

ASSOCIATED INDUSTRIES OF FLORIDA
**LEGISLATIVE
WEEKLY UPDATE**



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

FROM THE WEEK OF APRIL 16 – APRIL 20, 2007

With approximately two weeks to go in the 2007 session, legislators are working through the weekend negotiating the two most important issues of this year's session – property tax reform and the budget. Conferences are currently taking place on both subjects. Most experts agree that consensus will be reached on the budget, but the jury is still out in respects to property tax reform. Senate Minority Leader Steven Geller (D-Hallandale Beach) has publicly stated that he is not certain whether both chambers will come to an agreement on this important issue in time for the end of session. The House and Senate each have their own philosophical idea of how to achieve savings. For more information on the House and Senate plans please see the “Property Tax Reform” section of this report in which we lay out the intricacies of both packages.

Week 7 was extremely busy for AIF and the business community. Committee meetings are coming to an end, as such, bills that still have multiple committee references are more than likely done for this year. The business community achieved a great victory on Wednesday with the defeat of the “Guns in the Workplace” bill. We have included video of AIF President & CEO, Barney Bishop's testimony on this legislation so be sure to check it out.

Legal Reform

On Tuesday, April 17th 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 was 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. As of the writing of this report, the bill has not been placed on the agenda for the Tuesday, April 24th meeting of the Commerce Committee.

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.

Guns in the Workplace

On Wednesday, April 18th the House Environment and Natural Resources Council overwhelmingly voted (10-4) against HB 1417 by Representative Dennis Baxley (R-Ocala). The bill is formally called the "Individual Personal Private Property Protection Act" however; the goal of the bill is to allow individuals to keep firearms stored in their cars at their places of employment.

AIF has opposed this bill for the past two years; primarily because of the limitations it places on the employment at will doctrine that Florida employers depend on for doing business.

The bill would restrict employers from creating or maintaining policies, which ban firearms from their premises. It would also prohibit an employer from conditioning employment on an individual's consent to search of their vehicle while parked on the employer's premises. The bill as drafted does not specify that its purpose is to promote transport and storage of firearms in employees' vehicles. Instead it refers to personal private property. Representative Bob Allen (R-Merritt Island) filed an amendment that would have made specific references only to firearms rather than vague references to private property. The Council, however, did not adopt this amendment.

Barney Bishop, AIF President and CEO, testified at the hearing and urged the council members to vote against the bill.

AIF opposes legislation that prohibits businesses from enforcing or maintaining policies that ban guns in the workplace. Employers should be allowed to establish these types of policies and exert their rights as property owners. Maintain a safe work environment is paramount for the longevity of any employer in Florida. We were pleasantly surprised by the overwhelming margin by which the bill failed.

Property Insurance Reform

On Wednesday, April 18th the Senate Community Affairs Committee approved SB 1864 Relating to Hurricane Damage Mitigation by Senator Bill Posey (R-Rockledge) by a 7 to 1 vote. Senator Ronda Storms (R-Brandon) was the only dissenting vote on the bill. The bill makes several revisions to the “My Safe Florida Home” Program, which provides mitigation grants for homeowners to harden their homes in order to lessen the damage caused by hurricanes. The Senate bill is significantly different from its House companion, HB 7057, which has already passed the full House. The biggest difference between the two bills is the Senate bill provides grants that would be limited to 25 percent of the costs of the improvements, up to \$2,500, rather than 50 percent grants up to \$5,000.

SB 1864 will now be considered by the Senate General Government Appropriations Committee.

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 both the House and Senate proposals. Mitigation is the surest way for the state to protect itself from the damaging effects of windstorm damage.

On Friday, April 20th the House Jobs & Entrepreneurship Council unanimously approved HB 1223 by Representative Alan Hays (R-Umatilla). The bill creates the “Citizens Property Insurance Corporation Liquidation Task Force” to analyze and compile data and to develop a report to the legislature setting forth the statutory and operational changes needed to reduce Citizens Insurance Company’s growth and to return it to its former role as a non-competitive residual market mechanism which provides insurance only when it’s not available otherwise in the private insurance market. Barney Bishop, AIF’s President & CEO, testified in support of the bill. Mr. Bishop pointed out that Florida businesses are now liable for 41% of Citizens’ deficits as a result of legislation passes in the Special Session. Floridians could be slapped with assessments ranging from \$1,400 to \$17,000 a year to bail out Citizens if the state has another hurricane season like it did in 2005. Mr. Bishop urged the legislature to take immediate steps to eliminate future Citizens’ deficits.

AIF supports Rep. Hays’ bill because it begins to develop strategies for curbing artificially suppressed insurance rates and the irresponsible expansion of Citizens Insurance Company, a government-administered insurance company that should be an insurer of last resort not the State’s primary provider of insurance coverage.

AIF has also learned that HB 1267 by Representative Julio Robaina (R-Miami) will be on the House Policy & Budget Council’s agenda on April 23rd. The bill lowers the threshold for Citizens’ eligibility. Prior to this year’s Special Session on Property Insurance Reform, an applicant was not eligible for Citizens coverage if they received a quote for coverage from a private insurer. The Special Session legislation, HB 1A, provides that a

private insurer quote in which the proposed premium is greater than 25% does not disqualify an applicant from coverage through Citizens. HB 1267, lowers this threshold from 25% to 15%, thus, further making Citizens a competitor as opposed to a provider of last resort. In addition, HB 1A froze Citizens' rates at the 2006 level through 2007. HB 1267 extends this moratorium on Citizens rate increases to January 1, 2009. Both of these provisions will shift additional exposure from the private sector to the state and further increases the likelihood of future deficits which businesses will be taxed to cover. AIF will be present to testify against the bill.

Property Tax Reform

THE SENATE PLAN:

On Tuesday, April 17th the Senate Finance & Tax committee approved the Senate property tax reform package. 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.

The next bill was by Senator Jeff Atwater (R-North Palm Beach). 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.

AIF is 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 PLAN:

On Wednesday, April 18th the House of Representatives passed its version of property tax reform this afternoon. Three bills mainly comprise their package: HJR 7089, HB 7001, and HB 261. The first of these was HJR 7089 by the House Policy & Budget Council, a proposed Constitutional amendment that gives counties the local option of putting to referendum the repeal of property taxes in exchange for a 2.5% increase in sales tax. The debate on this issue was framed as follows – members of the majority party described the measure as the most dramatic tax cut in the history of Florida; those in the Democratic Party debated against the proposed Constitutional amendment by focusing on the potential sales tax increase and calling it the largest tax increase in the history of Florida. In the end the measure passed on a 78-40 vote. Representatives Andy Gardiner (R-Orlando) and Gayle Harrell (R-Port St. Lucie) crossed party lines and voted against the bill, while Representatives Mike Scionti (D-Tampa), Luis Garcia (D-Miami) and Ed Bullard (D-Miami) voted with the Republicans.

HB 7001 by the House Government Efficiency & Accountability Council establishes a property tax rollback to 2000-2001 levels and caps future growth for local governments. This proposal would cut property taxes by 19 percent on average and it would represent approximately \$6.3 billion dollars in savings. During debate, Representative Robert Schenck (R-Springhill) described the rollback as a “return to normalcy.” The bill passed by a unanimous (118-0) margin.

Finally, the house passed (117-1) HB 261 Relating to Just Valuation by Representative Carlos Lopez-Cantera (R-Miami). The bill changes the method used by property appraisers in deriving the just valuation of a property. In addition, it creates stricter criteria for the "highest and best use" standard used by property appraisers. Specifically, it explicitly requires consideration of any zoning or permitting requirements, physical deterioration, functionality, and costs of removal of tangible personal property in appraisal to determine an accurate value of "highest and best use." It helps businesses by

requiring property appraisers to consider how much income a property generates in order to determine the value of a property.

All three bills were sent to the Senate for consideration.

AIF is opposed to the idea of sales tax increase as a way to offset revenue raised by property taxes. Florida's economy is vibrant and our state's unemployment level is among the lowest in the country. An increase in sales tax could potentially disrupt the current state of Florida's economy. We do however, support the provisions found in HB 261. Changes to the way property is appraised in this state are needed in order for businesses and homeowners to be fairly assessed.

On Thursday, April 19th the full Senate considered their property tax reform package. As was described previously, four bills make up the Senate's proposal. All of these bills were rolled over to Third Reading. When this happens the bills usually will be considered for a final vote the next time the Senate is in Session. However, on Thursday, the Senate decide take up the House property tax proposals that had been passed the day before and substitute their bills. The bills were then sent back to the House.

Late that afternoon the House took up the Senate messages, which included the four property tax reform bills that had been substituted with the Senate language. On motions by Representative Anitere Flores (R-Miami), the House refused to concur with the Senate and agreed to go to conference with Senate on these proposals.

The Senate has appointed the following Senators to the property tax reform conference committee:

Haridopolos, Mike (R-Melbourne) - Chairman

Atwater, Jeff (R-North Palm Beach)

Carlton, Lisa (R-Osprey)

Deutch, Ted (D-Delray Beach)

Geller, Steven A. (D-Hallandale Beach)

Storms, Ronda (R-Brandon)

Webster, Daniel (R-Winter Garden)

While the House appointed the following Representatives:

Cannon, Dean (R-Winter Park) - Chairman

Altman, Thad (R-Melbourne)

Attkisson, Frank (R-Kissimmee)

Bogdanoff, Ellyn (R-Ft. Lauderdale)

Brown, Don (R-DeFuniak Springs)

Cusack, Joyce (D-DeLand)

Flores, Anitere (R-Miami)

Garcia, Luis (D-Miami)

Gelber, Dan (D-Miami Beach)

Grant, Michael (R-Punta Gorda)

Lopez-Cantera, Carlos (R-Miami)

Murzin, Dave (R-Pensacola)

Scionti, Michael (D-Tampa)

Seiler, Jack (D-Pompano Beach)

Weatherford, Will (R-Zephyrhills)

On Friday, April 20th the House Policy & Budget Council unanimously approved proposed committee bills (PCBs) PBC 9 Relating to Assessment of Homestead and PBC 10 Relating to a Special Election. PBC 9 is a proposed constitutional amendment that would provide for portability of the “Save our Homes” (SOH) property tax cap. It would allow homestead property owners to take their SOH savings with them when they move. Currently homeowners lose their SOH once they move from their original homestead, leading many Floridians to feel “locked-in” because of fear of having to pay more in property taxes. This PCB is the House’s answer to the Senate’s property tax plan which already includes the concept of portability.

PBC 10 would establish a special election for the adoption of PBC 9. This would allow Floridians to take advantage of the benefits of portability right away without having to wait until the next general election, which is scheduled for November of 2008.

AIF supports portability as a way to help those Floridians who would like to move to a smaller or larger home, but are afraid to lose their SOH savings. Allowing for portability could also spur Florida's housing market, which has been losing steam in recent years due to increases in property insurance and property tax rates.

Workforce Housing

On Thursday, April 19th the Senate Finance and Tax Committee unanimously approved SB 780 Relating to Affordable Housing by Senator Rudy Garcia (R-Miami). The bill requires certain counties to adopt a plan for ensuring workforce housing by a certain date, creates an expedited amendment process for certain comprehensive plan amendments, and creates an exception to restrictions on the number of plan amendments which can be adopted annually. A tax deferral program on property taxes for affordable housing rental properties is created by the bill. The bill was amended at a previous committee stop and now contains provisions that tie state affordable housing grants to the successful development of specific affordable housing plans by counties where the disparity between median income and median cost of housing is greater than \$150,000 dollars.

Chairman Mike Haridopolos (R-Melbourne) offered an amendment, which was adopted, that provides a 3-year extension for projects currently under construction that are considered developments of regional impact (DRI). These DRIs are large-scale projects that range across multiple counties at once. Senator Jeff Atwater (R-North Palm Beach) attempted to amend the bill so that seaport master plans would be exempt from the requirements of the bill, but was unsuccessful because the bill sponsor had not heard about this amendment prior to the meeting.

SB 780 will now be heard by the Senate Transportation and Economic Development Appropriations Committee.

AIF supports legislation that provides incentives for local governments and developers to build new workforce housing projects. Employers in Florida must be able to attract a stable and dependable workforce. This can only be accomplished if employees can find affordable homes close to the jobsite. In addition, local governments must be held accountable so that the dollars they receive from the state are well spent.

State-Issued Cable Franchises

On Wednesday, April 18th the Senate Community Affairs Committee passed SB 998 Relating to Cable TV/Video Services by Senator Mike Bennett (R-Bradenton). The bill provides for a statewide cable TV franchise administered by the Department of State 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 thru out 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 a priority of Governor Crist.

The bill received several amendments that had been agreed upon by all parties involved. In addition, several amendments were offered during the meeting today that were viewed as unfriendly by the bill's sponsor because he had not had a chance to review them prior to the meeting. All of these amendments were withdrawn. SB 998 will now be considered by the Senate General Government Appropriations Committee.

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.

Economic Development

On Tuesday, April 17th 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.

Also on Tuesday, 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

On Tuesday, April 17th 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.

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

Also on Tuesday, 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.

On Friday, April 20th the House Jobs & Entrepreneurship Council considered two additional health care mandates. The first was HB 1105 Relating to Cystic Fibrosis by Representative Jimmy Patronis (R-Panama City). The bill requires group health insurance

policies to cover services needed to treat cystic fibrosis if authorized by a medical service provider. During the meeting, Representative Dave Murzin (R-Pensacola) offered an amendment that attached a fiscal impact to the bill in an effort to kill the bill. After much debate, a motion was made by Representative Murzin to temporarily postpone the bill and the motion passed, effectively killing the bill. Representative Patronis did not leave the committee room and actively lobbied to bring the bill back for consideration. In the end, he was able to bring the bill back as time was running out, but several committee members left thereby losing quorum.

HB 345 Relating to Prostate Cancer by Representative Frank Peterman (D-St. Petersburg) was also considered by the committee on Friday. This bill requires all health benefit plans that are offered, issued, or renewed in Florida on or after January 1, 2008, that provide coverage to men age 40 or over, to provide coverage for annual screening for prostate cancer according to the early detection guidelines of the National Comprehensive Cancer Network (NCCN). An amendment was adopted to name it after former Senator Les Miller who is currently suffering from prostate cancer. Representative Ralph Poppell (R-Titusville) expressed some strong concerns about the mandate that the bill creates.

The bill was unanimously passed and will now be heard by the House Policy & Budget Council.

<p>AIF consistently opposes ALL 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.</p>
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On Wednesday, April 18th the Senate Health and Human Services Appropriations Committee unanimously approved SB 2348 by Senator Jeff Atwater (R-North Palm Beach). The bill creates the "Florida Health Information Network Act", a privacy-protected and secure integrated statewide network for the communication of electronic health information among authorized parties. Currently, health information is generally stored on "islands" of information at the facilities of the health care providers who generate such information. Even if a health care provider is among the minority that has an electronic health record system, until that system is connected to the electronic health record system of other providers in the same geographical region, there is no effective and timely means to share this information.

The lack of effective access to clinical health information at the point of critical decision-making has numerous effects. Some of these problems include money spent unnecessarily on duplicative tests and procedures, as well as problems with the quality of the health care that might be provided without complete information.

SB 2348 will now be heard by the Senate Health and Human Services Appropriations Committee. SB 2348's House companion, HB 1121 by Representative Denise Grimsley (R-Sebring) was passed unanimously (118-0) by the House this afternoon and will now be sent to the Senate for consideration.

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.

On Wednesday, April 18th the House of Representatives passed HB 1401 Relating to Health Flex Plans by Representative Jimmy Patronis (R-Panama City) on a 116-2 vote. HB 1401 is idea # 88 of the Speaker's 100 Ideas for Florida and it 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 a 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.

HB 1401 will now be sent to the Senate for consideration.

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.

Governmental Outsourcing

On Wednesday, April 18th the House Safety & Security Council took up HB 495 Relating to State Procurement/Contractual Services by Representative Aaron Bean (R-Fernandina Beach). The bill's sponsor respectfully asked that it be temporarily postponed after hearing testimony so that the agencies involved could continue their discussions with AIF and its Governmental Outsourcing Council's (GOC) membership. The bill would have outlined specific changes to the way outsourcing contracts are handled by state agencies for not-for-profit business entities that provide valuable health and human services.

Representative Mitch Needelman (R-Melbourne) assured his fellow committee members that the agencies were determined to repair the contracting practices that resulted in this bill, and read into the record written agreements from both the Department of Children and Family Services (DCF) and the Department of Juvenile Justice (DJJ) to continue working towards an equitable solution.

Unfortunately, HB 495's Senate companion, SB 1166 by Senator Steve Wise (R-Jacksonville) will not be heard in committee. However, with Representative Needelman's pledge to bring this bill back up in the Legislature in the fall should a solution not be found in the next few months, these issues are far from being postponed.

AIF and the GOC support legislation that creates a more efficient and sustainable business climate for the companies providing essential services to state departments and agencies. Clarifying the requirements of contracting, expected outcomes, and payment mechanisms will create a more stable environment for these business entities.

Information Technology

On Tuesday, April 17th 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.

SB 1974 is now ready to be considered on the floor of the Senate for final consideration. Its House companion, HB 1557, by Representative Will Weatherford (R-Zephyrhills) was unanimously approved by the House Government Efficiency & Accountability Council on Wednesday, April 18th. HB 1557 will now be heard by the House Policy & Budget Council.

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.

Energy

On Friday, April 20th the House Policy & Budget council unanimously passed HB 7123 Relating to Energy by the House Environment & Natural Resources Council, Representative Stan Mayfield (R-Vero Beach) and Representative Bob Allen (R-Merritt Island). This comprehensive energy policy legislation addresses many of the 100 ideas concerning energy and alternative Fuels and includes the following issues:

- Property Tax Exemptions for Renewable Energy Source Devices
- Sales Tax Exemptions for Biofuel
- Energy-Efficient Motor Vehicle Sales Tax Refund Program
- Renewable Energy Technologies Investment Tax Credit
- Florida Renewable Energy Production Credit
- “Green Building” – Energy Conservation and Sustainable Building Act
- Guaranteed Energy Performance Savings Contracting

- Energy Efficiency and Conservation Month and Energy-Efficient Products Sales Tax Holiday
- Solar Energy System Incentives Program
- Renewable Energy Technologies Grants Program and Farm-to-Fuel Grants Program
- Greenhouse Gas Inventories
- Power Plant Siting Act and Transmission Line Siting Act
- The creation of a Farm-to-Fuel Advisory Council
- Biofuel Retail Sales Incentive Program and Florida Biofuel Production Incentive Program
- Florida Building Commission/Energy Codes
- Biodiesel Fuel for State-Owned Vehicles
- Biodiesel Fuel for School District Transportation

In addition, the bill appropriates \$85.6 Million for the various programs, positions and incentives created by the bill. The bill was presented by House Energy Committee Chairman Bob Allen who proudly stated that this legislation was the byproduct of over four months of work. Chairman Allen believes that the House has “set a good template for the state’s energy policy and that the bill builds on the good work of last year’s legislation, SB 888 – the first comprehensive energy bill.”

AIF supports many of the provisions in this comprehensive energy bill, especially the provisions that offer great incentives for the development of alternative energy sources. Florida is the 3rd largest consumer of energy in the country, as such we should look for ways to partner with the energy industry so that Florida’s businesses and consumers have access to reliable and affordable energy.

Video Lottery Terminals

On Thursday, April 20th the Senate Finance & Tax committee passed SB 2434 Relating to Video Lotteries by Senator Steven Geller (D-Hallandale Beach). This bill provides for the establishment, operation, and regulation of video lottery games. The games would be located at pari-mutuel sites and regulated by the Department of the Lottery. There are currently 32 active pari-mutuel permit holders at 25 facilities and the Ocala Breeders facility, all of whom would be eligible for licensure of video lottery terminals. The bill grants overall control of the video lottery terminals (VLTs) to the Department of the Lottery. Each lottery terminal shall be linked, directly or indirectly, to a computer system approved by the department. Each facility would be allowed to determine how many VLTs to house, but the number cannot exceed 1500 machines.

Most experts believe that approval of this legislation would have a significant economic development impact for the counties where these facilities are located because of the popularity of the VLTs. In addition, these machines represent significant revenue to the state, anywhere between \$1 to \$2 billion dollars. This revenue would be exclusively used to supplement educational funding.

SB 2434 will now be heard by the Senate General Government Appropriations Committee.

On the House side, SB 2434's companion, HB 1447, by Representative Charlie Dean was workshopped by the House Jobs & Entrepreneurship Council on Friday, April 20th. Although no vote was taken, the bill was thoroughly discussed and debated. A lot of the questions asked during the workshop had to do with the fact that under HB 1447, residents in the counties where the pari-mutuel facilities are located are not given the option to vote in order to allow VLTs. Previously, residents of Broward and Dade County were given the power to decide whether gaming facilities in these counties could expand into slot machines. As a result, voters in Broward approved the move, while those in Dade County did not.

AIF supports allowing existing pari-mutuel facilities to provide VLTs for their customers. The economic impact of this type of gaming cannot be ignored, especially given the tough revenue year Florida is experiencing. Not only would VLTs provide significant revenues to the state; they also represent increased economic development in the form of greater tourist activity.

Business Regulation

Senator Steve Wise (R-Jacksonville) moved his Licensing of Building Inspectors and Mold Assessors bill, SB 2234 on through the Senate on Tuesday, April 17th, 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.

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

On Tuesday, April 17th 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.

Its House companion, HB 45 by Representative Sandy Adams (R-Oviedo), was passed by the House Jobs & Entrepreneurship Council on Friday, April 20th and will now be considered by the House Policy & Budget Council.

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

On Tuesday, April 17th 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.

Privacy

On Wednesday, April 18th the House Government Efficiency and Accountability Council passed proposed committee bill (PCB) GEAC 08, which reenacts a public records exemption for social security numbers contained in public records. Despite opposition from the Florida League of Cities, AIF was able to maintain the ability of commercial entities to obtain social security numbers contained in public records for legitimate commercial purposes such as matching and verifying information, credit granting, insurance purposes and other commercial uses.

The original draft allowed commercial entities to only obtain a truncated version of the social security number that included only the first 5 of the 9 digits. We successfully lobbied to change the bill to allow all 9 digits be shown to commercial entities because the first 5 digits could place the reliability of data relied upon by businesses in jeopardy.

PCB GEAC 08 is now ready to be considered on the floor of the House for final passage.

AIF supports this legislation, as amended, because it continues to allow businesses to access critical personal identity information. Most financial institutions in our state depend on the sharing of personal information in order to cross reference loan and credit applications, verify the identity of customers, and even prevent fraud.

- 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.