

ASSOCIATED INDUSTRIES OF FLORIDA
**LEGISLATIVE
INTERIM BRIEF**



P.O. BOX 784 • Tallahassee, FL 32302-0784 • Phone: (850) 224-7173 • Fax: (850) 224-6532 • Internet: <http://aif.com> • fbnnet.com

DAILY LEGISLATIVE BRIEF FROM MARCH 7, 2006

The 2006 regular legislative session began today with the usual speeches and visiting dignitaries, many of whom are running for office during this election year. In a rare moment of official business during the first day of session, both chambers took up a joint resolution (Joint Rule 1) formalizing many of the provisions found in SB 6B, last year's lobbyist reform bill.

AIF, as usual, will be very busy this session. Already, we are tracking over 500 pieces of legislation, each of which has the potential to impact Florida's business climate. The 2006 session could potentially be one of the most critical sessions for the business community in the last several years. Many issues paramount to the success of employers will be debated during the next 60 days, none more important than the repeal of joint and several liability. In addition, legislators will have the opportunity to address core business issues such as tax reform (repeal of intangibles tax, by the drink tax, and tax exemptions on machinery and equipment used for manufacturing), and protection of private property rights. AIF's lobby team will be there to advocate for our members every step of the way and we will keep you informed on a daily and weekly basis via our legislative reports.

GOVERNOR BUSH CALLS FOR THE REPEAL OF JOINT & SEVERAL LIABILITY

In this, his last State of the State address, Governor Bush took time to highlight what he considers as a one of the most important policy decisions affecting Florida's business climate – the repeal of joint and several liability calling it a “job killer of the first degree.”

Most of the governor's speech was devoted to issues of education and emergency preparedness, as a result of Florida's recent string of hurricanes.

*For video on Gov. Bush's comments on Florida's economy and legal reform go to
<http://wms4.streamhoster.com/aif/govbush06.wmv>.*

Please go to <http://www.aif.com/2006articles/sn060307.htm> to read the full transcript of Governor Bush's final State of the State address and some of the responses from legislative leaders.

PRIVATE PROPERTY RIGHTS

On Monday, March 6th the House Select Committee to Protect Private Property Rights met to consider revised proposals to address the United States Supreme Court decision in the Kelo decision, which it has been discussing throughout the past months. The committee considered two proposed constitutional amendments as well as proposed bill language.

One constitutional amendment would grant a homeowner whose homestead was taken by condemnation to have the value of the replacement homestead acquired within two years to be assessed at the value of the property taken if the replacement homestead equals or exceeds the value of the property taken.

The second constitutional amendment limits to eight specific situations in which private property may be condemned for transfer to private entities or persons. It also requires that property condemned for one purpose may not be transferred to a private entity for another purpose until the property has been held by the original property owner for at least five years. This amendment is being drafted to be consistent with the general bill prepared by the committee.

The committee is also drafting bill language which revises current law to limit the ability of government to condemn property and transfer the property to private ownership or use. It eliminates the ability to condemn for slum and blight and limits condemnation to immediate risk of public health and safety, and requires a specific finding of the need for condemnation. In addition, if a landowner challenges the taking, the matter is tried before a judge who must find clear and convincing evidence that such a need exists before the court will uphold the taking.

Since the Select Committee cannot introduce legislation, Chairman Marco Rubio (R-Miami) will introduce all three bills as his individual bills. However, Chairman Rubio expects committee members to assist with the bills in whatever committees they are referred to for consideration. The committee will hold its last meeting next week and will consider amendments to the proposed legislation before introduction by Chairman Rubio.

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.

GROWTH MANAGEMENT

The Senate Community Affairs Committee passed SB 1020 Relating to Developments of Regional Impact (DRI) by Sen. Mike Bennett (R-Bradenton) by a vote of 6-1. This bill provides additional exemptions from the DRI review process and increases the thresholds that trigger the DRI review process for proposed new developments. DRIs are large-scale developments that are likely to have regional effects beyond the local government jurisdiction in which they are located. The DRI process is important to the business community because it directly affects how fast an employer can or cannot get their projects started and how developers interact with local governments.

SB 1020 provides a 12-month window during which a local government may negotiate a binding agreement with impacted jurisdictions to address transportation impacts in order to enjoy an exemption from DRI review for projects located within an urgent service boundary or a designated urban infill and redevelopment area. The bill also provides for an increase in the applicable guidelines for residential development if a specified percentage of those units are dedicated to workforce housing.

Sen. Bennett offered two amendments to the bill, which were adopted. The first provides additional policy requirements relating to creation of new towns in rural areas. The second amendment prohibits the sale or exclusive control of real property or operations of any port in the state to an entity controlled by a foreign government or a foreign business entity without the express consent of the legislature. The Department of Community Affairs supported the bill and amendments with some concerns relating to transportation concurrency, which the department believes can be worked out in the process.

AIF supports legislation aimed at making the DRI process more business friendly for developers by providing exemptions from the DRI review and increasing the thresholds that trigger the DRI review for newly proposed developments.

WORKFORCE DEVELOPMENT

The House Community Colleges and Workforce Committee unanimously approved HB 801 the Florida Ready to Work Certification Program by Rep. Pat Patterson (R-Deland). This legislation provides an opportunity for students to graduate from high school to be capable of entering into the workforce. According to the staff analysis, “Career education (a term often interchangeable used for vocational education, workforce education, or technical education) is critically important to Florida’s students and to Florida’s economic development. A significant percentage of Florida’s students currently leave high school without adequate preparation to enter a career or continue into a technical center, community college or university program.”

The Florida Ready to Work Certification Program will provide:

- Workforce skills assessments so that skills can be identified
- Instruction designed to address specific academic, technical and work ethic skills relating to an occupation. Instruction must be available on the Internet and revisable to meet specific needs of local employers
- Certification based on the demonstration of these skills and will help employers reduce recruitment cost, improve productivity, minimize turnover and lower on-the-job training costs by being able to confidently hire entry level workers

The program may be conducted at public secondary schools, community colleges, area technical centers, one-stop career centers, vocational rehabilitation centers and Department of Juvenile Justice educational facilities.

The sponsor of the bill offered a “strike everything after the enacting clause” amendment mainly to delete the appropriation section of the bill.

AIF applauds Rep. Patterson and his Florida Ready to Work Certification Program. High school students need to have careers not just jobs when they graduate and this legislation will help our students match their skills to the appropriate career. This will help Florida’s workforce and our economy.

COMMITTEE PRESENTATIONS

Natural Resources

The Senate Committee on Environmental Preservation heard a presentation today from Mimi Drew, Director of the Division of Water Resource Management at DEP. She gave her presentation on water-related funding programs such as the Clean Water State Revolving Fund Loan Program; Drinking Water State Revolving Fund Loan Program; and the Disadvantaged Small Community Wastewater Grant Program.

Clean Water State Revolving Fund is a low-interest loan program with a current interest rate of 2.3% for a 20 year term. The funds can be used for a variety of projects including wastewater collection, treatment, disposal and reuse; storm water management systems; Agriculture Best Management Practices; and Estuary protection projects. Local governments as well as private agricultural operations are eligible to receive the funding. There is an application process "Request for Inclusion" which goes through a rigorous scoring and ranking process along with public hearings before the loan application is approved.

The Drinking Water State Revolving Fund is another low-interest loan program with a current interest rate of 2.71% for a 20 year term. These funds can be used for drinking water treatment and distribution systems and alternative water supply projects. Local governments; non-profit systems and smaller investor-owned public water systems are eligible to receive funding. Like the Clean Water State Revolving Fund has a thorough scoring and ranking process along with public hearings before the application is approved. The program began in 1999 and has awarded 176 loans for a total of \$297.7 million.

Water is critically important to Florida's economy and natural resources. These loan programs help keep Florida's water and environmental clean and healthy. Ensuring that Florida has uninterrupted water supply is critical to sustaining the growth of businesses throughout the state.

Information Technology

The House Spaceport and Technology Committee held a special panel presentation on issues related to space, research development, and IT issues. An eleven member panel was comprised of presidents and senior executives of Kennedy Space Center, The Boeing Company, University of South Florida, Raytheon, Lockheed Martin, Space Foundation, Honeywell AES, Space Coast economic developers, Florida High Tech Corridor and Congressman Tom Feeney's office. Each panelist provided a 10 minute overview of their entities recent accomplishments and challenges.

Key messages related to information technology and the future of IT business development in Florida includes the following:

International & National:

- Do not wait for the federal government to provide funding and leadership
- Assist federal government in acquisition of high tech contracts
- Seek cooperative arrangements in other countries such as India (shift focus to global positioning of Florida in international commerce, industry and education from potential immediate impact of loosing jobs to foreign countries)

State:

- Do not 'go after' assets already carved-out in other states
- Grow and protect what assets Florida claims
- Space technology is very different from technology controlled within our gravity
- Be competitive and flexible with economic development incentives (the 'off the shelf' incentives may not be enough)
- R&D tax exemption should be created

Workforce:

- Florida's Centers of Excellence could be fundamental to training and retaining the 'brightest' in Florida
- Primary education and corporate cooperative programs are untapped opportunities to grow next generation in Florida
- Primary education is key in creating our next generation science, math and technology scholars
- In 2000, 37% of Americas math, science and technology workforce was foreign born
- 75-80% of today's workforce requires strong math, science and technology skills

In conclusion, Chairman Bob Allen (R-Merritt Island) thanked the panelists and indicated a desire to move the recommendations made by the Lt. Governor as chair of the ad hoc Space Committee through the Legislature this session.

AIF and its recently created **Information Technology Council** are pleased to see that the legislature is paying attention to IT issues. Florida must expand its IT spending in order to better provide services to citizens and businesses. AIF has created the **IT Council**, to help address Florida's technological deficit and promote IT as a way to transform government, making it more efficient and more accessible to its citizens.

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.