



APRIL 19, 2005

LEGAL REFORM

The Senate Communications and Public Utilities Committee passed SB 1790 Relating to Street Lights by Senator Dan Webster (R-Winter Garden) and the Judiciary Committee today. This bill provides immunity from lawsuits to the state, local governments, and electric utilities as the result of accidents caused by the failure to provide, operate, or maintain streetlights or other illuminating devices unless a written contract specifies that an electric utility or local government assumes liability.

This legislation arises from the 2003 *Clay Electric Cooperative, Inc. v. Johnson* cases in which the Florida Supreme Court held that Clay Electric owed a duty to the public to maintain streetlights with reasonable care. At the center of this argument is the effect this case has on the future relationship between utilities and their costumers. Holding utilities responsible for this type of incident would have drastic effects in our state including a rise in consumer rates for electricity, water, and other basic services and in addition, streets would not become safer because utilities and municipalities could decline to install additional streetlights because of a fear of increased liability.

Most of the parties involved have been working for over two years to come up with a compromise that would serve both the utilities and the public. SB 1790 differs from its house counterpart HB 135 by Representative Dwight Stansel (R-Live Oak) in that it provides full immunity to the utilities and municipalities. HB 135 provides immunity but it also contains several provisions which hold utilities to a greater level of accountability. HB 135 has already passed all its committees of reference and is now ready to be debated on the floor of the House of Representatives.

During the meeting Senators Les Miller (D-Tampa) and Dave Aronberg (D-Greenacres) inquired about this difference between the two proposals. Senator Webster replied that it was his intention to leave SB 1790 as was written and that negotiations between the Senate and the House leadership were taking place.

Senator Aronberg stated that he was very much in favor of the House's proposal and that he could not vote in favor of SB 1790 until it matched HB 135. Both Senator Miller and Aronberg voted against the bill. SB 1790 passed by a 5-2 margin and will now make its way to the Senate floor.

AIF supports the concept of providing protection to utility companies that show strong corporate responsibility by repairing street lights within a reasonable time frame. The street light issue 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.

Other Bills of Interest:

HB 1597

The House State Infrastructure Council unanimously passed HB 1597 Relating to the Hydrogen Energy Technologies Act by Representative Adam Hasner (R-Delray Beach). This bill provides for grants for demonstration and commercialization projects and for research and development relating to hydrogen energy technologies and electrical grid optimization. The proposed grants program would be administered by the Department of Environmental Protection (DEP).

In addition, the bill provides an exemption from the sales tax for the sale at retail, the rental, the use, the consumption, the distribution, and the storage to be used or consumed in this state of equipment, machinery, and other materials for hydrogen energy technologies. This exemption would last until July 1, 2009.

The bill also creates the hydrogen energy technologies investment tax credit, which provides a credit against Florida corporate income tax equal to 75% of the eligible costs of an investment in hydrogen energy technologies.

Governor Jeb Bush has publicly stated his support for innovation in hydrogen technologies. In February of this year, Governor Bush was present at the ground breaking of Florida's first hydrogen energy station located in Orlando, Florida

During the meeting, representatives from the Ford Motor Company were present in support of the bill. Ford is working in conjunction with the state to provide buses that run on hydrogen fuel.

HB 1597 will now make its way onto the House floor. Its Senate companion, SB 2074 by Senator Lee Constantine (R-Altamonte Springs), was also passed unanimously today by the Senate Commerce and Consumer Services Committee and will now be taken up by the Senate Government Efficiency Appropriations Committee.

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

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