

April 11, 2014

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Show Your Support!

New @Efairness Window Clings Now Available

As part of ICSC's ongoing efforts to urge Congress to enact a federal solution that would help level the playing field on a sales tax collection basis for all retailers, ICSC has created a new window cling to help you show your support for E-Fairness. This free window cling is 4" x 6", double-sided for display on windows or doors, and is completely removable and repositionable. Shipping is free and we will mail the window clings directly to your individual centers or we can ship the entire order to your corporate office if you prefer. To order a cling for your property, [click here](#).



Senate Moves Forward on TRIA

A bipartisan group of Senators has reached an agreement on a critical piece of newly proposed legislation that would reauthorize and extend the Terrorism Risk Insurance Act (TRIA). TRIA is set to expire at the end of 2014 and the new legislation, which was introduced by Senator Charles Schumer on Thursday, would reauthorize the program for an additional seven years. In addition to the extension, two principal changes have also been made to the program structure. Currently, TRIA imposes a mandatory policy surcharge that would require the recoupment of federal payments made under the program. That recoupment threshold is set at \$27.5 billion, but under the Schumer's bill that threshold would be raised to \$37.5 billion. In addition, the new legislation would increase an insurers' co-pay from 15% to 20%. (After an insurers' losses exceed its deductible, it would face a 20% co-pay on all additional terrorism losses, instead of the current 15%.) These two changes would be phased in incrementally over a five-year period. Senators Heller, Reed, Kirk, Murphy, and Johannes have all signed onto the legislation as cosponsors. Now that a bipartisan bill has been introduced in the Senate, Senator Schumer and the legislation's cosponsors will urge their colleagues to work to quickly pass the measure through the Senate.

HI: REIT Legislation Fails in Senate

Previously ICSC reported that the Hawaii House passed H.B. 1726, H.D. 2, legislation that would modify Hawaii's taxation of real estate investment trust (REITs) by eliminating the "dividends paid deduction" (DPD). Such a change would pull Hawaii out of conformity with the federal income tax rules and would be contrary to the laws of almost every state income tax system with respect to the taxation of REITs. ICSC and NAREIT submitted testimony in opposition to the proposed change. ICSC has learned that the measure failed to advance in the Senate and is "dead" for the year.

MA: City of Boston Unveils Carbon Cup Program

Boston's new mayor, Marty Walsh, has announced the Greenovate Boston Mayor's Carbon Cup, a voluntary recognition program for large hospitals, universities, and commercial building portfolios committed to reducing their greenhouse gas emissions intensity by 35% by 2020. The program is part of a larger goal set by the city to reduce overall greenhouse gas emissions by 25% by 2020. The idea is that by reducing the emissions of a number of these highest emission-producing buildings in the city through the voluntary contest, the entire city will be able to reach its overall goal.

MN: House Passes Tax Relief Proposals

The Minnesota House last week passed a \$103.25 million package of tax proposals aimed largely at providing property tax relief during the current biennium on a 125-0 vote. Besides addressing property tax, the bill includes various community requests to adjust their tools used to spur economic development (tax-increment financing and local sales and use taxes). The Senate passed a similar bill through their Tax Committee but it has yet to see action on the floor. The Senate tax bill clarifies language on which types of businesses are ineligible to be certified by the state as a qualified business for the greater Minnesota business expansion sales tax exemption program. The bill also authorizes or extends tax increment financing districts in numerous communities around the state.

NY: Legislature Passes On-Time Budget

On March 31, the New York Senate and Assembly approved the 2014-15 budget. The budget provides \$1.5 billion in property tax relief over three years. In the first year under the plan, New Yorkers will receive property tax relief if their local governments stay within the property tax cap. It also establishes a 20% real property tax credit for manufacturers who own or lease property and lowers the tax rate on income for all manufacturers from the current 5.9% to zero in 2014 and thereafter. Furthermore, the business tax rate is reduced from 7.1% to 6.5%. Finally, the budget will phase out the corporate capital base asset tax over six years beginning in 2016. In addition, the legislature rejected the Governor's proposed Brownfield reform language, which would have a variety of negative implications on the retail development industry.

TX: City of Dallas Adopts Single-Use Bag Ordinance

On March 26, the Dallas City Council adopted a partial ban on single-use carryout bags by a vote of 8 to 6. Beginning on January 1, 2015, retailers in the City of Dallas must charge customers a five cent "environmental fee" for each paper and plastic bag they use. Retailers will be required to register with the city and keep track of bags sold. Ten percent of the fees collected will be retained by the retailer and the other 90 percent will fund enforcement and education efforts. The new ordinance does not include:

- * Laundry, dry cleaning or garment bags;
- * Door hangers that solicitors use;
- * Packages of multiple bags used for garbage, pet waste or yard waste;
- * Recyclable paper bags provided by pharmacists or veterinarians containing prescriptions; or
- * Recyclable paper or plastic bags used by restaurants for take-out food.

Gary Huddleston of Kroger commenting on behalf of the Texas Retailers Association said, "This change will affect the retailers in the City of Dallas and it will affect our customers. They will have to pay for their paper and plastic bags or bring in their reusable bags. We personally believe the solution to litter in the City of Dallas is a strong recycling program and also punishing the people that litter and not punishing the retailer."

Canada: Quebec Liberals Return to Power

The Provincial election on April 7 has returned the Quebec Liberal Party to government, soundly defeating the governing party, the Parti Quebecois (PQ) by a margin of 40 seats. Thirty days ago, when the PQ called the election, polls indicated that they were well-positioned to win a majority of seats. Midway through the campaign, however, the PQ Leader, Pauline Marois, and her star candidate, billionaire, Pierre Karl Peladeau, started to talk about a sovereign Quebec and separation from Canada. Instantly the PQ's fortunes changed, thrusting the Liberal Party, led by Philippe Couillard into a commanding lead. Couillard continued to build and protect his lead throughout the remainder of the campaign and won a commanding victory. Pauline Marois failed to win her seat and will be resigning as PQ Leader within the next few weeks.

Are You Involved in the Political Process? Let Us Know!

ICSC recently launched a survey to gauge the level of political engagement and relationships with elected officials that ICSC member have. If you have not done so yet, please take a moment to fill out our brief survey. It only takes about 5 minutes to complete and will make a tremendous difference in ICSC's ability to advocate at the state and federal levels on issues that are vital to the retail real estate industry. [Click here to begin the survey.](#)

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