



# WEEKLY UPDATE

## WEEKLY LEGISLATIVE UPDATE FROM MARCH 28, 2008

The topic of the budget once again dominated the discourse during the fourth week of the 2008 Legislative Session. Legislators got down to the dirty work of making some real cuts to some very popular programs and services.

In the arena of **health care** - if the initial budgets, as presented in the Committees, are passed and signed into law, health care for the frail and poor would be decimated in Florida. The safety net that Medicaid provides would be severely weakened. While the House and Senate both had enormous cuts, their tactics differ. The Senate chose to eliminate eligibility for various Medicaid programs thus removing people off the Medicaid rolls. The House on the other hand does not eliminate eligibility but suspends services for these individuals during the economic downturn.

Reflecting different philosophies for funding Florida's **economic development** agencies, the initial budgets from Senator Mike Fasano (R-New Port Ritchey) and Representative Dean Cannon (R-Orlando) were markedly different. To put this into perspective, entering into the 2008 session, the Governor had recommended approximately \$411 million for the OTTED budget, yet the initial budget from both the House and Senate are less than half that recommendation. Both budgets include approximately \$21 million for Economic Tools that includes tax refunds and incentives. The Senate places approximately \$40 million in the economic development road fund to assist for infrastructure improvements for business location incentive while the House only placed \$10 million in that category. Yet, the House funded the Quick Action Closing fund, a program designed to help finalize transactions for locating businesses, by \$34 million dollars while the Senate placed only \$15 million in their budget. Space Florida received funding in both chamber with the House proposing \$4.5 million while the Senate gave it \$3 million. However, maybe most obvious was the funding for the Innovative Incentive program, the funding used to help attract innovative and cutting edge research and development like Scripps Florida and Torrey Pines. Last years budget gave the Innovative Incentive program \$250 million, yet this year the Senate funded it with \$25 million while the House didn't appropriate any funds for the program.

Also this week, AIF participated in a rally for affordable housing on the steps of the Old Capitol. Barney Bishop, President and CEO of Associated Industries, served as the emcee for this event and joined the many other members of the Sadowski Affordable Housing Trust Fund Coalition.

### Guns in the Workplace

On Tuesday, March 25<sup>th</sup> the Senate Judiciary Committee passed SB 1130 by Senator Durell Peaden (R-Crestview), which has become known as the "guns in the Workplace" legislation. Last week, the Senate Criminal Justice Committee adopted an amendment onto the bill by Senator Mike Bennett (R-Bradenton) that provide additional immunity for employers in the event of an accident or incident arising from a firearm stored in a vehicle on the employer's property, as required by the bill. However, on Tuesday, March 25<sup>th</sup> the Senate Judiciary Committee considered amendments by Senator Dan Webster (R-Winter Garden) that negated last week's amendatory provisions. Accordingly, the immunity is no longer provided to employers in the Senate version of the bill. This amendment was approved by the committee with only Senator Don Gaetz (R-Ft. Walton Beach) opposing its adoption.

SB 1130 will now be considered on the floor of the Senate.

On Wednesday, March 26<sup>th</sup> the House of Representatives passed SB 1130's companion, HB 503, by Representative Greg Evers (R-Milton) by a 72 to 42 vote on Wednesday, March 26<sup>th</sup>. The House version would prohibit employers from preventing employees who lawfully possess a concealed weapon permit from parking on employer property. The bill was amended on the floor with the adoption of a strike-everything amendment sponsored by Representative Stan Mayfield (R-Vero Beach). As amended the bill also prevents an employer from searching an employee's vehicle (unless a law enforcement officer is present) and firing an employee on the grounds that he or she possesses a firearm in their vehicle. As amended, HB 503 now includes a greater list of properties that are exempt from this law including nuclear power facilities, school property, and locations where combustible materials are present. The strike-everything amendment also pushed back the effective date of the bill to July 1, 2008.

**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. Maintaining a safe work environment is paramount for the longevity of any employer in Florida.**

## **TBRC**

On Wednesday, March 26<sup>th</sup> the Taxation and Budget Reform Commission (TBRC) passed an important constitutional proposal, which AIF has been working on for over one year. CP 6/8/34 is a combination of three proposals, which have been combined into one, that creates a special use category within the Constitution that protects certain marine industries located on coastal property from being assessed at the “highest and best use” level. Instead, these vital industries to our state would be taxed using “just valuation.” Currently, marine industries such as marinas, boat manufacturers, and commercial fishing facilities are being taxed out of existence because their properties are being assessed as if they were high-rise condos or hotels.

AIF has been working on creating a special exemption for working waterfronts with a number of other associations and business groups. CP 6/8/34 received only one “no” vote, and will now go to the Style and Drafting Committee for the ballot language to be drafted. The voters of Florida will now have the chance to provide some much needed relief for these industries, who collectively employ about 220,000 Floridians.

**AIF supports providing much needed property tax relief for Florida’s marine industries and thanks Commissioners Ken Wilkinson, Carlos Lacasa, and Jim Scott for filing these very important constitutional proposals.**

The TBRC also approved SR 36 by Commissioner Randy Miller. This statutory recommendation encourages the Florida legislature to look at some innovative options for transportation funding. SR 36 proposes changes to Florida Statutes to modify and adjust fees and taxes that support transportation funding. The proposal:

- Indexes the 9th cent Fuel Tax and 6 cents of Local Fuel Tax on diesel fuel to the CPI.
- Creates the “National System Tax” a new state tax on diesel fuel, similar to the “National System Tax” on motor fuels.
- Incrementally increases tag fees over a three year period and indexes the rates to the Consumer Price Index (CPI)
- Increases Vehicle License Taxes by specified amounts for 2009, 2010, and 2011, and indexes them to CPI beginning in 2012. Applies to all categories of vehicles except motorcycles, certain trailers, and mobile homes.

All revenues generated by these increases would be deposited into the State Transportation Trust Fund and could be used for future transportation projects in Florida. An economic analysis of SR 36, performed by TBRC economist Tony Villamil, found that if implemented the proposal would have a very strong positive impact on Florida’s economy, mainly in the creation of jobs and stimulus to the economy.

Representatives from a broad spectrum of business groups, including AIF, testified in support of the proposal. SR 36 will now be transmitted to the Florida legislature for their consideration.

**As evidenced in AIF’s Economic Stimulus Package, we are supportive of any proposal that puts additional dollars into the transportation trust fund. A sure way to stimulate the economy of our state is by building more roads. This is the single greatest way to attract new investment and help existing companies flourish.**

## **Insurance**

On Monday, March 24<sup>th</sup> the House Insurance Committee continued with their round of “workshops” on the property insurance crisis facing Florida. Last week, committee members spent hours asking questions (under oath) to representatives from Citizens Property Insurance Corporation and now it was the Office of Insurance Regulation’s (OIR) turn to field questions from the Committee. Representing OIR was Belinda Miller Deputy Commissioner (Property and Casualty) as well as Robert Lee, an actuary for OIR. The testimony provided by OIR representatives was also given under oath.

On Tuesday, March 25<sup>th</sup> the Senate Banking and Insurance Committee unanimously approved CFO Sink’s proposal, SB 2156 Relating to Florida Hurricane Catastrophe Fund by the Senate Banking & Insurance Committee. The bill is designed to reduce the risk associated with Florida’s Catastrophe Fund by \$3 billion, which is an excellent start in reducing potential hurricane taxes against businesses to fund deficits. For the Cat Fund contract year commencing June 1, 2008, and ending May 31, 2009, and for the contract year commencing July 1, 2009, and ending May 31, 2010, reduces the maximum temporary increase in coverage limits (TICL) option from \$12 billion to \$9 billion.

SB 2156 will now be considered by the Senate Governmental Operations Committee.

**AIF supports legislation to reduce the potential for future Cat Fund assessments on Florida's businesses by giving the Governor and Cabinet the ability to set both the reinsurance levels and pricing of the Cat Fund's coverages.**

Unfortunately, despite the sound reasoning of Senator Al Lawson (D-Tallahassee) and Senator JD Alexander (R-Winter Haven), the Senate Banking & Insurance committee amended and approved by a 6-2 vote, SB 2860 Relating to Insurance by Senator Jeff Atwater (R-North Palm Beach). The bill will continue the freeze on Citizen's rates, thereby increasing the exposure of hurricane taxes being tacked on the home, auto and, commercial policies of all Floridians. The approved amendment to SB 2860 created several new provisions, which will result in further restrictions for the private marketplace.

SB 2860 will now be considered by the Senate Governmental Appropriations Committee.

**AIF opposes legislation that allows Citizens to compete with private insurance companies. By continuing the freeze on Citizens rates, businesses in Florida will continue to be exposed to "hurricane taxes" in the form of assessments on all lines of insurances should a major hurricane hit Florida.**

On Tuesday, March 25<sup>th</sup> the Senate Judiciary Committee passed SB 2076 Relating to Arbitration by Senator Ted Deutch (D-Delray Beach). The bill passed by a 7-4 vote during the last minutes of the committee and very little testimony was taken on this controversial bill. A strike-everything amendment was adopted, but opponents had very little time to review. Senator Deutch promised to work with the business community both publicly and privately, and acknowledged that there would be major opposition to this proposal. Essentially, the bill prohibits arbitration requirements in most contracts, which inevitably represents a dramatic increase in litigation for Florida's businesses.

SB 2076 will now be considered by the Senate Commerce Committee.

**As drafted, AIF opposes this legislation. The changes to the arbitration process outlined in this bill can only lead to greater litigation costs for Florida's employers businesses.**

## **Taxation**

On Wednesday, March 26<sup>th</sup> the House State Affairs Committee passed HB 715 Relating to Local Government Revenue Sources by Representative Anitere Flores (R-Miami) on an 8-3 vote.

Under current law, non-ad valorem taxes may not be levied by any local government entity without specific statutory authorization, and must be levied in accordance with procedures required by statute. Counties and municipalities have constitutional home rule power to levy special assessments and impact fees without statutory authorization; however, the Legislature may limit that power.

Representative Flores explained that the bill requires a three-fifths vote or a majority plus one of the governing board's memberships to increase taxes, fees, expand a tax base, levy a new tax or special assessment.

HB 715 will now be considered by the House Government Efficiency & Accountability Council.

**AIF supports the bill because it makes it more difficult for the local governments to raise taxes or fee, particularly impact fees which have increased faster in Florida than any other state.**

On Wednesday, March 26<sup>th</sup> the House Governmental Efficiency Accountability Council unanimously passed proposed council bill GEAC 29 Relating to Corporate Income Tax by Representative Frank Attkisson (R-Kissimmee). He explained that Florida's Corporate Income Tax Code follows the Federal Internal Revenue Code by using federal rules and starting with federal taxable income as the tax base for the Florida Income Tax. This bill is the "piggybacking" of the congressional changes made during 2007 to the IRS Code, except for certain temporary increases in depreciation expenses and bonus depreciation expenses.

**AIF supports the passage of this bill so that Florida businesses do not have to endure the burdensome task of filing duplicative tax records.**

## Education & Workforce Development

On Wednesday, March 26<sup>th</sup> two bills that AIF supports were heard on 2<sup>nd</sup> reading in the Senate;

SB 1906 Relating to Alternative Credit High School Courses by Senator Don Gaetz (R-Ft. Walton Beach) creates a pilot project for career academies to earn core course credit for career education courses provided the appropriate course content matches Florida's state standards, and the student demonstrates mastery of those concepts on an end of course exam. The bill was amended, but the amendment did not change the intent of the bill. It simply clarified that core math courses for the pilot program were Algebra and Geometry.

On Thursday, March 27<sup>th</sup> SB 1906 was unanimously (38-0) passed by the Senate.

**AIF supports career education that is linked the same academic standards as traditional education (reading, writing, and math) as well as to industry standards so that students are prepared for both higher education and immediate employment in a high wage high skill job that is in demand in today's economy.**

SB 1908 Relating to Designation of High School Grades by Senator Gaetz enhances Florida's school grading system by revising the high school grading system beginning with the 2009-2010 school year. The current grading system for high schools is based on the 9<sup>th</sup> and 10<sup>th</sup> grade FCAT performance. The new high school grades will include the FCAT performance for 50% of the grade, and the other half will be based on factors such as graduation rates, performance and participation in certain courses, college readiness and end of course exams. As valid data becomes available, the criteria will include performance and participation of students in Advanced Placement (AP) courses; International Baccalaureate (IB) courses; dual enrollment courses; Advanced International Certificate of Education (AICE) courses; and the achievement of industry certification in a career and professional academy.

On Thursday, March 27<sup>th</sup> SB 1908 was unanimously (38-0) passed by the Senate.

**AIF believes it is important to continue to build on the K-12 accountability system with particular focus on improving the value of a high school diploma. Employers must be able to trust that a high school diploma ensures that a graduate can communicate and operate effectively in the workplace.**

On Wednesday, March 26<sup>th</sup> the Senate debated SB 2308 Relating to Commissioner of Education by Senator Lisa Carlton (R-Osprey). It is a joint resolution that would amend the Constitution to restore education governance to an elected Commissioner of Education, an elected State Board of Education (made of up Florida's cabinet), and revises the authority of the Board of Governors to administer the State University System.

The bill effectively takes a debate that is in the hands of the court system about university governance and puts it before the voters of the state. The bill effectively puts community colleges in the constitution and renames the 28 community colleges as the Florida College System (comprised of two-year and four-year public postsecondary educational institutions) that grant academic degrees at the undergraduate level as provided by law, but may not offer graduate degrees; creates a system of governance for the Florida College System consisting of a Florida College Board to oversee and coordinate the system, and Local Boards of Trustees for each institution.

On Thursday, March 27<sup>th</sup> the Senate passed SB 2308 by a 33-4 margin.

**AIF will continue to monitor this very important change in education policy. Education governance is an issue that has a direct impact on the quality of our students, their academic success, and the quality of our future workforce.**

On Wednesday, March 26<sup>th</sup> the Senate Higher Education Committee unanimously passed SB 346 Relating to Sure Futures Postgraduate Scholarship Program by Senator Jeremy Ring (D-Margate). The bill creates a Sure Futures post graduate scholarship program to match private-sector businesses with students who are seeking advanced degrees and employment.

The bill was amended to remove the fiscal impact. It has three more committee stops in the Senate but could be withdrawn from its next stop, Finance and Taxation, since the tax credit was removed from the bill.

SB 346 will now be considered by the Senate Commerce Committee.

**AIF believes that university research is an economic driver for Florida's future and supports efforts that will encourage our graduates who are pursuing advanced degrees to stay in Florida and provide them with links to employment in targeted economic growth sectors of the economy.**

## **Infrastructure**

On Tuesday, March 25<sup>th</sup> the House Policy & Budget Council unanimously approved HB 199 Relating to Desalination Technology by Representative Kurt Kelly (R-Ocala). This proposed legislation requires the Secretary of the Department of Environmental Protection (DEP), in coordination with the five water management districts, to conduct a study examining all current and available desalination technologies. The study along with plan recommendations must be submitted by June 30, 2009 to the Governor, President of the Senate and the Speaker of the House.

HB 199 is now ready to be considered on the House floor.

On Thursday, March 27<sup>th</sup> the Senate Environmental Preservation and Conservation Committee unanimously passed HB 199's companion, SB 708, Relating to Desalination Technology Study by Senator Burt Saunders (R-Naples).

SB 708 will now be considered by the Senate General Government Appropriations Committee.

**To prepare for future growth, Florida needs to diversify its source for water. AIF supports HB 199 and SB 708 because they begin the process to find desalination technologies that are both environmentally and fiscally sound.**

On Tuesday, March 25<sup>th</sup> the Senate Transportation Committee passed SB 774 Relating to Transportation by Senator Carey Baker (R-Eustis) on a 5-3 vote. SB 774 seeks to implement some of the recommendations offered by the Strategic Aggregate Revue Task Force. The bill was amended to include a provision requiring local governments that disapprove mining applications (previously approved by the DEP) to do so by a super majority vote of the governing body. The issue of aggregate mining is important to the business community because a reliable source of this raw material; for road building is essential to the economy of Florida. Under the bill, approval of a mining application would require only a simple majority vote.

The amendment by Chairman Baker was controversial and opposed by local government. The bill has three more committee stops in the Senate, and will surely be amended again to allay the fears of several Senators, including Senator Lee Constantine (R-Altamonte Springs), who asked several pointed questions, and received a commitment from the sponsor to work with him.

HB 774 will next be considered by the Senate Community Affairs Committee.

**AIF supports efforts by the Legislature to develop new supplies of aggregate and to do whatever possible to expedite the availability of aggregate from the Lake Belt region of Florida. Producing aggregate and constructing roads provides jobs and supports the development of a healthy and competitive construction industry.**

On Thursday, March 27<sup>th</sup> the Senate Environmental Preservation and Conservation Committee unanimously passed SB 1208 Relating to Water Pollution Control by Senator Don Gaetz (R-Ft. Walton Beach). This legislation will set up a trial water quality credit trading program for the Lower St. Johns River Basin.

Although the initial investment would have a cost, this trading system is a market-based program under which participants will seek lower cost alternatives to solving the water quality program.

SB 1208 will now be considered by the Senate Community Affairs Committee.

**AIF supports this legislation because trading could lead to reduce the costs of pollutant reduction activities to businesses, industries, agriculture, and all taxpayers.**

The Committee also held a workshop on SB 542 Relating to Land Acquisition/Florida Forever Trust Fund by Senator Saunders. This proposed legislation re-enacts the Florida Forever program. AIF is working with the *Florida Coalition for the Responsible Preservation of Public Lands* on the Florida Forever issue. AIF and the Coalition of over 25 organizations believes that if we are going to continue buying lands for the Florida Forever program, the public should have appropriate access to said lands.

SB 542 will now be considered by the Senate General Government Appropriations Committee.

On Wednesday, March 26<sup>th</sup> SB 542's House companion, PCB ENRC 9, was recommended to the House Environment & Natural Resources Council by the Conservation and State Lands Committee. Fortunately, this bill includes more of the coalition's recommendations. Both bills should be heard next week and we will continue working on getting issues important to the *Florida Coalition for the Responsible Preservation of Public Lands* into the final legislation.

**AIF and the Florida Coalition for Responsible Preservation of Public Land support adding additional uses of public lands that would include alternative water supply programs, expands the use of mitigation programs for imperiled species, allows for utility infrastructure access to public lands, and emphasizes public access to water for outdoor recreational opportunities.**

## **Economic Development**

On Tuesday, March 25<sup>th</sup> the Senate Commerce Committee considered a series of economic development bills meant to recharge the state's economy, while addressing regulatory burdens that stymie economic growth.

One of the Legislature's most avid economic stimulus advocates, Senator Mike Fasano (R-New Port Ritzchee), presented two bills that would create a loan guarantee fund for economic development programs and a Trust Fund to serve as the funding mechanism to do so. SB 2712 Relating to Building Florida's Future Revolving Trust Fund and SB 2714 Relating to Economic Development create the Building Florida Future's Revolving Trust Fund, which is a program that will provide loan guarantees (or other credit incentives) to local governments or private entities that need assistance in building or modernizing facilities or infrastructure needed to attract or expand targeted, high wage industries with potential for growth. Specifically, these funds could be used to buy land, install infrastructure needs, and assist with access to telecommunications facilities of access to energy sources.

Both bills were unanimously passed by the Committee. However, yet to be addressed in the bill is how much money is to be appropriated for the program. Neither SB 2712 nor SB 2714 stipulated the amount, which is expected to be placed into the legislation at its next committee stop, which is the Senate Transportation and Economic Development Committee, chaired by Senator Fasano.

**As highlighted by AIF's Economic Stimulus Package, AIF supports legislation that seeks to invest state dollars in infrastructure projects. These investments will help stimulate Florida's lagging economy.**

Senator Fasano also presented SB 2778 Relating to Scripps Research Institute, which is a bill that sets forth guidelines for funds and projects that are awarded from OTTED's Innovation Incentive Program. Specifically, it requires the Scripps Corporation to oversee parts of the Innovation Incentive Program, as well as monitor the performance and progress of the Innovation Incentive Program grant awardees.

SB 2778 passed by a 7-0 votes and will now be considered by the Senate Governmental Operations Committee.

The Commerce Committee also unanimously passed SB 1398 Relating to Research and Development Expenses Tax Credit by Senator Steve Oelrich (R-Gainesville), which had been temporarily postponed last week in Commerce. This legislation attempts to establish a Research and Development Tax Credit Program whereby, a tax credit would be granted for companies that chose to engage in research and development, manufacturing, telecommunications or tourism.

SB 1398 will now be considered by the Senate Finance and Tax Committee.

**AIF supports both SB 2778 and SB 1398 since they ensure a commitment to economic development and the commercialization of products developed in Florida. AIF further supports continued state funds being made available for enhancing economic development, creating incentives for new business locations and innovative employers looking to relocate in Florida.**

On Thursday, March 27<sup>th</sup> the Senate Governmental Operations Committee unanimously passed SB 2310 by Senator Jeremy Ring (D-Margate). The legislation will allow the State Board of Administration (SBA) to invest up to 1.5% of the net value of the Florida State Retirement Fund, which is approximately \$140 billion, into Florida based businesses described as "technology and growth investments". Eligible businesses include, but are not limited to, aerospace engineering, computer technology, renewable energy, and medical and life sciences. In addition, an essential component to the bill is that these businesses must be domiciled in the state of Florida. With this legislation as much as \$2 billion could be infused into state companies that meet the criteria, which would potentially begin to immediately stimulate the economies in various communities across the state.

In addition to the economic infusion of capital, the bill also provides for a \$40 million one-time cash prize to a private sector firm that provides the most significant advancement within the reusable space vehicle industry. AIF has long been a supporter of this provision in the bill, and believes it will help attract clusters of capital to our state's human space flight program.

AIF was the first business organization to testify in support of the legislation in committee and repeated this again, encouraging the committee members to pass the bill.

SB 2310 will now be considered by the Senate Finance and Tax Committee.

**AIF supports legislation that seeks to take a small percentage of the state's retirement fund and invest it into Florida companies. Other large states like California presently engage in this type of investments and their economies have benefited tremendously from the infusion of capital into new and expanding companies.**

## Energy

On Wednesday, March 26<sup>th</sup> the House Environment & Natural Resource Council considered and temporarily passed proposed committee bill ENRC 01 Relating to Energy by the House Environment & Natural Resources Council. The proposed bill would implement a series of new energy policies for state government as well as the private sector. Among the multiple provisions in this legislation, the bill creates a new renewable portfolio standard for utilities, a new renewable fuel standard that relies on ethanol, a proposed cap-and-trade system for reducing greenhouse gas emissions, a new energy governance structured within the Office of the Governor.

The council proposed a total of nine amendments to the bill before running short on time. Six of these proposed amendments were technical changes and were adopted with out any debate and two others, by Representative Scott Randolph (D-Orlando) and Representative Will Kendrick (R-Carrabelle), were withdrawn due to their fiscal impact on the budget.

Although the bill was temporarily passed, it still faces a few changes before being passed by the Council. The members of the council seemed very cooperative in beginning these steps.

Proposed committee bill ENRC 01 will once again be revisited by the Environment & Natural Resource Council at their next scheduled meeting.

On Thursday, March 27<sup>th</sup> the Senate Communications and Public Utilities Committee passed SB 1544 Relating to Energy by Senator Burt Saunders (R-Naples). This is the Senate's version of the energy package. At the beginning of the meeting, Senator Saunders began his presentation of the bill by stating that Florida is in the unique position right now to implement some cutting-edge energy policies that would pace our state at the fore-front of conservation and energy efficiency. He also reminded committee members that this bill was one of Governor Charlie Crist's top three priorities for this session. In general, this omnibus legislation:

In the end the bill passed with only Senator Mike Fasano (R-New Port Richey) voting against it. Senator Evelyn Lynn (R-Daytona) acknowledge that she would vote for the bill in committee, but that she would have a hard time voting for it on the floor if some modifications were not made.

AIF has been working closely with DEP and legislative staff on sharing our members concerns with this ambitious proposal.

SB 1544 will now be considered by the Senate General Government Appropriations.

**AIF and its Florida Energy Council recognize the importance energy plays in keeping Florida's economy healthy and vibrant. Any recommendations considered in the formation of Florida's energy policy should allow for reasonable implementation, should support efficiencies and should ensure that undue mandates and costs are not placed on Florida's businesses and consumers, thereby creating a unilateral economic disparity. Florida should ensure that every effort is made to undertake a balanced approach that avoids unrealistic requirements on energy producers and suppliers.**

## Health Care

On Tuesday, March 25<sup>th</sup> the House Policy and Budget Council unanimously passed HB 461 Relating to Health Flex Plans by Representative Jimmy Patronis (R-Panama City). The goal Health Flex plans hope to achieve is to provide a "cafeteria-like" plan for health insurance, which allows policy holders to pick and choose their individual coverage options. These Health Flex plans are not considered full blown insurance, but will hopefully provide companies with alternative choices allowing them to provide less costly insurance options for their employees.

HB 461 is now ready for consideration on the House floor.

**AIF supports market-based solutions to the problem of Florida's uninsured. 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.**

On Wednesday, March 26<sup>th</sup> the Senate Health Regulation Committee approved SB 1012 Relating to Health Insurance Claims Payments by Senator Don Gaetz (R-Ft. Walton Beach), on a 7-1 vote, despite strong objections by insurers and the business community. AIF General Counsel, Tamela Perdue, testified that this bill will increase health insurance premiums for their members. Those in support of the legislation were mostly comprised of health care provider groups who stand to gain through increased reimbursement from insurers being allowed to "balance bill" patients for rest of their charges.

SB 1012 will next be considered by the Senate Health Policy Committee. The House companion, HB 405 by Representative Bill Galvano (R-Bradenton), was approved by the House Health Innovation Committee several weeks ago, but has not yet been heard by the House Healthcare Council.

**AIF opposes legislation that prohibits silent PPOs. The search for ways to expand the availability of health care coverage to Floridians is an important endeavor. But almost as important is ensuring that Floridians who currently have health care coverage are not threatened by proposals that ultimately drive up the cost of coverage. Placing additional requirements on health insurers and HMOs, such as "Any Willing Provider", inhibit their ability to provide the most cost-efficient, quality care. As a result, insurance premiums will increase; thereby, affecting the number of Floridians who can continue to purchase coverage.**

## **Business Regulation**

On Tuesday, March 25<sup>th</sup> the Senate Judiciary Committee passed a bill relating to the Administrative Procedures Act, SB 704 by Senator Mike Bennett (R-Bradenton). This bill provides additional incentives for state agencies to undergo rule adoption and implementation procedures when authority for such is granted by statute. The bill is designed to prevent agencies from failing to go through the formal rule making process but implementing and enforcing policies under such statutes. The bill passed the committee unanimously and incurred no opposition.

SB 704 will next be heard in the Senate Transportation and Economic Development Appropriations Committee before moving to the full Senate floor for final passage.

**AIF supports SB 704 since it provides additional incentives for agencies to adopt their policies using the required rulemaking process. Businesses use the APA on a daily basis when interacting with state government. Any improvements to the Act are welcomed by the business community.**

## **Hospitals/CON**

On Tuesday, March 25<sup>th</sup> the Senate Health and Human Appropriations Committee held a workshop on SB 2326 Relating to Hospitals by Senator Durell Peadar (R-Crestview). This bill represents Governor Charlie Crist's proposal to de-regulate the Certificate of Need (CON) process in Florida. The bill eliminates the certificate-of-need (CON) requirement for general hospitals and requires an initial or change of ownership licensure applicant for a general hospital to commit to provide a certain level of services to Medicaid/charity-care patients and to operate an emergency department on the hospital's main premises. Florida's CON program (which has been in operation since 1973) is a regulatory review process that requires specified health care providers to obtain prior authorization before offering certain new or expanded services.

Currently, SB 2326 does not have a House companion. It is unclear what the prospects are for this proposal moving forward, but AIF will continue to track the issue closely.

**AIF opposes efforts to abandon the CON process in Florida. This process, which has been around since the early 70s, has worked to ensure that Floridians – regardless of race, ethnic origin, or socioeconomic status – have access to high quality health care facilities and services.**

## **Space**

On Tuesday, March 25<sup>th</sup> the Senate Commerce Committee unanimously passed SB 2438 Relating to Spaceflight/Informed Consent by Senator Bill Posey (R-Rockledge).



SB 2438 is one of four legislative Space priorities for Associated Industries of Florida because it provides a limitation on liability for commercial launch firms and their subcontractors who provide human spaceflight services from Florida launch sites. Florida has nearly \$10 billion in invested infrastructure to support aerospace assets represented by over 1000 companies employing 30,000 people with an estimated financial impact of \$1.68 billion on Florida's economy. This legislation will keep Florida's competitive edge in the aerospace industry allowing us to recruit and maintain new business to Florida.

SB 2438 has one more committee stop in the Senate Judiciary Committee before being placed on the calendar. The House companion, HB 737 by Representative David Simmons (R-Altamonte Springs) also has one more committee stop in the House Policy and Budget Council.

**AIF supports legislation which seeks to maintain and advance Florida's global leadership in the space industry. Florida must protect revenue producing industries such as aerospace and commercial space flight through implementation of legislation that will promote growth and prosperity.**

## Ports

On Tuesday, March 25<sup>th</sup> SB 470 Relating to Seaport Security Standards by Senator Tony Hill (D-Jacksonville) unanimously passed the Senate Military Affairs and Domestic Security Committee. Senator Hill offered a strike-everything amendment that included AIF suggestions and other changes. Our suggestions obviously made the bill better, but with the good there also came some bad.

The bill expands membership on the Florida Seaport Security Standards Advisory Council (FSSSA) to include two tenants and two employees of tenants. For the first time since security standards were created, tenants would finally have "official standing" in reviewing those standards. AIF also recommended that the council be charged with meeting at least once annually to consult with port tenants and other affected parties, in order to assess actual and possible impacts of seaport security on commerce and trade. Instead of the FSSSA taking on this task, it was ultimately decided that it was better left to the Florida Seaport Transportation and Economic Development Council (FSTED).

The FSTED Council represents the state's 14 deep-water ports. Their primary mission is to work with port directors on improving infrastructure and developing economic development opportunities. That is already a full time job. Plus, their priority security issues are from the viewpoint of port directors. By contrast, the FSSA council is comprised of a significant number of security experts and AIF believes they should be a part of the impact of security evaluation.

On Thursday, March 27<sup>th</sup> implementation of the Florida Universal Port Access Credential (FUPAC) took a major hit delivered by the Senate Transportation and Economic Development Committee. The Committee eliminated \$615,000 in funding for purchasing card stock for the FUPAC card. Without it, production and issuance of the card is not possible.

The Senate committee also agreed to add proviso language to the appropriations bill that would suspend any further implementation activity for at least one year. Senator Dan Webster (R-Winter Garden) raised the issue while the committee was reviewing a final draft of the budget they will recommend to their Senate colleagues. He questioned the duplicative expense of having the FUPAC while also being required to comply with the federal Transportation Worker Identification Credential (TWIC) requirements.

Committee Chairman, Senator Mike Fasano (R-New Port Richey), made it abundantly clear that implementation of FUPAC is to be suspended at least for one year.

**AIF and its *Florida Maritime Council* support efforts that begin the process of examining the impacts of security regulation on the competitiveness of Florida's 14 deep water ports. Florida's security requirements are much more stringent than federal requirements, and consequently we are beginning to lose business to other ports in the region because Florida's security costs are significantly higher.**

## Environment

On Thursday, March 27<sup>th</sup> the Senate Governmental Operations Committee approved SB 692 Relating to Recycling by Senator Dennis Jones (R-Seminole) on a 4-1 vote. The bill would require all state agencies and airports to collect aluminum beverage cans and recyclable plastic and glass.

Unfortunately, this good recycling bill has a section in it that would require any association, business and/or organization to collect and recycle these materials, no matter if they are a for-profit or a not-for-profit entity. Not every community has a recycling program and some associations, businesses and/or organizations may have to drive a long distance to take aluminum cans, recyclable plastic and glass to a recycling center where they may receive very little money for these items.

We are hopeful that Senator Jones will agree to an amendment, which allows the private sector groups listed in this bill, to recycle when cost effective. SB 692 will now be considered by the Senate Commerce Committee.

**AIF will continue to work with the bill sponsor to see if there can be a compromise. Recycling is good for the environment and the economy, but appropriate steps must be taken first before establishing any sort of mandate.**