

ASSOCIATED INDUSTRIES OF FLORIDA  
**LEGISLATIVE  
DAILY BRIEF**



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**MARCH 20, 2006**

**LEGAL REFORM**

Today, the Senate Judiciary Committee approved SB 2006 sponsored by Judiciary Chairman, Senator Dan Webster (R-Winter Garden) which repeals the doctrine of joint and several liability. AIF and the Florida Coalition for Legal Reform have been working diligently for the past several months to get this legislation passed. This is the number one priority for the business community for this legislative session. The bill is simply a matter of creating fairness in the legal system.

Under current law, if a business or individual is a defendant in a lawsuit but a jury finds them to only have been a minor contributor to the accident, they can still be required to pay more than their allocation of the damages awarded based on the doctrine of joint and several liability. SB 2006 abolishes this doctrine and creates a fair and level playing field.

At the committee meeting today, there were at least 34 businesses and associations who submitted cards to the committee indicating their support for the bill. Tammy Perdue, general counsel for AIF, testified about the bill's importance to the business community as a matter of fairness and necessity to continue Florida's economic prosperity and its ability to keep and attract good business in the state. Attorney Peter Hobson with Pepin Distributors also testified and explained to the committee members that having a measure of predictability and fairness is so critical to business owners in evaluating their risks in order to make good business decisions. Mr. Hobson also shared how business leaders are encouraged about the future business climate when they see senators addressing the real problems businesses face in the legal system and decide to make such meaningful reform that is beneficial to everyone.

Senator Skip Campbell (D-Tamarac) had filed one amendment which would roll back insurance rates by at least 10%. Senator Campbell withdrew his amendment before any debate or testimony was taken on it.

This was the only committee stop for SB 2006. It is now up to the Senate Rules and Calendar Committee to place it on the session calendar.

**AIF salutes Chairman Dan Webster for his leadership in having the Senate Judiciary Committee hear this important legislation and facilitating its guidance through the committee process. Please let Senator Webster and the other senators who voted for the bill today know how much we appreciate their vote and encourage them to continue to support SB 2006 with no amendments. The senators who voted for the bill today are Chairman Webster, Senator Carey Baker (R-Eustis), Senator Charlie Clary (R-Destin), Senator Bill Posey (R-Rockledge) and Senator Alex Villalobos (R-Miami).**

## TAXATION

The House Finance and Tax Committee approved two very important tax exemption bills for the manufacturers of this state. HB 69 Relating to Sales Tax Exemptions for Machinery and Equipment by Rep. Matt Meadows (D-Lauderhill) was approved unanimously by the committee. This bill broadens an existing sales tax exemption for industrial machinery and equipment purchased for use in an expanding facility by eliminating a requirement that the business pay the first \$50,000 in sales taxes. This bill provides a full rather than partial, sales tax exemption for industrial machinery and equipment purchases, when the business can demonstrate that the items will be used to increase productive output at the facility by at least 10 percent.

The state of Florida currently has over 16,000 manufacturing facilities; roughly 14,000 have 10 employees or less. Therefore, this type of exemption provides a much needed incentive to retain the current manufacturing facilities in our state as well as recruit new manufacturing plants. Currently several states in our region, including Georgia, have this exemption already in the books. Florida must level the playing field in order to compete for new plants.

HB 69 will now be heard by the House Economic Development Committee.

**AIF supports eliminating the requirement that businesses pay the first \$50,000 in sales taxes per calendar year on manufacturing inputs. Eliminating this requirement would level the playing field for Florida manufacturers and would improve Florida's ability to compete for higher paying jobs, which would lead to an overall net increase in state revenues.**

The Committee also unanimously approved a similar tax exemption, HB 415 by Rep. John Quinones (R-Kissimmee). This legislation is aimed at machinery and equipment used predominantly (at least 50 percent of the time) for research and development. The bill also exempts from the state sales and use tax, machinery and equipment used by a space flight business in designing or creating a space flight vehicle or components of a space flight vehicle.

Rep. Quinones presented a strike-everything amendment which makes the language in the bill identical to its Senate companion, SB 962 by Senator Mike Fasano (R-New Port Richey). There was some concern expressed by Rep. Don Brown (R-DeFuniak Springs) that the application process for receiving this tax exemption was too long and too complicated. Rep. Brown stated that he would hate for Florida to lose out on new research and development facilities because of the application process. Rep. Quinones promised that he would work on this issue.

HB 415 will now be considered by the House State Infrastructure Council.

**AIF supports removing taxes on machinery and equipment used for research and development because it is sensible tax policy and would improve Florida's chances of recruiting and retaining the most advance research and space facilities in the country.**

#### **PRIVATE PROPERTY RIGHTS**

The House Local Government Council unanimously passed HB 1567, HJR 1569 and HJR 1571, the three bills relating to eminent domain which were filed by Representative Marc Rubio (R-Miami). These bills are the work product of the Select Committee to Protect Private Property Rights. Representative Dean Cannon (R-Winter Park) presented the bills to the Committee. At the outset of the meeting Chairman Ken Sorenson (R-Marathon) observed that he believes that the bills strike a balance between preserving private property rights and preserving governmental power.

A strike everything amendment to HB 1567 was adopted which removes the authority to transfer taken property to a private entity if the property was taken under the bill's provisions unless the property has: been held for 5 years; is used for common carrier purposes; will be used for public/private utilities; has an incidental portion used by a private entity for the purposes of providing goods or services; or was taken under the Community Redevelopment Act to eliminate a threat to public health or safety. The amendment also provides enhanced notice requirements for private property owners and increases the burden of proof to demonstrate that a taking is to eliminate a threat to the public health or safety.

Representative Cannon also provided explanations for HJR 1569 and 1571. HJR 1569 essentially has the same restrictions as HB 1567, just in the form of a constitutional amendment. HJR 1571 proposes to amend the "Save Our Homes" property tax protections currently in our state Constitution to provide that when a person's homestead property is taken by eminent domain and the person purchases another property and establishes it as their homestead, the newly established property must be initially assessed at less than just value. Representative Cannon believes that these provisions should be included in the Constitution because they address eminent domain and property rights issues which are fundamental rights. If approved by the legislature, both HJR 1569 and 1571 would go to the voters for approval during the next general election.

The Property Rights Coalition spoke in support of the bill. Although the Coalition has concerns about the 5 year transfer provision, it believes that the bill is balanced in its approach to the issue. The Coalition also supported the Constitutional amendments but expressed concern about the ability to change the law once it is placed in the constitution.

All three pieces of legislation will now be heard by the House Justice Council

**While AIF strongly supports efforts to boost economic development throughout the state, these projects should not proceed through the sacrifice of existing businesses. AIF supports legislation to ensure that when local government takes private property through eminent domain there are proper limitations and procedures in place to protect the rights of private property owners.**

## **GUNS IN THE WORKPLACE**

The House Judiciary Committee once again temporarily passed HB 129 by Representative Dennis Baxley (R-Ocala) also known as the “Guns in the Workplace” bill. This proposed legislation would prohibit a business from establishing, maintaining or enforcing a policy or rule that would not allow an employee or “invitee” to possess a firearm that is locked in or locked to a motor vehicle that is on parked in the employers’ parking lot.

It is still unclear whether the parties involved will reach any sort of compromise in the days to come.

**AIF opposes legislation that prohibits businesses from enforcing or maintaining policies that ban guns in the workplace. Employers should be allowed to establish these types of policies and exert their rights as property owners. Maintaining a safe work environment is paramount for the longevity of any employer in Florida.**

## **JESSICA LUNSFORD ACT**

The Senate Criminal Justice Committee unanimously passed SB 2518 by Senator Nancy Argenziano (R-Crystal River). The bill deals with school district contractors and background screenings and was designed to help correct some of the problems that arose from the Jessica Lunsford Act passed in 2005. While AIF supported her efforts to keep sexual offenders and predators from children, some of the screening methods proved costly and unworkable.

Senator Argenziano has done a great job of correcting many of the problems in last year’s Act. Under this new language background screening information would be shared among school districts, thereby preventing employers from having to get multiple fingerprinting for their employees. In addition, the fees for the background screenings have been capped and now someone other than the school district can do the fingerprinting. The bill goes a long way in helping the process of background screening for those who have business relationships with schools. During the meeting, Senator Argenziano stated that more amendments are needed and will be handled at the next committee stop.

SB 2518 will now be heard by the Senate Ways and Means Committee.

**AIF supports legislation to make the implementation of the Jessica Lunsford Act workable for those companies that have working relationships with school districts while upholding the integrity of the original law to protect our children from sexual predators.**

## ENVIRONMENT

HB 261, The Florida Incentive based Permitting Act, by Rep. Dwight Stansel (D-Live Oak) cleared its last committee (House Resource Council) and is ready to go to the floor of the House for a final vote. This bill will provide the Department of Environmental Protection (DEP) the authority to consider a history of regulatory compliance by an applicant when considering whether to issue or reissue a permit to the applicant. The applicant would have to request incentives as part of the permit application. This would allow businesses in the state who are good stewards of Florida natural resources to have longer permits; expedited permitting and less inspections therefore saving time and money.

Keyna Cory, AIF's Chief Lobbyist, spoke in favor of the legislation and thanked Rep Stansel for sponsoring this good piece of legislation. The Florida Farm Bureau also spoke in favor of the bill.

**AIF supports legislation that takes into account a company's past performance in the DEP permitting process. AIF believes that regulated entities should receive some benefit for good behavior and should not be subject to arbitrary or uncertain punishment.**

## GENERATORS FOR GAS STATIONS

HB 603 Relating to Consumer Emergency Gasoline Act by Rep. Anitere Flores (R-Miami) was unanimously passed by the House Agriculture Committee. There was a strike everything amendment that would require new or substantially renovated gas stations to be wire for alternative power. It would also require a company to have one portable generator for every 10 gas stations it owned. The bill would also preempt local governments from establishing their own local generator related city ordinances.

AIF testified against the proposed legislation, citing issues related to the high costs of wiring gas stations when most gas stations only have enough gas to last one or two days as well as issues related to the safety of having diesel generators on premise during a storm. AIF agreed to continue to work with the bill sponsor and members of the committee.

**AIF opposes government mandates that require gas station owners and operators to have generators at gas stations and believes that the free market place will find solutions to the problem of power outages resulting from hurricanes or other natural disasters.**

## **OTHER BILLS OF INTEREST**

### **Governmental Outsourcing**

The Senate Governmental Oversight and Productivity Committee unanimously approved SB 2518 Relating to Contractual Services/State Agencies by Chairwoman Nancy Argenziano (R-Crystal River). The bill provides that on contracts valued at greater than \$10 million, certain contract amendments may not be executed before the agency first submits a written report on contract performance to the Governor and the Legislature. The bill specifies that when a contract is valued in excess of \$1 million, one of the negotiators must be certified as a contract negotiator by the DMS, and when a contract is valued in excess of \$10 million, one of the negotiators must be certified as a Project Management Professional. The bill requires that solicitations include a provision that respondents to a solicitation may not contact, between the release of the solicitation and the execution of the contract, any employee of the executive or legislative branch concerning the solicitation, except in writing to the procurement officer or as provided in the solicitation.

The bill creates the Council on Efficient Government, and provides for the membership, powers, and duties of the council. The bill requires that an agency develop a detailed business case to outsource before a service or activity may be outsourced, and requires that an agency submit the business case to outsource to the council, the Governor, and the Legislature, before releasing the solicitation or executing the contract, when the contract will cost more than \$1 million in any fiscal year. For proposals to outsource costing more than \$10 million in any fiscal year, the council must conduct an analysis and provide it, before the agency releases

Frank Meiners, AIF's IT Council Consultant, testified in support of the bill citing vast improvements from last year's legislation which was vetoed by Governor Bush. Mr. Meiners did point out some areas of concern to the business community including the fact that the current definition of "out sourcing" may be too broad and that there should be some level of public input during the business case process. AIF and the members of its IT Council look forward to working with the bill's sponsor to iron out some of these issues.

SB 2158 will now be heard by the Senate Ways and Means Committee.

## **Building Code**

The House Local Government Council unanimously passed HB 1187 Relating to Building Codes by Rep. Dave Murzin (R-Pensacola). The committee adopted a strike everything amendment which conforms the House bill to its Senate companion, SB 1774 by Senator Lee Constantine (R-Altamonte Springs). The bill implements a number of recommendations proposed by the Florida Building Commission relating to the Florida Building Code. The bill authorizes the commission to amend the code to implement revised wind-design standards for new construction in the state, including the windborne-debris requirements applicable to the region from the eastern border of Franklin County to the Florida-Alabama line. This bill also allows the Commission to define “exposure category C” within the code, and implement an expedited code development process for specified categories of amendments. Finally, the bill restricts interpretations of the Florida Accessibility Codes for building construction

The Department of Community Affairs estimates that the bill will result in an increase in the cost of construction, but the increase may vary depending on the Building Commission’s utilization of the authority granted. It is indicated that design and construction to withstand internal pressure results in minimal cost increase of a home, and use of shutters and other impact resistant openings can likely be achieved at a cost of approximately \$2,000 per home. These costs could ultimately be passed on to the consumer in the sales price of the building, but could be offset over time by savings on insurance.

HB 1187 will now be heard by the House Growth Management Committee.

## **Information Technology**

The House Health Care Regulation unanimously passed HB 1409 Relating to the Florida Health Information Network by Rep. Holly Benson (R-Pensacola). In June 2005, President Bush called for most Americans to have electronic health records within ten years. To that effect, HB 1409 creates the “Florida Health Information Network Act” as a public/private partnership that will implement a statewide electronic medical records network. The primary duties of the Florida Health Information Network, Inc. are to oversee, coordinate, and implement a statewide electronic medical records network. Among the many duties listed in the enabling legislation, the Florida Health Information Network, Inc. is charged with development of technical standards for electronic medical records and recruiting participants into the network.

HB 1409 will next be heard by the House Health Care Appropriations Committee.

**Please send your comments or suggestions to us at [aif@aif.com](mailto: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.