



## THE FLORIDA SENATE

### SELECT COMMITTEE ON FLORIDA'S ECONOMY

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Senator Don Gaetz, *Chair*

Senator Jeremy Ring, *Vice Chair*

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## MEMORANDUM

**To:** Members of the Select Committee on Florida's Economy  
**From:** Don Gaetz, Chair  
**Subject:** Assignment by the President related to the Deepwater Horizon Oil Spill  
**Date:** July 6, 2010

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### Purpose

The President has directed the Select Committee on Florida's Economy to evaluate the economic impact of the Deepwater Horizon Oil Spill and recommend legislative action to address the serious and growing consequences of this tragedy on Florida families and businesses along the Gulf Coast.

The tangible effects of this spill on Florida's environment are only beginning and will likely last for months or years. The economic effects began almost immediately as our tourism, fishing, hospitality, real estate, and other related industries have suffered increasingly from both the reality and perception of the spill.

This widening catastrophe comes at a time when Florida's economy was just beginning to recover from historic unemployment, foreclosures, and business failures. The fiscal condition of the State of Florida is stronger than that of most other large states. Growth in general revenue was estimated to be 6.76% in 2010-2011 and 8.1% in 2011-2012 (though the lagging affects of the recession are anticipated to require continued and growing support for services such as Medicaid). The projections of recovery which rely upon a stable economy are now unreliable in the face of what could be billions of dollars in lost income for Floridians and lost revenue for the state. Anecdotal reports are already demonstrating profound damage to the economy.

Revenues from our robust tourism industry support critical state services and also provide the resources for school systems, public safety, and local governments. Data on the impact of the spill on state and local revenue collections for activity that occurred in May will begin to become

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available in early July for statewide data and in late July or early August for data on sales tax activity at the county level and by business type.

### **Scope of Committee Action**

Since its creation by President Atwater, the mission of the Select Committee has been to develop legislative proposals to strengthen Florida's economy and then to advance those proposals through the legislative process. The President has made clear that, in the case of the oil spill, the committee is to consider and pursue proposals to help families, businesses, and communities whose livelihoods are threatened. Those proposals may take the form of bills to be considered by a special session or regular session of the Legislature. The President has also defined the scope of the committee to include other "legislative action," such as hearings, to review the response of state and federal agencies and British Petroleum to the economic aspects of Deepwater Horizon and requests for action by the executive branch.

To recommend constructive solutions, the Select Committee will:

- Evaluate BP's response related to economic impacts on Florida's residents, businesses, and governments;
- Evaluate the state's response to economic impacts on Florida's residents, businesses, and governments;
- Determine gaps and weaknesses in current economic responses;
- Determine whether the needs of Floridians are being addressed through the damage/claims process established by BP;
- Identify long term outlook for Florida;
- Determine existing options for addressing impacts;
- Review policies adopted by other states to recover from catastrophes;
- Closely monitor federal actions and recommend to the state's congressional delegation ways in which the federal response can be more effective and timely in dealing with economic consequences;
- Closely monitor local actions and consider additional means of advocating for the needs of local governments; and
- Review the timeliness, adequacy, and effectiveness of Visit Florida's support for the tourism industry.

As suggested by the select committee's name and scope of activities, we will focus exclusively on economic issues. Other Senate committees have jurisdiction over and are engaged in monitoring environmental and other matters related to the oil spill.

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## **Senate Select Committee on Florida's Economy Staff Tasks**

The President has allowed staff of the select committee to be supplemented by professional staff from the President's Office, Finance and Tax Committee, and other committees in carrying out this assignment. Initially, professional staff is developing a data collection set for members of the select committee in anticipation of the Public Workshop noticed for next week.

### **Data Collection**

Senate professional staff will gather all available data related to economic impact, both actual and projected. The data will be used to determine existing options for addressing impacts, and ascertain whether these options are being used to the greatest extent possible.

- Federal aid
- State aid
- Local aid
- Regulatory considerations
  - Fishing regulations and restrictions
  - Permitting
  - Business licensure
  - Environmental (as they may affect economic recovery)
- Comparable Experience
  - What states have experienced similar disruptions
  - Lessons learned
  - Policies that promote economic recovery after catastrophes

### **Preliminary Issues Raised**

Effect of Oil Catastrophe on Property Values

- Residential / Commercial
- Property tax relief for affected residents and businesses

Loss of income for Florida residents and businesses

- Review eligibility criteria for state individual and business assistance programs
- Claims paying process
- Emergency loan and grant process

### **Next Steps**

As we begin this assignment, please feel free to contribute any data, recommendations, research, or critiques which you believe other members ought to consider. Thank you, in advance, for your leadership and your service in facing one of the greatest and most somber challenges in our state's history.