised and sold to the guest, third parties calculate the tax they remit based on their wholesale rates they pay to the hotels (instead of the retail rate the customer pays) and keep the remaining amount collected as part of their “service fee.”

Tax jurisdictions throughout the country have filed lawsuits and are taking other actions to collect all the taxes they see as being collected but not remitted. In response TPIs are pressing for federal legislation that would prevent states and localities from taxing anything over the discounted rate (the language has been ambiguous enough that it may actually give an exemption to the TPI any tax liability on the entire transaction). The legislation also discriminates against every lodging property in the country by specifically banning hotels from using the new tax category.

ITTFA would place hotels and resorts at the risk of massive tax increases as state and local governments seek to replace the revenue lost as a result of the TPIs' special federal preference.

### **JOINT STARS -- CHAMBER POSITION – SUPPORT**

Background - To ensure the U.S. Air Force's E-8C Joint Surveillance Target Attack Radar System (Joint STARS) program new engine effort is properly funded in the 2010 and 2011 federal budgets to support our ground troops in Afghanistan and Iraq. Support the FY11 request of \$120.4 in the Joint STARS procurement line to fund two ship sets, as well as provide an additional \$102.5 million in procurement funding for two additional ship sets of engines.

While the Joint STARS crews are doing an outstanding job, flying over 60,000 hours in 5,300 combat missions, providing real-time operational support to soldiers and Marines on the ground, the old engines put them at a great operational disadvantage. The entire 17-plane fleet enables our troops to maintain direct communication with battle managers provides invaluable ground moving target indication (GMTI) data for post-mission forensic analysis. .

### **FORECLOSURE MORATORIUM – CHAMBER POSITION -- OPPOSE**

Background -- A prolonged moratorium could have meaningfully negative impacts on housing prices. A potential buyer of a house might not take the plunge while a moratorium is in place, knowing he can get that house for a lower price once the moratorium is lifted. Any decrease in the already shallow pool of potential home buyers can't be good for home prices. This, in turn, can't be good for the economy or loan losses for the banks. The more prolonged a foreclosure moratorium is the greater the chance of legal actions coming out of the woodwork (legitimate or not). Large numbers of loans will continue to go bad during the moratorium, so the already swollen inventory of troubled housing will continue to build up and could get dumped on the market all at once after the moratorium is lifted.

**SPACE/AEROSPACE – CHAMBER POSITION – SUPPORT** - To ensure the Space Coast, Florida and the US remains the leader in manned space flight, the Chamber supports a Congressional request for full support of the Space program to enable the development of exploration systems, life science research, and new technology; supports a Congressional request asking NASA to retire one orbiter in the State in recognition of Florida's significant contributions to Space exploration and to NASA's Shuttle program.

Background - Beginning at Cape Canaveral in 1950, Brevard County has been a pioneer and leader in the space industry, known throughout the world as a space launch site and for its space-related research and manufacturing facilities and manpower. As the aerospace industry consolidates and faces a new generation, other states and nations are becoming more aggressive in their attempts to challenge Florida's leadership role. Aerospace is a \$2 billion industry with a presence in 47 of 67 counties in the State of Florida (according to Florida Chamber of Commerce). We encourage support to expand the outstanding capacity and capabilities of the space program for our communities. These include Florida's role in aerospace research, technology, production and commercial operations, as well as its leadership in space launch activities.

## **MILITARY PRESENCE IN BREVARD COUNTY – CHAMBER POSITION - SUPPORT**

Background – Support funding streams to ensure the safety and operability of our local military as presented by the branches in the Military Construction (MILCON) budget requests (*Requests for MilCon pending.*)

## **MAIN STREET FAIRNESS ACT – CHAMBER POSITION - SUPPORT**

Background: In 1992 the Supreme Court ruled that Internet and catalog retailers should be exempt from collecting sales taxes unless they have a physical presence, such as a store or warehouse, in the purchaser's state. It is up to individual taxpayers to report purchase and pay taxes, which has led many states not to collect the true amounts owed. The Main Street Fairness Act will authorize states to collect taxes from out-of-state sellers, while promote simplification and fairness in the administration and collection of sales and use taxes. Senator Mike Enzi (R-WY) and Congressman Bill Delahunt (D-MA) will be the lead sponsors of this legislation. The Act would permit states to collect what is currently owed from retailers and purchasers regardless of whether the purchase take place on Main Street, at shopping centers, via mail-order or over the Internet.

## **REAL ESTATE APPRAISAL REFORM – CHAMBER POSITION - SUPPORT**

Background - Under the Home Valuation Code of Conduct, which is mandatory on May 1, 2009 for all Fannie Mae and Freddie Mac Loans. Though the rules seek to ensure independent, unbiased property valuations, they also radically changed the traditional system: They prohibit mortgage brokers from ordering or discussing valuation assignments with appraisers, and send most of the business to appraisal management companies - some of them subsidiaries of major banks.

The management companies, in turn, offer appraisers low fees - 50 percent less than previously standard fees in some cases - and have raised total charges to consumers. Many appraisers with extensive experience have refused to accept the low payments, leaving the business increasingly in the hands of appraisers with little experience who are willing to work for less money. Some management companies reportedly have ordered appraisers to conduct valuations on properties far beyond their local areas - leading to lowball valuations that delay or kill home sales, according to realty agents and mortgage brokers.

## **EMPLOYEE FREE CHOICE ACT – CHAMBER POSITION – OPPOSE – ADOPTED**

Background - The Employee Free Choice Act would effectively eliminate the secret ballot currently used to determine if unions will represent employees in a workplace and expose employees to coercion and intimidation. Employees should be able to make that choice privately. The bill would also require federally-appointed arbitrators to write labor contracts that are binding for two years. If, after only 120 days of negotiations, there is no agreement for a first contract, the matter could be submitted to binding interest arbitration where a federally-appointed arbitrator would decide all of the terms and conditions of the union contract, from pay and benefits to work rules and outsourcing. Employers could be forced to radically change their business models or eliminate important competitive advantages. The Employee Free Choice Act would impose a completely unbalanced increase in penalties. Under the bill penalties on employers would be increased significantly without any corresponding increase in penalties on unions.

## **LIABILITY LIMITATION IN COMMERCIAL HUMAN SPACEFLIGHT – CHAMBER POSITION – SUPPORT**

Background – (provided by Boeing Corp.) Prospective commercial spaceflight operators suffer from excessive exposure to liability—for damage claims by private spaceflight participants (SFPs) for damages sought in relation to flight-related mishaps. An additional major concern involves constraint of collaboration between startup spaceflight operator ventures and established aerospace companies. This obstacle arises from potential for SFPs to seek damages not only from operators but also from large, established companies that have acted as manufacturers and suppliers and which have “deep pockets” of financial resources. Beyond this, it is clearly in NASA’s interest to have the option of purchasing services from commercial providers who have commercial as well as government customers. More customers might well mean lower costs paid by NASA for transportation services, thereby expanding the nation’s ability to maintain a robust and balanced space program, in the face of limited resources. SFPs are not included in the government-mandated cross-waivers arrangement applying to cargo, because current Federal legislation deals only with non-human cargo and the employees of the business parties who handle cargo-related operations. Operator liability associated with risk to SFPs (i.e., private citizens rather than U.S. Government employees), has not been limited effectively. Provision in Federal law for informed consent by SFPs may to some degree protect operators and vehicle manufacturers/suppliers with respect to the duty to warn. It does not, however, reliably protect against strict liability or negligence. State laws passed following the enactment of Federal statutory language addressing this issue—intended to strengthen the liability protection accorded to operators by SFP informed consent—still do not protect against court challenges.

The Chamber supports investigating the use of such tools available to limit business liability as: government-mandated cross-waivers of liability, government indemnification of operators, and liability protection of operators based on the SFP’s informed consent, caps on maximum allowable liability claims, and private insurance coverage. Possible approaches to use of these tools include: state government legislation, Federal legislative preemption of state law, and Federal designation of launching state jurisdiction and governing state law.