

ASSOCIATED INDUSTRIES OF FLORIDA
**LEGISLATIVE
DAILY BRIEF**



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LEGAL REFORM

Today, the Florida House of Representatives passed legislation to abolish the doctrine of joint and several liability by a vote of 97-23. HB 145 by Representative Don Brown (R-DeFuniak Springs) was the subject of some lengthy debate over fairness in Florida's legal system. Representative Brown explained that the bill was written in order to match responsibility for damages with the allocation of fault.

During the floor debate, several other representatives shared their perspectives on why this bill creates good public policy for the citizens of our state. Representative Ray Sansom (R-Ft. Walton Beach) praised Representative Brown for bringing the bill to the House and praised House Speaker Allan Bense (R-Panama City) for his leadership in having the House vote early on such an important bill. Representative Ralph Poppell (R-Titusville) pointed out that accident victims are not looking to force someone to pay them who is not responsible for their injuries. Therefore, making people pay for only their fair share of damages is fair to all parties involved. Representative Dennis Ross (R-Lakeland) hailed the bill as an idea whose time has come, stating that "Our current system actually makes defendants who are forced to pay for more than their fair share of damages, an additional victim in a lawsuit," and urged the House members to support the bill. Representative Joe Pickens (R-Palatka) clarified that the bill was not about helping insurance companies or large corporations but was designed to also help individuals and small business owners. He stated that property owners and home owners are also involved in litigation every day in Florida. This bill allows them to face litigation in a fair system where people pay for the harm they cause and not in a socialized welfare system where they are forced to bear someone else's costs. Representative Dean Cannon (R-Orlando) also urged his House colleagues to support this bill for the measure of responsibility and accountability for actions that it will restore to the state's judicial system.

In a moving speech, Representative Ken Sorensen (R-Tavernier) shared his personal experiences involving two of his sons who were tragically injured - one through disease and one through an accident. He told the members of the House that it would be easy for him to look around to find the deepest pocket to go after the most money for his children or grandchildren, but as a matter of good public policy, he knew that neither he nor his family would want someone to pay them who was not responsible for the damages they suffered.

In his closing remarks Representative Brown reminded the members that the bill is simply about fairness and not requiring anyone in a lawsuit to pay for more than the share of damages that their own actions caused.

HB 145 now goes to the Senate for consideration.

AIF salutes Speaker Bense and Representative Brown for their fine leadership in bringing this bill out of the House of Representatives. Please contact your representative and thank them for voting for this bill. A complete vote list is found below.

TAXATION

SB 1198 Relating to Corporate Income Tax by Senator Jeff Atwater (R-North Palm Beach) was read a second time on the Floor of the Senate. This legislation is also known as the “Corporate Piggyback” bill and updates the Florida Income Tax Code to reflect the changes made by the US Congress in 2004 to the US Internal Revenue Code of 1986.

Florida’s Corporate Income Tax Code follows the Federal Internal Revenue Code by using federal rules and starting with federal income as the tax base for the Florida Income Tax. Passage of this bill ensures that corporations which are subject to Florida income tax can base their calculations on current IRS rules. If the legislature does not pass this legislation, corporations would have to keep two sets of records: one for Florida and one for the IRS.

SB 1198 is now ready for a final Senate vote.

AIF supports the passage of this bill so that Florida corporations do not have to endure the burdensome task of filing duplicate tax records.

LEGAL AND JUDICIAL

The House Business Regulation Committee passed HB 841 Relating to Limitations on Supersedeas Bonds by Chairman Frank Attkisson (R-Kissimmee). Chairman Attkisson explained that when a business or individual is sued successfully and wants to appeal a ruling, they are frequently required to post a bond to ensure that there is no economic waste of assets during the course of the appeal. Currently, in most cases, the bond amount must equal the amount of the judgment plus 2 years of interest at the statutory rate. This legislation would limit the bond amount for large employers with over 400 employees to \$25 million. The bond limit for smaller companies and individuals would be the lesser of \$1 million or 5% of the appellant's net worth.

Representative Attkisson filed this bill because he believes that the unlimited bond amounts create an access to courts problem for many businesses and individuals at the appellate level who are not able to secure a bond that large. All of the committee members who questioned and debated the bill expressed a support for the concept of limiting the bond amounts. However, some had suggestions that the lower threshold for smaller employers and individuals may not be based on the appropriate standard. Chairman Attkisson promised to work with the committee members in the upcoming committee stops to work out the practical applications of the bill that were questioned.

The bill will next be heard in the House Justice Council.

AIF supports legislation that would provide businesses seeking appellate review of judicial decisions a more cost effective and practical way to access the appellate court system.

IDENTITY THEFT

The House Economic Development, Trade & Banking Committee unanimously voted to introduce their proposed committee bill HED3 Relating to Internet Phishing. Representative Frank Farkas (R-St. Petersburg) presented the bill because of his previous work on this issue. The bill creates the “Anti-Phising Act of 2006” and will prohibit the acquisition of personal identifying information through the use of a website or e-mail with the intent to possess or use such information fraudulently. Internet “Phishing” typically occurs when a person attempting to obtain personal information sends an e-mail that appears to come from a financial institution or well know e-commerce site. The email requests the recipient to provide personal information such as social security numbers and account information.

The bill establishes civil causes of action for internet service providers, web pages, and trademark owners who are harmed by those individuals who deceptively pass themselves as official representatives of such groups. Penalties of up to \$100,000 are established for violators.

AIF supports efforts to protect businesses and their customers against identity theft and other forms of fraud, which are economic drains and undercut our state’s growing reliance on technology.

COMMITTEE PRESENTATIONS

The Spaceport and Technology Committee along with the State Infrastructure Council met jointly this morning for a presentation from Michael Griffin the NASA Administrator. He spoke very highly of Florida, and how the space program has developed here. Florida was originally chosen for Kennedy Space Center due to the availability of isolated land, and the states location relative to the Atlantic Ocean. Early rocket launches were not always right on course and it was very important to keep surrounding communities safe.

President Bush and Congress have made a strong commitment to continuing space research and staying competitive in the space industry. The federal government has committed 500 million over the next five years for commercial space launches out of Florida. They have plans to use 80% to 85% the existing infrastructure at Kennedy Space Center, and need the State of Florida to continue providing support with roads, schools, and other infrastructure to provide the work force needed for a developing industry.

Currently Kennedy Space Center puts 3.7 billion dollars into the surrounding area, 1.8 billion dollars in employee wages, thousands of jobs are brought to the area, and 1.4 million visitors pass through the Center each year. This is a vital part of Florida's economy, but there is competition rising through out other parts of the world. Florida needs to continue on funding education, roads, and affordable housing in order to attract and provide a good workforce that will contribute to a strong economic environment in Florida.

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.