

Meeting Minutes
Finance and Taxation Committee
Taxation and Budget Reform Commission
37 Senate Office Building
&
301 Senate Office Building
Tallahassee, Florida
February 11 – 12, 2008
1:00 – 6:00 p.m. & 1:30 – 6:00 p.m.

Committee Members: *Susan Story, Chair; Barney Barnett, Martha Barnett, Julia Johnson, Bruce Kyle, Patricia Levesque, John McKay, Randy Miller, James Scott, Kenneth Wilkinson, Brian Yablonski*

Members Present:

Susan Story, Chair
Barney Barnett
Martha Barnett
Julia Johnson
Bruce Kyle
Patricia Levesque
John McKay
Randy Miller
James Scott
Kenneth Wilkinson

Members Absent: Brian Yablonski

Other Commission Members Present:

Allan Bense, TBRC Chair
Mike Hogan
Carlos Lacasa
Darryl Rouson

Chair Susan Story called the meeting to order at 1:05 p.m. Staff called roll and announced the presence of a quorum. Chair Story then outlined the process for presentations and testimony over the two day meeting. For each proposal, the sponsor will have 30 minutes to make a presentation (including expert testimony), then the committee will entertain member questions, take public testimony, have debate on the proposal, and vote. She announced that tomorrow's meeting will be held in 301 Senate Office Building from 1:30 – 6:00 p.m.

TBRC economist, Dr. Antonio Villamil gave a brief overview of the systems approach to economic simulation and review. Commissioner James Scott asked Dr. Villamil to provide the committee with information on the overall economic impacts of the real

estate downturn, and asked staff to provide copies of the January 10 Florida Senate Finance and Taxation Committee report on the current economic situation.

Commissioner Mike Hogan presented Constitutional Proposal 0045 and entertained questions from committee members. Staff then gave a brief summary of its proposal analysis and the committee took public testimony. The following speakers appeared before the committee: Dick Pollard, Dan Quiggle, Adam Guillette, Patrick McConnell, Cabe Woods, Dominic Calabro, David Biddulph, Wayne Blanton, Chip Morrison, Bob McClure, Linda Cox, and Brian Pitts.

The committee agreed to take up a two late-filed amendments by Commissioner Hogan to change the base year for the start of the proposal to fiscal year 2005-2006. Amendment 1 passed by a vote of 9-1. Amendment 2 passed unanimously.

On a motion by Ken Wilkinson, seconded by Randy Miller, a Committee Substitute for Constitutional Proposal 0045 was reported favorably by a unanimous vote (10-0).

Commissioner Barney Barnett asked that his proposal, Constitutional Proposal 0041, be temporarily postponed based on the passage of CP0045.

Commissioners Wilkinson, Scott and Lacasa presented Constitutional Proposals 0006, 0008, and 0034. The committee voted to combine the proposals into a committee substitute proposal. On a motion by Commissioner John McKay, and seconded by Commissioner Barney Barnett, the committee voted unanimously (9-0) to take up CS/CP 0006, 0008, and 0034. The following speakers appeared before the committee: Jim Overton, Keyna Cory, John Sprague, and Missy Timmons.

On a motion by Commissioner Wilkinson, seconded by Commissioner Scott, the Committee Substitute for Constitutional Proposals 0006, 0008, and 0034 was reported favorably by a unanimous vote (9-0).

The committee then took up Statutory Recommendation 0013 by the Committee on Finance and Taxation. The following speakers appeared before the committee: Vicki Weber, Ben Phipps, John Dent, Todd Jones, Lauren Levy, Larry Levy, Robert Kelley, and Wade Barber.

On a motion by Commissioner Randy Miller, seconded by Commissioner Scott, Statutory Recommendation 0013 was reported favorably by a vote of 7-2.

After a presentation of Constitutional Proposal 0023 by Zachary Kobrin, Legislative Assistant to Senator Gwen Margolis, consideration of the proposal was temporarily postponed.

The committee took up Constitutional Proposal 0042 by Commissioner Barney Barnett. Staff explained the proposal, and CP 0043. Due to time constraints, and the similarity of the proposals, Chair Story asked speakers to make their comments for both proposals

when they were called upon to speak. The following speakers appeared before the committee: Wade Barber, Nick Nikkinen, Morgan Gilreath, Bill Coleman, David Daniel, John Dent, Robert Kelley, Todd Jones, Lauren Levy, Larry Levy, Nancy Stephens, Greg Haddock, and Representative Frank Attkisson.

The committee had a discussion about the order of introduction of late-filed amendments to CP0042. Chair Story took up the first filed amendment, Amendment 1 by Commissioner Levesque, and asked for a vote to introduce the late-filed amendment. The committee agreed to take up the late filed amendment. On a motion by Commissioner McKay, seconded by Commissioner Randy Miller, the amendment was adopted by a vote of 8-1. Commissioner McKay then withdrew two late-filed amendments from consideration.

On a motion by Commissioner Randy Miller, seconded by Commissioner Julia Johnson, Constitutional Proposal 0042 was reported favorably, as amended, by a vote of 8-2.

Commissioner Barney Barnett asked to temporarily postpone consideration of his proposal, Constitutional Proposal 0043.

The committee recessed at 5:45 p.m. on February 11, to reconvene for continuation of the agenda at 1:30 p.m. on February 12, 2008.

Chair Story called the meeting back to order at 1:40 p.m. on February 12, 2008. The following members of the committee were present:

Barney Barnett
Martha Barnett
Julia Johnson
Bruce Kyle
Patricia Levesque
John McKay
Randy Miller
James Scott
Susan Story, Chair
Kenneth Wilkinson

ABSENT: Brian Yablonski

OTHER TBRC MEMBERS PRESENT:

Allan Bense, TBRC Chair
Carlos Lacasa
Les Miller
Jade Moore

Nancy Riley
Darryl Rouson
Greg Turbeville

Chair Story reminded members of the order of business for taking up proposals. She indicated that each proposal sponsor would be given thirty minutes to present, including experts for the sponsor. The committee would then hear from staff on its analysis, take up amendments, take questions from the members, hear public testimony, have committee debate and vote for each proposal on the agenda in the order of appearance on the agenda.

Chair Story recognized Commissioner John McKay to present Constitutional Proposal 0002. Commissioner McKay made his presentation and asked the committee to allow for all amendments to be disposed of prior to further action in order to get the proposal in the proper posture for discussion. In separate actions, the committee adopted Amendments 1-10 by Commissioner McKay without objection. After a brief discussion, Commissioner Martha Barnett asked to withdraw Amendment 11 from consideration. The committee determined that Amendment 12 by Commissioner Patricia Levesque would substantially change the proposal, and Commissioner McKay asked that the vote on that amendment be delayed until after the full discussion of his proposal, as amended. Commissioner Levesque agreed to the delay.

Chair Story then called on staff to provide an analysis of CP0002. Due to some of the findings of the staff economists in their analysis, Commissioner McKay asked that consideration of CP0002 be temporarily postponed until he could clarify the economic analysis with his economists. Chair Story noted that the decision to postpone is the prerogative of the sponsor, but asked, as a courtesy, to allow for public testimony to continue, as some members of the audience had traveled to be heard on the measure. The measure was temporarily postponed, with Amendment 12 pending.

The committee heard public testimony from the following speakers: Commissioner Mike Haridopolos, Bob Nabors, Patrick McConnell, Ruby Butterworth, Dick Pollard, Bud Gardner, Penny Herman, Keyna Cory, Doug Wheeler, Kurt Wenner, and Dave Dennis. Several speakers indicated that they would wait to be heard on February 25, when CP0002 is brought back before the committee.

The committee took up Constitutional Proposal 0007, by the Committee on Finance and Taxation. In separate actions, the committee adopted, without objection, Amendments 1, 2, and 3. Commissioner Martha Barnett briefly explained Amendment 4, and then asked to withdraw it from consideration on this proposal and CP0012. She indicated that she would be submitting the proposal as a “stand-alone” measure. Upon a motion by Commissioner Randy Miller, seconded by Commissioner Barney Barnett, the committee favorably reported CP0007, as amended, by a vote of 9-1.

The committee took up Statutory Recommendation 0029, by the Committee on Finance and Taxation. The committee adopted, without objection, a technical amendment.

Members noted that at the proposal's next committee stop, it would like to see language added to mirror the language in CP0007 that would limit any revenue increases to be used to reduce sales tax rates or to reduce Required Local Effort. On a motion by Commissioner Randy Miller, seconded by Commissioner Barney Barnett, the committee favorably reported SR0029, as amended, by a vote of 8-2.

The committee took up Constitutional Proposal 0021 by Commissioner Carlos Lacasa. Chair Story recognized Commissioner Lacasa to present his proposal. He noted that his original proposal had been drafted prior to the passage of Amendment 1 on the January 29 ballot, and thus, he had prepared a "strike everything" amendment to CP0021 to conform to the newly passed constitutional amendment. He asked that the amendment be brought up for consideration to get the proposal in the proper posture. Chair Story noted that there were two amendments to the amendment and asked Commissioner Lacasa to discuss those amendments. In separate actions, the committee adopted the Amendment to Amendment 1, and the Amendment to Amendment 2, without objection. As Commissioner Lacasa discussed the underlying amendment, members of the committee indicated that they were not yet comfortable enough with the concepts in the proposal and asked if the measure could be temporarily postponed for consideration at the next meeting. Commissioner Lacasa agreed that would be the best course of action and asked the Chair to temporarily postpone the measure until the February 25 meeting. The measure was temporarily postponed.

The committee took up Constitutional Proposal 0012 by the Finance and Taxation Committee. At the start of the debate, Commissioner Martha Barnett asked to have her amendment, Amendment 2, withdrawn from consideration. Commissioner Randy Miller offered one technical amendment, which was adopted without objection. On a motion by Commissioner Patricia Levesque, seconded by Commissioner Scott, the committee failed to report favorably CP0012. The measure failed by a vote of 2-7.

There being no further business before the committee, the meeting was adjourned at 5:20 p.m.