

ASSOCIATED INDUSTRIES OF FLORIDA
**LEGISLATIVE
DAILY BRIEF**



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EDUCATION

The Senate Education Appropriations Committee passed SB 2170 Relating to Education by Senator Dan Webster (R-Winter Garden) on a vote of 5-3. There was a strike everything amendment by the bill's sponsor which removed the 65 percent classroom funding provision that was part of the original bill. As amended, SB 2170 protects current voucher programs through a proposed constitutional amendment. If approved by the voters during the next general election, the bill would theoretically allow the legislature to create any number of new voucher programs. There was strong debate, particularly from Democratic members of the committee who wondered why this issue deserved to be in the constitution. Senator Webster closed with the argument that this proposed constitutional amendment is aimed at protecting the opportunity scholarship and other voucher legislation that is currently in statute. He also made the point that his bill would also protect the legislature's power to appropriate funds in any way they wish, thereby sending a strong message to the courts, which have recently ruled against opportunity scholarships.

Senators Larcenia Bullard (R-Miami), Les Miller (R-Tampa), and Ron Klein (R-Delray Beach) voted no on the bill.

SB 2170 has passed all its committees of reference and will now be considered for final passage on the floor of the Senate.

AIF supports SB 2170 and the protection of Florida's school choice voucher programs. Opportunity scholarships, the only program of its kind in the nation, allow students who have attended or who are assigned to attend failing public schools the option to choose a higher performing public school or a participating private school. Providing this choice to the children of our state will ensure that our future workforce is the very best it can be.

UTILITIES AND TELECOMMUNICATIONS

The House Commerce Council passed HB 431 Relating to Electrical Substations by Representative Ken Littlefield (R-Zephyrhills) on an 11-3 vote. Currently zoning districts for electrical substation siting are determined by individual local governments. This causes varying regulations across the state especially when it comes to ordinances for vegetation maintenance.

HB 431 provides a statewide process governing the siting of electrical substations and maintenance of right-of-ways for electrical transmission or distribution lines.

HB 431 has passed all its committees of reference and will now be considered on the floor of the House.

AIF supports HB 431 as it may increase reliability of electric services by making siting for electrical substations more flexible by placing them closer to the areas they serve.

ENERGY

The Senate Committee on Communications and Public Utilities unanimously approved SB 890 by Senator Lee Constantine (R-Altamonte Springs). Originally a "shell bill," meaning that it was an empty bill holding a bill slot, it received a strike everything after the enacting clause amendment. The bill now creates the Florida Energy Commission. The Commission would consist of 19 members, 9 voting members and 10 non-voting. The Commission will development recommendations for a statewide energy policy based on reliability, efficiency, affordability and diversity and provides guidelines.

The language in SB 890 relating to the Commission is identical to language in another bill by Senator Constantine, SB 888 Relating to Florida's Energy Plan. Negotiations on this important piece of legislation are on-going, therefore the need for another bill slot.

The bill now goes to the Senate Environmental Preservation Committee.

AIF is closely monitoring this landmark piece of legislation. As the bill has moved through the process some amendments have been added that raise some concern for utility companies. AIF believes the best way to deal with the state's energy needs is through the use of incentives and the removal of regulatory barriers, rather than using new taxes and mandates.

JESSICA LUNSFORD ACT

The Senate Education Appropriations Committee unanimously passed SB 2280 Relating to Background Screening and Schools by Senator Nancy Argenziano (R-Crystal River). Senator Argenziano described her bill as the part II of the Jessica Lunsford Act. She also stressed that some provisions are still being worked out, but in general the bill continues to subject certain school contractors to level II screenings; caps background screening fees at 30% of the total state and Federal Bureau of Investigation (FBI) costs; requires districts to accept certain fingerprint-based background check results from other districts; and requires the Florida Department of Law Enforcement (FDLE) to implement a system for school districts to share the results of the background checks and provides FDLE with rulemaking authority. The bill also requires all driver's licenses or identification cards issued to sexual predators or sexual offenders to have on the front of the card the marking "775.21, F.S." for a person designated as a sexual predator and "943.0435, F.S." for a person designated as a sexual offender.

The bill is a significant improvement to what is in current law as a result of the passage of the Jessica Lunsford Act in 2005. There are still some provisions, though, that should be addressed especially for the construction industry.

SB 2280 has passed all its committees of reference and is now ready to be considered for final passage on the floor of the Senate.

AIF supports SB 2880 which helps 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.

GROWTH MANAGEMENT

Today was a busy day for Growth Management in both chambers of the legislature. The Senate Transportation Committee unanimously passed SB 1020 Relating to Growth Management by Senator Mike Bennett (R-Bradenton). During the meeting, Senator Bennett introduced a strike-all amendment that was adopted by the committee. The strike-all amendment substantially conforms to the bill to its House companion, HB 683 Relating to Growth Management by Representative Trey Traviesa (R-Tampa), which was also passed today by the House State Infrastructure Council. As amended the bill does the following:

- Makes revisions to current statutory law relating to a binding letter determination made by the Department of Community Affairs (DCA);
- Makes various revisions and additions to the existing statutory law pertaining to development orders and permits issued by local governments;
- Revises the definition of an “essentially built-out development;”
- Provides bonuses for a developer providing a certain level of affordable housing
- Expressly removes marina and port facilities from DRI review;
- Revises how certain statewide guidelines and standards are applied to determine whether a development must undergo DRI review;
- Revises existing law pertaining to consistency challenges made to a DRI development order;

SB 1020 will now be heard by the Senate Transportation and Economic Development Appropriations Committee. HB 683 has passed all its committees of reference and will now be considered for final passage on the floor of the House.

AIF supports SB 1020 and HB 683. These bills contain important growth management provisions and make 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.

The Senate Community Affairs Committee unanimously approved SB 1858 also Relating to Growth Management by Senator Mike Bennett (R-Bradenton). The bill corrects cross-references and revises appropriations glitches found in last year's landmark growth management bill (SB 360). It increases the membership of the Century Commission for a Sustainable Florida, provides additional criteria for appointing members, and extends the deadline for making the appointments. It also appropriates \$870,000 in recurring funding for the Century Commission.

The next committee of reference for SB 1858 is the Senate Government Efficiency Appropriations.

AIF supports SB 1858 since it makes necessary corrections to last year's landmark growth management law.

The State Infrastructure Council unanimously passed HB Relating to Growth Management by the Growth Management Committee. HB 7253 revises current law related to growth management. Among some of the revisions the bill:

- Removes the requirement that the entire local comprehensive plan be financially feasible.
- Provides for certain exemptions from transportation concurrency.
- Provides for a waiver of the transportation facilities concurrency requirements for certain urban infill, redevelopment, and downtown revitalization areas.
- Revises the organization reporting structure for the Century Commission for a Sustainable Florida and provides guidance for the development of its annual budget.
- Provides for a partial exemption from development of regional impact review for urban service boundaries, infill and redevelopment areas, and rural land stewardship areas if the required binding agreement for the full exemption is not attained.

HB 7253 has passed all its committees of reference and will now be considered for final passage on the floor of the House.

AIF supports HB 7253 since it may result in decreased costs associated with some development when that development meets criteria for full or partial exemptions, waivers and small scale amendments.

TAXATION

SB 2332 Relating to Gross Receipt Taxes/Manufacturing by Senator Paula Dockery (R-Lakeland) was unanimously approved by the Senate Committee on Environmental Preservation. This legislation creates a limited or capped exemption from the gross receipts tax for mining or manufacturing businesses meeting energy conservation requirements. The company would pay the tax, but the amount of the exemption would be available for a refund. The exemption would apply retroactively to January 1, 2006, with regards to the taxes paid and expenditures for energy conservation measures made in the 2006 calendar year. The mining and manufacturing industry are energy intense users.

SB 2332 will now be heard by the Senate Government Efficiency Appropriations Committee.

AIF supports SB 2333. Florida has higher utility rates than bordering states making it hard to Florida companies to compete and this exemption from gross receipts tax will go along way in helping those industries compete.

MERCURY SWITCH RECOVERY ACT

The Senate Transportation Committee unanimously passed SB 2446 by Senator J.D. Alexander (R-Lake Wales). A strike everything amendment offered by Senator Charlie Clary (R-Destin) was adopted which creates the Florida Vehicle Mercury Switch Recovery Act and requires the automobile manufacturers to work in conjunction with the Department of Environmental Protection (DEP) to implement the “End-of-life Vehicle Solutions Program” on or before September 1, 2006. The manufacturers will be required to provide scrap recycling facilities and vehicle recyclers with educational materials about the program such as guidance on which vehicles contain mercury switches and how to remove them. There are two major usages of mercury switches in vehicles: convenience lighting tilt switches and anti-lock braking system control module switches. These switches become a problem when vehicles are retired from use. Mercury is released during the vehicle shredding and the steel/smelting process.

American automobile manufacturers phased out mercury switches after the 2003 model year. The manufacturers are supporting the Florida Vehicle Mercury Switch Recovery Act so that they can collect and recycle the old switches. They will provide containers for collecting and storing the mercury switches and arrange and pay for the transportation of switches to approved recycling and disposal sites. The Program will remain in effect until July 1, 2016, or until it is superseded by the effect of the National Vehicle Mercury Switch Recovery Program.

SB 2446 will now be heard by the Senate General Government Appropriations Committee.

AIF supports SB 2446 as a responsible way of recycling and applauds Senator Alexander for accepting the Clary amendment. Now instead of placing a bounty of \$5.00 per switch, there will be a coordinated effort between the private sector and DEP to recycle these switches.

AFFORDABLE HOUSING

The Senate Government Efficiency Appropriations Committee unanimously passed SB 2364 Relating to Community Redevelopment by Senator Carey Baker (R-Eustis). The bill modifies the process for creating a community redevelopment agency (CRA) and authorizes a CRA to contract with nonprofits, faith-based organizations, or other groups to provide affordable and workforce housing in the redevelopment area.

There were 10 late filed amendments which were all technical in nature. They were all adopted without objection. Florida League of Cities, Florida Redevelopment Association and the Florida Association of Counties all waived their time in support of the bill.

The bill's House companion, HB1583 by Representative Mike Davis (R-Naples) was also heard today in the House State Infrastructure Council. It too passed unanimously with conforming amendments.

Both bills passed all their committees of reference and will now be considered for final passage in their respective chambers.

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

WORKFORCE DEVELOPMENT

The House Education Council unanimously passed HB 513 Relating to Career and Professional Academies by Representative Gus Bilirakis (R-North Palm Harbor). This bill establishes a Career High Skill Occupational Initiative for Career Education (CHOICE) designation for school district participants that aid in workforce development. This 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 has passed all its committees of reference and is now ready to be considered for final passage on the floor of the House.

AIF supports 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.

WORKERS' COMPENSATION

The Senate General Government Appropriations Committee today heard SB 2118 relating to the Florida workers' Compensation Joint Underwriting Association. The bill passed the committee unanimously with virtually no discussion or debate. This bill would provide significant changes to the current Joint Underwriting Association (JUA) board composition as well as give more oversight of the JUA to the Office of Insurance Regulation (OIR). There are two primary problems with this bill as currently drafted. One is that it would require the volunteer board members to produce a full financial disclosure. This will likely create a chilling effect on board service. The other problem is more directly connected to the worker's compensation market. The bill would require OIR to approve the rates charged to JUA policyholders before they are used by the JUA. This would significantly hamper the JUA's ability to conduct its business. The current deficits areas that the JUA faces are created in plans or tiers that are forced to charge rates that were arbitrarily set by the legislature and are not actuarially sound. The OIR has never disapproved any rate that the JUA set itself. Accordingly, prior approval is not necessary and this portion of the bill should be changed.

There are no other committee stops for this Senate bill. However, its House companion (HB 7241) has one additional committee stop – the House State Administration Council.

AIF will continue to monitor this bill and encourage legislators to address the deficits in the plan through other means to continue the savings that Florida's employers currently enjoy without disrupting the market's current stability.

OTHER BILLS OF INTEREST

Oil Drilling

The Senate Committee on Environmental Preservation approved SB 2708 by Senator Steve Wise. There was a strike everything amendment which was adopted. This legislation directs the Department of Environmental Protection to contract for a study relating to risk and potential adverse effects of hurricane wind and storm surge on field-erected aboveground storage tank systems at bulk product facilities. It also directs DEP to review and compile existing data and information to evaluate the environmental impact from all activities associated with the possible future exploration for and production of oil and natural gas in the eastern Gulf of Mexico currently subject to federal moratoria.

SB 2078 will now be heard by the Senate Community Affairs Committee.

Governmental Outsourcing

SB 280 by Senator Mike Fasano (R-New Port Richey) was heard this afternoon in the Senate Health and Human Services Appropriations Committee. The bill limits net economic liability for community behavioral health agencies (provider) in negligence actions to \$1M per claim and \$3M per incident. The bill also specifies that damages be offset by any collateral source. It limits non economic damages to \$200,000.00 per claim. These limitations are extended to any employee who acts in furtherance of the provider's responsibilities and not where the employee acts in a culpably negligent manner.

There was a strike amendment which made it similar to its House companion, HB 595 by Representative Dean Cannon (R-Winter Park).

SB 280 passed with no questions or debate and will be heard next in the Senate Ways and Means Committee. HB 595 will be heard on Thursday during the meeting of the House Justice Council.

Building Codes

The Senate Community Affairs Committee unanimously passed SB 128 Relating to Building Codes by Senator Mike Bennett (R-Bradenton). The Florida Building Commission is authorized to adopt and maintain the Florida Building Code as the technical regulation of construction activity throughout the state. The Commission's charge includes annual amendments and triennial updates wherein the Commission integrates previously adopted amendments, local amendments meeting a statutory threshold, and its declaratory statements with the newest edition of the model code upon which the Florida Building Code is based. The first triennial update of the code (the "2004 Florida Building Code") became effective in October of 2005. The Commission is also charged with several means of interpreting the code.

At the beginning of the meeting, Senator Bennett offered a strike-all amendment that was adopted. The amendment authorizes the use of certain foundation systems for all types of manufactured buildings; and authorizes the permitting for a specific time of manufactured buildings that use a foundation system designed and installed in accordance with certain standards. The act does not apply to residential manufactured buildings or factory-built schools. The bill applies certain residential manufactured buildings standards to temporary manufactured buildings.

The next committee of reference is Governmental Oversight and Productivity Committee.

Taxation

The Senate Committee on Governmental Efficiency Appropriations approved SB 2410 by Senator Jeff Atwater. 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.

SB 2410 will now be heard by the Senate Ways and Means Committee.

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.