

SPECIAL SESSION

JOURNAL OF THE FLORIDA SENATE

At a Special Session of the Florida Legislature convened under Article III, Section 3 of the Constitution of the State, as revised in 1968, begun and held at the Capitol, in the City of Tallahassee, in the State of Florida.

Monday, November 29, 1971

In pursuance of the Proclamation of Honorable Reubin O'D. Askew, Governor of the State of Florida, the Senate met in Special Session at 11:00 a.m. and was called to order by Senator Jerry Thomas, President of the Senate; the Secretary of the Senate, Elmer O. Friday; the Acting Sergeant at Arms of the Senate, John Melton, being at their posts.

The Proclamation of the Governor convening the Legislature in Special Session was read as follows:

PROCLAMATION
STATE OF FLORIDA
OFFICE OF THE GOVERNOR
TALLAHASSEE

TO THE HONORABLE MEMBERS OF THE FLORIDA SENATE AND HOUSE OF REPRESENTATIVES:

WHEREAS, on November 2, 1971, the electors of Florida approved an amendment to the Florida Constitution which authorized the State to impose a tax on the net income of corporations and other artificial entities, but continuing the constitutional prohibition against a tax on the income of natural persons, and

WHEREAS, it is necessary that the Legislature of the State of Florida be convened in special session to consider, among other things, legislation to implement said constitutional amendment;

NOW, THEREFORE, I, REUBIN O'D. ASKEW, Governor of the State of Florida, in obedience to my constitutional duty and by virtue of the power and authority vested in me by Section 3, Article III, Florida Constitution (1968), do hereby proclaim as follows:

1. That the Legislature of the State of Florida be and it is hereby convened in special session at the Capitol, Tallahassee, Florida, commencing at approximately 10 o'clock a.m. on Monday, the 29th day of November, 1971, and ending on the 8th day of December, 1971.

2. That the Legislature is convened for the purpose of considering the enactment of legislation implementing a tax on the net income of corporations and other artificial entities, and other legislative business to be set forth in an amendment to this Proclamation, or other written communication from the Governor.

IN TESTIMONY WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of Florida to be affixed to this Proclamation convening the Legislature in special session, at the Capitol, this 24th day of November, 1971.

REUBIN O'D. ASKEW
Governor



ATTEST:
RICHARD (DICK) STONE
Secretary of State

STATE OF FLORIDA
Department of State

I, Richard (Dick) Stone, Secretary of State of the State of Florida, do hereby certify that the above and foregoing is a

true and correct copy of Proclamation of the Governor filed on the 24th day of November, A. D., 1971, as shown by the records of this office.



Given under my hand and the Great Seal of the State of Florida at Tallahassee, the Capital, this the 24 day of November A. D. 1971.

RICHARD (DICK) STONE
Secretary of State

By direction of the President, the Secretary read the following amendment to the Proclamation dated November 24, 1971:

PROCLAMATION
STATE OF FLORIDA
OFFICE OF THE GOVERNOR
TALLAHASSEE

WHEREAS, on the 24th day of November, 1971, a Proclamation was issued convening a special session of the Florida Legislature commencing on the 29th day of November, 1971, and

WHEREAS, it is necessary and in the best interest of the State to amend the Proclamation dated November 24, 1971, in order to permit the Legislature to take up, consider, and enact other legislative business.

NOW, THEREFORE, I, REUBIN O'D. ASKEW, Governor of the State of Florida, in obedience to my constitutional duty and by virtue of the power and authority vested in me by Section 3, Article III, Constitution of Florida (1968), do hereby proclaim as follows:

1. That Paragraph 2 of the Proclamation of the Governor dated the 24th day of November, 1971, is amended to read as follows:

"2. That the Legislature is convened for the sole purpose of considering legislation relating to:

(a) Implementation, including necessary appropriations, of a tax on the net income of corporations and other artificial entities;

(b) Elimination of the allowance for compensation of agents affixing cigarette stamps and collecting state tax;

(c) Elimination of the discounts and credits on beverage taxes to wine manufacturers and distributors of malt beverages and beer, and elimination of the allowance to distributors of spirituous beverages;

(d) Repeal of the dealer's credit for collecting sales tax;

(e) Extension of existing municipal operating millages in excess of the constitutional and statutory 10 mill ad valorem tax limit;

(f) Providing an exemption from state sales and use taxes for sales of utilities to residential households;

(g) Providing an exemption from the state transient rentals tax for rentals of buildings intended primarily for lease or rent to persons as their principal or permanent place of residence;

(h) Repeal of the motor vehicle fuels dealer discounts, reduction of the shrinkage allowance, and elimination of certain special fuels dealer discounts;

(i) Reduction of the occupational license tax imposed pursuant to Chapter 205, F.S., to one-third of the amount presently provided for therein, and imposition of a limit on municipal occupational licenses;

(j) Joint resolution relating to the revision of Article V of the Florida Constitution;

(k) Implementation and funding of a minimum foundation program for local law enforcement;

(l) Regulation of certain outdoor advertising and junkyards and such other matters as may be required to comply with the Highway Beautification Act of 1965 and Title 23, United States Code;

(m) Repeal of ad valorem tax exemption of property leased from governmental units by non-governmental lessees;

(n) An appropriation to the Board of Trustees of the Internal Improvement Fund for a period from January 1, 1972, to June 30, 1972, to pay salaries or other operating expenses and to repay a loan for repairs to the Capitol;

(o) Repeal of Section 372.57(4)(a), Florida Statutes, relating to the cane pole fishing license and exempting, under prescribed conditions, state residents from obtaining fishing licenses;

(p) Correction of alleged constitutional defects of Chapter 70-20, Florida Statutes (Florida Insurance Guaranty Association Act.)"

2. Except as amended by this Proclamation, the Proclamation of the Governor dated the 24th day of November, A. D., 1971, is ratified and confirmed.



IN TESTIMONY WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of Florida to be affixed to this Proclamation convening the Legislature in special session, at the Capitol, this 29th day of November, 1971.

REUBIN O'D. ASKEW  
Governor

ATTEST:  
RICHARD (DICK) STONE  
Secretary of State

The following Senators were recorded present:

Mr. President	Deeb	Johnson (34th)	Reuter
Arnold	de la Parte	Karl	Saunders
Barron	Ducker	Knopke	Saylor
Barrow	Gong	Lewis (33rd)	Scarborough
Beaufort	Graham	Lewis (43rd)	Stolzenburg
Bishop	Gunter	McClain	Trask
Boyd	Haverfield	Myers	Ware
Brantley	Henderson	Ott	Weissenborn
Broxson	Hollahan	Plante	Williams
Childers	Horne	Pope	Wilson
Daniel	Johnson (29th)	Poston	

43. A quorum present.

Excused: Senators Brannen, Fincher, Lane, Weber and Bell.

Prayer by Senator Lewis (33rd):

Come, Holy Spirit, fill our hearts with wisdom, understanding, counsel and fortitude and enkindle in us the fire of your divine love.

We are assembled here for the start of a ten-day special session that our Governor has called, to deliberate and implement many important items which are going to chart the future of our great state for years to come.

We thank you, Lord, for the opportunity to serve. We pray you, O Lord, greatest legislator of all time and eternity, to guide us in our every decision that we may do your will in all things so as to benefit all of your people. Amen.

The Senate pledged allegiance to the flag of the United States of America.

The President appointed Senators Horne, Karl and Pope as a committee to escort to the rostrum the Honorable LeRoy Adkison, who recently retired after serving for 20 years as Sergeant at Arms of the Florida Senate.

#### MESSAGES FROM THE HOUSE OF REPRESENTATIVES

The Honorable Jerry Thomas  
President of the Senate

November 29, 1971

Sir:

I am directed to inform the Senate that the House of Representatives has adopted—

By Representative Dubbin—

HCR 1-D (Org)—A concurrent resolution providing that the House of Representatives and the Senate convene in joint session.

WHEREAS, His Excellency, Governor Reubin O'D. Askew has expressed a desire to address the Legislature in joint session; NOW, THEREFORE,

Be It Resolved by the House of Representatives of the State of Florida, the Senate Concurring:

That the House of Representatives and the Senate convene in joint session in the chamber of the House of Representatives at 11:15 a.m. this day, Monday, November 29, 1971, for the purpose of receiving the message from the Governor.

—and requests the concurrence of the Senate therein.

Respectfully,  
ALLEN MORRIS  
Clerk, House of Representatives

HCR 1-D (Org), contained in the above message, was read the first time in full. On motion by Senator Hollahan, by two-thirds vote, HCR 1-D (Org) was read the second time by title, adopted and certified to the House. The vote was:

Yeas—43

Mr. President	Deeb	Johnson (34th)	Reuter
Arnold	de la Parte	Karl	Saunders
Barron	Ducker	Knopke	Saylor
Barrow	Gong	Lewis (33rd)	Scarborough
Beaufort	Graham	Lewis (43rd)	Stolzenburg
Bishop	Gunter	McClain	Trask
Boyd	Haverfield	Myers	Ware
Brantley	Henderson	Ott	Weissenborn
Broxson	Hollahan	Plante	Williams
Childers	Horne	Pope	Wilson
Daniel	Johnson (29th)	Poston	

Nays—None

#### JOINT SESSION

Pursuant to HCR 1-D (Org), the Senate formed in processional order and marched in a body to the chamber of the House of Representatives where they were received in due form. The joint session was called to order by the Honorable Richard A. Pettigrew, Speaker of the House of Representatives, at 11:15 a.m.

The Justices of the Florida Supreme Court and members of the Florida Cabinet were received and seated.

The Speaker invited the President of the Senate, Jerry Thomas, and the President Pro Tempore of the Senate, Wilbur H. Boyd, to the rostrum and requested the President to preside over the joint session.

The President in the chair.

The President declared a quorum of the joint session present.

Prayer was offered by Senator Broxson.

The Senate and House of Representatives in joint session pledged allegiance to the flag of the United States of America.

On motion by Representative Dubbin that a committee be appointed to notify the Governor that the joint session was assembled and ready to receive His Excellency's message, the President appointed Senators Barron, Boyd and Henderson on the part of the Senate, and the Speaker appointed Representatives Nichols, Grizzle and Winn on the part of the House.

The committee withdrew and upon return, escorted His Excellency, Reubin O'D. Askew, Governor of Florida, to the rostrum where he was presented to the joint session by the President. The Governor addressed the joint session as follows:

I want to welcome you back to Tallahassee for 10 days, and I hope your visit here will be pleasant and productive for all of us. Before we get into tax reform, I'd like to discuss briefly several other matters which merit your attention during the days ahead.

#### *Judicial Reform*

For many long and often frustrating years, we've tried to bring our judicial system into the twentieth century. Many of our predecessors have tried too. We've all failed, so far. As governor, I now have no direct responsibility or authority in the process of amending the constitution. But, as you know, I tend to show an interest at times . . .

It is time, ladies and gentlemen, to have another try at amending Article V of our constitution . . . the judicial article. It is time for us to work together to streamline our judicial system, to fairly and fully finance our courts, and to establish a system of justice which is swift . . . and fair . . . so that every man will truly feel it is his own. I am therefore recommending that this special session of the legislature approve a revision of Article V . . . to be submitted to the people for a vote during the March 14 presidential preference primary.

I'm both pleased and encouraged by the progress which the joint select committee of your two houses is making on an Article V revision which not only is sound and reasonable but a flexible document as well . . . one which can meet the demands placed on our court structure in the years to come. I hope the joint committee will complete its work and that you will all address yourselves to this proposal. A lot of hard work, a lot of time . . . and a lot of heart have gone into it. It is time, ladies and gentlemen, to put aside political considerations . . . and offer the people a judicial reform which is meaningful, sensible, and progressive.

#### *Billboards*

The next matter is an urgent one. This probably is the last opportunity you'll have to comply with the 1965 Federal Highway Beautification Act . . . regulating billboards. Failure to do so, as you know, will mean the loss of \$13 million to \$15 million in federal highway funds next year. Over the next ten years, it would result in a loss of more than \$150 million to our transportation program. Failure to do so may also doom tourists and residents alike to a continuing visual pollution along our Florida roadsides.

This is one case in which aesthetics and economics are in accord. And I find it inconceivable that we would ignore both. I strongly recommend that you vote us into compliance with the federal law regarding billboards.

#### *Trustees*

It's also my hope that you will end the incentive we give ourselves to sell the people's land. You can do this by voting to support the Internal Improvement Fund from general revenue. And I recommend that you do so.

#### *Minimum Foundation Program*

And as we move to upgrade our criminal justice system in one area—the courts—we can do no less in an *equally* sensitive area—law enforcement. I recommend funding of a minimum foundation program for our law enforcement officers. It's time we moved toward decent pay for those who are responsible for our very lives. It's time we gave the police officer something more than bumper strip support. It's time we fulfilled our commitment in this area. And it's time we moved toward professional pay and professional manpower as well in the law enforcement agencies in this state and its cities and counties.

#### *Insurance Guaranty Fund*

I'm also asking you, in this special session, to consider readoption of the insurance guaranty fund. Voided by a technicality in its original adoption, the guaranty fund is necessary to protect innocent policyholders from possible insolvency of insurance companies doing business in Florida.

#### *Ad Valorem*

Although in my opinion the ad valorem tax reform law already covers the profit-making enterprise which leases government-owned property, some technical questions have been raised. So that there can be no doubt, I am asking the legislature to review carefully the adequacy of the present law and amend it if necessary.

#### *Tax Reform*

##### *Corporate Profits Tax*

##### *The utilities tax credit:*

This brings us to my principal reason for calling you here today—to implement the corporate profits tax and other tax reform measures which the voters have endorsed in two primaries, a general election, and a referendum.

The people understand the cornerstone of this program to be a corporate profits tax of five per cent, with exemptions limited to \$5,000 . . . and without a host of credits and loopholes which eat away at the potential revenue. I recommend that you adopt precisely that kind of an implementing bill. I am pleased with most of the work your committees have done in this regard, but there were some decisions that should be reconsidered. Both of your committees have voted substantial credits for the gross receipts tax paid by utility companies . . . credits amounting to about \$10 million. I think this is unfair not only to the people . . . but to other taxpaying corporations as well. Utility companies presently deduct their gross receipts tax in computing their federal income taxes. One of your committee drafts allows this same deduction for the corporate profits tax. The effect of this action is to add a credit for the gross receipts tax on top of the deduction. I don't think there are many in this legislature who actually want to do that. Nor do I believe that there are many in this legislature who think that utility companies should get a net tax reduction next year while other corporations are paying more. Yet this, my friends, is what will happen if you grant them even a 50 per cent gross receipts tax credit on top of repeal of the corporate net worth tax. One reason given for allowing these credits is that the utility companies would otherwise pass on to the consumer that portion of their state corporate profits tax which is not deducted from their federal corporate profits tax. We've taken a look at the substantial profits now enjoyed by selected utilities, as well as those tax advantages presently in effect and now before congress. We've concluded, and I think you would conclude, and I think other businesses would conclude, that there's little or

no justification for rate increases as a result of present or proposed tax policies.

I would also point out to you that this legislature created the Public Service Commission, that a utility rate increase would have to be approved by that commission, and that this legislature could, if necessary, prohibit a consumer pass-on by statute. I don't recommend this because I don't think it's necessary. For even if we assumed the entire tax would be passed on to the consumer, the sum would be infinitesimal. In the case of one major electric company, it would amount to about nine cents on a typical monthly bill. By comparison, our proposed repeal of the sales tax on household utilities is going to reduce that same bill by \$1.60. However good your intentions, to grant special credits to utility companies on the assumption that you're protecting their consumers would be a mistake.

It should be remembered, ladies and gentlemen, that the more you give to big corporations—any big corporations—in the way of credits, exemptions and other breaks, the less relief you'll be able to give to the people. And whether a citizen is served by a privately-owned or a publicly-owned utility, the only way you're going to help him is by providing enough revenue from the corporate tax and other measures to make real consumer and property tax relief possible. Again let me urge you to take a critical look at any attempt to write special privileges into this implementing bill. Ask yourself if it's fair to those thousands of corporations which will pay their full share of the corporate profits tax regardless of how the bill is written.

#### *Installment Exemptions*

I'm also hopeful that your committees will reconsider their decisions regarding installment sales income. The committees, as you know, voted to exempt such income from the corporate profits tax if it derives from a sale made prior to January 1 . . . when we hope the tax will go into effect. Such an exemption could have a staggering effect on initial revenue—for example, a loss of 54 per cent from one large retail chain alone. To exempt from taxation the major portion of the income of our largest and wealthiest retailers for up to two years is not, in my opinion, reasonable. Nor is it fair. The companies, for example, which make their profits by leasing rather than selling enjoy no such exemption. Nor is it administratively sound for us to allow these corporations to report their income on a deferred basis . . . and not pay their state tax on the same basis. Corporate net income should be taxed as it is reported. That is the fairest and most sensible way. I urge you then, to take another look at this exemption.

#### *Carry-Back*

And as a final word on the corporate profits tax implementing bill, I strongly urge reconsideration of the so-called "carry-back" provision approved by both of your committees. This is, as someone described it last week, a "time bomb." In a bad year, I'm afraid it could seriously impair the state's fiscal system. I believe we should allow corporations to carry forward their losses . . . perhaps for as much as five years. But to allow them to recall their tax money several years *after* it has been collected and spent by the state is just asking for trouble.

#### *Repealers, Rebates, Local Government*

##### *Repealers*

The ultimate implementation of the corporate profits tax will enable you to actually repeal certain taxes . . . something

which, for all of our rhetoric, we've very seldom been able to do in Florida. We have no justification at this time, however, for repealing any taxes except those which are unfairly burdensome to lower-and-middle-income families. And in the enthusiasm of repealing taxes, we must not lose sight of each dollar lost to the state treasury, and what that loss means to the ability of state government to effectively serve the people of Florida.

I am recommending to you the repeal of four state taxes . . . which together amount to a loss to the state treasury of \$48 million. Each of them is a regressive tax—a glaring example of an unfair system. They include the sales taxes on household utilities and apartment rent, the "cane pole" fishing tax and the state share of the occupational license tax.

I said during the recent campaign that the corporate profits tax will help us to keep our commitment to increase homestead exemption for senior citizens, as well as stabilize property taxes generally. And it will. But we need to do more than that. We need to start reducing property taxes. But to do all these things and still keep up with our growing needs will require revenue sources free of exemptions, credits, caps and all the other devices with which we so often dilute our efforts. As I said so often during the campaign, the corporate profits tax is no panacea. It is a beginning in our effort to shift some of the tax burden from those who can least afford it to those who've been best at avoiding it. It's a good beginning, but it shouldn't be expected to do the job alone. It can't, as a matter of fact. And this brings us to the subject of collection rebates.

##### *Rebates*

During the corporate tax campaign I pointed out, as did many of you, that while Florida ranked near the bottom in corporate taxes, we ranked first among all state governments when it came to giving away sales tax collection rebates. I also proposed, in gatherings around the state during the campaign, that the rebates be repealed in their entirety . . . as applied to the sales tax. I now strongly recommend that:

The 3 per cent sales tax rebate be eliminated beginning January 1.

That rebates for the collection of excise taxes on liquor, beer, wine and cigarettes be eliminated.

And that the gasoline rebate be eliminated.

It should be remembered that if we don't repeal these rebates, we will not be able to move up the repeal date for the sales tax on household utilities and apartment rentals from July 1 to January 1, 1972. I'm sure we all want to do that. And I'm sure the people want us to do it. Furthermore, without repeal of the rebates, we could not afford to repeal the state portion of the occupational license tax. And, even more important, rebate repeal is the surest way we can deliver on property tax relief for local governments next year. I can't overemphasize the importance of these measures to the overall program. They're necessary. They're fair.

Let's consider the sales tax rebate given to dealers. As you know, this amounts to 3 per cent of the amount of taxes collected . . . or about \$25 million this fiscal year. Florida, as I've indicated, has the highest effective rebate rate in the country. In fact, 23 states give no rebates or credits for the collection of their sales taxes. Many national studies have been done on the cost of compliance with the sales tax law, and most of their conclusions are summed up by a report to my office on January 19, 1971, from the department of revenue. The report concluded that (and I quote): "Collection costs defy accurate identification and measurement." The principle we need to

establish on the state level is that a business' cost of collecting taxes for the state should be a cost of doing business. And this is by no means a radical idea. Most businessmen, in fact, agree with it. That's why they already deduct these collection costs from their federal income tax, as a (quote) "Cost of doing business." It also should be remembered that a business has interest-free use of all sales tax money it collects until that money finally is remitted to the state. We estimate this factor alone could account for as much as a \$4 million profit now being made on tax collection . . . a profit which will continue, of course.

I recognize it has been claimed that ending the rebate would hurt the small businessman. Let's look at that contention. We find that 183,000 of the 226,000 dealers in this state . . . or over 81 per cent of the dealers, the really small businessmen . . . get an average of only 86 cents a month in rebates. On the other hand, *ten* of the dealers, the big ones, get more than \$2.2 million a year . . . an average of \$226,000 for each of them. When the sales tax went up a penny in 1968, these same interests received an effective 33 per cent increase in their rebates. I say consumer taxes are already too high. I say we must stop this economic incentive for big-volume special interests to push for more and more consumer taxes year after year. The question now is whether we are going to continue to let a few big dealers in this state benefit disproportionately at the expense of nearly seven million people, including small businessmen. Let me give you an example of the incredible position we're in now:

We estimate that Florida, in effect, is paying more than \$10 million in federal corporate income taxes for dealers in this state because of the rebates. This is because whatever it costs the dealer to collect the sales tax is a fixed cost, whether we give him a rebate or not. Therefore, any rebate we give him can be considered additional income on which he would pay 48 per cent to the federal government. So, in effect, we have revenue sharing in reverse in this state. The state is sharing its revenues with the federal government through the dealer rebate. I submit that this must change. The discounts for alcoholic beverages, cigarettes, and gasoline are in the same category as the sales tax rebate. They should be repealed.

#### *Local Government*

Another problem which must be met in this special session is that of local government finance. The decisions which were made in the late sixties to limit property taxes are very much in keeping with the thrust of this tax reform movement. Property taxes are regressive and they have many bad economic side effects. But if we're not willing to replace the money they raise for local government, we have no right to cut off existing revenue. I am therefore recommending that you create at this special session a local government trust fund of 3 per cent of the revenues raised by the sales tax; it would be financed by the repeal of the 3 per cent dealer's rebate. Local governments receiving assistance from this trust fund would be required to roll back property taxes for at least 80 per cent of the new money received. The millage grandfather would be partially extended, with a roll back mandatory as new money is provided. It is essential that we create the trust fund and, accordingly, partially continue the grandfather at this special session. I emphasize the word "partially," because the object of this proposal is not to extend the 10-mill cap but to provide the replacement revenue with which we can safely and progressively allow it to expire . . . beginning next year. I do not, however, recommend that you establish

the distribution formula for the trust fund at this special session. That should be a major item for consideration in February.

As you can see, repeal of the collection rebates is essential not only for immediate consumer tax relief, but for our program of local government aid and property tax relief as well. We should not consider settling for a hollow kind of millage rollback which merely invites the cities to raise service fees and bus fares which hit again at the consumer. We all know that this is exactly what they'll have to do if we don't provide other revenue for them.

#### *Conclusion*

Now please let me share something with you.

The lesson of the tax reform battle so far is clear: In order for some people to pay less, others have to pay more. Our object here today must be to shift the burden . . . not try to make it go away, because it just won't do that. The tax program I have presented to you is very delicately balanced. It tries to equalize our tax burden and meet our growing needs at the same time . . . and that's not an easy thing to do. This is why I urge you to handle the package with care, for if you kill any one part of it, you will almost surely disable the others.

Twelve days ago, I pointed out to your committees that virtually every tax proposal now before you was either spelled out or clearly implied in the recent referendum campaign. That campaign was endorsed by more than 70 per cent of the voters in possibly the biggest referendum turnout in Florida history. We cannot ignore such a mandate. We cannot subvert it. We cannot . . . and we should not . . . attempt to diminish it in the eyes of the people who delivered it to us.

When I ran for governor last year, my program was tax reform . . . not just a corporate profits tax, but total tax reform. From the very beginning, I proposed adjustment of the collection rebates, imposition of a severance tax on phosphates and elimination of unwarranted loopholes and exemptions in existing state taxes and local ad valorem taxes. After the gubernatorial election last year, I was dismayed at those who were saying the result wasn't a vote for the corporate profits tax; it was a vote against the incumbent governor. And so, with your help, we took the program to the people. And it was, indeed, a total program that we talked about day-in and day-out from January until November. Although the corporate profits tax was all that appeared on the ballot, the people were aware that this was a campaign for total reform. But now I'm again dismayed at those who are saying that November 2 wasn't a vote for repeal of the rebates; or for aid to the cities; or for property and consumer tax relief; or for a healthier revenue picture to enable us to meet ever-growing demands. No, the line now seems to be that this was just a vote for the corporate profits tax . . . and if we throw in a few loopholes, well that's all right too.

Ladies and gentlemen, I doubt very much that this is what the people are trying to tell us. It's awfully easy for us to deceive ourselves in this business. Right now I'm sure that your (quote) "constituents" (unquote) are telling you they don't want the rebates repealed; or that credits are all right for some businesses; or that we don't need the money; or that everything's going to be passed on to the consumer. These are the same constituents, no doubt, who told you that the corporate profits tax would fail . . . for the same reasons. I suggest that while these are the constituents you and I see most often, they're not the ones who voted with 70 per cent of the

people on November 2. As you consider each of the proposals now before you; and as you consider each of the arguments thrust upon you by spokesmen for the other side . . . familiar arguments delivered by familiar spokesmen . . . as you consider these things, I hope you also will do this:

Imagine, if you will, how each of these many questions would be settled if they appeared on the ballot. Imagine what the vote totals might be in each of your districts. And imagine what will happen to that wonderful faith the people expressed in their system November 2, if we fail them now . . . when the mandate is so clear . . . so exceptionally clear. It isn't idle rhetoric to say that there's a new day in Florida . . . it's a fact. It's a day in which no state official needs to fear or depend upon the special interests for his political survival. But it is a day in which all public officials have reason to respect, as never before, the will and the perception of the Florida voter. It's a day of opportunity for those who regard politics not as a game . . . but as a commitment. And it's a day which mustn't be allowed to slip by us unfulfilled. Many of you made it possible when you voted to let the people express themselves on this issue of tax reform. I want to thank you for that. Some of you made it possible by actively working on behalf of tax reform. I can't thank you enough for that. And others among you have opposed this effort vigorously and steadfastly. Again . . . I say . . . come join us.

When I spoke to you in this chamber last June, I said it was time to forget our dreams of what might have been, and to work instead on what must be done. Now, however, the people have made our dreams and their mandate one and the same. And it's time we pursued both . . . until the job is done. Thank you.

Following the Governor's address, the committee previously appointed escorted the Governor from the rostrum and from the House chamber, followed by the Justices of the Supreme Court and members of the Cabinet.

On motion by Senator Hollahan, the Senate withdrew from the joint session and resumed its session at 12:10 p.m. A quorum present—43:

Mr. President	Deeb	Johnson (34th)	Reuter
Arnold	de la Parte	Karl	Saunders
Barron	Ducker	Knopke	Sayler
Barrow	Gong	Lewis (33rd)	Scarborough
Beautort	Graham	Lewis (43rd)	Stolzenburg
Bishop	Gunter	McClain	Trask
Boyd	Haverfield	Myers	Ware
Brantley	Henderson	Ott	Weissenborn
Broxson	Hollahan	Plante	Williams
Childers	Horne	Pope	Wilson
Daniel	Johnson (29th)	Poston	

## INTRODUCTION

By Senator Barrow—

SB 1-D—A bill to be entitled An act relating to local government replacement revenues; authorizing a program of grants to municipalities and counties to be administered by the department of revenue; designating the method of apportioning replacement revenue grants; designating replacement revenues as general funds of municipalities and counties; making an appropriation; providing an effective date.

—was delivered to the Committee on Rules, Calendar, Privileged Business and Ethics for consideration and advice as to whether same is within the purview of the call of the Governor.

By Senator Barrow—

SB 2-D—A bill to be entitled An act relating to game and fresh water fish; amending section 372.57(4)(a), Florida Statutes, as amended by chapter 70-26, Laws of Florida, exempting certain state residents from obtaining fishing licenses when fishing with poles for noncommercial purposes; providing an effective date.

—was determined by the President to be within the purview of the Governor's call, read the first time by title and referred to the Committee on Ways and Means.

On motion by Senator Knopke, by two-thirds vote, SB 2-D was also referred to the Committee on Natural Resources and Conservation as the first committee of reference.

By Senator Barrow—

SB 3-D—A bill to be entitled An act relating to sales and use taxes; amending subsection 212.02 (12), Florida Statutes, to remove the term electric power or energy from the definition of tangible personal property; amending subsection 212.05 (5), Florida Statutes, to exempt electric power or energy from taxation; providing an effective date.

—was delivered to the Committee on Rules, Calendar, Privileged Business and Ethics for consideration and advice as to whether same is within the purview of the call of the Governor.

By Senator Sayler—

SB 4-D—A bill to be entitled An act relating to tax on sales, use and other transactions; creating section 212.03(7), Florida Statutes; providing that Florida residents shall not pay a transient rentals tax; providing a definition of a resident of Florida; providing that the department of revenue shall promulgate rules and regulations; providing an effective date.

—was determined by the President to be within the purview of the Governor's call, read the first time by title and referred to the Committee on Way and Means.

By Senator Sayler—

SB 5-D—A bill to be entitled An act relating to taxation; amending subsection 212.08(7), Florida Statutes, to provide an exemption from sales and use taxes for household utilities; providing definitions; providing an effective date.

—was determined by the President to be within the purview of the Governor's call, read the first time by title and referred to the Committee on Ways and Means.

By Senator Sayler—

SB 6-D—A bill to be entitled An act relating to intangible personal property taxation; repealing chapter 199, Florida Statutes, as amended by chapters 71-6 and 71-134, Laws of Florida, which levies taxes on intangible personal property; providing an effective date.

—was delivered to the Committee on Rules, Calendar, Privileged Business and Ethics for consideration and advice as to whether same is within the purview of the call of the Governor.

By the Committee on Ways and Means—

SB 7-D—A bill to be entitled An act relating to state and local taxation; amending subsection 200.131(1), Florida Statutes, to extend municipal operating millages over 10 mills until reduced under the provisions of section 212.30, Florida Statutes; repealing subsection 212.12(1) Florida Statutes, which allows dealer's credit for collecting sales tax; creating section 212.30, Florida Statutes, to provide for local government ad valorem tax relief fund; providing 3% of state sales tax to be paid into such fund; providing for mandatory 80% millage roll-back for revenues received from local government ad valorem tax relief fund; directing the 1972 Legislature to adopt a formula for distributing said fund; providing a severability clause; providing an effective date.

—was determined by the President to be within the purview of the Governor's call, read the first time by title and referred to the Committees on Commerce and Ways and Means.

By the Committee on Ways and Means—

SB 8-D—A bill to be entitled An act relating to tax exemption on rentals of buildings intended primarily for lease or rent to persons as their principal or permanent place of residence; providing the Department of Revenue with responsibility for certain classification; providing an effective date.

—was determined by the President to be within the purview of the Governor's call, read the first time by title and referred to the Committee on Ways and Means.

By the Committee on Ways and Means—

SB 9-D—A bill to be entitled An act relating to game and fresh water fish; amending section 372.57(4)(a), Florida Statutes, as amended by chapter 70-26, Laws of Florida, exempting certain state residents from obtaining fishing licenses when fishing with poles for noncommercial purposes; providing an effective date.

—was determined by the President to be within the purview of the Governor's call, read the first time by title and referred to the Committee on Ways and Means.

By the Committee on Ways and Means—

SB 10-D—A bill to be entitled An act relating to taxation; amending subsection 212.08(7), Florida Statutes, by adding subsection (i) to provide an exemption from sales and use taxes for household utilities; providing an effective date.

—was determined by the President to be within the purview of the Governor's call, read the first time by title and referred to the Committee on Ways and Means.

By the Committee on Ways and Means—

SB 11-D—A bill to be entitled An act relating to taxation, amending subsection 206.43(1), Florida Statutes, to eliminate motor fuels dealer discounts; amending section 206.50 to reduce the shrinkage allowance to one percent (1%); amending 206.91, Florida Statutes, to eliminate special fuels dealer discounts; providing an effective date.

—was determined by the President to be within the purview of the Governor's call, read the first time by title and referred to the Committee on Ways and Means.

By the Committee on Ways and Means—

SB 12-D—A bill to be entitled An act relating to occupational license taxes as provided in Chapter 205, Florida Statutes; creating section 205.13 to reduce certain rates to one third (1/3) of the amount otherwise provided in Chapter 205, Florida Statutes, by adding a new section; amending the disposition of taxes collected; providing an effective date.

—was determined by the President to be within the purview of the Governor's call, read the first time by title and referred to the Committee on Ways and Means.

By the Committee on Ways and Means—

SB 13-D—A bill to be entitled An act relating to assistance for local law enforcement; declaring legislative intent; providing for distribution of funds appropriated; providing requirements for participation in the program; limiting use of funds; providing for administration and apportionment of funds; requiring reports by local units; repealing Minimum Foundation Program for local law enforcement, Sections 163-550—163.561, in Part V of Chapter 163, Florida Statutes; providing an appropriation; providing an effective date.

—was determined by the President to be within the purview of the Governor's call, read the first time by title and referred to the Committee on Ways and Means.

By the Committee on Ways and Means—

SB 14-D—A bill to be entitled An act making appropriation; providing moneys to the Board of Trustees of the Internal Improvement Trust Fund for the period beginning January 1, 1972, and ending June 30, 1972, to pay salaries and other operating expenses and to repay a loan for making repairs to the Capitol; providing an effective date.

—was determined by the President to be within the purview of the Governor's call, read the first time by title and referred to the Committee on Ways and Means.

By the Committee on Ways and Means—

SB 15-D—A bill to be entitled An act relating to taxation; repealing subsections 561.46(9) and (10), Florida Statutes, which allow discounts and credits on beverage taxes to wine manufacturers and bottlers and distributors of malt beverages of beer; amending section 561.505, Florida Statutes, by deleting the allowance to distributors of spirituous beverages; providing penalties; providing an effective date.

—was determined by the President to be within the purview of the Governor's call, read the first time by title and referred to the Committee on Ways and Means.

By the Committee on Ways and Means—

SB 16-D—A bill to be entitled An act relating to taxation of cigarettes; amending subsection 210.05(3), Florida Statutes, by eliminating the allowance for compensation of agents affixing cigarette stamps and collecting state tax thereby; providing penalties; providing an effective date.

—was determined by the President to be within the purview of the Governor's call, read the first time by title and referred to the Committee on Ways and Means.

By the Committee on Transportation—

SB 18-D—A bill to be entitled An act relating to the control of junkyards or scrap metal processing facilities adjacent to public highways; providing definitions; prohibiting the operation of junkyards or scrap metal processing facilities within one thousand (1,000) feet of the right-of-way, unless screened from public view; providing exceptions; providing for requirements for fences; providing the department of transportation shall have powers of eminent domain over certain lands; providing for enforcement by the department; providing a penalty; repealing sections 861.13, 861.14, 861.15, 861.16, 861.17, and 861.18, Florida Statutes, and chapter 71-338, Laws of Florida, relating to control of junkyards and scrap metal processing plants adjacent to public highways; providing an effective date.

—was determined by the President to be within the purview of the Governor's call, read the first time by title and referred to the Committee on Transportation.

By the Committee on Transportation—

SB 19-D—A bill to be entitled An act relating to outdoor advertising; amending section 479.01, Florida Statutes, relating to definitions; amending section 479.02, Florida Statutes, pertaining to enforcement of provisions by the department of transportation; creating section 479.025, Florida Statutes, providing for execution of agreement; amending section 479.03, Florida Statutes, relating to territory to which act applies; amending section 479.11(1), Florida Statutes, prohibiting the erection of outdoor signs in certain areas; creating section 479.111, Florida Statutes, permitting certain advertising signs; amending section 479.16(12), Florida Statutes, excepting certain advertisements; creating section 479.23, Florida Statutes, providing for removal of signs; creating section 479.24, Florida Statutes, providing for compensation for removal of signs and use of power of eminent domain; providing an effective date.

—was determined by the President to be within the purview of the Governor's call, read the first time by title and referred to the Committee on Ways and Means.

By the Committee on Ways and Means—

SB 20-D—A bill to be entitled An act relating to taxation and finance; amending Title XIII, Florida Statutes, to provide for the imposition, collection and administration of an income tax on corporations and other artificial persons; amending subsection 323.15(6), Florida Statutes, to remove the income tax exemption of motor carriers; amending sections 624.0307 and 624.0308, Florida Statutes, to provide a credit for insurers against insurance premium taxes for the amount of income taxes paid; providing an effective date.

—was determined by the President to be within the purview of the Governor's call, read the first time by title and referred to the Committee on Ways and Means.

By Senator Arnold—

SB 21-D—A bill to be entitled An act relating to tax on special fuels; amending §206.87(4), Florida Statutes, as amend-

ed by chapter 70-995, Laws of Florida, adding paragraphs (e) and (f); providing that certain transfers or deliveries of special fuel into the fuel supply tanks of certain motor vehicles shall not be taxed as a sale; providing an effective date.

—was delivered to the Committee on Rules, Calendar, Privileged Business and Ethics for consideration and advice as to whether same is within the purview of the call of the Governor.

By the required constitutional two-thirds vote of the Senate the following resolution was admitted for introduction and consideration:

By Senators Horne, Bishop, Karl and Barron—

SR 22-D—A Resolution In Memoriam Leonard Peterson "Pete" Gibson.

—was read the first time in full. On motion by Senator Hollahan, by two-thirds vote, SR 22-D was placed on the calendar.

Senator Hollahan announced that the Committee on Rules, Calendar, Privileged Business and Ethics would meet at 2:30 p.m., Wednesday, December 1, in Room 31.

Senator Gunter announced that the Committee on Ways and Means would meet at 2:30 p.m. this day in Room 331, Holland Building.

On motion by Senator Hollahan, it was agreed by two-thirds vote that when the Senate adjourns it adjourn to reconvene at 10:00 a.m., November 30.

The Senate adjourned at 12:29 p.m. to reconvene at 10:00 a.m., November 30, 1971.