



MARCH 8, 2005

GOVERNOR SUPPORTS IMPORTANT BUSINESS ISSUES IN THE STATE OF THE STATE ADDRESS

The Legislative Session opened today amid the usual pomp and floral circumstance.

The highlight of the day, of course, was Gov. Jeb Bush's state of the state address, his seventh. In his speech, the governor spoke strongly in support of various key issues for Florida's employers which if addressed should go a long way in strengthening Florida's business environment. Many of the issues raised by the Governor are in line with AIF's top priorities for the 2005 legislative session.

The following are excerpts from the address that illustrate Gov. Bush's understanding of and commitment to issues that are of great importance to Florida's business community.

LEGAL REFORM

"As we create the workforce of the future, we also need to address threats to Florida's business climate. Predatory litigation is a growing threat to our economic growth.

The U.S. Chamber Institute for Legal Reform ranks states according to fairness of their legal systems, based on a Harris Interactive survey of 1,400 corporate counsels. In 2004, Florida ranked 38th. This year we dropped to 42nd. At this rate, we'll be dead last in two years.

The problem is not limited to business owners, it affects everyone who holds a job or makes a purchase. Spiraling litigation costs limit job creation. They limit employee benefits and wages for working Floridians, and they are passed along in higher prices to consumers.

These increased costs create what amounts to a "litigation tax" on Floridians. In 2003, that tax was almost \$3,400 for a family of four, or \$845 per person.

We need meaningful tort reform, and we need it now.

We must eliminate "joint and several" liability in Florida, so that people and businesses pay for the injury or loss they cause according to responsibility, rather than financial ability. We must ensure that class action awards and settlements are directed to the people who have suffered injury, to ensure they are compensated fairly.

I thank Speaker Bense for his commitment to tort reform, and I look forward to working with him and the Legislature to create a solution that holds businesses accountable for wrongdoing, without threatening the survival of those operating in good faith."

MEDICAID

Almost a year ago, with the encouragement of the current Legislative leadership, we began asking a fundamental question regarding Medicaid. We asked, "How would we run the system, if we weren't limited by how we've always done it in the past?"

“The answer creates a new vision for Medicaid, and demands a transformation of the entire system. Effective, modern Medicaid starts with the premise that the people in the program should have the power to make meaningful choices for themselves and their families.”

“The transformed system would reward healthy lifestyle decisions, which will save millions and enhance the quality of life for thousands of Floridians. The new system would use competitive market principles to unleash innovation, spurring new and better ways to serve patients.”

GROWTH MANAGEMENT

“As we take steps to enhance our economy, we must also take steps to ensure that our growth enhances, rather than detracts, from the quality of life that is the trademark of the Sunshine State.”

“We need true concurrency between new development and the infrastructure needed to meet the demand on roads, schools, and water resources that the development creates.”

“We need to support this approach with adequate funding for local governments with significant infrastructure needs. We must ensure the costs of development are aligned between the developer and the community. And we must also streamline the review process for comprehensive development plans to reduce redundancy and delays.”

BANKING AND INSURANCE

The House Economic Development, Trade, and Banking Committee passed HB 381 by Representative Nancy Detert (R-Sarasota). This bill is the Office of Financial Regulation’s (OFR) rewrite of the current banking code. The OFR has tried to pass this bill for three years. Among other things, the bill mandates electronic filing of required forms, raises the fee consumer finance companies can charge for credit checks from 10 dollars to 25 dollars, revises the fingerprint card process, and makes some licensing fee changes.

AIF lobbied Representative Detert to accept an amendment that was passed during today’s meeting which limited a provision placed by the trial bar in the senate companion bill that would have allowed for the collection of attorneys fees when a lender fails to make escrow or tax payments resulting in harm to the borrower.

The senate version (SB 304) by Senator Jim Sebesta (R-St. Petersburg) allows for the payment of attorneys fees to enforce this provision beginning on the day the policy lapsed. The new amendment supported by AIF would allow for attorneys’ fees if the lender refuses to reinstate the policy or pay the difference on a new policy within 90 days.

AIF will continue to closely monitor HB 381 and will continue to work with the sponsors on making this bill more palatable to the business community.

Please send your comments or suggestions to us at aif@aif.com or call the Governmental Affairs department at (850)224-7173.

- For more information on all of the important legislative information concerning the business community, go to our “members only” Florida Business Network web site at <http://fbnnet.com>
- Send us your E-mail address and we will begin to send this report to you automatically via E-mail.