

ASSOCIATED INDUSTRIES OF FLORIDA  
**LEGISLATIVE  
DAILY BRIEF**



P.O. Box 784 • Tallahassee, FL 32302 • Phone: (850) 224-7173 • Fax: (850) 224-6532 • Internet: <http://aif.com> • [fbnnnet.com](http://fbnnnet.com)

APRIL 27, 2006

### LEGAL REFORM

Today the Florida Senate heard SB 2304 Relating to Class Action during its special order calendar. The bill's sponsor, Senator Carey Baker (R-Eustis), briefly explained that the bill will revise criteria for eligibility of members of a class in a class action lawsuit. It requires that only Florida residents may be class members in most instances. The bill also requires a class member to allege and prove actual damages. There were no amendments to the bill.

The identical House bill (HB 7259 by the Judiciary Committee) has already passed the full House and is in Senate messages. SB 2304 will now be placed on third reading for final passage by the full Senate as early as Friday, April 28<sup>th</sup>.

**AIF supports SB 2304. We applaud the legislature for their hard work on this important legal reform issue. AIF and the Florida Coalition of Legal Reform fully support this important class action reform and will continue to work for its passage.**

### MANDATORY GENERATORS FOR GAS STATIONS

HB 7121 Relating to Disaster Preparedness Response by the Domestic Security Committee and Representative Sandy Adams (R-Oviedo) was read a second time during today's House session. One of AIF's priorities this session is to oppose requirements that would mandate the purchase of generators by retail gas establishment to be used during time of emergency. This idea became popular after the series of hurricanes which hit Florida in 2005. Many communities in South Florida had to endure long lines at gas stations and several days with out fuel because gas stations were out of power. Several bills were filed this session to address this situation.

Last Friday, the House Commerce Council amended HB 7121 to require a company to have one generator for every ten gas station they own in a county. This bad idea is very costly for businesses and even if gas stations were to purchase these generators the gas in their tanks would only last one day. More importantly, it would give people a false sense of security that it is okay to drive after a hurricane. During today's House session an amendment by the bill sponsor was adopted that eliminated the section requiring the generators. Many retailers and gas stations are already preparing for the upcoming hurricane season by purchasing generators because they realize that having these generators will help their bottom-line. Free-market forces will encourage gas stations to go out and purchase these generators on their own.

The remaining provisions in the bill are excellent; the bill directs the Department of Community Affairs (DCA) to conduct a feasibility study on incorporating into the state's emergency management plan the logistical supply and distribution of essential commodities by non-government agencies and private entities. The bill also, creates the Florida Disaster Motor Fuel Supplier Program within the DCA. This voluntary program allows motor fuel retail outlets doing business in the state to participate in a network of emergency responders to provide fuel supplies and services to government agencies, medical institutions and critical responders, as well as the general public within 24 hours following the disaster.

HB 7121 is now ready to be voted for final passage by the House as early as Friday, April 28<sup>th</sup>. The Senate's proposal, SB 528 by Senators Steve Geller (D-Hallandale Beach), Jeff Atwater (R-North Palm Beach), and Alex Diaz de la Portilla (R-Miami) has been placed on the Senate calendar.

**AIF thanks Representative Adams for her leadership on the mandated generator issue and now supports HB 7121 as a proactive attempt at establishing critical emergency preparedness policies for our state.**

#### **TAXATION**

HB 743 Relating to Agriculture Fuel Tax by Representative Marty Bowen (R-Winter Haven) was unanimously passed (117-0) by the House. The bill provides a sales tax exemption for electricity used directly and exclusively for the processing of agricultural products on a farm, as long as it is separately metered. It also expands the sales tax exemption for diesel fuel when the fuel is used in any tractor, vehicle, or other equipment that is used exclusively on a farm for processing farm products on the farm.

HB 743 will now be sent to the Senate for consideration. Its Senate companion, SB 1646 by Senator Jeff Atwater (R-North Palm Beach) is in the Ways and Means Committee.

**AIF supports HB 743 because it provides a significant incentive for Florida's farming industry. Agricultural is the second largest industry in the state of Florida and is only second to tourism.**

The House passed HB 69 Relating to Sales Tax Exemptions for Machinery and Equipment by Representative Matt Meadows (D-Lauderhill). This is the "Florida Manufacturing Global Competitiveness Act" and will eliminate the sales tax for industrial machinery and equipment purchased for use in an expanding facility engaged in spaceport activities or for use in an expanding manufacturing facility as long as it will increase input by 10%.

HB 69 will now be sent to the Senate for consideration. Its Senate companion, SB 1206 by Senator Jeff Atwater (R-North Palm Beach) is in the Ways and Means Committee.

**AIF supports HB 69 and 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.**

HB 507 Relating to Sales Tax Exemptions for Agricultural Machinery was unanimously passed (119-0) by the House. This bill provides a sales tax exemption for low-volume or micro-irrigation equipment or components used in agricultural production. Low-volume irrigation or micro-irrigation systems are designed to deliver water at a rate of 45 gallons per hour or less per exit point. This is a good bill for business as it gives an incentive for farmers to use less water, a very valuable resource in the state.

HB 507 will now be sent to the Senate for consideration. Its Senate companion, SB 2410 by Senator Jeff Atwater (R-North Palm Beach) is in the Ways and Means Committee.

**AIF supports HB 507 as a great incentive to help the farmers of our state. The agriculture industry is one of the strongest economic drivers in our state, second only to tourism. It is important that we protect this industry and the jobs it provides.**

#### **LAKE BELT AREA**

The House passed HB 1039 Relating to Miami Dade County/Lake Belt Area by Representative Rene Garcia (R-Hialeah) on a 119-1 vote. The Miami-Dade Lake Belt Area comprises 77.5 square miles of environmentally sensitive land located in the western edge of the Miami-Dade County urban area. This area consists of wetlands and lakes which act potentially as a buffer between the Everglades and the encroachment of urban development. The area is also used for mining limestone and sand, with rock mined from the area supplying about one-half of all the limestone used in Florida. About 50% of the land within the Lake Area is owned by the mining industry, 25% is owned by government agencies, and 25% is owned by non-mining private owners. A March, 2006 court ruling could place mining activities in this area to be in jeopardy. Even a short termed slow down of mining activities would be a disaster for the entire constructions industry. Having to rely on foreign building materials could create a crisis for our state's booming economy.

HB 1039 increases the current mitigation fee used for protecting the environment surrounding the Lake Belt Area. The bill increases the mitigation fee that is imposed for each ton of lime rock and sand that is sold from the area from its current seven cents per ton to 12 cents per ton beginning January 1, 2007, 18 cents per ton beginning January 1, 2008, and 24 cents per ton beginning January 1, 2009. Many of the affected industries are in support of this fee increase.

HB 1039 will now be sent to the Senate for consideration. Its Senate companion, 1306 by Senator Rudy Garcia (R-Miami), has been placed on the Senate calendar.

**AIF supports HB 1039 as a way to ensure that funds are available for protecting this vital area of Florida. We must ensure that the industries working in and around the Lake Belt Area are allowed to continue their projects.**

## INFORMATION TECHNOLOGY

The House passed HB 1369 Relating to Rejected Bids/Proposals/Negotiations by Representative Greg Evers (R-Milton) by a vote of 118 to 0. The bill expands the current public exemption for sealed bids or proposals. It provides that a sealed bid or proposal remains exempt if an agency rejects all bids or proposals submitted in response to an invitation to bid (ITB) or a request for proposal (RFP) and concurrently provides notice of its intent to reopen the ITB or RFP. The exemption expires once notice of a decision or intended decision is provided concerning the reopened ITB, or the agency withdraws the reopened ITB or RFP.

The above exemption also applies to an invitation to negotiate (ITN) until the agency provides notice of a decision or intended decision or until 20 days after the final competitive sealed replies are opened, whichever occurs earlier. If the agency rejects all competitive sealed replies in response to an ITN and reissues the ITN within 90 days after the notice of intent to reissue, then the bill provides that the rejected replies remain exempt. The extended public records exemption expires when the agency either provides notice of a decision or intended decision concerning the reissued ITN, or withdraws the reissued ITN.

HB 1369 will now be sent to the Senate for consideration. Its Senate companion, SB 2316 by Senator Jim Sebesta (R-St. Petersburg), has been withdrawn from the Rules and Calendar Committee and has been placed on the calendar.

**AIF supports HB 1369 because it makes the government bid process more like doing business with the private sector, where you do not have to deal with public records laws. It is not good business sense for sealed bids, proposals, or sealed replies to an “invitation to negotiate” to be open to the public before the state has selected a vendor because it has the potential to scare away private businesses from participating in the process.**

## AFFORDABLE HOUSING

HB 821 Relating to Community Contributions Tax Credits by Representative Dudley Goodlette (R-Naples) was passed by the House 118-0. This program currently provides tax credits of up to \$200,000 (per donor) to corporations and insurance companies that collect and remit sales and use taxes. To qualify donors must make contributions to certain low-income housing and community development projects. The bill increases the total amount of credits allocated to the Community Contribution Tax Credit Program from \$12 million to \$13 million annually and provides new allocations of the available \$13 million in tax credits. It also requires that \$10 million of the tax credits be reserved for donations made to projects that provide homeownership opportunities for low income or very-low-income households.

HB 821 will now be sent to the Senate for consideration. Its Senate companion, SB 784 by the Transportation & Economic Development Appropriations Committee, will be heard tomorrow on the Senate floor.

**AIF supports HB 821. The issue of affordable or “workforce” housing is a priority for our state. AIF applauds the bi-partisan efforts of the legislature to finding a solution. We look forward to working with all bill sponsors on finding common sense approaches to this complex issue.**

#### **WORKFORCE DEVELOPMENT**

HB 513 Relating to Career and Professional Academies by Representative Gus Bilirakis (R-North Palm Harbor) was passed on a vote of 118-0. This bill establishes a Career High Skill Occupational Initiative for Career Education (CHOICE) designation for school district participants that aid in workforce development. The bill provides an opportunity for students to graduate from high school with the skills necessary to enter the workplace immediately or further their education.

HB 513 will now be sent to the Senate for Consideration. Its Senate companion, SB 1480 by Senator Steve Wise is in the Senate Education Appropriations Committee.

**AIF supports HB 513 and its programs and policies designed to equip young Floridians with the very best training and support. Achieving a better-prepared workforce will not only attract investment and growth, it will establish Florida as a leader in manufacturing and research development.**

#### **HEALTH CARE**

HB 1409 Relating to the Florida Health Information Network was unanimously passed (120-0) by the House today. The bill creates the Florida Health Information Network Act as a public/private partnership that will implement a statewide electronic medical records network. This network would collect and monitor data related to innovations in healthcare technology as well as integrate all health care data currently being collected by the various health care agencies.

HB 1409 will now be sent to the Senate for consideration. Its Senate companion, SB 1332 by Senator Mike Fasano (R-New Port Richey) is on the Senate calendar.

**AIF supports HB 1409, which uses the power of Information Technology to make healthcare data available for consumers, thereby empowering them to make better choices in the health care arena.**

## ECONOMIC DEVELOPMENT

The House unanimously passed (118-0) HB 1321 Relating to Entertainment/Economic Development by Representative Don Davis (R-Jacksonville). Productions of filmed entertainment qualified by the Office of Film and Entertainment and certified by the Governor's Office of Tourism, Trade, and Economic Development are eligible for a tax credit on qualified expenditures in the state. The credit is in an amount equal to 15 percent of qualified expenditures and may be applied as a refund of the sales and use tax paid on qualified expenditures and it may be applied as a credit against the corporate income tax. Qualified productions may not receive more than \$2 million in tax credits per year. There is a total tax credit cap of \$25 million per fiscal year.

HB 1321 will now be sent to the Senate for consideration. Its Senate companion, SB 2110 by Senator Mike Fasano (R-New Port Richey) is in the Senate Transportation and Economic Development Appropriations Committee.

**AIF supports HB 1321. By attracting more production companies to film in Florida the state will benefit not only by increasing the number of persons directly employed by the production, but they will impact ancillary businesses such as building supply companies, nurseries, restaurants, and hotels which generate revenue by serving these production companies.**

The Senate unanimously passed (38-0) HB 1489 Relating to Florida's Aerospace Industry by Representative Leslie Waters (R-St. Petersburg). This bill creates a new Space Florida entity which will focus on increasing pace research and development taking place in Florida. The bill also defines that Space Florida will be located in the vicinity of the current location of Kennedy Space Center, requires Space Florida to create a business and marketing plan, and expands the exemption sales and use tax on certain machinery and equipment used in the space and defense industries. During today's Senate session, Senator Bill Posey (R-Rockledge) offered a late-filed amendment which allows Space Florida to promote space activities in any county in the state not just around the Kennedy Space Center region. This amendment was adopted.

**AIF supports HB 1489. This legislation will keep Florida in the forefront of space exploration for the country, and adds great economic growth to Florida through job growth and tourism. The legislation will bring economic development to the state through increased job availability, and tourism.**

## **OTHER BILLS OF INTEREST:**

### **Insurance**

The House considered its property Insurance bill, HB 7225 by the Insurance Committee, on second reading today. A hostile amendment by Representative Greg Evers (R-Milton) which took out a key claims fraud prevention provision was adopted. However, other amendments which would have weakened the bill were defeated. The bill is now ready for final floor action. As amended, the bill will reduce Citizens Insurance Company's exposure to claims, thus reducing potential assessments against all homeowners in Florida in the wake of Citizen's billion dollar deficit. In addition the bill will encourage private property insurance companies to cover additional homes in Florida by establishing certain attractive rating provisions.

HB 7225 will be voted on for final passage during Friday's House session. Its Senate companion, SB 1980 by Senator Rudy Garcia (R-Miami), is on the Senate calendar waiting to be considered.

**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.