

ASSOCIATED INDUSTRIES OF FLORIDA
**LEGISLATIVE
DAILY BRIEF**



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Both the Senate and House of Representatives were in session this afternoon. Several AIF priority bills were considered in the House including two property insurance reform bills. Both were slated to be passed today, but only one of them, Representative Trey Traviesa's (R-Tampa) mitigation bill (HB 7057) made it out of the house. The House also passed HB 211, the now yearly sales tax holiday for hurricane equipment and supplies.

AIF's IT Council had its major bill for the 2007 session, SB 1974, successfully pass its first committee of reference today. This bill establishes a new and more efficient IT governance system that will ensure better coordination and establishes higher standards for agency Chief Information Officers. The bill is still a work in progress and the IT Council looks forward to making it an even better piece of legislation for state government and the IT industry.

Property Insurance Reform

The House of Representatives unanimously passed (113-0) HB 7057 Relating to Hurricane Damage Mitigation by Representative Trey Traviesa today. The PCB seeks to streamline and make improvements on the existing "My Safe Florida Home Program," which was established during the 2006 legislative session. The "My Safe Florida Home Program" appropriated \$250 million to provide financial incentives for Floridians to retrofit their properties, thus making them less vulnerable to hurricane damage. The program also provides for free home inspections and creates a process whereby the state offers matching grants to homeowners that meet the criteria established by the program.

Specifically, HB 7057 creates a new no-interest loan program to be administered by the Department of Financial Services (DFS). The program will provide loans in the amount up to \$5,000 for homeowners to use for mitigation. In addition, the bill also increases the amount of funding for mitigation efforts for manufactured homes and streamlines the inspection process by allowing inspectors to take online continuing education courses.

This time around there was much less debate on the bill. Representative Audrey Gibson (D-Jacksonville) once again expressed her concern that the loan program portion of the bill was too skewed towards helping low-income Floridians and that it "did not go far enough to help middle class Floridians." She was also concerned that the program would be administered by the DFS and that the Legislature was "turning over the program to an agency that was not elected and did

not have to answer to the voters.” In his closing, Representative Traviesa reminded the chamber that DFS was run by CFO Alex Sink (D) who is elected by the people and that bill contained multiple audit and reporting requirements which would ensure that the program would be held accountable.

It is now up to the Senate to decide how they want to proceed on this issue. It is likely that they will now come up with their own version of HB 7057; or it is possible that they might take the House language and substitute it for their own.

AIF supports legislation aimed at strengthening, expanding, and fully funding Florida’s home hardening efforts. We are encouraged to see that many of AIF’s and its Florida Hurricane Crisis Coalition’s (FHCC) recommendations have found their way into this proposed council bill and we look forward to working with the Legislature on finding ways to encourage commercial mitigation as well.

The House also considered HB 7077 Relating to Hurricane Preparedness and Insurance by the House Job & Entrepreneurship Council for final passage. Unfortunately, HB 7077 does not have the same level of bipartisan support as Representative Traviesa’s mitigation bill. The bill was temporarily passed (TP’ed) after a lengthy question and answer period. Once again it fell on Representative Ron Reagan (R-Sarasota) to present the bill and address the many concerns raised by his fellow legislators.

The bill is a follow-up to HB 1A, the major property insurance reform bill that passed earlier this year during the Special Session on Property Insurance Reform, and seeks to fix some of the unintended consequences of HB 1A. Among many of the changes in the bill, HB 7077 provides for the establishment of monthly premium payment plans, requires property insurers to reevaluate mitigation discounts given to a property every 5 years, and limits the application of 90-day “prompt pay” time frame for insurance companies to deny or pay a claim to residential policy holders only.

Opponents of the bill do not see HB 7077 as a “glitch bill” instead they consider the bill a major departure from the consumer friendly provisions of HB 1A. The majority of the opposition centered on the claim that HB 7077 is bad for the small business owners of Florida because the bill does not provide commercial property owners with the same “prompt pay” protections given to residential policy holders.

AIF appreciates efforts by the Legislature to address some of the unintended consequences resulting from the passage of HB 1A, which have led to an uncertain property insurance market in Florida.

Property Tax Reform

The Senate Committee on Community Affairs considered SB 560 Relating to Ad Valorem Tax Data by Senator Jeff Atwater (R-North Palm Beach) today. This bill changes the information that the Department of Revenue (DOR) must collect and publish. According to Senator Atwater, the bill as amended, will require DOR to collect data such as the annual increase in total non-voted

ad valorem levied by each city and county and show information of the distribution of ad valorem taxes levied among the various classifications of property including homestead, non-homestead property, new construction, commercial and industrial properties. Also the data must include the previous year's adopted millage rate, the current year's millage rate, and the current increase in taxes levied about the roll-back rate. All of this data will appear on the DOR website as well as county property appraiser's website, if they have one.

SB 560 will now be heard by the Senate Finance & Tax Committee.

AIF supports the collection of property tax data and housing it in a central location. Having this information available and easily accessible will be beneficial to individuals and business when making decisions on purchasing property.

Economic Development

Today the Senate Committee on Governmental Operations passed SB 2414 Relating to Sure Ventures Commercialization Program and SB 2420 Relating to Sure Venture Capital Act, both by Senator Jeremy Ring (D-Margate). These bills have been heard in several committees in the House and Senate and are supported by Enterprise Florida, AIF, and other business groups – all who are interested in growing Florida's economy by expanding the commercialization of products created in our university research centers and expanding access to venture capital for such products. These bills have two more committee stops in the Senate before becoming available for a floor vote.

AIF supports legislation that creates the Sure Ventures Commercialization Program. Florida must begin to get in the proper posture to be able to compete with other states for these valuable venture capital dollars. This type of investment is critical for the growth of high-paying, high-skill, companies and for the diversification of Florida's economy. The jobs created by these emerging technologies are typically much higher-paying than others and attract the very best workers to our state.

Transportation

The Senate Community Affairs Committee passed SB 2804 by Senator Carey Baker (R-Eustis), which is the 2007 Florida Department of Transportation's (FDOT) legislative package. This bill, heard and passed last week in the Senate Transportation Committee, allows FDOT to fund up to 80% of the non-federal share of certain airport and aviation development projects, extends the authority for FDOT to support public airports and provide grants for security related projects, requires FDOT to expand the advertising of bids among other changes. In addition, the bill establishes a 19 member Strategic Aggregate Task Force created to evaluate the availability and disposition of construction aggregate materials and related mining and land use practices as well as language stating that no moratoriums on mining of aggregate may be imposed by any local government or other agency with a duration of more than 12 months.

There were four amendments adopted to the bill, two of which were technical in nature and two were substantive. Senator Tony Hill (D-Jacksonville) offered an amendment that allows for

applications for mining aggregate construction materials that are filed after March 1, 2007 are eligible for expedited process and Senator Steve Wise (R-Jacksonville) offered an amendment clarifying that the Florida Turnpike Enterprise and vendors of the Enterprise are not required to remit funds for commercial rental taxes.

SB 2804 passed unanimously (9-0) out of committee and will be reported favorably to the Senate Transportation and Economic Development Appropriations committee.

It is important to note that AIF is extremely interested in the manner in which this bill addresses the state's growing crisis for Aggregate Construction Materials. While the strategic task force created in this bill is a good step forward, AIF would prefer stronger language addressing local government's ability to impose moratoriums, further stifling the production of aggregate materials and heightening the crisis.

SB 2804 will now be heard by the Senate Transportation and Economic Development Appropriations Committee.

AIF appreciates the efforts of Senator Baker to include the aggregate issue in his omnibus transportation package. Florida's contractors depend on this raw material for building and road projects.

Regional transportation authority bills for the Tampa Bay area were heard at the same time today in the Senate Governmental Operations Committee and the House Economic Expansion & Infrastructure Council. SB 506 by Senator Mike Fasano (R-New Port Richey) and HB 251 by Representative Bill Galvano (R-Bradenton) were approved by a unanimous vote.

The objective of the legislation is to create a new entity able to overcome the parochial pitfalls of addressing infrastructure needs on a county by county basis. The authority's purview would include entering into public-private partnerships (P3s), building limited access toll expressways, developing mass transit and more.

Members of Florida's congressional delegation, including Congressman John Mica, the Ranking Republican Member of the Committee on Transportation and Infrastructure, have urged the state to create organizations with power to form regional consensus on transportation and transit. He views them specifically essential when competing with other major urban areas in the nation over federal matching dollars for mass transit.

Several amendments were adopted to the House bill, primarily dealing with the authority's relationship with local governments. The amended bill now emphasizes consistency with local comprehensive plans as the authority funds projects. A conflict resolution process would also be established.

The bills have one last stop scheduled in their respective appropriations committees of the House and Senate, and would then become eligible to be placed on the calendar for final consideration by each chamber.

AIF supports the ability of multi-county areas in Florida to form regional transportation authorities, empowered to implement infrastructure improvements and to increase consideration for vital transportation corridors, seaports, airports and other regionally significant business centers.

Energy

The Senate Environmental Preservation & Conservation Committee passed SJR 436 Relating to Oil or Natural Gas Drilling by Senator Mike Bennett (R-Bradenton). This Senate resolution proposes an amendment to Florida's Constitution that prohibits drilling for oil or natural gas within sovereignty submerged lands of the state and within 250 miles from Florida's coastline. Furthermore, the bill directs the Legislature to enact legislation to enforce the provision.

Representatives from AIF and other business associations as well as the oil and natural gas industry testified against SJR 436. Banning drilling in the eastern Gulf of Mexico would send the wrong message. Most of Florida's most important economic sectors such as agriculture and manufacturing depend on affordable sources of energy. Fossil fuels like natural gas play an integral role in almost every aspect of life including energy production. The skyrocketing prices of natural gas will force businesses to cut jobs, freeze growth and raise consumer prices. While we must work hard to protect Florida's pristine environment, we must also compete fiercely in a global economy. To do that, Florida's businesses must have a reliable and affordable energy supply.

SJR 436 will now be heard by the Senate Judiciary Committee.

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.

Information Technology

The Senate Governmental Operations Committee unanimously passed SB 1974 Relating to Information Technology Management by the Senate Governmental Operations Committee. This bill makes significant changes to the way enterprise information technology is governed by the state. Currently, the actual practice of IT governance does not conform to the law because there is no State Technology Officer even though there is one in the law.

The bill creates a new agency called the Agency on Enterprise Information Technology located in the Executive Office of the Governor, but headed by Governor and Cabinet. It is controlled by an extraordinary vote of the Cabinet, with Governor on prevailing side. It is headed by a specifically credentialed agency executive director. The focus of the agency is on enterprise issues, not day-to-day management and operations. That is left to the agencies and their secretaries/executive directors.

According to the bill this new agency would spend its first year in an organizational and planning posture. The next year the agency head would select up to three of five named enterprise projects including:

- Customer relationship management,
- Data center consolidation,
- Email, messaging and calendaring service,
- A plan for the periodic upgrading of agency equipment (lease rather than buy),
- Enterprise information security.

The bill provides a separate planning process - not execution - for open software based upon model legislation from Texas. There are still some unresolved issues in the bill including:

- Who sets priorities in high risk technology projects for special monitoring?
- How to formally recognize large technology projects that may not be directly funded?
- Can we provide better accountability, training and funding for state agency senior IT staff?

During the meeting, Senator Bill Posey (R-Rockledge) offered a hand-written amendment to strike section 30 of the bill which called for the Agency for Enterprise Information Technology to develop a plan and a business case analysis for the creation, exchange, and maintenance of documents by state agencies in an open format. Senator Posey stated that this language in the bill was vendor specific and should not be accepted by the committee. The amendment passed unanimously. After hearing this discussion, Senator Nancy Argenziano (R-Crystal River) asked to reconsider an amendment which had previously been adopted that provided for a periodic cycle for the replacement of computer equipment. She said this amendment required the replacement of computers before they needed to be replaced and asked why it was offered. Mr. Wilson explained it was sometimes cheaper to lease than to buy because of reduced maintenance costs. Chairman Al Lawson (D-Tallahassee), made a motion to reconsider the vote by which the amendment passed and the amendment was voted down. Frank Meiners with AIF testified in support of the bill and outlined some of items that the IT Council is still interested in including in the bill before it reaches the floor of the Senate.

SB 1974 will now be heard by the Senate General Government Appropriations Committee.

AIF supports this major overhaul of how IT systems are managed by the State. SB 1974 represents a real improvement in enterprise IT governance and a real improvement in agency chief information officer training and responsibilities. AIF and its IT Council will continue to work with committee members to develop an acceptable technology refresh cycle that ensures that Florida's government agencies have the newest, most efficient, and secure IT equipment.

Business Regulation

The House Committee on Business Regulation unanimously approved HB 1399 by Representative Carl Domino (R-Juno Beach), which would regulate home inspectors, mold

assessors and mold remediators. Currently, there are numerous companies in Florida that hold themselves as mold assessors or mold remediators yet there is no state licensure or regulatory requirements for these companies. Although home inspectors frequently advertise themselves as “certified” or “licensed” the only certification programs offered to home inspectors in Florida are the voluntary programs offered by one of hundreds of organizations that offer this type of training. As a result, consumers’ are often led to believe that the state has adopted legally mandated requirements for home inspectors in order to protect consumers and the general public against fraud and unscrupulous trade practices.

The original bill also included the regulation of wind inspectors but was removed by an amendment since this regulation appears in another bill. The proposed legislation provides definitions, educational requirements and insurance requirements.

HB 1399 will now be heard by the House Jobs & Entrepreneurship Council.

AIF supports establishing a regulatory process for home inspectors, mold assessors, and mold remediators. These guidelines would protect both consumers and businesses from those who practice this trade fraudulently.

Taxation

As was expected, the House unanimously passed (114-0) HB 211 Relating to Hurricane Preparedness/Sales Tax by Representative Peter Nehr (R-Tarpon Tower). This is the third year in a row that the Legislature has sought to pass a sales tax holiday for hurricane supplies. The bill establishes a sales tax holiday starting on June 1, 2007 on items such as weather band radios, coolers, flashlights, tie-down kits, batteries, portable generators, etc. The sales tax holiday would be in affect for twelve days.

AIF supported the original hurricane preparedness legislation that passed last year and we continue our support for this sales tax holiday. Having our employees and our businesses better prepared for a hurricane is beneficial in so many ways. Employees can return to work quicker and businesses can open their doors sooner when everyone is prepared.

HB 211’s Senate companion, SB 92 by Senator Carey Baker (R-Eustis) has been placed on the Senate calendar.

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

Jessica Lunsford Act

The Senate Governmental Operations Committee unanimously passed SB 988 Relating to High-Risk Offenders by Senator Nancy Argenziano (R-Crystal River). The bill makes significant changes while keeping the integrity of the original law. Under the bill, non-instructional personnel who are under direct supervision will not need the finger print background screening

previously required and school districts will be able to share information with other school districts. Also, the amount a school district can charge for the background screening was capped.

The Jessica Lunsford Act was enacted in 2005 to keep sexually predators away from school children. Unfortunately, the way the legislation was written, it made it very difficult for businesses. Multiple background checks were being required for those businesses that had contracts with multiple districts. And definitions were not clear of those who could not step on school grounds.

SB 988 will now be heard by the Senate Criminal and Civil Justice Appropriations Committee.

AIF supports the proposed committee bill as it will help companies who do business with school districts save time and money on the background screening for those employees who do not have direct contact with students, while upholding the integrity of the original law to protect our children from sexual predators.

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.