

ASSOCIATED INDUSTRIES OF FLORIDA
**LEGISLATIVE
WEEKLY UPDATE**



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FROM THE WEEK OF APRIL 24 – APRIL 28, 2006

LEGAL REFORM

On Friday, April 28th the Senate unanimously passed HB 7259 Relating to Class Action Law Suits by the House Judiciary Committee. Earlier in the week, the House had passed HB 7259 also by a unanimous margin. On Thursday, April 27th the Senate moved to substitute the Senate version, SB 2304, with HB 7259.

During Friday's Senate session, Senator Carey Baker (R-Eustis), the bill's Senate sponsor explained that the bill limits membership in a class action suit to only Florida residents. The bill also requires each class member to allege and prove actual damages. The bill applies to four areas of the law and will certainly curb costly and unnecessary litigation for Florida's businesses.

HB 7259 will now be sent to the Governor for his signature.

AIF and the Florida Coalition for Legal Reform salute Senator Baker as well as the entire Florida Senate for their leadership and support of this important legal reform. We support HB 7259 and its provisions which ensure that frivolous class action suits are done away with.

On Tuesday, April 25th HB 199 Relating to Sovereign Immunity for Law Enforcement by Representative Pat Patterson (R-DeLand) passed the House Justice Council by a vote of 8-1. This bill provides immunity for law enforcement agencies and officers for injuries incurred during a high speed chase under certain conditions. The immunity applies only if the officer reasonably believes the suspect has committed a forcible felony, has completed proper training on chase policies and procedures, and does not conduct the chase in reckless disregard for human life or safety. Representative Patterson also explained that the sheriffs and police chiefs are working on implementing uniform chase standards and that the immunity will not apply if the individual agency does not adopt such standards. The only Council member voting against this bill was Representative Arthenia Joyner (D-Tampa).

HB 199 has now passed all its committees of reference and will now be placed on the House calendar. Its Senate companion, SB 124 by Senator Bill Posey (R-Rockledge), has already passed the full Senate.

AIF and the Florida Coalition for Legal Reform have supported HB 199 as part of a broad tort reform package for the past two years. AIF will continue to monitor this bill's progress and encourage its final passage by the entire Florida Legislature.

SB 1940 Relating to Construction Contracting by Senator Charlie Clary (R-Destin) was read a second time on Friday, April 28th. The bill was then substituted by its House companion, HB 1089 by Representative Bill Galvano (R-Bradenton). This bill decreases the Florida statute of repose from 15 to 10 years in which a cause of action for design, planning or construction of improvements to real property must be commenced.

HB 1089 is now ready to be considered for final passage by the Senate as early next Monday, May 1st.

AIF supports SB 1940 because it will bring Florida in line with most other states and create a more inviting and competitive business environment which will enhance economic growth and success.

HB 841 by Representative Frank Atkisson (R-Kissimmee) relating to limitations on supersedeas bonds was heard on Friday, April 28th during the House special order calendar. One amendment was adopted which conforms the bill to the Senate companion. Rep. Atkisson explained that the bill places a \$50 million cap on appeal bonds but allows judicial discretion on the application of the bond and amount, up to the cap. The bill also allows for discovery in the event of suspected dissipation of assets. The bill was rolled over to third reading and will be available for final passage by the House as early as Monday, May 1st.

AIF salutes Rep. Atkisson for his leadership on this bill which levels the playing field and provides greater access to the appellate courts.

GUNS IN THE WORKPLACE

On Tuesday, April 25th the Senate Committee on Commerce and Consumer Services passed SB 206 Relating to Firearms in Motor Vehicles. This bill has commonly become known as the “guns in the workplace” bill. The bill is sponsored by Senator Durell Peadar (R-Crestview). The bill as filed allows employees or invitees to store lawfully owned firearms locked in their vehicles on an employer’s property, including the parking lot. The bill also provides certain situations in which the employer can prohibit the storage and transport of firearms when “reasonably necessary for the safety and welfare of employees, invitees, or the general public, or to safeguard business operations.” There are also specific exceptions for schools, prison facilities, or other areas where firearms are currently prohibited by other state or federal laws.

Whether an employer’s decision to ban firearms is “reasonably necessary” was the focus of most of Tuesday’s debate on the bill. Senator Dave Aronberg (D-Greenacres) filed an amendment that would have replaced the “reasonably necessary” standard with the sole discretion of the employer. However, this amendment was not adopted and failed on a tie vote.

SB 206 has one additional committee stop in the Senate, the Senate Judiciary Committee. However, there are no other committee meetings scheduled. The House companion measure, HB 129 by Representative Dennis Baxley (R-Ocala), also has an additional committee stop in the House Agriculture Committee.

AIF has opposed SB 206 since the beginning of session because of the safety concerns it raises with many employers. Employers have an obligation to their employees and customers to provide a safe working environment and are in the best position to decide the best way to keep the workplace safe.

Mandatory Generators for Gas Stations

On Friday, April 28th the House unanimously passed (111-0) HB 7121 Relating to Disaster Preparedness Response by the House Domestic Security Committee and Representative Sandy Adams (R-Oviedo). 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.

On Thursday, April 27th during second reading, an amendment was removed from the bill that would have required a retail gas station 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.

HB 7121 will now be sent to the Senate for consideration. 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) was passed by the Senate Ways and Means Committee on Monday, April 24th and has now 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.

ENVIRONMENT

The House unanimously passed HB 7131 Relating to the Brownfield Redevelopment Act by the House Environmental Preservation Committee on Friday, April 28th.

Representative Frank Peterman (D-St. Petersburg) presented the bill, which 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

HB 7131 will now be sent to the Senate for consideration. Its Senate companion, SB 1092 by Senator Lee Constantine (R-Altamonte Springs) is in the General Government Appropriations Committee.

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.

On Monday, April 24th the Senate General Government Appropriations Committee unanimously approved SB 2126 Relating to Petroleum Contamination by Senator Carey Baker (R-Eustis). This legislation creates a statutory presumption regarding the discovery of contamination at those underground petroleum storage tank sites that are being upgraded to secondary containment as required by the Department of Environmental Protection's (DEP) rules. The contamination is presumed to be part of the original discharge that qualified the site for state cleanup fund.

It is anticipated that this bill would remove an impediment to the facility owner or operator to begin upgrading early and allow the facility owner or operator to take advantage of the financial incentives provided by the 2005 Legislature to upgrade early.

On Friday, April 28th the Senate took up SB 2126's House companion, HB 1533 by Representative Franklin Sands (D-Weston) and substituted it for the Senate version. The bill was passed unanimously and is now on its way to the Governor for signature.

AIF supports SB 2126 HB 1533. This legislation encourages private owners of underground petroleum storage facilities to clean up and upgrade their tanks. Providing incentives will presumably encourage owners to clean their sites in a timely matter.

GROWTH MANAGEMENT

On Friday, April 28th the House passed HB 683 Relating to Growth Management by Representative Trey Traviesa (R-Tampa) on a 108-5 vote. 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; and revises existing law pertaining to consistency challenges made to a DRI development order. We expect the Senate to take up the House version early next week and consider it for final passage.

HB 683 is now in Senate messages. SB 1020 by Senator Mike Bennett (R-Bradenton) is now in the Transportation and Economic Development Appropriations Committee.

AIF supports HB 683. This bill 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.

AFFORDABLE HOUSING

On Wednesday, April 26th HB 1363 Relating to Affordable Housing by Representative Mike Davis (R-Naples) was read for a second time on the House floor. This is the House’s most comprehensive affordable housing bill. HB 1363 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. The bill includes provisions for moderate priced housing and rental units as well as increasing funding for the Florida Housing Finance Corporation. The bill also improves on workforce housing in the state by modifying Development of Regional Impact (DRI) procedures to encourage developers to increase affordable housing units.

HB 1363 is now ready to be read a third time and voted on by the full House. It was temporarily passed on Thursday and Friday of this week as a result of the House waiting for the senate version to be passed. Its Senate companion, SB 1048 by Senator Jim Sebesta (R-St. Petersburg), is on the Senate calendar.

AIF supports HB 1363. 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.

On Friday, April 28th the Senate considered SB 784 Relating to Community Contributions Tax Credits by the Transportation and Economic Development Appropriations Committee. This program currently provides tax credits from a pool of \$13.5M 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 and low-income homeownership programs

Its House companion, HB 821 by Representative Dudley Goodlette (R-Naples) had been passed by the house on Thursday, April 27th. Therefore on Friday, the Senate took up HB 821 and substituted it for SB 784. The House bill was read a second time thus it is ready for final passage sometime next week.

AIF supports SB 784 and 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.

REGULATED INDUSTRIES

HB 161 Relating to Mold Remediation & Assessment by Representative Carl Domino (R-Palm Beach Gardens) was read a second time during the House session on Friday, April 28th. This bill provides education guidelines and certification for those who engage in business as a mold assessor or mold remediator. By January 1, 2007, the bill requires an assessor to maintain general liability and errors and omissions insurance of not less than \$250,000. It requires a remediator to maintain a general liability insurance policy of not less than \$500,000 with specific coverage for mold related claims. The bill does not require disclosure to the customer of compliance with the statutorily specified credentials to become a mold assessor or mold remediator. The bill further 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.

An amendment by the bill’s sponsor was adopted on Friday, which removed all provisions dealing with home inspectors and inspections. Apparently, this is a result of negotiations between Senate and House leaders.

HB 161 is now ready to be considered for final passage on the House floor.

AIF supports HB 161 because it establishes guidelines for businesses that practice in the field mold assessment and remediation as well as home inspectors. These guidelines will protect both consumers and businesses from those who practice fraudulently.

WORKFORCE DEVELOPMENT

On Friday, April 28th the House unanimously passed (112-0) HB 1237 Relating to Postsecondary Education Programs by Representative David Meador (R-Lake Mary). This bill is the 21st Century Technology, Research, and Scholarship Enhancement Act announced by Governor Jeb Bush in January and is one of the cornerstones of Florida's Innovation Economy. The Act provides for the creation of the Florida Technology, Research, and Scholarship Board to guide the establishment of Centers of Excellence at state universities and the attraction of world class scholars through the 21st Century World Class Scholars Program. The bill provides \$50M to each of the programs. The bill also provides for medical schools at USF and FIU. Representative Pickens offered a successful amendment that creates a State University Research and Economic Development Investment Program funded at \$50M.

The senate companion SB 2084 by Senator JD Alexander (R-Lake Wales) is on second reading and will be heard on 5/1/06.

AIF supports HB 1237 as a tool for increasing technology-based businesses in Florida, which will in turn improve economic development in the tech sector.

On Wednesday, April 26th HB 7097 Relating to Postsecondary Education by the House Community Colleges and Workforce Committee was read a second time on the House floor. The bill authorizes district school boards that have established career centers as part of the district school system to enter into agreements for specific associate in applied science (AAS) degree programs with post secondary institutions.

The bill also authorizes career centers and charter technical career centers that offer a postsecondary adult vocational program designed to convert into an associate in applied science degree to use the designation "technical college" and directs the State Board of Education (SBE) to establish a career development path for specific workforce education professions including, criminal justice, business, nursing, allied health and early childhood education.

On Friday, April 28th HB 7097 was passed unanimously (114-0) by the House. The bill is now in Senate messages.

The Senate companion, SB 2326 by Senator Carey Baker (R-Eustis), is now in the Senate Governmental Oversight and Productivity Committee. The Senate bill has already been amended to conform to the House position.

AIF supports HB 7097 and its provisions which will help train Florida's future workforce to be the very best it can be. A well prepared workforce will ensure that Florida continues to attract high paying employers.

UTILITIES AND TELECOMMUNICATIONS

On Monday, April 24th the Senate Committee on Communications and Public Utilities had only one bill on its agenda today and that was SB 980 Relating to Energy Reliability by Senator JD Alexander (R-Lake Wales). This bill pertains to the siting of electrical substations. Currently, these substations are typically sited by the local government planning and zoning process. Originally a very controversial issue, there was a strike all amendment that was a compromise between all of the parties involved. It will make the siting of new electrical substations an easier process and take less time to complete. It will also help with the process of vegetation management.

On Friday, April 28th the Senate unanimously passed SB 980. The bill will now be sent to the House for consideration. Its House companion, HB 431 by Representative Ken Littlefield (R-Zephyrhills) was read a second time on Friday, April 28th.

AIF supports SB 980 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.

On Tuesday, April 26th the House Commerce council passed HB 1199 Relating to Cable Television Franchises by Representative Trey Traviesa (R-Tampa). This bill establishes the authority to issue statewide cable franchises within the Department of State (DOS), and designates DOS as the state franchising authority. The bill preempts local government authority to negotiate cable service franchises.

In 1984, Congress passed the Cable Communications Policy Act. This law established policies for franchise provisions and renewals as well as subscriber rates. The law prohibited cable operators from providing service without obtaining a franchise from local governments. HB 1199 would transfer the authority to grant cable franchises from local governments or municipalities to a unified statewide entity, in this case the DOS. The bill also establishes a number of provisions for the operating of state-wide cable franchises such as customer service standards, build-out provisions, franchise fees, and right-of-way use.

On Friday, April 28th HB 1199 was considered on second reading. Representative Traviesa addressed several questions from members including Representative Baxter Troutman (R-Winter Haven) and Representative Jack Seiler (D-Pompano Beach) who asked the bill sponsor to address the issue of “cherry-picking” which refers to situations where cable providers select certain locations in an area while not servicing others. Typically, very rural areas find it difficult to receive cable service. Representative Traviesa addressed their concern by saying that increased competition throughout the state would most likely lead to these areas receiving coverage.

HB 1199 was rolled over to third reading and will be available for final passage by the House as early as Monday, May 1st.

AIF supports HB 1199 because it opens up the cable market to the free market. Increased competition will only ensure better service, a better product, and more importantly lower prices for the citizens of our state. Certain studies have predicted that consumers in Florida will experience approximately \$600 million in savings within the first year of increased competition.

BUILDING CODES

On Friday, April 28th the House passed SB 1774 Relating to Building Codes by Senator Lee Constantine (R-Altamonte Springs). The bill authorizes the Florida Building Commission to update & modify standard wind designs and provides for the use of private providers of building code inspection services. Senator Constantine described the bill as the strongest building code in the nation, one which will further protect Floridians' homes and property during future hurricane seasons.

SB 1774 will now be sent to the House for consideration. Its House companion, HB 1187 by Representative Dave Murzin (R-Pensacola) has been placed on the House calendar.

AIF supports SB 1774. Ensuring the homes in Florida follow a strong building code will in the short term result in higher home costs, but these costs will more than pay for themselves in insurance rate savings.

PRIVATE PROPERTY RIGHTS

On Monday, April 24th, the Senate Community Affairs Committee heard two bills relating to eminent domain. As we have previously reported, the US Supreme Court decided the Kelo case last summer that allowed a governmental entity to take private property through the power of eminent domain for the purpose of development by another private party. The Florida Legislature has been addressing this issue for several months and the bills heard today represent the Senate's work on this important issue.

First, SB 626 by Senator Burt Saunders (R-Naples) is a constitutional amendment that will allow the voters of Florida to specify when local governments may use the power of eminent domain for taking property from a private citizen. Sen. Saunders explained that the Senate does not want local governments to be able to take private property for the benefit of other private purposes. The joint resolution does make some exceptions for the construction of civic centers and sports arenas.

SB 626 passed the committee unanimously and has been placed on the Senate calendar.

The other eminent domain bill is SB 2168 by Senator Dan Webster (R-Winter Garden). Senator Webster explained that the bill represents the Senate's position on the eminent domain issue and will be the starting point during what will ultimately be a conference issue between the Senate and the House. He explained that the bill makes certain that eminent domain is not used for any third party transfers of land in any circumstances. The bill was designed to take away the eminent domain power of local governments and give it back only in very limited and specified purposes, not including slum or blight.

SB 2168 passed the committee unanimously and has been placed on the Senate calendar.

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 SB 626 and SB 2168, which 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.

INFORMATION TECHNOLOGY

On Thursday, April 27th 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 Senate 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.

TAXATION

On Monday, April 24th the Senate Transportation Economic Development Appropriations Committee unanimously passed SB 962 Relating to Sales Tax/Research or Development by Senator Mike Fasano (R-New Port Richey). This bill exempts machinery and equipment used predominately for research and development activities from the state sales tax. The bill also increases the sales and use tax exemption for industrial machinery and equipment used for the production of space or defense technology products from 25 percent to 100 percent. Also, the bill expands this production exemption to include the design or assembly of space or defense technology products.

SB 962 was withdrawn from the Ways and Means Committee and was placed on Senate calendar. Its House companion, HB 415 by Representative John Quinones (R-Kissimmee) was passed unanimously (115-0) on Monday, April 24th.

This proposal was included in the Governor's budget proposal this year.

AIF supports SB 962 and HB 415. Removing taxes on machinery and equipment used for research and development is sensible tax policy and would improve Florida's chances of recruiting and retaining the most advance research and space facilities in the country.

On Monday, April 24th the Senate Ways and Means Committee gave a favorable vote to SB 1292 Relating to Taxation/Alcoholic Beverages by Senator Mike Fasano (R-New Port Richey). This legislation will eliminate the last portion of the surcharge tax currently imposed on alcoholic beverages sold by the drink for consumption at restaurants and bars. In previous committee meetings, testimony has been given that it costs the retailers more to collect the tax than what they remit to the Department of Revenue.

SB 1292 has passed all its committees of reference and is now on the Senate calendar.

AIF supports SB 1292. This bill provides for the final repeal of this tax and eliminates a cumbersome, expensive, and regressive burden on both Florida's hospitality establishments and Florida's consumers.

The Senate General Government Appropriations Committee unanimously approved SB 1206 by Senator Jeff Atwater on Monday, April 24th. This is the Florida Global Manufacturing Competitiveness Act. This legislation expands the sales tax exemption from partial to full for machinery and equipment used by expanding facilities engaged in spaceport activities or expanding manufacturing facilities, as long as the facilities meet a 10 percent increase in production requirement.

SB 1206 will now be considered by the Senate Ways and Means Committee.

AIF supports SB 1206 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.

Several taxation bills of high importance to AIF were passed by the Senate during its session on Wednesday, April 26th. First and foremost, HB 209 Relating to Intangibles Tax by Representative Fred Brummer (R-Apopka) was passed by a vote of 30-9. The Senate had previously substituted the house version for SB 714 by Senator Jeff Atwater (R-North Palm Beach). 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.

HB 209 has passed both the House of Representatives and the Florida Senate. After many years of work to repeal this tax, the bill will finally be sent to the Governor for his signature.

AIF supports HB 209 and 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.

SB 692 Relating to Sales Tax/School Supplies by Senator Dan Webster (R-Winter Garden) passed unanimously (39-0) out of the Senate on Wednesday, April 26th. The bill will give Floridians 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.

SB 692 will now be sent to the House for consideration. The House version, HB 29 by Representative Ray Sansom (R-Ft. Walton Beach) has been placed on the House Calendar.

AIF supports SB 692 because it increases business activity by allowing Floridians to purchase essential school and hurricane supplies without having to pay sales tax.

Finally, SB 1074 Relating to Tax/Obsolete Agriculture Equipment by Senator Rod Smith (D-Gainesville) was also passed unanimously (39-0) on Wednesday, April 26th. The bill provides for agriculture equipment located on farming property, which is no longer used in agricultural production, to be considered obsolete and therefore assessed at salvage value for ad valorem tax purposes. The bill will help lower farmers' property taxes by reducing the taxable value of equipment no longer being used.

SB 1074 will now be sent to the House for consideration. Its House companion, HB 357 by Representative Ralph Poppell (R-Titusville) is still referenced to one more committee, the House Agriculture & Environment Appropriations Committee.

AIF supports SB 1074 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.

On Thursday, April 27th 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 Senate 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) on Thursday, April 27th. 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 Senate 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.

On Thursday, April 27th 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 Senate 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.

GOVERNMENTAL OUTSOURCING

On Wednesday, April 26th HB 595 Relating to Community Behavioral Health Agencies by Representative Dean Cannon (R-Winter Park) was passed 115-2 by the House. The bill limits net economic liability for community behavioral health agencies (provider) in negligence actions to \$1M per claim and \$3M per incident and specifies that damages be offset by any collateral source. It also 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.

HB 595 will now be sent to the Senate for consideration. Its Senate companion, SB 280 by Senator Mike Fasano (R-New Port Richey), is still in the Senate Ways and Means Committee.

AIF and its newly created Governmental Outsourcing Council support HB 595. Limiting the damages awarded in these cases will have a direct positive impact on providers by containing their insurance premium costs, thereby reducing administrative costs. Reduced administrative costs will translate into increased funding for the important service provided by community behavioral health agencies.

CONSTITUTIONAL AMENDMENT REFORM

On Monday, April 24th the Senate Ways and Means Committee passed SB 1436 Relating to Tax or Fee Limitations by Senator Jeff Atwater (R-North Palm Beach) on an 11-4 vote. This proposed Constitutional Amendment establishes a threshold of two-thirds of the voters voting in an election for approval of constitutional amendments that:

- Increase an existing state tax or fee; or
- Impose a "significant financial impact" on state government of greater than two-tenths of one percent of the portion of the state budget appropriated from the General Revenue Fund for the prior fiscal year (currently this sum would be approximately \$55 million).

During the meeting Senator Atwater offered an amendment which had been suggested by the President's office which established that the same standard be applied to cases when an amendment would call for extracting or "removing" an amendment which imposes a tax or a fee. In other words if voters wanted to remove the Class Size amendment, this measure would also have to pass by two-thirds of voters.

On Friday, April 28th SB 1436 was read a second time meaning that it is now ready to be considered for final passage.

AIF supports SB 1436, which increases the threshold by which constitutional amendments with significant fiscal impacts are approved. Floridians and businesses owners usually left with having to pay for these unfunded and many times ill-conceived mandates.

LAKE BELT AREA

On Thursday, April 27th the House passed HB 1039 Relating to Miami Dade County/Lake Belt Area by Representative Rene Garcia (R-Hialeah) on a 119-1 vote. 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, SB 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.

ECONOMIC DEVELOPMENT

On Thursday, April 27th 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.

Also on Thursday, April 27th 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.

- 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.