

ASSOCIATED INDUSTRIES OF FLORIDA  
**LEGISLATIVE  
WEEKLY UPDATE**



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**FROM THE WEEK OF APRIL 2 – APRIL 6, 2007**

The House had a short work week this 5th week of the 2007 Legislative Session holding meetings on Wednesday and Thursday. Several high priority bills for AIF in the areas of transportation, health care, and economic development were voted out of their respective council references and are now ready to be heard on the floor of the House.

Perhaps the most important development this week was the unveiling of a proposed committee bill (PCB) on growth management. Rumors had been heard all session long that a potential growth management “glitch” bill would be considered by the legislature. These rumors were confirmed on Wednesday, April 4th when the House Economic Expansion & Infrastructure Committee held its initial workshop on this growth management PCB. Later in the week it was announced that a second informal discussion would be held in order for committee members to hear more testimony from interested parties. This meeting will be held Monday, April 9th at 2:00 pm in room 404 of the House Office Building.

The Senate returns next week and they have already released a packed agenda for Monday and Tuesday. Of particular importance to the business community is Tuesday’s Senate Judiciary Committee meeting at 9:30 am in room 110 Senate Office Building. AIF will be watching closely to see if SB 1558, the “Fabre” bill, is taken back up. As you may recall, AIF was successful in delaying any vote on this bad bill for the business community at the last meeting of the Senate Judiciary Committee.

**Workforce Development**

On Wednesday, April 4th the House Schools and Learning Council passed several bills dealing with the issue of workforce education. The first was HB 343 Relating to the Florida Work Experience Program by Representative Aaron Bean (R-Fernandina Beach). The bill establishes the Florida Work Experience Program, a work/study/financial aid program, which enables certain Florida postsecondary students to gain work experience in their field of study. Participating students work for an employer that is later reimbursed from the students’ postsecondary institution for 70% of the students’ wages. All employers under the program must pay students the federal or state minimum wage.

HB 343 will now be heard by the House Policy and Budget council.

Another bill that was approved by the Council was proposed committee bill (PCB) SLC2, which was presented by Representative Anitere Flores (R-Miami). The PCB deals with

educational changes for the 21st century. The bill addresses numerous policy changes in hopes of revitalizing Florida's education system in accordance with 11 of the 100 Innovative Ideas for Florida's Future dealing with education. These changes will take place on a student level as well as on a faculty level.

On a student level, PCB SLC2 requires students to be tested on social studies on the FCAT. The PCB would also create extended learning opportunities for accelerated students such as: a world language curriculum in elementary schools and options to qualify for early admission, dual enrollment, college enrollment, and the Florida Bright Futures Scholarship Program based on advanced scores on the FCAT.

On a faculty level, the PCB would require teachers to be trained in the World Class Education Standards and it mandates that teachers pass examinations based on such standards.

Finally, the Council approved PCB SLC4, which was presented by Representative David Meador (R-Lake Mary). This PCB creates the World Class School Leaders program. Furthermore, it enhances existing teacher preparation and professional development programs that are aimed at improving the overall quality and preparedness of Florida's Teachers. Under this legislation, each public school is encouraged to designate lead teachers in reading, mathematics, social studies, and science. In addition, it would also require each school district to appoint master trainers to train these lead teachers. The PCB also extends the probationary period for beginning teachers from three to five years.

**AIF supports all of the innovative ideas being considered by these three pieces of legislation. These bills will help prepare students to compete in the global economy. Florida must no longer compare its students with those in other states; instead we must compare our students with those in other countries if our goal is to compete internationally. We are also encouraged by the way HB 343 reaches out to the private sector to be a partner in the preparation of our students by establishing early working relationships and on the job training.**

## **Economic Development**

The House Economic Expansion & Infrastructure Council unanimously passed HB 1503 Relating to Super Enterprise Zones by Representative David Rivera (R-Miami) on Wednesday, April 4th. This bill creates Super Enterprise Zones and gives the Office of Tourism, Trade, and Economic Development the ability to designate five Super Enterprise Zones in the state for a 10-year period each. To qualify as a super enterprise zone an area must be located in an enterprise zone and meet specific economic criteria. Designation as a super enterprise zone will provide certified businesses in the zone with a tax-free status. Certified businesses will be eligible for a 100 percent exemption from sales and discretionary tax on tangible personal property. In addition, retail sales made by certified businesses in a super enterprise zone are provided a 100 percent exemption on sales and discretionary tax for any tangible personal property item priced up to \$1,000.

During his presentation, Representative Rivera offered an amendment that reduced the number of Super Enterprise Zones from 5 to 1. As amended, the bill creates a Super Enterprise Zone in the city of Overtown in Miami-Dade County. This Super Enterprise Zone will be implemented as a pilot program. Representative Rivera explained that he was reducing the number of sites for Super Enterprise Zones because he recognized that current budget constraints would not allow for the fiscal impact of implementing all 5 sites. He further commented on the tremendous impact this bill will have on economic development and the potential for the impact to be expanded if cities and counties leverage other incentives available to them in these new Super Enterprise Zones.

HB 1503 will now be heard by the House Policy & Budget Council.

**AIF supports the concept of establishing Super Enterprise Zones. There are several examples from states with similar programs that show that these Super Enterprise Zones are successful in attracting new investment and new companies to areas that need it the most. The potential for increased job creation and higher wages makes this idea good public policy.**

On Thursday, April 5th the House Policy & Budget Council passed HB 1325 Relating to Entertainment Industry Economic Development by Representative Don Davis (R-Jacksonville Beach). The bill provides economic development incentives for the entertainment industry. The bill substantially amends the Entertainment Industry Financial Incentive Program from a cash reimbursement to a transferable tax credit that can be applied against corporate income tax and sales and use tax liability effective July 1, 2007 through June 30, 2010. The bill provides a minimum of \$75 million in tax credits for each fiscal year. A tax credit can be sold at no less than 75 percent of its worth and may be carried forward for a maximum of five years. In order for film and television productions to benefit from these incentives they must show proof that they have contracted with employers from Florida and that they have purchased goods and services in Florida.

An amendment by Representative Dick Kravitz (R-Orange Park) renamed the bill in honor of Representative Davis' 15-year commitment to expanding the entertainment industry in Florida. Representative Dean Cannon (R-Winter Park) who presented the bill in place of Representative Davis also offered an amendment, which was adopted, that capped the amount of tax credits at \$25 million per year for a total of 3 years.

HB 1325 is now ready to be considered on the House floor for final passage.

**AIF supports legislation that encourages growth in Florida's emerging film industry. The unequivocal success of this program is hard to ignore. Attracting large-scale film and entertainment productions to Florida is a boon to our economy.**

## Transportation

On Wednesday, April 4th the House Economic Expansion & Infrastructure Council unanimously approved HB 985 Relating to Transportation by Representative Rich Glorioso (R-Plant City). This is the annual transportation package that addresses a large number of transportation infrastructure and funding issues. Among other things the bill:

- Raises the Turnpike Enterprise's revenue bond cap from \$4.5 billion in bonds issued to \$9 billion in bonds outstanding. This change gives the Turnpike Enterprise more immediate bond capacity and creates a revolving line of credit to issue more bonds as the Turnpike pays down its balance.
- Clarifies that any expressway, transportation, bridge, or toll authority may enter into public-private partnerships (P3s).
- Allows the Department of Transportation to waive the requirement for contractors to be pre-qualified to bid on jobs when the project is under \$500,000 and noncompliance will not endanger the public health, safety, or welfare.

During the meeting, the bill was amended to increase the Turnpike's bonding capacity from \$9 billion to \$10 billion in order to match the bill's Senate companion, SB 2804 by Senator Carey Baker (R-Eustis). This move could provide an additional \$900 million in the next fiscal year for turnpike projects.

Of particular importance to the business community are provisions that make it easier for minority and small contractors to bid on road construction projects and those that allow transportation authorities to enter into partnerships with private companies to develop future projects.

HB 985's next stop is the House Policy & Budget Council.

**AIF supports the concept of P3s as an alternative for dealing with Florida's huge backlog of transportation infrastructure projects. This legislation provides increased flexibility for the private sector to partner with local and state government to create a model transportation system that will benefit all Floridians.**

On Thursday, April 5th the House Policy & Budget Council passed HB 251 Relating to Bay Area Regional Transportation by Representative Bill Galvano (R-Bradenton). The purpose of the bill is to take a more regional approach to transportation planning in west central Florida by creating a regional transportation authority. The counties under the authority's jurisdiction would include Citrus, Hernando, Hillsborough, Manatee, Pasco, Pinellas and Sarasota. The bill describes appointments to the authority as area business people as well as local elected officials, a metropolitan planning organization member and participation from the Florida Department of Transportation (FDOT). 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.

During the meeting Representative Galvano offered a series of amendments most of which were technical in nature. One non-technical amendment that was adopted precludes the regional transportation authority from enacting any tolls on existing roads, expressways, or highways.

HB 251 is now ready to be considered on the House floor for final passage.

**AIF supports the ability of multi-county areas in Florida to enter into regional transportation authorities. These authorities are empowered by this legislation to implement infrastructure improvements and to increase consideration for vital transportation corridors, seaports, airports and other regionally significant business centers.**

## **Growth Management**

On Wednesday, April 4th the House Economic Expansion & Infrastructure Council held a workshop on proposed committee bill (PCB) EEIC 11 Relating to Growth Management. In 2005, the Legislature passed SB 360 - a landmark growth management bill that completely altered the way local government, developers, and the state handled growth management.

PCB EEIC 11 attempts to fix some of the glitches from SB 360 and also provides for some new provisions. The PCB allows local governments to take up to 15 years to resolve their infrastructure backlogs, it states that developers are not responsible for previous infrastructure backlog costs, it calls for the establishment of a state task force to address the issue of aggregate materials (these are the raw materials used for road building projects), and streamlines the local government comprehensive plan amendment process by eliminating the state review requirement established by SB 360.

Representatives from local government, the development community, and even Department of Community Affairs Secretary Tom Pelham testified during the workshop. The consensus among these groups was that change was indeed needed, but that the Committee should proceed very cautiously because of the complexity of the growth management process.

**AIF has some concerns with the PCB as it is currently drafted and recognizes that this legislation is in its early stages. We look forward to working with members and staff to ensure that whatever is passed does not hurt the companies and employers that make it possible for our state to continue to grow through the construction of housing developments, roads, and other infrastructure projects.**

## Taxation

The House Environment & Natural Resources Council passed HB 245 Relating to Sales Tax/Agricultural Farm Equipment by Representative Baxter Troutman (R-Winter Haven) on Wednesday, April 4th. The bill provides a sales tax exemption for purchases of low-volume irrigation, or micro-irrigation equipment, or components that are used exclusively in agricultural production. On top of providing economic incentives to our state's farmers, the bill also encourages water preservation since this specific type of equipment uses much less water and accomplishes the same amount of irrigation as older, less efficient equipment.

The bill was amended, however, to include a one-year sunset of the sales tax exemption. Several committee members were disappointed and asked the sponsor to explain the reasoning behind this sunset. Chairman Stan Mayfield (R-Vero Beach) explained that the sunset was adopted because of the bill's fiscal impact (approximately \$2.4 million in general revenue) and because of the tight budget year the state is experiencing.

HB 245's next stop will be the House Policy and Budget Council.

**AIF supports legislation that establishes sales tax exemptions that benefit our state's farmers. Agriculture is one of Florida's largest industries employing more than 388,000 people and producing an excess of \$50 billion dollars in total sales.**

Also, on Wednesday the House Schools & Learning Council unanimously passed HB 215 Relating to Sales Tax Exemption for School Supplies & Clothing by Representative Marti Coley (R-Marianna). This is the sales tax holiday bill for school clothing and supplies. For a 10 day period (August 4, 2007 until August 13, 2007), books, clothing, footwear, wallets, and bags that costs \$50 or less, and school supplies that cost \$10 or less, will be exempted from sales tax. Items found in theme parks, entertainment complexes, public lodging establishments or airports do not qualify for the sales tax exemption. The original bill set the threshold for items at \$100 or less, but with state revenues projected to fall shorter than expected, an amendment was offered that set the threshold at \$50.

HB 215 will now be heard by the House Policy & Budget Council.

**AIF has supported the sales tax holiday for school clothing and supplies since it was first enacted in 1998. This sales tax holiday will benefit individuals and businesses by helping increase business activity.**

## Health Care

On Thursday, April 5th the House Policy & Budget Council passed two bills, which seek to find creative ways to reduce the cost of health insurance in our state. HB 1401 Relating to Health Flex Plans by Representative Jimmy Patronis (R-Panama City), one of the

Speaker's 100 Ideas for Florida, expands health flex plan eligibility from 200 to 250 percent of the federal poverty level (the current federal poverty level is \$20,650) thereby increasing the number of people who can become eligible for these types of plans. The bill also permits health flex plans to access the employee group market, in certain circumstances. An amendment was adopted during the previous committee meeting that provides for an appropriation of \$250,000 in non-recurring general revenue to the Agency for Workforce Innovation (AWI) to award Small business Health Insurance Plan Grants to eligible businesses.

In his closing, Representative Patronis admitted that this proposal is not the silver bullet for addressing the issue of Florida's uninsured. Health Flex Plans do not provide the same level of coverage as normal health insurance, but they do at least establish a relationship between low-income employees and health care providers. According to Representative Patronis, "Health Flex Plans are not a substitute for insurance, but they are a good first step towards helping those who normally wouldn't have any type of coverage."

HB 1401 is now ready to be considered for final passage on the House floor.

**AIF supports the market-based solutions to the problem of Florida's uninsured found in HB 1401. According to a study by the Agency for Healthcare Administration (AHCA), approximately 19% of all Floridians do not have health insurance. These individuals typically rely on emergency rooms for their primary care. Unfortunately, this kind of care is the most expensive option. Expanding access for low income employees to health flex plans is sound public policy.**

The committee also unanimously passed HB 1121 Relating to the Florida Health Information Network by Representative Denise Grimsley (R-Sebring). The bill creates the Florida Health Information Network Corporation as a public/private partnership that will establish a secure, privacy-protected, and integrated statewide network for the communication of electronic health information. This not-for-profit corporation will be managed by an uncompensated board of directors that will consist of 15 members. In addition, the bill authorizes the Agency for Health Care Administration (AHCA) to implement the plan.

Representative Michael Grant (R-Port Charlotte) asked Representative Grimsley if her bill would reduce Medicaid costs. Representative Grimsley replied that indeed it would because the establishment of this type of information network would likely prevent emergency room physicians from repeating medical tests unnecessarily by allowing them to access an individual's most up to date medical records.

HB 1121 will now be considered for final passage on the House floor.

**AIF supports the creation of Health Information Network, which will increase efficiency and reduce the number of unnecessary treatments. The creation of a statewide network for the exchange of electronic medical records may result in substantial savings, therefore reducing the cost of health insurance for employers and their employees.**

- 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.