



January 31, 2014

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ICSC Whistler Conference Features Cities of Canada Showcase

This week marked the 25th anniversary of the ICSC Whistler Conference, a combination of education for retail real estate professionals as well as a forum for leasing and networking. This year more than 50 public officials attended the conference representing cities, business improvement districts and economic development associations from seven provinces across Canada. A Cities of Canada Showcase provided public officials with an opportunity to highlight development opportunities in their communities.

Senate Passes the Homeowner Flood Insurance Affordability Act

Changes made to the National Flood Insurance Program (NFIP) have been plaguing both residential and commercial policyholders since the Biggert-Waters Flood Insurance Reform Act (BW-12) was enacted last year. While the BW-12 was important to extending the NFIP and bringing financial stability to the program through flood insurance rate mapping, grants, floodplain management, and premiums that more accurately reflect the real risk of flooding associated with a property, some residential and commercial properties have begun to see their flood insurance premiums skyrocket.

This week the Senate passed the Homeowner Flood Insurance Affordability Act, which would delay implementation of certain aspects of BW-12 in an attempt to deal with these considerable rate hikes. The Act specifically pertains to those communities built after the adoption of flood insurance rate maps and those communities whose rate maps changed as a result of BW-12.

ICSC wants to ensure that our members' stories related to this issue are heard on Capitol Hill. If you have experienced a dramatic rate increase, property devaluation, or inability to sell due to current changes made to the NFIP, please contact Mike Anderson at mranderson@icsc.org.

Join Us in DC March 25-26 for ICSC's Federal Fly-in

Congress is considering policies that will have a profound impact on our industry. Make sure your voice is heard by attending the Strategic Leadership Summit (SLS), the ICSC annual fly-in on Capitol Hill. Previous political experience is not required to attend this event. ICSC prepares you with background sessions on legislative issues, talking points and tips on how to conduct an effective meeting with a Congressional office, and all appointments with members of Congress are scheduled for you. All you need to do is show up.

Not only does this event give you access to your federal elected officials, but it also provides an excellent networking opportunity. Industry leaders and ICSC Trustees from around the country regularly attend this meeting, and the schedule is designed to allow attendees to mingle, whether it's in between meetings, at dinner or during our ICSC PAC Casino Night. SLS is a truly unique event and one that is critical to our industry.

For more information and to register, [click here](#).

CO: Legislative Session Begins

The Colorado legislative session started on January 8 and will run for 120 days. Among the early bills introduced of interest to ICSC members was a bill to create a one-day exemption from state sales tax for school supplies, clothing and sports equipment. Additional hot issues expected this year include limits on the use of tax increment financing, business

personal property tax reform and the reinstatement of the Brownfields tax credit.

CO: Amazon Tax Law Under Judicial Review

Online retailers and Colorado consumers may receive some clarity soon on whether the state's so-called Amazon tax law has any teeth. A Denver judge reviewed a request last week by a trade organization for a preliminary injunction to temporarily block the law while he determines whether it's constitutional.

In 2012, a federal judge tossed out the law, which aims to compel out-of-state e-tailers to collect Colorado's sales tax on purchases. The law was recently reinstated after an appeals-court panel ruled that such tax issues should be left to the states.

The Direct Marketing Association, a trade organization that represents thousands of businesses, filed a lawsuit in November asking the Denver District Court to rule that the law is unconstitutional. The group cites the U.S. Constitution's Commerce Clause, which says that "state laws may not discriminate against or burden interstate commerce."

In its response, Colorado argues that the Commerce Clause "was intended to foster an open national market, not ... to shield retailers doing substantial business within a state from reasonable state laws."

The 2010 law requires big out-of-state retailers that don't collect Colorado's 2.9% sales tax to send comprehensive purchase reports to their consumers and the state Department of Revenue.

FL: Governor Proposes \$100 Million Tax Cut on Business Rents

As part of his commitment to eliminate \$500 million in taxes and fees for the upcoming legislative session, Governor Rick Scott (R) announced a proposal this week to cut sales taxes on commercial rents.

The savings to Florida businesses would be \$104 million, according to a statement issued by Scott's office. The governor's budget reduces the tax on commercial leases by one half of a percentage point from its current 6%. The proposal is the final piece of a plan that includes the governor's previously announced call for a \$400 million reduction in car registration fees.

NY: Governor Cuomo Presents Executive Budget

Governor Andrew Cuomo (D) unveiled his 2014-15 Executive Budget this week, which focused on economic development, tax relief, increases in education and Medicaid spending and ethics reform. Part of the budget focuses on the Brownfield Cleanup Tax Credit Program. While the program is due to sunset December 31, 2015 for any participant not completing required remedial work, the proposed budget extends the credits for ten years. However, the budget also contains provisions to largely eliminate the market basis for the program and the as-of-right development credits. The budget would limit the credits to sites that (1) have been abandoned for more than 15 years or that have not paid property taxes in more than ten years; (2) are upside down so that the cleanup costs must exceed the value of the property minus contamination, or; (3) are considered regionally significant economic projects. ICSC's New York Government Relations Committee has been following this issue closely and will continue to engage with the executive and legislative leaders to advocate for maintaining New York's exemplar Brownfields tax credit program.

Canada: Ontario to Raise \$10.25 Minimum Wage Retroactively

The Ontario government is poised to increase the minimum wage based on the rate of inflation since 2010. That would mean raising the province's minimum wage from \$10.25 per hour to between \$11 and \$11.25. The news comes as an advisory panel examining minimum wage in Ontario released a report on Monday calling for an increase in minimum wages across the province.

The Canadian Press reports that the six-member panel's recommendations included:

- tying wage increases to the inflation rate
- giving businesses four months before any increases take effect
- a full review every 5 years
- ongoing research to aid government policy decisions

The panel is not expected to recommend exactly how much the government should raise the rate. A government announcement regarding the wage increase is expected within the week.

Washington, DC 20004
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