

ASSOCIATED INDUSTRIES OF FLORIDA  
**LEGISLATIVE  
DAILY BRIEF**



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**APRIL 17, 2007**

Property Tax Reform and paper trails for voting were the order of the day, and AIF was there to cover both of these issues. Yet, the most significant event today was the passage of SB 1558 out of the Senate Judiciary Committee. You may recall that this bill is the trial lawyer's vehicle to undermine the repeal of Joint & Several Liability, which was accomplished last session after almost 30 years of lobbying by the business community. Please view the "Legal Reform" section for a full report on what happened during the committee meeting.

Wednesday, promises to be an even busier day than today. The "Guns in the Workplace" bill is up for the first time in the House Environment & Natural Resources Council. In addition, the Cable Competition bill is up in the Senate Community Affairs Committee. AIF's Information Technology and Governmental Outsourcing Councils also have their priority bills being considered on Wednesday so be sure to check out AIF's Daily Brief for complete coverage of these issues.

### **Legal Reform**

The Senate Judiciary Committee approved SB 1558 Relating to Comparative Fault/Apportionment by Senator Jeremy Ring (D-Margate) by a narrow 6 – 5 vote. This terrible bill for the business community would do away with the Florida Supreme Court's Fabre ruling, which allows juries to consider all entities in a lawsuit before apportioning fault. If SB 1558 were to become law, it would essentially undo the repeal of Joint and Several Liability and expose businesses to paying more than their fair share of fault in a lawsuit.

Members of the business community were once again unified in opposition to the bill this afternoon and presented several arguments as to why this legislation is not needed. Current law is working and the reforms of 2006 have barely been in existence.

Those committee members voting in favor of the bill and against the business community were Senators: Alex Villalobos (R-Miami), Burt Saunders (R-Naples), Arthenia Joyner (D-Tampa), Ted Deutch (D-Delray Beach), Steve Geller (D-Hallandale Beach), and Jeremy Ring. The Senators voting against the bill and in favor of the business community were: Carey Baker (R-Eustis), Alex Diaz de la Portilla (R-Miami), Mike Fasano (R-New Port Richey), and Dan Webster (R-Winter Garden). We urge all AIF members to please contact those Senators who voted against the bill and thank them for the continued support of the business community and for their steadfast opposition to this bad public policy.

Although this is certainly a setback for the business community, SB 1558 still has two more committees of reference to go – the Senate Commerce Committee and the Senate Criminal and Civil Justice Appropriations Committee. We have no doubt that we will ultimately be successful in defeating this attempt at undermining the repeal of Joint & Several Liability.

The members of the Senate Commerce Committee are:

Chair: Alex Diaz de la Portilla (R)

[portilla.alex.web@flsenate.gov](mailto:portilla.alex.web@flsenate.gov)

Vice Chair: Charlie Justice (D)

[justice.charlie.web@flsenate.gov](mailto:justice.charlie.web@flsenate.gov)

Victor Crist (R)

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Rudy Garcia (R)

[garcia.rudy.web@flsenate.gov](mailto:garcia.rudy.web@flsenate.gov)

Evelyn J. Lynn (R)

[lynn.evelyn.web@flsenate.gov](mailto:lynn.evelyn.web@flsenate.gov)

Steve Oelrich (R)

[oelrich.steve.web@flsenate.gov](mailto:oelrich.steve.web@flsenate.gov)

Jeremy Ring (D)

[ring.jeremy.web@flsenate.gov](mailto:ring.jeremy.web@flsenate.gov)

Burt L. Saunders (R)

[saunders.burt.web@flsenate.gov](mailto:saunders.burt.web@flsenate.gov)

Gary Siplin (D)

[siplin.gary.web@flsenate.gov](mailto:siplin.gary.web@flsenate.gov)

Please take a moment to contact these Senators and urge them to oppose SB 1558! We need all AIF members to make their voices heard on this critically important issue to all of Florida's employers. Remember that the goal is for fairness and predictability for our state's legal system. Businesses should not be forced to pay more than their fair share in any lawsuit and this was accomplished last year with the repeal of Joint & Several Liability. SB 1558 will undermine this important victory for the business community.

**AIF opposes SB 1558 and its undoing of the “Fabre” decision. Fair distribution of fault cannot be achieved if a jury cannot consider the actions of all parties involved. We urge all AIF members to contact their legislators and let them know that this bill should not be heard and that there is no need to change existing law.**

## Property Tax Reform

The Senate Finance and Tax Committee approved the Senate property tax reform package today. Four bills make up the package and include: millage tax roll back, tangible personal property tax exemptions, transparency for local governments, and portability.

SB 1020 by Senator Mike Haridopolos (R-Melbourne) was the first bill considered; it addresses the millage tax roll back. The bill includes a cap on the amount of ad valorem (property) taxes a local government can levy. To stabilize the ad valorem taxes levied by local governments there will be a freeze on the millage rate and then a process where the rate can increase using a per capita Florida Personal Income plus growth formula. If an increase beyond this millage rate is needed, the governing body can increase it with a 2/3 vote of its members.

Senator Jeff Atwater (R-North Palm Beach) offered an amendment to place a cap on impact fees. Many people in the business community agree that a cap is needed. Even the local government officials who testified said they will be looking for another revenue source because the legislation will lower the amount of funding they will receive. Impact fees are a popular source of funding for them. Impact fees drives up the cost of a home and it does not reflect the cost of a home. For example, an impact for a \$100,000 home is the same as a \$500,000 home. This adversely impacts the cost of affordable housing. Senator Steven Geller (D-Hallandale Beach) asked for the amendment to be withdrawn and discussed further in the conference committee process. Senator Atwater agreed and the amendment was withdrawn.

In his closing, Senator Haridopolos stated that there were a few areas that were accidentally omitted from the bill. First, in order for a governing body to increase the cap on ad valorem taxes, they will also need to have three public hearings and have them at different times of the day. Secondly, if a local government plans to raise impact fees, they would have to have three public hearings. SB 1020 was unanimously approved.

The next bill was by Senator Atwater. It was a Senate Joint Resolution (SJR) which would amend the Florida Constitution if approved by the voters. SJR 3034 would create a \$25,000 exemption for each tangible personal property return. This section is designed to help small businesses in the state by eliminating this tax that cost more in filing than the actual tax. Approximately 77% of taxpayers will be exempted. Those not exempted will save about \$450 per return. The proposed constitutional amendment also allows limited portability of the "Save Our Homes" (SOH) assessment differential to a new homestead. Finally, it grants first time home buyers an additional \$25,000 homestead exemption which will be offset as their SOH differential increase. SJR 3034 was unanimously passed.

SB 1022 by Senator Haridopolos was next. This bill deals with affordable housing and provides that certain affordable housing properties must be assessed on the basis of their actual rental income. The bill was unanimously approved by the Committee.

The final bill to be considered was also by Senator Atwater. SB 560 encompasses the Taxpayers Rights concept that the Senate had previously discussed. The first part of the bill deals with eminent domain and will give homestead property owners compensation for the expected future tax benefits of the SOH in an eminent domain taking. Next, the issue of "highest and best use" was addressed. It clarifies the definition of "highest and best use" and present several factors property appraisers must consider when arriving at just value or taxable value. The transparency issue is also in this bill and would require local governments to post revenues, expenditures and other information related to the Truth in Millage "TRIM" notices on its website so that citizens and businesses can easily see how tax payers money is being spent. There is also a section

dealing with a study of the assessment appeal process. Currently tax payers find it very difficult to challenge the Value Adjustment Board (VAB). There was even an Auditor General report showing the flaws in the system. The study will be completed by next session so this issue can be addressed at that time. The Committee also unanimously approved this bill.

Keyna Cory, Chief Lobbyist for Associated Industries, testified in support of SB 560 and thanked the committee for taking many of the ideas AIF President and CEO Barney Bishop presented to the committee just a few months ago especially with regards to “highest & best use” language; transparency; changes to the assessment process including VAB and the \$25,000 tangible personal property tax exemption.

Senator Geller asked Senator Haridopolos what the savings to the citizens of Florida would be under the Senate’s proposed property tax reform plan. Senator Haridopolos told the committee that in two years, there will be a savings of over \$3 billion (10.8%) and in five years there will be a savings of \$12.358 billion which equates to a 15% savings.

This was the only committee of reference for these bills and they will now be placed on the Senate special order calendar for Thursday, April 19th.

**As with any comprehensive reform proposal, AIF is in the process of studying the Senate’s property tax reform plan. We are pleased to see that the Senate is not considering an increase to the state’s sales tax and we support many of the provisions outlined above including the \$25,000 tangible property exemption for business, portability of the “Save our Homes” cap, and the transparency provisions that allow tax payers to know how their tax dollars are being spent.**

The House is also in the process of debating their proposed property tax reform plan. During its session this afternoon, each of the bills making up the House’s plan were debated for the first time. These include HJR 7089 by the House Policy & Budget Council, HB 7001 by the House Government Efficiency & Accountability Council, and HB 261 by Representative Carlos Lopez Cantera (R-Miami). HJR 7089 is a proposed constitutional amendment that would give counties the local option to abolish property taxes in return for an increase in sales tax. HJR 7089 also includes the \$25,000 tangible property exemption for businesses. HB 7001 would roll back property tax rates in the state to 2000-2001 levels. Finally, HB 261 addresses the issue of just valuation and sets specific guidelines for how property appraisers can assess property. It requires an income approach for appraising rental properties and establishes new definitions for “highest and best use.”

A complete report on the House plan will be included in AIF’s Daily Report when the House takes a final vote on these proposals.

## Economic Development

The House Economic Expansion & Infrastructure Council unanimously approved HB 83 Relating to the Florida Capital Formation Act by Representative Michael Grant (R-Port Charlotte). During the meeting Representative Grant presented a “strike-everything” amendment, which changes some of the original provisions of the bill. As amended the bill creates the Opportunity Fund Corporation, which will be housed under Enterprise Florida. This entity will be tasked with investing and leveraging approximately \$30 million dollars to attract additional venture capital investment in the state of Florida for companies and emerging businesses in the fields of IT, aviation, and manufacturing.

HB 83 will now be heard by the House Policy and Budget Council.

**AIF supports legislation aimed at increasing the amount of venture capital investment in our state. Florida is significantly behind other growth states including Texas and California in the amount of money it spends on attracting venturing capital. This type of investment is essential for the growth of Florida’s emerging businesses.**

The Senate Higher Education Appropriations Committee unanimously approved SB 2414 Relating to the SURE Ventures Commercialization Program by Senator Jeremy Ring (D-Margate). This bill creates the Sure Ventures Commercialization Program to finance the commercialization of products and services developed from the research and development conducted at Florida public universities. The bill creates a not-for-profit corporation, Sure Ventures Commercialization, Inc., to negotiate and execute contracts with universities for three types of commercialization grants—for early market research, to match private investment in a university commercialization proposal, and to match private investment relating to the implementation of a completed business plan for a university research project

SB 2414 will now be heard by the Senate Transportation and Economic Development Appropriations Committee.

**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.**

## Health Care

The House Health Care Council unanimously approved HB 291 Relating to Coverage for Mental Health Disorders by Representative Ed Homan (R-Temple Terrace) after he made an impassioned plea for passing the bill. The bill specifically defines those mental health conditions that must be covered within the mandated offering, generally including all diagnostic categories of mental health conditions listed in the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders and as listed in the mental and behavioral disorders section of the

current International Classification of Diseases. In addition, the bill includes language dealing with the issue of mental health parity and outlines that mental health benefits may not be more restrictive than the treatment limitations and cost-sharing requirements that are applicable to other diseases, illnesses, and medical conditions.

Business and insurance groups spoke against the bill, which mandates that mental health services be covered at the same level as physical health care. Chairman Aaron Bean (R-Fernandina Beach) announced that he would vote for the bill in order to move the issue along even though he did not like the idea of creating a new health insurance mandate.

HB 291 will now be heard by the House Policy & Budget Council.

The Senate General Government Appropriations Committee unanimously approved SB 1172 Relating to Breast Cancer Treatment by Senator Arthenia Joyner (D-Tampa) today. This bill requires that, if an insurance policy or health maintenance organization (HMO) contract provides coverage for breast cancer treatment, the inpatient hospital coverage for lymph node dissections must be for the time period determined to be medically necessary by the treating physician in accordance with prevailing medical standards. The bill also requires the policy or contract providing such breast cancer treatment to provide outpatient follow-up care for a lymph node dissection consistent with prevailing medical standards. Also, the bill specifies that these provisions do not require an insured patient to have a lymph node dissection in the hospital or stay in the hospital for any fixed period of time following a lymph node dissection. There were no objections and no amendments to the bill.

SB 1172 will now be heard by the Senate Health and Human Services Appropriations Committee.

<p><b>AIF consistently opposes additional mandated coverages because the resultant cost increases could force some insurers out of the market and price health care insurance out of the reach of many employers and businesses.</b></p>
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## **Information Technology**

The Senate General Government Appropriations Committee unanimously approved SB 1974 Relating to State Information Technology by the Senate Governmental Operations Committee. Senator Al Lawson (D-Tallahassee) introduced the bill at the direction of the Chair and explained the bill briefly. SB 1974 makes significant changes to the way enterprise information technology is governed by the state. 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.

Senator Mike Bennett (R-Bradenton) asked if the current problem of state computers not being able to talk to one another would be solved by this IT bill. Senator Lawson said it would be, but

then asked Mr. Ray Wilson, Staff Director for Senate Governmental Operations Committee, to respond in more detail. Mr. Wilson said the answer Senator Lawson gave was correct and, moreover, the bill called for the Agency for Enterprise Information Technology to evaluate consolidating the over 30 individual state data centers. This consolidation would accomplish the goal of state computers being able to talk to each other.

AIF IT Council lobbyist, Frank Meiners, testified in support of the bill and was the only public testimony.

SB 1974 is now ready to be considered on the floor of the Senate for final consideration.

**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.**

## **Business Regulation**

Senator Steve Wise (R-Jacksonville) moved his Licensing of Building Inspectors and Mold Assessors bill, SB 2234 on through the Senate today, receiving a unanimous vote in the Senate Criminal Justice Committee. The bill, supported by AIF, seeks to give the Department of Business and Professional Regulations authority to regulate and license private home inspection services around the state as well as mold assessors and remediators. The bill further seeks to exempt from this law building code administrators, architects, engineers, real estate appraisers, FHA inspectors and fire safety inspectors.

To receive a license to provide home inspections one would have to pass an examination for licensure that includes the completion of a 120 hour course of study, and to keep their license each year one would be required 14 hours of continuing education every 2 years.

There were two amendments offered by Senator Wise and adopted by the committee. The first amendment would provide funds for the Department to administer the licensure and the second amendment was technical in nature.

SB 2234 will now be heard by the Senate General Government Appropriations Committee.

**AIF supports this measure as it would provide accountability to home inspections and mold remediators and would assist insurance companies to better assess the risks of certain homes that are affected by mold, thereby, potentially reducing the amount of litigation associated with this problem.**

## **Workers' Compensation**

SB 746 Relating to Workers' Compensation/First Responders by Senator JD Alexander (R-Lake Wales) was unanimously approved by the Senate General Government Appropriations Committee, its last committee of reference. AIF has voiced objections to this bill for fear that the

special workers' compensation benefits it provides for First Responders would erode the 2003 workers' compensation insurance reforms championed by AIF.

The sponsor has made changes to the bill in an effort to accommodate AIF's concerns and today sponsored an amendment adopted by the committee, which removed the bill's claimant attorney compensation provisions which was AIF's greatest concern with the bill. AIF led the effort in 2003 to change how workers' compensation plaintiff's attorneys are compensated. This change has resulted in substantial savings to employers in their cost of workers' compensation insurance – almost a 40 percent reduction.

SB 746 is now ready to be considered on the floor of the Senate for final consideration.

**AIF applauds Senator Alexander's continued effort to work with the business community on avoiding any negative impact on the savings achieved thanks to the workers' compensation reforms of 2003.**

### **Ethics & Elections**

The Senate Judiciary Committee unanimously approved SB 900 Relating to Initiative Petitions by Senator Bill Posey (R-Rockledge), but only after adopting a "strike-everything" amendment, which removed many of the original bill's provisions establishing guidelines for petition gatherers. As originally filed, the bill specifies what information must be presented to a supervisor of election in order for the petition to be valid. The bill also provides a means for revocation of previously signed petitions by electors, which essentially mirrors the process by which the petition was initially secured. The bill requires paid petition circulators to provide additional information on the petition form and to wear a badge identifying themselves prominently as paid circulators.

As amended, the bill currently includes only the signature revocation portion of the original bill. This particular provision was the least controversial of the issues addressed by the original bill.

SB 900 is now ready to be considered on the floor of the Senate for final consideration.

**Although we are disappointed that the original bill was dramatically limited, AIF still supports this legislation because of the signature revocation process it contains. Voters in Florida should have the right to change their mind when it comes to the signing of citizen initiative petitions.**

### **Port Security**

Port officials from Everglades, Canaveral, Jacksonville & Tampa all preached from the same hymnal this afternoon before the Senate Military Affairs and Domestic Security Committee, which held a presentation on the Seaport Inspection Reporting Process. The common theme is that separate federal and state credentialing systems are a major problem for all Florida ports.

Conflicts between Florida's Uniform Port Access Credential (FUPAC) system and the federal Transportation Workers Identification Card (TWIC) system could mean access to Florida ports would require having both cards instead of just one, like in other states. Stricter Florida standards and the lack of federal cooperation are blamed for the problem.

Committee Chair, Senator Paula Dockery (R-Lakeland), confirmed her understanding of how Florida ports are disadvantaged because of duplicative access procedures. She urged everyone to talk with Florida's Congressional delegation and the federal Transportation Security Administration, about seeking a resolution to the conflicting systems.

Earlier in the day, port authorities took the same message to a meeting of the Florida Port Security Standards Council, which was created last year to review Florida's port security plans. Hopefully, today's presentations will help convince the Florida's Legislature and the Executive Branch, to increase efforts to better streamline access issues which are critical to the efficient flow of goods through Florida ports.

**Please send your comments or suggestions to us at [aif@aif.com](mailto: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.