

ASSOCIATED INDUSTRIES OF FLORIDA
**LEGISLATIVE
DAILY BRIEF**



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

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Wednesday was an extremely busy and intense day for AIF and the business community since several top priority bills were on the agenda. In fact, two of AIF's top 11 priorities (HB 567 - Communications Services Tax Reduction and HB 529 - State-Issued Cable TV Franchises) were debated on the floor of the House and are now ready to be considered for final passage.

In addition, Barney Bishop, our President & CEO, testified in opposition to a constitutional amendment that would ban offshore oil drilling in Gulf of Mexico.

Other issues in this report include the Jessica Lunsford Act "glitch" legislation, property tax reform legislation, as well as a report on the first committee hearing of Representative Weatherford's Information Technology (IT) Governance legislation, which is a priority for AIF's IT Council.

Taxation

HB 567 Relating to Communications Services Tax by Representative Ron Reagan (R-Sarasota) was considered on the floor of the House today. The bill lowers the Communications Service Tax (CST) by .25%, effective January 1, 2008. This reduction in the CST represents about a \$40 million tax cut for the citizens and businesses of Florida. HB 567 is now ready for third reading and final passage is expected tomorrow, March 22nd.

There was no discussion or questions of Representative Ron Reagan, the primary sponsor.

AIF supports reducing the Communications Services Tax and considers HB 567 one of its top priorities for the 2007 legislative session. Reducing this regressive tax will save the businesses and taxpayers of Florida valuable money and help stimulate additional investments in Florida's communications infrastructure.

State-Issued Cable Franchises

HB 529 Relating to Cable TV/Video Service Franchises by Representative Trey Traviesa (R-Tampa) was considered on the floor of the House of Representatives today. The bill provides for a state wide cable TV franchise administered by the Department of State (DOS) rather than the existing method of obtaining franchises from negotiations with local governments. The effect of the change would be to expedite cable TV competition throughout the state. The bill also repeals

future phone rate increases as a result of vibrant competition in the local phone market. It also ensures access to Lifeline phone service, a program to give needy citizens \$13.50 off the cost of land line phone service, by requiring state agencies to help qualified Floridians enroll in the program. This is particular provision is a priority for Governor Crist (R).

Representative Traviesa presented the bill and answered several questions from members. Representative Rene Garcia (R-Hialeah) offered an unfriendly amendment that would have removed a provision in the bill allowing alternative technology (satellite TV) as a way of building out to more customers. After several minutes of debate, the amendment failed on a voice vote. The bill was then rolled over to third reading, and will most likely be voted on tomorrow, March 22nd.

HB 529 is one of AIF's top priorities for 2007. AIF supports legislation to allow for state-issued cable franchises 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 and businesses of our state.

Property Tax Reform

The House State Affairs Committee unanimously passed HB 473 Relating to Residential Property Just Valuation by Representative Robert Schenk (R-Springhill). Section 193.011, F.S., lists the factors to consider when deriving just valuation of property as required by Article VII, s. 4 of the Florida Constitution. The bill amends this section to permit an alternate initial just valuation of homestead property that consists of the average of the purchase price, the assessed value of a comparable home in the same area which has been continuously assessed for at least five years, and the assessed value of a comparable home in the same area which has been continuously assessed for at least 10 years. It does not require property appraisers to use the alternative value. The bill will be applied retroactively to assessments made for tax years beginning January 1, 2002.

Representative Schenk described his bill as a way to deal with the inequities in property tax rates created by the "Save our Homes" constitutional amendment. HB 473 will now be heard by the House Government Efficiency & Accountability Council.

AIF supports legislation that attempts to address the issue of "just valuation" in the appraisal of property. This legislation would ensure that properties are appraised in a more fair and predictable manner, thereby reducing the cost of property taxes.

Energy

The House Energy Committee held a workshop on HJR 631 Relating to Oil or Natural Gas Drilling by Representative Mary Brandenburg (D-Lake Worth). HJR 631 is a joint resolution that would place into Florida's constitution an outright ban on offshore drilling within 250 miles of Florida's coastline or to the fullest extent allowed by the laws of the United States. This legislation proposes an amendment to the Florida Constitution on the next general or special election ballot. Further, because it is a joint resolution the Florida Constitution requires that this

resolution be “agreed to by three-fifths of the membership of each house of the legislature” before taking effect.

AIF was the first business association to endorse the idea of expanding oil drilling in the eastern Gulf of Mexico. Florida’s businesses depend on a reliable source of oil and natural gas to fuel their activities. All sectors of Florida’s economy are impacted by the availability and price of oil and natural gas. For example, agriculture is by far the largest contributor to Florida’s economy. Farmers depend on fertilizer to grow their crops; the production of fertilizer depends on a steady source of natural gas, therefore, it is paramount that the prices of natural gas remain affordable. Florida must play a role in the production of oil in order to meet the demands of its citizens and businesses.

Several representatives from the business community were present to testify in opposition to HJR 631 including Barney Bishop, President and CEO of Associated Industries of Florida.

AIF opposes any limitations on drilling in the outer continental shelf (OCS) of the Gulf of Mexico. Florida and our nation as a whole should concentrate on achieving energy interdependence so that our businesses have access to affordable and reliable sources of energy.

Transportation

The House Environmental Protection Committee held a workshop on proposed council bill (PCB) ENRC12 Relating to Aggregate Mining. The PCB creates the Strategic Aggregates Review Task Force to evaluate the present situation and disposition of construction aggregate materials, and mining practices. The PCB also prohibits local governments from putting moratoriums on the mining of aggregates used in the manufacturing of concrete blocks and as a primary raw material for road construction on lands where mining is a permissible use or on lands zoned for mining as of March 1, 2007.

Representatives from local government and environmental groups testified against the bill. AIF’s Richard Gentry testified in support of the PCB and described the importance of aggregating mining and its impact on Florida’s economy. Without this valuable raw material construction across the state would literally come to a halt, thus affecting all sectors of our state’s economy.

The Committee unanimously recommended that the House Environment and Natural Resources Council take up this proposed legislation.

AIF supports legislation that prevents local governments from arbitrarily stopping the mining of aggregates used in the production of concrete blocks, asphalt, and road base. Florida’s contractors depend on this raw material for building and road projects.

Information Technology

The House Audit & Performance Committee unanimously passed HB 1557 Relating to State Information Technology by Representative Will Weatherford (R-Zephyrhills). The bill creates the Agency for Enterprise Information Technology (AEIT) within the Executive Office of the Governor. The Executive Director of the AEIT would act as the State Chief Information Officer (SCIO) and is appointed by the Governor and Cabinet and must be confirmed by the Senate and serves at the pleasure of the Governor and Cabinet. The SCIO is the executive sponsor for all enterprise information technology projects. Enterprise projects are defined as large systems that affect multiple state agencies.

Representative Weatherford explained the bill in brief detail and answered questions from several committee members. Representative Alan Hays (R-Umatilla) asked if the Technology Review Workgroup would continue exist. Representative Will Weatherford said that they would. Representative Franklin Sands (D-Weston) asked if the bill would avoid repeating the “culture” that existed with the original State Technology Officer (STO). Representative Weatherford said it would be much better under this IT governance system. Representative Carl Domino (R-Juno Beach) commented on the need to have someone looking at the state on an enterprise basis for many functions and was glad Representative Weatherford was sponsoring this legislation.

AIF’s Frank Meiners testified in support of the need to pass a bill that deals with enterprise information technology. He also expressed AIF’s and its Information Technology Council’s (ITC) support for maintaining core agency missions to be totally within the control of the Agency and not the AEIT; for increasing the responsibility of Agency CIO’s, for having the AEIT provide staff support for the CIO Council and for avoiding the problems of the old STO. Overall he said the effort of the Senate and House in getting a bill that improves the IT governance of the State was commendable.

HB 1557 will now be heard by the House Government Efficiency & Accountability Council.

Privacy Issues

The House Homeland Security & Public Safety Committee unanimously passed HB 1117 Relating to Personal Identification Information by Representative John Legg (R-Port Richey). As originally filed, the bill amends current law dealing with identity theft by enhancing the penalties for those individuals who willfully and without authorization fraudulently use personal identification information concerning an individual who is 65 years of age or older. In addition, the bill provides that any person who willfully possesses “sensitive personal information” concerning an individual without first obtaining that individual’s consent commits a third degree felony. The term “sensitive personal information” is defined to mean any name or number that may be used, alone or in conjunction with any other information, to identify a specific individual including bank account numbers, credit or debit card numbers, etc.

AIF was able to successfully amend the bill today after educating the bill’s sponsor about the negative impact his bill would have on the business community. The amendment, which was

adopted, removed a provision that made mere possession of certain personal information without permission a third degree felony.

Originally, the bill would have prohibited businesses from obtaining personal information via public record, data aggregator, or any other methods without the express consent of the consumer. HB 1117 will now be considered by the House Safety & Security Council.

AIF is now able to support HB 1117 and the increased penalties it enacts for those individuals who fraudulently obtain the personal information of our state's seniors. We appreciate Representative Legg's willingness to work with the business community on removing provisions that would have made it difficult for financial institutions and other data aggregators to fulfill the valuable services they provide to citizens and businesses.

Ethics & Elections

Today, the House of Representatives approved HB 537 Relating to Presidential Primary Date by Representative David Rivera (R-Miami) on a 115-1 vote. HB 537 changes the date of Florida's presidential preference primary election from the second Tuesday in March to the first Tuesday in February, or the first Tuesday immediately following the New Hampshire presidential preference primary, whichever occurs first, but no sooner than the second Tuesday in January of the year in which the election is held. The bill was amended on the Floor to allow cities and other municipal entities the option of changing their primary election dates to coincide with the new statewide presidential primary date.

HB 537 will now be sent to the Senate for consideration.

AIF supports moving up Florida's presidential primary date in order to make Florida and its voters more relevant in the national selection of presidential candidates. Few other states can match Florida's diversity of population and geography, therefore, Florida is much better equipped to serve as cross-section of the entire country.

Jessica Lunsford Act

The Senate Education Pre-K – 12 Committee unanimously passed SB 988 Relating to High Risk Offenders by Senator Nancy Argenziano (R-Crystal River). As a result of difficulties in the application of the original bill for service providers on school grounds, Senator Argenziano has been working with AIF and other interested parties to specifically define the applicable offenses that would prevent a contractor from entering school grounds. Previously, the Jessica Lunsford Act allowed school boards to interpret what was considered an applicable offense by using the term "moral turpitude". This was problematic for employers and contractors because each school board applied the term differently.

Additionally, the bill creates an exception for those workers who would normally not have contact with students - and therefore not be required to undergo fingerprinting and background checks. SB 988 also allows non-instructional contractors to avoid fingerprinting and background checks if their worksite is separated by a 6ft chain link fence.

SB 988 will now be considered by Senate Governmental Operations Committee.

AIF supports legislation, 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.

General Business

The House Constitution & Civil Law Committee unanimously passed HB 1277 Relating to Residential Tenancies by Representative Pat Patterson (R-Deland). The bill is a consumer friendly bill, which clarifies the terms and obligations of both landlords and tenants. It is supported by the Florida Association of Realtors and the Florida Apartment Association. There was quite a bit of discussion over amendments allowing housing subsidy entities to evict with certain exceptions in cases of violent and drug related criminal activity. The members of the committee, though, worked together at the meeting and ultimately created agreeable language which was included in the bill.

HB 1277 will now be considered by the House Safety & Security Council.

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.