

MAY 2, 2005

LEGAL REFORM

Today, the House of Representatives considered <u>HB 785</u> by <u>Representative Dan Gelber (D-Miami Beach)</u>. HB 785 limits the liability of a successor corporation's asbestos-related liabilities incurred as a result of a merger of consolidation with another company was rolled to third reading without debate. After being read for a third time a motion was made to substitute HB 785 with its Senate companion SB 2228 by Senator Dan Webster (R-Winter Garden). The House then unanimously passed SB 2228; the bill will now be sent to the Governor for consideration.

Asbestos litigation is part of the overall debate on legal reform. As such, AIF is supporting changes to the current tort system that will bring about reasonableness, fairness, and predictability.

CONSTITUTIONAL AMENDMENT REFORM

The Senate considered three Joint Resolutions designed to make it more difficult to amend Florida's Constitution. SB 004 would institute a subject matter filter by which the Florida Supreme Court would review each proposed amendment to ensure that only those provisions or proposals that amend or repeal an existing section of the Constitution on the same subject and matter; address a right of a citizen of the state related to Article I of the Florida Constitution; or change the basic structure of state government as established in Articles II through V of the Florida Constitution. Currently, the Florida Supreme Court can only decided whether the ballot title language meets the single-subject rule. Senator King offered an amendment to SB 004 that would make the language similar to its House companion 1727. The amendment was adopted, but then Senator Rod Smith (D-Gainesville) offered a substitute amendment that deleted language, originally found in the House version, that would make it impossible for proposed amendments to change or limit the powers of the Executive, Legislative, or Judicial branches. Senator Smith explained that he offered this amendment because the "Constitution is the people's document and they have the right to limit or expand the power of their government." Senator Smith went on to explain that he did not think deleting this language would cause the House to reject the Senate's position.

A motion was made to substitute HB 1727 as amended in place of SB 004. HB 1727 was withdrawn from any committees in the Senate and will now be placed on the Senate Calendar.

SB 6 by Senator Jim King (R-Jacksonville) would require that any proposed Constitutional amendment, whether initiated by citizens or the legislature, be required to receive at least 60 percent of the vote in order to pass. An amendment by the bill's sponsor was adopted that made the language in SB 6 identical to its House companion HB 1723. Senator Skip Campbell (D-Tamarac) then attempted to pass an amendment to SB 6 that would provide for a statutory initiative process by which citizens could propose and pass laws by placing them on the ballot. Senator King argued in opposition to the Campbell amendment saying that under this provision it would only take 304,000 votes to change or create a new statute and that Dade County alone could come together and garner enough votes to affect the whole state. The Campbell amendment was ultimately defeated and a motion was made to substitute HB 1723 in place of SB 6. HB 1723 was withdrawn from any committees in the Senate and will now be placed on the Senate Calendar.

The third and final bill dealing with Constitutional amendment reform was SB 2200 by Senator Jeff Atwater (R-North Palm Beach). SB 2200 would require that any amendment or revision proposed by the citizen initiative process that imposes a cost on the state, municipal or local government greater than one-tenth of one percent of the state budget must pass by at least 2/3 of those electors voting on the proposal, which is the same vote margin required by the legislature. A strike-all amendment was offered by Senator Atwater which changed the original language of the bill. The strike-all changed the one-tenth of one percent of the budget requirement to two-tenths of one percent of the general revenue. Senator Atwater explained that the reason behind this amendment was that it should not apply to the entire budget, since the budget includes trust funds. The adoption of this strike-all amendment brought the Senate language in line with its House companion HB 1741. Again a motion was made to substitute HB 1741 for SB 2200. HB 1741 was withdrawn from all its reference committees in the Senate and will now be place on the Senate Calendar.

AIF supports reforms to the process for amending the state Constitution by citizen initiative. Florida's Constitution is too easily manipulated by special interests, subverting the deliberation of public policy decisions and threatening the business community with the enactment of economically destructive programs and mandates.

GROWTH MANAGEMENT

SB 360 Relating to Growth Management by Senator Mike Bennett (R-Bradenton) was considered today by the Senate. This is the Senate's comprehensive Growth Management package. The bill requires a local government's comprehensive plan to be financially feasible and the capital improvements element in a local comprehensive plan to include a schedule of improvements that ensure the adopted level-of-service standards are achieved and maintained. Also, it requires an annual review of the capital improvements element to maintain a financially feasible 5-year schedule of capital improvements. The bill strengthens the link between development approval and water supply planning.

Senator Bennett fielded many questions from members of both sides of the aisle who expressed some concerns over the bill's provisions, most notably the bill's impact on how local governments can raise funds for infrastructure projects. Senator Steve Geller (D-Hallandale Beach) stated that he was uncomfortable with Senator Bennett's bill because it was missing many of the provision found in the House's Growth Management product (HB 1865). Senator Bennett assured members of the Senate that negotiations with the House were ongoing and that it was his goal to try to do everything in his power to bring both proposals together.

SB 360 was ultimately rolled over to third reading, meaning that the Senate must still vote on the bill before it is sent over to the House.

AIF supports any piece of legislation which encourages smart, sustainable growth. Florida's cities and counties must provide the roads, bridges, and water necessary for businesses to grow and flourish, while at the same time preserving the natural beauty that makes Florida such a unique state.

ENVIRONMENT

The House unanimously passed HB 937 Relating to Contamination Notification by Representative Bill Galvano (R-Bradenton). This bill provides for contamination notification requirements when contamination has migrated beyond the property boundary of the originally contaminated site, and provides specific criteria associated with each notice provided by the Department of Environmental Protection (DEP) and the site rehabilitator.

HB 937 is now in Senate Messages, meaning that the Senate must take up the bill in consideration for passage.

AIF supports this bill and would like to thank Representative Galvano for his commitment to work with the business community. With this proposed legislation in place, surrounding property owners and businesses will benefit by having more timely and comprehensive information on the progress of the cleanup of nearby properties. In addition, it will aid them in making better informed decisions regarding their potential risks of exposure and appropriate ways to reduce or eliminate risk.

HEALTHCARE

The House passed HB 6003 (this bill combines HB 1869, HB 1871, HB 1873, and HB 1875) sponsored by the House Health and Families Council by a margin of 81-34. HB 6003 is the Medicaid reform bill that creates two pilot programs that will test innovative ways to provide health care services in the future.

The bill creates a Medicaid managed care pilot program in Broward, Duval, Baker, Clay and Nassau counties. All Medicaid recipients in these counties will be offered flexible health plans to meet their needs or they will be enrolled in various managed care programs.

The bill also creates a second pilot program that will focus on long term care services and be conducted in a rural and urban county to be determined at a later date. House members debated the bill for nearly 5 hours and adopted several amendments that added many safeguards and legislative reviews for the programs. This reflects the "go slow" approach legislators have demonstrated because of concern over changing our health care delivery system for Florida's elderly and vulnerable populations. It is hoped that the pilots will demonstrate innovative ways to provide services more efficiently and stem the rising Medicaid costs that affect Florida's budget.

Several amendments by the bill's sponsor were adopted before the bill was passed. The majority of these amendments appropriated various amounts of money for programs designed to monitor and evaluate the progress of the pilot programs.

HB 6003 will now be considered by the Senate.

AIF supports market based reforms to the Medicaid program so long as they continue to ensure that the truly needy have access to quality care.

OTHER BILLS OF INTEREST:

Ethics and Elections (SB 1996)

The Senate considered SB 1996 Relating to Petition Fraud by Senator JD Alexander (R-Lake Wales). SB 1996 imposes a series of safeguards on the initiative petition process. The bill attempts to closely regulate the petition verification process, to require that additional information be provided to a voter who signs a petition, and to regulate petition circulators, in particular paid circulators, primarily by requiring greater disclosure on the part of the circulators.

The bill also authorizes additional criminal sanctions against people who abuse the petition process, either through fraud and misrepresentation, or through the misuse of signed petitions or voter registrations. According to the sponsor, the bill is aimed at providing much needed oversight and structure in the area of petition signature gathering and the business of paying signature gatherers.

The bill was heavily debated during today's session. Senator Ron Klein (D-Delray Beach) led the charge by stating the bill could be considered unconstitutional on the grounds that the Supreme Court had already ruled that it was illegal to bar groups from paying petition gatherers. Senator Alexander explained that the bill would not stop groups from paying petition gatherers; they just are not allowed to pay per signature.

Several amendments, from Democratic members, that would make the bill less burdensome towards petition gatherers were defeated. Ultimately, the Senate rolled SB 1996 to third reading and then considered SB 1996's House companion HB 1471 by Representative Dudley Goodlette (R-Naples). SB 1996 was substituted by HB 1471 and this bill will now be placed on the Senate Calendar.

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 <u>http://fbnnet.com</u>
- Send us your E-mail address and we will begin to send this report to you automatically via E-mail.