

ASSOCIATED INDUSTRIES OF FLORIDA
**LEGISLATIVE
WEEKLY UPDATE**



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FROM THE WEEK OF APRIL 17 – APRIL 21, 2006

This was a particularly busy week for the Legislature as committees were scrambling to hear as many bills as possible. Most of the House committees have held their last meetings in preparation for the final two weeks of Session. The Senate will continue to hold committee meetings on Monday and Tuesday. The budget conference committees will be meeting throughout the weekend in order to come to a consensus on the budget.

LEGAL REFORM

On Wednesday, April 19th the Senate Judiciary Committee unanimously passed SB 2304 Relating to Class Action Lawsuits by Senator Carey Baker (R-Eustis). This bill is the end result of several weeks of negotiations between the business community and the trial bar. Senator Baker explained that it only applies to class actions arising from four areas of the law - Motor Vehicle Licenses (Chapter 320), Unfair and Deceptive Trade Practices (Chapter 501), Consumer Protections (Chapter 520) and Motor Vehicle Leases (Chapter 521). The bill would generally require that plaintiff class members be Florida residents to bring a class action in Florida. It also requires that the claimants must allege and prove actual damages to be members of the class.

Today's committee stop was the bill's only committee of reference, thereby making the bill available for the Senate floor at any time. The House companion measure, HB 7259 by the House Judiciary Committee, has already been placed on the House calendar and was read a second time on Friday, April 21st.

AIF supports SB 2304 and HB 7259. 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.

On Thursday, April 20th the House Justice Council passed HB 841 Relating to Supersedeas Bonds by Representative Frank Attkisson (R-Kissimmee) on an 8-2 vote. This bill would set a \$25 million cap on the amount of bond an appellant must post in certain cases. There were several amendments filed to the bill which passed. One of which clarified an exception to the \$25 million cap for individuals and employers with less than 300 employees. In those cases, the bond would be capped at 5% of net assets or \$5 million, whichever is greater.

AIF supports HB 841 and applauds Representative Attkisson for his leadership on this issue, which will ensure that businesses and individuals have fair and predictable access to the appeal process.

GUNS IN THE WORKPLACE

On Wednesday, April 19th the Senate Criminal Justice Committee passed SB 206 Relating to Firearms/Motor Vehicles by Senator Durell Peaden (R-Crestview) on a vote of 5-2. This is the legislation that would not allow a business to have a policy to restrict a person from having a firearm in their locked vehicle. Senator Evelyn Lynn (R-Ormond Beach) offered a strike everything amendment which makes the bill similar to its House companion, HB 129 by Representative Dennis Baxley (R-Ocala), that passed out of the House Judiciary Committee last week.

An amendment by Senator Rod Smith (D-Gainesville) was adopted which changes the definition of employee. Senator Smith believed the definition in the original amendment was too broad so his amendment narrowed the definition to a person who works for an employer for salary, wages or other remuneration.

AIF opposes SB 206 because it 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. We continue to be opposed to the bill even with today's amendment.

INFORMATION TECHNOLOGY

On Monday, April 17th the House Governmental Operations Committee unanimously passed HB 1369 Relating to Rejected Bids by Representative Greg Evers (R-Milton). Current law provides a public records exemption for sealed bids or proposals received by an agency pursuant to an invitation to bid or request for proposal. The sealed bid or proposal is exempt until the agency provides notice of a decision or intended decision or within 10 days after bid or proposal opening, whichever is earlier. Current law does not provide public records exemption for an invitation to negotiate. The bill expands the current public records exemption for sealed bids or proposals.

On Friday, April 21st HB 1369 was unanimously passed by the House State Administration Council. This was the bill's final committee stop, therefore, making HB 1369 available for final passage on the House floor.

AIF supports HB 1369. Passage of this bill will level the playing field for IT and other outsourcing companies who compete for projects with the state. Not making bids exempt from public records only serves to hinder the competition process.

Also on Friday, the House State Administration Council passed HB 7185 Relating to Contractual Services/State Agencies by the Governmental Operations Committee. Last year's version of this bill was vetoed by the Governor. This bill addresses many of the Governor's concerns with the contracting process for state agencies and creates a governor-appointed seven-member Council on Efficient Government within the Department of Management Services (DMS). The council reviews, establishes policy, and consults on outsourcing projects initiated by state agencies. Cabinet agencies are expressly included in these requirements. The bill creates outsourcing levels based on project costs and creates business case requirements for each level. The bill identifies specific criteria for business cases and specific criteria for outsourcing contracts and imposes penalties for noncompliance with the act.

AIF's Frank Meiners testified on behalf of AIF's IT Council that although AIF and the council support the general intent of the bill, there are some concerns with some of the provisions, especially with the lack of opportunity for public comment on actual business cases themselves.

AIF supports HB 7185 and its overall intent of making the outsourcing process more professional. AIF's IT Council looks forward to working with members of the legislature to include some of the industry's suggestions in future legislation.

TAXATION

On Monday, April 17th the Senate Ways and Means Committee passed SB 714 Relating to Intangible Personal Property Tax by Senator Jeff Atwater (R-North Palm Beach) by a 12-2 vote. The bill eliminates the final 0.5 mill of the intangible personal property tax. No change is made to the 2 mills non-recurring tax imposed upon obligations secured by liens on Florida property. The two Senators voted against the bill were Rod Smith (D-Gainesville) and Les Miller (D-Tampa).

On Friday, April 21st, SB 714 was read a second time on the Senate Floor. It was then substituted for its House companion, HB 209 by Representative Fred Brummer (R-Apopka). We expect the Senate to take up HB 209 for final passage early next week.

AIF supports the repeal of the intangible tax. It is wrong to penalize businesses and individuals who save or invest their money. We need to make Florida competitive with other states by removing this insidious tax.

On Tuesday, April 18th 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.

On Wednesday, April 19th the House State Resources Council unanimously approved HB 743 by Representative Marty Bowen (R-Winter Haven). 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 has passed all of its committee of reference and has been placed on the House calendar for final passage.

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.

On Wednesday, April 19th the House passed HB 7105 Relating to Taxation and Alcoholic Beverages by the House Finance and Tax Committee on a vote of 118-2. This bill would eliminate the surcharge on alcoholic beverages sold on a vendor's premises. Back in 1990, Florida enacted a law that taxed the retail sale of alcoholic beverages. A move to eliminate this "drink" tax has taken some time. The tax was reduced by one-third in 1999 and again by one-half in 2000. HB 7105 would eliminate the remainder of the tax and reduce the burdensome record-keeping required of businesses that sell alcoholic beverages. This proposal is part of the Governor Bush's budget recommendations for 2006.

HB 7105 will now be sent to the Senate for consideration.

AIF supports the final repeal of this tax to eliminate a cumbersome, expensive, and regressive burden on both Florida's hospitality establishments and Florida's consumers.

On Friday, April 21st the House Fiscal Council approved two important sales tax exemption bills today. The first one HB 29 by Rep. Ray Sansom will give Floridian's a holiday from sales tax on certain "back to school" items purchase during the period beginning on July 22 and ending on July 30, 2006. Clothing type items must cost \$50 or less and the supplies must have a selling price of \$10 or less during the time period.

AIF supports increasing business activity by allowing Floridians to purchase essential school and hurricane supplies without having to pay sales tax.

The other sales tax exemption bill was by Rep. Matt Meadows. 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%.

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.

MANDATORY GENERATORS FOR GAS STATIONS

On Monday, April 17th the House Fiscal Council unanimously passed HB 7121 by the House Domestic Security Committee. This bill deals with disaster preparedness response and recovery. The bill creates the Florida Disaster Supplier Program Council consisting of seven members who are the county emergency management directors from each of the seven emergency response regions of the Division of Emergency Management. It also creates the Florida Disaster Supplier Program which will let people know where they can find certain supplies such as food, water, ice and pharmaceuticals. There is a Florida Disaster Motor Fuel Supplier Program which will allow retail motor fuel outlets who would like to participate to provide fuel to a network of emergency responders, medical institutions, and others.

On Friday, April 21st the bill was heard by its last committee of reference, the House State Administration Council. A strike-everything amendment was adopted which added a mandate requiring gas retailers to purchase 1 generator for every 10 gas stations owned. In addition, an amendment to the strike-everything amendment by Representative Ron Reagan (R-Sarasota) was adopted. This amendment preempts local governments from requiring large retail-stores to comply with emergency preparedness ordinances. The sponsor argued that many of these types of retail chains already have state-side emergency guidelines and that having to comply with multiple, conflicting local ordinances would be detrimental to providing their services.

AIF’s Keyna Cory testified in opposition to the bill as amended. She stated that mandating generators was a bad precedent to set and that it constituted over-regulation by state government. “There is no need for mandates; the free market will encourage businesses owners to provide services after these storms,” she said.

AIF opposes HB 7121 as amended. Most of the provisions in the bill are good solutions and policy for the state as it relates to emergency preparedness, but mandating generators is not the way to go.

ENERGY

On Monday, April 17th the Senate Ways and Means Committee unanimously passed SB 888 by Senator Lee Constantine (R-Altamonte Springs). This is the Senate's version of an Energy Plan for the State of Florida. The bill creates a Florida Energy Commission and establishes membership and duties. It also provides grants to promote renewable energy technologies and rebates for certain appliances and solar installations. SB 888 also streamlines and shortens time frames for the siting of power plants, nuclear plants and transmission lines. Finally it creates the "Farm to Fuel" program to provide grants to promote use of Florida grown and produced biomass to produce energy.

SB 888 has been placed on the Senate calendar and will now be considered for final passage.

AIF is closely monitoring SB 888. 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.

On Friday, April 21st the House Fiscal Council unanimously passed HB 1473 by Rep. Adam Hasner. This bill implements recommendations from the Governor's Florida Energy Plan. There are four main sections to the bill:

- Renewable Energy and Energy Efficiency Act - where much of HB 347 by Rep. Eleanor Sobel (D-Hollywood) is contained. This section provides a sales tax holiday for energy-efficient products.
- Florida Energy Council – creates a council which will make recommendations guided by the principles of reliability, efficiency, affordability, and diversity.
- Tax Incentives – for biodiesel and ethanol production.
- Power Plant Siting Act – streamlines this important yet complex process

AIF supports HB 1473 because it contains environmental and economic regulatory policies that create a stable investment climate, so that electric utilities can build more fuel diverse generation to meet Florida's growing energy needs.

On Monday, April 17th the House Agriculture & Environment Appropriations Committee passed HB 229 Relating to Petroleum & Natural Gas Production by Representative Donna Clarke (R-Sarasota) on 8-3 vote. The bill directs the Department of Environmental Protection (DEP) 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. The bill also directs the DEP to review and compile existing data and information to evaluate the environmental risks 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. Originally, the bill would have required bulk fuel storage terminal facilities located in high-hazard coastal areas to be surrounded by dike fields meeting certain design and maintenance criteria and it would have prohibited the use of sovereignty submerged lands for activities associated with the exploration for and production of oil and natural gas. The bill was amended in a previous committee so that it would only require the two studies.

On Friday, April 21st the House State Resources Council unanimously approved HB 229. This was the last committee stop for the bill, which will now be placed on the House calendar to be considered for final passage.

AIF originally opposed HB 229, but now supports the studies. Chief Lobbyist, Keyna Cory, told the committee that AIF had changed their position and apologized to Rep. Clarke for the change not being reflected in the 2005 Mid-Session Priorities publication. The change to her bill happened while the publication was in print.

JESSICA LUNSFORD ACT

On Monday, April 17th the House Education Appropriations Committee passed HB 7117 Relating to Sexual Predators and Offenders by the House Criminal Justice Committee on a vote of 16-1. This is the House version of the Jessica Lunsford Act (JLA) “glitch” bill. The bill aims to correct some unintended consequences of last year’s JLA, while at the same time keeping the intent of the bill, which is to protect our children from sexual predators and offenders. Representative Charles Dean (R-Inverness) presented a strike-everything amendment that improved existing drafting issues and clarified the types of individuals which must undergo a background screening. The bill requires that sexual predators and offenders to obtain special drivers licenses or identification cards which identify them as such by January 1, 2007. In addition, the bill establishes background screening requirements for contractors and workers who come in contact or are near school children. The bill further requires school districts to share background screening records with each other eliminating the onerous requirement for businesses and contractors to pay for multiple background checks.

On Thursday, April 20th HB 7117 was unanimously passed by the House Justice Council. This was the last committee stop for HB 7117 which will now be placed on the House calendar for final passage.

Its Senate companion, SB 2280 by Senator Nancy Argenziano (R-Crystal River), was unanimously passed by the Senate Education Appropriations Committee on Tuesday, April 18th. 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.

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. The House and Senate products differ slightly in their language; negotiations are ongoing to come up with a single version that will pass both chambers.

AIF supports HB 7117 and SB 2280 because they make 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 and offenders.

EDUCATION

On Tuesday, April 18th 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.

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.

CONSTITUTIONAL AMENDMENT REFORM

On Wednesday, April 19th the Senate Judiciary Committee passed SB 1918 Relating to the State Constitution by Senator Dan Webster (R-Winter Garden). This proposed constitutional amendment corrects multiple spelling errors and punctuation errors, repeals obsolete language, and makes other technical changes to the State Constitution. Originally, this bill only corrected obsolete and grammatical errors, but during the meeting some amendments to transfer items currently in the Constitution into statute were considered.

SB 1918 will now be considered by the Senate Rules and Calendar Committee.

AIF supports SB 1918 and its intent to clean up our state's top document. Many of the recently adopted constitutional amendments are better served being in statute and not in our state's guiding document.

AFFORDABLE HOUSING

On Monday, April 17th the House Fiscal Council unanimously passed HB 1363 Relating to Affordable Housing by Representative Mike Davis (R-Naples). The bill is designed to stimulate workforce and affordable housing in high cost areas of the state, particularly for essential service personnel. This includes teachers, nurses, firefighters, emergency medical personnel, construction trades and areas of critical state concern. A strike all amendment was offered and adopted. This amendment removed the language that would have repealed the cap on the Sadowski Fund.

HB 1363 was unanimously passed by the House State Infrastructure Council on Friday, April 21st. Representative Davis praised Representative Bob Henriquez (R-Tampa) and the bill's 63 co-sponsors for the bi-partisan support.

On Tuesday, April 18th 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.

The bill's House companion, HB 1583 by Representative Mike Davis (R-Naples) was also passed on Tuesday by the House State Infrastructure Council.

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

On Wednesday, April 19th the Senate Governmental Oversight and Productivity Committee unanimously passed SB 132 Relating to Affordable Housing by Senator Mike Bennett (R-Bradenton). This bill would, among other things, require local governments to identify surplus lands and, where appropriate, make such lands available for purposes of affordable housing. The bill also creates the Community Workforce Innovation Program which provides housing assistance for essential services personnel (Teachers, Law Enforcement, Nurses, etc.) in high cost counties, whose incomes do not exceed 140 percent of the area median income.

SB 132 will now be heard by the Senate Transportation and Economic Development Appropriations Committee.

AIF supports HB 1363, SB 2364, and SB 132 as well as their corresponding House or Senate companions. 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.

ETHICS AND ELECTIONS

On Wednesday, April 19th the Senate Judiciary Committee considered SB 720 Relating to Initiative Procedures and Standards by Senator Bill Posey (R-Rockledge). This bill seeks to regulate the gathering of petitions for proposed constitutional amendments. SB 720 picks up where SB 1244 by Senator JD Alexander (R-Lake Wales) left off. As you may recall, Senator Alexander's bill encountered heavy opposition because of some over-reaching provisions that would establish strong criminal penalties for groups engaged in the gathering of petition signatures. According to Senator Posey, SB 720 focuses more on accountability than on criminal penalties to regulate the practice of petition gathering. Among some of the more important provisions in the bill it requires: paid petition gatherers to wear badges indicating that they are being paid; allows property owners to prohibit or permit activity which supports or opposes a particular initiative and allows property owners to select which petition gathers are allowed on their property; and establishes a process for citizens to rescind their signature if they chose to do so

Senator Posey's bill would still allow petition gatherers to be paid per signature, in its previous form the bill would have outlawed this practice. Associated Industries of Florida was the only business association to testify in support of the measure.

Ultimately, the bill failed on a 4-4 vote. Its House companion, HB 773 by Representative Dudley Goodlette (R-Naples), has passed all its committees of reference and is currently on the House calendar.

AIF is disappointed by the outcome of today's Senate Judiciary Committee. AIF supports the provisions in SB 720 and HB 773, especially those which give property owners the right to permit or prohibit the gathering of petitions on their property. This legislature must address the need for regulation of the petition gathering process, but it must do so without onerous provisions and criminal penalties.

REGULATED INDUSTRIES

On Monday, April 17th the House State Administration Appropriations Committee unanimously passed HB 161 Relating to Mold Remediation and Assessment by Representative Carl Domino (R-Palm Beach Gardens). This bill provides education guidelines and certification for those who engage in business as a mold assessor or mold remediator. Currently, home inspectors are not regulated. "Home inspection" means a limited visual examination of systems and components for the purpose of providing a written professional opinion of the condition of a home.

The bill states that a person may not work as a home inspector unless that person has successfully completed a course of study of not less than 80 hours and passes a psychometrically valid examination in home inspections. The course of study must be accredited by a nationally recognized third-party independent accrediting entity.

HB 161 was unanimously passed by the House Commerce Council on Thursday, April 20th. There were several parties that testified as proponents of the bill including AIF's Chief Lobbyist Keyna Cory who stated that this was a great "first step" towards assuring the consumers are protected when contracting these types of services.

HB 161 has passed all its committees of reference and is now ready to be considered on the floor of the House for final passage.

AIF supports legislation that establishes guidelines for businesses that practice in the field mold assessment and remediation. These guidelines will protect both consumers and businesses from those who practice fraudulently.

HEALTH CARE

The House Health Care Appropriations Committee passed HB 1409 Relating to Health Information Network by Representative Holly Benson (R-Pensacola). 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.

This bill passed out of this committee with an amendment making it subject to a \$9.4 million appropriation.

On Thursday, April 20th the House Health and Families Council unanimously approved HB 1409 by Representative Holly Benson (R-Pensacola). This was the last committee of reference for the bill which has been placed on the House calendar for final passage.

AIF supports legislation 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.

MERCURY SWITCH RECOVERY ACT

On Tuesday, April 18th the Senate Transportation Committee unanimously passed SB 2446 by Senator JD 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.

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.

WORKFORCE DEVELOPMENT

On Tuesday, April 18th 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 has been placed on the House Calendar.

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.

CONSUMER PRIVACY

On Thursday, April 20th the House Commerce Council unanimously passed HB 45 Relating to Electronic Mail by Representative Ari Porth (D-Coral Springs). Originally, the bill amended the Electronic Mail Communications Act and created criminal penalties for sending unsolicited or misleading commercial mail messages. The bill was amended in a previous committee stop to include identical language found in HB 7157 by the House Economic Development, Trade & Banking Committee, which creates the “Anti-Phising Act.” This act prohibits the acquisition and fraudulent use of a Florida resident’s personal identifying information through the use of a website or e-mail. Recently there has been a proliferation of fraudulent emails which are designed to look like communications from official financial institutions.

HB 45 has now passed all its committees of referenced and will be placed on the House calendar for final passage. Its Senate companion, SB 80 by Senator Dave Aronberg (D-Greenacres), passed the Senate today by a vote of 37-0. SB 80 does not contain the anti-phishing provisions.

AIF supports HB 45 and its important anti-fraud provisions. Unsolicited emails, better known as spam, cost businesses in our states thousands of dollars and valuable time. In addition, curbing the illegal act of “phising” is vital to the protection of Floridian’s personal information.

ENVIRONMENT

On Friday, April 21st the House State Resources Council unanimously passed HB 7131 by the Environmental Regulation Committee. The bill was presented by Rep. Frank Peterman (D-St. Petersburg) and amends various provisions of the Florida Brownfield Redevelopment Act:

- Increases the amount of credit from 35% to 50% that may be applied against intangible personal property tax and corporate income tax for the voluntary cleanup costs of a contaminated Brownfield or dry-cleaning site, and increases the amount of tax credit that may be granted to a tax credit applicant per year from \$250,000 to \$500,000
- Increases the percentage and amount of tax credit that may be received by the taxpayer in the final year of the cleanup as an incentive to complete the cleanup. The percentage is increased from 10% to 25% and the amount increased from \$50,000 to \$500,000
- Increases the total amount of tax credits which may be granted for Brownfield cleanup from \$2 million annually to \$5 million annually
- Requires Enterprise Florida, Inc. to aggressively market Brownfields

AIF continues its support of HB 7131 since it may include employment opportunities for environmental cleanup contractors, future job opportunities for area residents, opportunities for developers to realize profits on property investments, the possibility of an increase in surrounding property value, and most importantly, a reduction or elimination of the risk to public health and environment resulting in cleaning up contamination in the area.

INSURANCE

Going into the last three weeks of Florida's 2006 Session, property insurance has emerged as, arguably, the top issue facing legislators. Both House and Senate committees adopted different plans to partially fund Citizens Property Insurance Company (Citizens) deficits on Monday, April 17th. Citizens faces a \$1.7-billion deficit due to 2005 hurricane claims which will require an assessment against homeowners of over \$200 per \$1,000 of premiums to fund.

The House measure is more generous than the Senate's, providing \$920-million as opposed to \$750-million. But Senate leaders may be willing to go higher, said the bill's Senate sponsor, Rudy Garcia (R-Hialeah). In addition, the House provided \$500 million for mitigation grants. The funding was made possible when state economists last week found an additional \$1.2-billion in tax revenue beyond the \$3.2-billion surplus they had already forecast. "This is sort of a first cousin to a tax break," said House Speaker Allan Bense (R-Panama City). "And it helps people with their assessments, because a lot of people can't afford it." The final figure will be worked out by House and Senate leaders in negotiations that will include other budgetary issues.

Negotiations to reconcile the differences between the House and Senate property insurance bills began Friday and will continue over the weekend.

Hurricanes aren't the only threat driving property insurance premiums upward. Sinkholes also are making insurance more expensive and harder to get, particularly in Pasco, Hernando and portions of Hillsborough counties. The rising number of claims is driving private insurers out of the market and homeowners to Citizens. The sinkhole reform bills (HB 217 and SB 286) create a mediation process which has proven to be effective in avoiding expensive court battles. HB 217 has been placed on the House calendar and SB 286 will be heard by the Senate Judiciary Committee on Tuesday, April 25th.

Florida's automobile insurance no-fault laws are scheduled to be repealed on October 1, 2007. HB 7263 by Representative Dennis Ross (R-Lakeland) was passed by its last committee of reference, the House Commerce Council on Thursday, April 20th. The Committee adopted an amendment by the Council's chairman, Representative Frank Farkas, (R-St. Petersburg) removing a key provision of the bill which would have substantially reduced plaintiff-attorney involvement in automobile insurance claims. Studies have shown that over 45% of Florida claimants hire attorneys to litigate so-called no fault claims. The bill extends the 2007 sunset to 2012 without addressing significant existing cost drivers, including medical and litigation. HB 7263 will now be placed on the House calendar in consideration for final passage.

The Senate's no-fault auto insurance bill will be considered by its last committee of reference, the Judiciary Committee, on Tuesday April 25th. The bill would extend the state's no-fault law to 2009. The bill does not include measures that many insurers believe are vital to fix the system.

The Governor continues to urge the Legislature to send him a bill that addresses the cost drivers in the system, and has indicated that it would be difficult for him to approve a bill that does not do so.

Note: Both the Property and No-Fault Insurance Issues are currently being negotiated by legislative leadership. In addition, their provisions are constantly changing; therefore it is impossible for AIF to take a position at this time.

- 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.