

ASSOCIATED INDUSTRIES OF FLORIDA
**LEGISLATIVE
WEEKLY UPDATE**



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FROM THE WEEK OF APRIL 23 – APRIL 27, 2007

As we enter the ninth and final week of the 2007 Legislative Session, legislators still have not arrived at an agreement on property taxes. Negotiations broke down Wednesday evening when House Conference Committee Chairman Dean Cannon (R-Winter Park) stated that the “House cannot respond to an offer that was not made” referring to the Senate’s unwillingness to provide a specific year for rolling back taxes and a specific dollar amount of savings for Florida’s taxpayers. From the very beginning of negotiations, the House has set a goal of \$1,200 in savings for homestead properties, \$750 for non-homestead properties, and \$3,300 for commercial and industrial real estate. The House is still sticking to their proposal for a constitutional amendment that would allow voters to decide whether to abolish property taxes in favor of a 2.5 cent sales tax increase. No conference committee meetings were held on Thursday or Friday leading many to speculate about the potential of a Special Session this summer.

Budget negotiations, on the other hand, are moving along and much progress was made over the weekend by the two conference committee chairs: Senator Lisa Carlton (R-Osprey) and Representative Ray Sansom (R-Ft. Walton Beach). Only a handful of items have been bumped up to the Senate President and Speaker for resolution, including the Senate's proposed plan to invest an additional \$500 million on transportation projects. We expect the budget to be passed by the middle of last week of session.

Of particular note this week was the passage of the Cable TV Competition bill (HB 529) out of the Senate. Consensus among all interested parties has been reached and we are now only awaiting passage of the bill in the House in order for consumers to achieve true competition and lower rates in the cable TV market. AIF's session priorities continue to be in good shape. You will find complete write-ups on these bills in today’s Weekly Report. Make sure to check this week's Daily Briefs for updates on all of these critical pieces of legislation for the business community.

Property Insurance Reform

On Monday, April 23rd the House Policy & Budget Council passed HB 1223 Relating to Citizens Property Insurance Corporation/Task Force by Representative Alan Hays (R-Umatilla) by a 22-4 vote. This is a good bill that seeks to address ways to curb the expansion of Citizens Insurance Company by creating the Citizens Property Insurance Mission Review Task Force whose role is to figure out a way to reduce the number of policies covered by this government-created insurance company.

Barney Bishop, President & CEO of Associated Industries of Florida, 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 HB 1A, which was passed during this year's Special Session on Property Insurance Reform. 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' expansion and deficits.

HB 1223 has been placed on the Special Order Calendar.

AIF supports Representative 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.

Immediately following the passage of HB 1223, the Council considered HB 1267 Relating to Property Insurance by Representative Julio Robaina (R-Miami). 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.

During the meeting, the bill was amended by removing the provision reducing Citizens eligibility threshold from 25% to 15%. Also, the provision that would have extended the Citizens rate freeze an additional year to January 1, 2009 was also removed. AIF is glad that these good amendments were adopted, but they do not do enough to fix this bad bill. The bill was also amended to include language from Representative Hays' bill creating the Citizens Property Insurance Mission Review Task Force.

Once again, Barney Bishop testified in opposition to the bill citing the dangers of funding hurricane damage after the storm by what is known as assessments. Businesses in Florida would be responsible for paying for the deficits of Citizens and the CatFund. Mr. Bishop also warned Council members of the dangers of Floridians with private insurance subsidizing Citizens policyholders.

HB 1267 is on the House Special Order Calendar.

AIF opposes HB 1267 because it establishes parameters conducive to the expansion of Citizens Insurance Company. Citizens was originally created to be the government's insurer of last resort, however, recent actions by the Florida Legislature have provided Citizens with certain competitive advantages that allow it to compete directly with the private market. The bill further allows for the establishment of artificially suppressed rates and for the potential of future assessments on all lines of insurance.

Workforce Housing

On Tuesday, April 24th the Senate Transportation & Economic Development Appropriations Committee unanimously passed 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. The bill creates a tax deferral program on property taxes for affordable housing rental properties. 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.

SB 780 has been placed on the Senate's Special Order Calendar for Monday, April 30th. Its House companion, HB 1375 by Representative Mike Davis (R-Naples) is on the House calendar.

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.

Workforce Development

On Tuesday, April 24th the Senate Education PreK-12 Appropriations Committee considered SB1238 Relating to Education by Senator Don Gaetz (R-Niceville). This bill was temporarily postponed due to some procedural complications today, therefore, basically killing the bill for this year because there will be no more committee meetings this session. The bill is a comprehensive education initiative, which requires the State Board of Education (SBE) to systematically review and replace the Sunshine State Standards with the new World Class Education Standards. The World Class Education Standards would more closely align Florida's curriculum standards to the knowledge demands students will face in a global economy.

The House companion, HB 7151, has been debated on the House floor and is now ready for a final vote. Now that the Senate companion bill is in limbo it is unclear how the issue will proceed. HB 7151 is one of Speaker Marco Rubio's (R-Miami) 100 Ideas for Florida.

AIF supports the innovative programs in education highlighted in the Speaker's "100 Ideas" that will help prepare students to compete in a global economy. Florida must no longer compare its students with those in other state; instead we must compare our students with those in other countries.

The Committee did pass SB 2458 Relating to the High School to Business Career Enhancement Act by Senator Victor Crist (R-Tampa). This bill creates the High School to Business Career Enhancement Act and authorizes district school boards to adopt policies to provide for up to 100 high school internships annually through employers that partner with the school district.

SB 2458's House companion, HB 1161 by Representative Kevin Ambler (R-Tampa) was unanimously passed (110-0) by the House on Friday, April 27th. It was then immediately sent over to the Senate where it was substituted for SB 2458 and unanimously passed (38-0) by the Senate all in the same day. HB 1161 will now be sent to the Governor for his signature.

AIF supports legislation that encourages partnerships between local school boards and the private sector for the creation of internship programs that provide valuable real-world experience for Florida's future workforce.

On Thursday, April 26th several workforce development bills saw action on the floor of both chambers. SB 918 Relating to Student Financial Assistance/Need-based Students by Senator Steve Wise (R-Jacksonville) was heard and amended on Second Reading. The bill expands the eligibility criteria for the Florida Work Experience Program (FWEP). FWEP is a work-study financial aid program that enables certain Florida postsecondary students to gain work experience in their field of study. Participating students work for an employer in their field of study and employers receive reimbursement from the student's postsecondary institution for wages paid to the student.

On Friday, April 27th SB 918's House companion, HB 343 by Representative Aaron Bean (R-Fernandina Beach), was unanimously passed (112-0) by the House and sent over to the Senate where it was substituted for SB 918. The Senate then unanimously passed (38-0) HB 343; the bill will now be sent to the Governor for his signature.

Florida's workforce must meet the demands of our state's employers. Therefore, AIF supports legislation that would increase participation and funding for the Florida Work Experience Program. Allowing students to gain valuable, real-world experience in their field of study is sound public policy.

Communication Services Tax

On Tuesday, April 24th the Senate Finance & Tax Committee unanimously approved SB 980 Relating to Communications Services Tax (CST) Rate Reduction by Senator Mike Haridopolos (R-Melbourne). Senator Haridopolos offered a “strike-everything” amendment, which reduces the tax rate by 0.1% rather than the 1.17% reduction that was included in the original bill. The revenue impact of the 1.17% cut in the state CST would have been a \$189 million recurring revenue reduction to the state that simply was too much to swallow this session. The 0.1% cut represents a \$16.7 million reduction in revenue and keeps the bill alive for negotiations during the final days of session during which House and Senate leadership will decide how much recurring revenue can allocate to this tax reduction.

SB 980’s House companion, HB 567 by Representative Ron Reagan (R-Sarasota) has already passed the House and is in Senate messages. The final tax savings found in this proposal will ultimately be determined by the result of budget negotiations between both chambers.

The Legislature should consider reducing the tax on communication services; in fact it should make every effort to enhance its communications infrastructure. Reducing the state CST is a good first step in achieving these worthy goals. AIF supports this reduction and will work diligently this session to help pass some savings for the business and residents of Florida.

Government Accountability

On Wednesday, April 25th the House passed HB 7177 Relating to Florida Government Accountability Act by the House Policy & Budget Council on almost a strict party line vote of 78 – 36. This Act, which was originally passed in 2006, provides for a periodic review process for the continuation, modification, or abolition of many of the state agencies currently in existence. The Act also establishes an eight-year review schedule under which each state agency is given a termination date. This is important to the business community because employers interact with state agencies on a daily basis through the application of permits or through enforcement of licensure.

This year the legislature is considering HB 7177, which strengthens and modifies many of the provisions in the original bill. For starters, it changes the existing review committee to a *commission*. This subtle change allows the new entity to be statutorily created and not be subject to the rules of a standing legislative committee; in other words, it is given a much higher authority. In addition, this year’s legislation makes changes to the agency review schedule by grouping agencies according to subject matter so that the review commission can consider the agencies across a common policy arena.

HB 7177 will now be sent to the Senate for consideration. One interesting thing about this bill is that there is no Senate companion as of this date. Bills must have a companion

in each chamber in order to become law. HB 7177 is one of Speaker Rubio's 100 Ideas for Florida's Future; it will be interesting to see what happens as the final days of session roll on.

AIF supports the strengthening and continuation of the Florida Government Accountability Act. Curbing unnecessary government expansion is wise public policy. Businesses and employers in Florida must be lean and efficient. Holding state agencies to this standard is not only appropriate, but also necessary for Florida's economy to continue to prosper.

State-Issued Cable Franchises

On Tuesday, April 24th the Senate General Government Appropriations Committee unanimously passed SB 998 Relating to Cable TV/Video Service Franchises by Senator Mike Bennett (R-Bradenton). Senator Bennett explained that the bill provides for a statewide cable TV franchise process administered by the Department of State (DOS) rather than the existing method of obtaining franchises from negotiations with local governments. The effect of the change would be to expedite cable TV competition throughout the state. The bill also repeals future phone rate increases as a result of vibrant competition in the local phone market. It also ensures access to Lifeline phone service, a program to give needy citizens \$13.50 off the cost of land line phone service, by requiring state agencies to help qualified Floridians enroll in the program.

On Thursday, April 26th the Senate considered SB 998 Relating to Cable TV/Video Service Franchises by Senator Mike Bennett (R-Bradenton) today. This is perhaps one of the most lobbied bills this session, with advocates representing the incumbent cable TV providers, the telecommunication companies that want to offer video service, and representatives from local government who are affected by many of the provisions in the bill. The full Senate had an opportunity to debate this bill for the first time this afternoon and to consider amendments. Over 28 amendments were filed on the bill in an effort for each of the interested parties to be heard. AIF has supported the concept of increasing competition in this market since the bill was first filed last year. Businesses and consumers across the state will benefit from reduced prices and more choice.

Upon conclusion of the amendatory process, the Senate took up the House version, HB 529 by Representative Trey Traviesa (R-Tampa), and substituted the Senate bill, as amended, for the House Bill.

On Friday, April 27th the Senate passed HB 529 on a 30-3 vote. After much prodding by legislators, the Cable TV and Telephone companies reached a compromise on the last divisive issue, that of build out or "cherry picking." Build out refers to a requirement that video service providers establish their service in all areas of a municipality, including those that might be of a lower socio-economic status. The agreement included replacing existing build out language with a strong criminal provision against discrimination enforced by the Attorney General. This provision was supported and encouraged by Governor Charlie Crist (R).

Senator Gary Siplin (D-Orlando) offered and withdrew several amendments including one that would have required Cable/Video companies to give a \$13.50 credit on their TV bill for people who qualified for the telephone companies Life Line program.

Another amendment, which passed, added language that Senator Ronda Storms (R-Brandon) had argued for in committee and on the floor that would provide for Educational and Government Channels but would require a vote of the customers on whether to have Public Access Channels. The customers would be advised in the vote that Public Access channels are not censored and contain serious adult content.

HB 529 will now be sent back to the House for consideration since the Senate amended it on Friday. We expect that the bill will pass now that all interested parties have reached an agreement.

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 24th SB 96 Relating to Entertainment Industry/Economic Development bill by Senator Burt Saunders (R-Naples) passed the Senate Finance & Tax committee with an amendment that significantly changed the bill by eliminating the tax credit and appropriating \$10 million dollars as incentive funding on a per project basis instead. Senator Saunders was not pleased about the amendment, which he stated puts Florida at a competitive disadvantage compared to other states and Canada, many of which have broad tax credits for the entertainment industry. But he understood that it had to be done in light of the financial situation the state is in. Chairman Haridopolos agreed that the amendment was unfriendly, but according to him it was necessary to keep the bill alive at this late date in session due to the fact that the tax credits are part of the budget negotiations, which are still ongoing.

The bill was supported by AIF. Several union groups that work with the industry opposed the amendment removing the tax credit program. Chairman Haridopolos explained that he hopes the bill can be amended back to its original form if dollars become available to fund the tax credit.

SB 96's House companion, HB 1325, unanimously passed the Florida House on Tuesday, April 24th and was sent over to the Senate for consideration. The House version still contains the tax credit program, which is limited to \$75 million allocated in \$25 million increments each fiscal year the incentive remains in place. The two bills are now significantly different. It is currently unclear which version of the program will ultimately pass this session.

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.

On Thursday, April 26th the House unanimously passed (116-0) HB 83 Relating to Florida Capital Formation Act by Representative Michael Grant (R-Punta Gorda). 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 sent to the Senate for consideration.

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.

Transportation

On Tuesday, April 24th the most massive transportation bill of the session, House bill 985, by the House Policy & Budget Council and Representative Rich Glorioso (R-Plant City) was heard on the House floor. It is an omnibus piece of legislation of over one hundred pages that covers a number of transportation issues and incorporates a number of other transportation bills. The bill includes several vital provisions for the business community including language that provides for Private-Public Partnerships (P3s) for the development of new transportation projects, language designed to address the aggregate mining issue, and a proposal to increase the Turnpike's revenue bond cap (this change has the capacity to raise an addition \$900 million dollars in transportation projects).

For a complete analysis of this comprehensive bill please refer to the April 24th edition of the AIF Daily Brief.

On Wednesday, April 25th the House of Representatives passed (78-37) HB 985 Relating to Transportation & Infrastructure by Representative Rich Glorioso (R-Plant City) after hours of debate. This bill has become what most people familiar with the legislative process call a "train" meaning that it has received numerous amendments from multiple legislators because of the bill's great chance to pass this session.

HB 985 has been sent to the Senate for consideration. There are two Senate bills, SB 1928 and 2804 both by Senator Carey Baker (R-Eustis), that contain many of the same provisions found in HB 985. Both of these bills have been placed on the Senate calendar for final passage.

AIF supports many of the provisions found in this comprehensive bill especially 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. In addition, we support the inclusion of the aggregate issue in his omnibus transportation package. Florida's businesses and contractors depend on this raw material for building and road projects.

Health Care

On Monday, April 23rd, in an unusual move, Representative Ed Homan (R-Temple Terrace) presented SB 1834 to the Senate Banking and Insurance Committee. The bill creates mental health parity for health insurance plans. Representative Homan feels strongly about this legislation because mental illness has impacted his father and son. 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.

The bill was unanimously passed and is slated to be heard by the Senate Children, Families, and Elder Affairs Committee; this, however, is unlikely given the fact that there we are so late into session. Senate leadership does have the authority to withdraw the bill for its remaining committees of reference.

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.

Information Technology

On Wednesday, April 25th the Senate took up SB 1974 Relating to State Information Technology by the Governmental Operations Committee on Second Reading today. Senator Al Lawson (D-Tallahassee), Chairman of the Governmental Operations Committee, explained that the bill makes significant changes to the way enterprise information technology is governed in 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. It 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.

On Thursday, April 26th the Senate unanimously passed (39-0) SB 1974 and immediately sent the bill to the House for consideration. The bill's House companion, HB 1557 by Representative Will Weatherford (R-Zephyrhills) was unanimously passed by the House Policy & Budget Council on Wednesday, April 25th. HB 1557 is now ready to be considered on the floor of the House for final passage.

AIF and its Information Technology (IT) Council support this major overhaul of how IT systems are managed by the State. This bill represents a real improvement in enterprise IT governance and a real improvement in agency chief information officer training and responsibilities.

Energy

On Tuesday, April 24th the Senate Transportation & Economic Development Appropriations Committee considered SB 996 Relating to Alternative Energy by Senator Mike Bennett (R-Bradenton) and SB 2666 Relating to Energy Efficiency & Alternative Fuel by Senator Lee Constantine (R-Altamonte Springs). Each of these dueling energy policy bills contained multiple provisions dealing with renewable energy incentives and energy efficiency measures. On agreement by both sponsors, the bills were stripped of all their provisions except for a two-week sales tax holiday on energy efficient products. The bills were then combined into one and passed unanimously. In his closing, Senator Constantine stated that they had agreed to strip the bills down to build them back up during the 9th week of session.

The combined bill, SB 996/2666, is now ready to be considered on the floor of the Senate for final passage.

AIF supports the bills as amended because they now only contain language providing for a sales tax holiday on energy efficient products. All of the objectionable language in each bill has been removed. Exempting these products from sales tax should increase business activity, thus helping the retailers of this state.

On Wednesday, April 25th the House unanimously passed (116-0) HB 7123 Relating to Energy by the House Environment & Natural Resources Council and House Energy Committee Chairman Bob Allen (R-Merritt Island). This is the House's omnibus energy policy bill, which includes numerous provisions dealing with energy production, alternative energy, incentives for renewable energy development, and energy efficiency buildings.

The bill was amended by Representative Curtis Richardson (D-Tallahassee) to include, among its many provisions, a Green Schools Pilot Program. This pilot program would

require selected school districts to use Leadership in Energy and Environmental Design (LEED) standards when constructing new buildings or renovating old buildings.

HB 7123 will now be sent to the Senate for consideration.

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.

Legal & Judicial

SB 320 Relating to Trespass/Railroads by Senator Jim King (R-Jacksonville) was approved by the Senate Criminal Justice Committee on a close 4-3 vote on Monday, April 23rd. The bill simply provides reasonable limitations to signage requirements on Florida's 2,788 miles of railroad right of way. Existing law requires trespassing signage every 500 feet along that right of way. The bill would clarify the understanding that trespassing on railroad property exists regardless if the right of way is physically posted as a no trespassing area.

The bill was heard during the last 3 minutes of the meeting and there was very little discussion or debate. Chairwoman Nancy Argenziano (R-Crystal River) stated that she had questions on the bill but did not have time to ask them. Senator King stated that the only people against the bill were the trial bar and labor unions.

On Thursday, April 26th the Senate considered SB 320 on Second Reading. An unfriendly amendment by Senator Gary Siplin (D-Orlando) that would have prevented railroad companies from obstructing access to any private property surrounding railroad tracks was defeated. The bill was then considered for final passage on Friday, April 27th. Since its House companion, HB 9 by Representative Mark Mahon (R-Jacksonville), had already passed (133-2) the House on Thursday, April 26th the Senate decided to substitute the House bill in place of SB 320. This time around there was much more debate on the bill and it was clear that the trial bar had been lobbying for the bill's defeat. Passage of this legislation would make it much harder for plaintiffs to sue railroad companies.

Several Senators including Ronda Storms (R-Brandon), Arthenia Joyner (D-Tampa), and Gary Siplin (D-Orlando) debated strongly against the bill citing the safety of children who might not know that playing around railroads was considered trespassing. HB 9 was passed by the narrowest of margins (20-19) and was immediately ordered enrolled, meaning that staff prepare the bill for the Governor's signature. Later that Friday, Senator Al Lawson (D-Tallahassee) offered a motion to recall the bill for reconsideration, a motion he was allowed to make because he was on the prevailing side of the vote. As of this writing the bill has not been sent back to the Senate and we do not expect that it

will. AIF will remain vigilant throughout the final days of session in order to make sure that this good bill makes it to the Governor for his signature.

AIF supports this bill because it removes onerous and over-burdensome regulations on Florida businesses. AIF supports legislation that helps keep our railroads safe from trespassing and eliminates the unrealistic requirement to post warnings every 500 feet. Florida has thousands of miles of railroad tracks, many of which go through very remote and inaccessible areas.

Business Regulation

On Tuesday, April 24th the Senate General Government Appropriations Committee unanimously approved SB 2234 Relating to Regulation of Building Inspection Professionals by Senator Steve Wise (R-Jacksonville). 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.

The bill received two amendments sponsored by Senator Carey Baker (R-Eustis). The first amendment pushed back the bill's "grandfather clause" to 7/1/2010 meaning that a business or individual has until then to comply with licensure requirements. The second amendment deleted a requirement in the bill that home inspectors have high school diploma or equivalents in order to qualify for licensure. The bill is now ready to be considered on the floor of the Senate for final passage.

SB 2234's House companion, HB 1399 by Representative Carl Domino (R-Juno Beach), was unanimously passed by the House Policy and Budget Committee, its last committee of reference, on Wednesday, April 25th and will now be placed on the House calendar for consideration.

AIF supports this measure since it would provide accountability to home inspectors 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.

Jessica Lunsford

On Thursday, April 26th the Senate unanimously passed (39-0) SB 988 Relating to High-risk Offenders by Senator Nancy Argenziano (R-Crystal River). The bill makes significant changes to the Jessica Lunsford Act, which 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 to comply with its intent. Multiple background checks were being required for those businesses that had contracts with

multiple districts. Definitions were also not clear of those who could not step on school grounds.

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.

Senator Argenziano explained that the bill was drafted in response to the inability of school boards to uniformly implement the original act. “We have fixed the problem by streamlining procedures and providing consistency across the state,” stated Senator Argenziano.

SB 988 will now be sent to the House for consideration. The House counterpart, HB 7103 by the Safety & Security Council, is on the House calendar.

AIF supports this fix to the original Jessica Lunsford Act since 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.

Video Lottery Terminals

On Tuesday, April 24th the Senate General Government Appropriations Committee met to discuss 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 Lottery. Thirty-three pari-mutuel permit holders at 26 facilities and the Ocala Breeders facility will be eligible for licensure of video lottery terminals. According to the March 22, 2007, Revenue Estimating Conference, the negative fiscal impact to General Revenue is \$67.3 million, but there would be an estimated \$920 million in additional revenues to the Educational Enhancement Trust Fund.

This bill was amended twice by Senator Dennis Jones (R-Seminole), the first amendment defined the term “video lottery retailer”, and the second amendment combined SB’s 1038 & 218 into the bill. By adopting this amendment additional requirements are placed on licensees and their employees with respect to bonds, license fees, drug testing of the employees, and licensing requirements.

On Friday, April 27th the Senate passed SB 2434 on a 34-5 vote. Senator Geller commented in his closing that this bill probably would not go anywhere this session, but that it could generate \$1 to \$2 billion for the state, so it may be worth looking into as part of the budget process.

SB 2434 will now be sent to the House for consideration.

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.

Taxation

The Senate unanimously passed (40-0) SB 90 Relating to Motor Fuel Taxes/Commercial Aviation by Senator Jim King (R-Jacksonville) on Wednesday, April 25th. This bill provides a refund of the motor fuel sales tax to companies that purchase and use motor fuel to operate aviation ground support vehicles. The only stipulation is that these vehicles not operate on public roads.

SB 90 will now be sent to the Senate for consideration. Its House counterpart, HB 67 by Representative Dave Murzin (R-Pensacola) is on the House calendar.

AIF supports providing refunds on motor fuel taxes to the airline industry as an incentive for these companies to perhaps expand their services in the future.

On Wednesday, April 25th SB 1456 Relating to Sales Tax/School Supplies & Clothing by Senator Dan Webster (R-Winter Garden) was unanimously passed (114-0) by the House. This bill establishes a ten-day period (August 4, 2007 - August 13) during which certain school supplies under \$50 are exempt from sales tax. The bill will now be sent to the Governor for his signature.

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

Insurance

On Monday, April 23rd the Senate Banking and Insurance committee heard SB 1660 Relating to Medical Malpractice by Senator Durrell Peaden (R-Crestview). The committee did not vote on this bill today, though, because Senator Peaden moved to temporarily postpone this bill at the last minute. This bill will not be heard in any future committees for this session, so essentially the bill will not be further considered. However the discussion on this bill was rather hostile towards the state's medical malpractice insurers. Senator Peaden acknowledged that the 2003 reforms are working in that both claims and premium rates have decreased. However, he believes that rates need to decrease further. His bill would have called for an additional rate decrease of at least 25% across the board. Representatives of the insurance and business communities testified against the bill stating that the reforms are continuing to work and that additional changes to current law may thwart that success.

Senator Mike Bennett (R-Bradenton) stated that he too believed that rates should be lowered and that medical malpractice carriers were making too much money in the state. He also accused carriers of lying and suggested that all insurance lobbyists be placed under oath when testifying before the committee. Eventually, the committee members expressed their concern that the medical malpractice rates needed more consideration and review. When Senator Peaden moved to temporarily postpone the bill he did so only with the promise that this would be his number one priority for the next legislative session. Senator Bennett also indicated that this would be a high priority for him next session.

AIF opposes SB 1660 and any other legislation that would undo the medical malpractice reforms of 2003. The medical malpractice reforms are working as rates are decreasing, availability is increasing, and less litigation is occurring.

Ethics & Elections

On Monday, April 23rd the Senate Commerce Committee approved SB 1920 Relating to Ballot Initiatives by Senator Mike Fasano (R-New Port Richey). The bill allows private property owners to decide who can and cannot come onto their property to gather petitions for citizen initiatives. The bill codifies into statute recent case law including a case involving Publix supermarkets in which the courts found that property owners do have the right to regulate petitioners.

AIF and other members of the business community were present in support of the bill. Senator Steve Oelrich (R-Gainesville) pointed out that it is important to give property owners this right because they are ultimately the ones responsible for anything that might happen on their property. If any petition gatherer were hurt on a property owners' premise they would be the ones responsible for any damages. Senator Oelrich also made the point that business owners should not have to tolerate groups that are actively gathering petitions that are unfriendly or contrary to their ability to earn a profit.

On Friday, April 27th the Senate unanimously passed (38-0) SB 1920 and sent the bill to the House for consideration.

AIF supports legislation, which allows property owners to regulate the gathering of petitions on their property.

Privacy

HB 7197 Relating to Public Records Exemptions for Social Security & Financial Account Numbers by the Government Efficiency & Accountability Council was unanimously passed (115-0) by the House on Friday, April 27th.

The bill 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.

HB 7197 will now be sent to the Senate for consideration.

AIF supports this legislation 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.