



WEEKLY LEGISLATIVE UPDATE FROM APRIL 4, 2008

As of the writing of this report, the Taxation and Budget Reform Commission was still meeting in Tallahassee to vote on a number of constitutional proposals that if approved could end up on the ballot come November. In the morning, the Commission voted to approve CP 35, which allows local counties to vote via referendum on whether to increase sales taxes in order to fund community colleges. A number of community college presidents and members of the business community, including Barney Bishop (President & CEO of AIF) testified in support of the proposal. The most controversial proposal on the agenda was no doubt CP 45 by Commissioner Hogan. Also known as "TABOR" this proposal is aimed at regulating local and state government revenue. With over 95 people signed up to testify on the issue; it is uncertain whether the Commission will be able to vote on the proposal today.

This week's update includes complete coverage of all the issues facing the business community in the Legislature. As we approach the final weeks of session, a number of proposals are beginning to see some real movement including the Governor's energy package, "guns in the workplace," and property insurance legislation.

Insurance

On Tuesday, April 1st the House Jobs and Entrepreneurship Council passed a number of property insurance bills. The first was HB 1001 Relating to Commercial Property Insurance by Representative Garrett Richter (R-Naples). The bill authorizes a new commercial property insurance policy of which premiums will not be subject to assessments to fund any future Citizens deficits. The policy must include coverage for all hazards, including hurricanes, and will not be subject to the state's rate regulation. Thus, the bill provides a commercial purchaser with the option of buying a non-assessable policy at a potentially higher cost, which is the trade off.

Very little debate or testimony was given on the bill and it passed the council unanimously.

While AIF supports eliminating commercial policies from Citizens assessments, we are concerned that an optional approach will shift assessments to commercial policy holders who do not choose the non-assessable option and homeowners.

AIF supports measures which would return Citizens Property Insurance Corporation to an insurer of last resort, and; therefore, help encourage the growth and sustainability of the private insurance market.

The Council also unanimously passed HB 269 Relating to Hurricane Preparedness and Insurance by Representative Alan Hays (R-Umatilla). The bill creates "The Citizens Property Insurance Corporation Mission Review Task Force" consisting of industry and consumer experts to develop a plan to return Citizens to its original mission as an insurer of last resort. The funding for a similar task force was vetoed by the Governor in 2007. A strike-everything amendment was adopted, which made some slight changes to the bill as originally filed. For starters, funding for the task force would be provided by Citizens. In addition, the bill requires the Chief Financial Officer to develop a report on the economic impact on the state of Florida from a 1-in-100 year hurricane.

The creation of this task force will begin the process of reducing businesses' exposure to hurricane taxes to fund Citizens deficits. Representative Hays described his bill as an effort to correct the mistakes of HB 1A, last year's property insurance reform passed by the Legislature. He further criticized the state's suppression of Citizen's premium rates calling them "politically sound" instead of actuarially sound.

HB 269 will now be considered by the Policy and Budget Council.

AIF supports this legislation 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 states primary insurance coverage.

Finally, the Council unanimously passed HB 983 Relating to Windstorm Insurance Coverage by Representative Dennis Ross (R-Lakeland). The bill creates a new program for windstorm insurance coverage to provide windstorm coverage for non-commercial residential property. The creation of this program does not preclude private insurers from providing windstorm coverage for non-commercial residential property as they do under current law.

HB 983 will now be considered by the House Policy and Budget Council.

An analysis as to potential deficits and hurricane taxes to fund the deficits has not been performed. AIF will not take a position on the bill until further funding information is available.

On Thursday, April 3rd the Senate Governmental Operations Committee unanimously passed SB 2156 Relating to Florida Hurricane Catastrophe Fund by the Senate Banking & Insurance Committee. This is CFO Alex Sink's proposed Cat Fund Reduction bill. 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. The risk exposure currently carried by the Cat Fund stands at \$28 billion dollars. Under this scenario businesses and residents would be forced to pay thousands of dollars in the form of individual and commercial insurance policy "assessments" or in other words "hurricane taxes"

The bill was amended at this stop to include a provision that extended, for an additional year, the offer of reimbursement coverage of up to \$10 million for insurers qualifying as limited apportionment companies.

SB 2156 will now be considered by the Senate General Government Appropriations.

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.

Taxation

On Tuesday, April 1st the House Policy & Budget Council passed HB 1283 Relating to Ad Valorem Tax Assessment Value Challenges by Representative Dean Cannon (R-Winter Park) on a 29-1 vote. The bill would require the property appraiser to earn the presumption of correctness by showing that his or her assessment was arrived at by complying with the law and professionally accepted appraisal practices. Once done, the taxpayer has to show by a preponderance of the evidence that the assessment of value exceeds just value.

There were many questions by Representatives Curtis Richardson (D-Tallahassee), Ron Saunders (D-Tavernier), Shelley Vana (D-West Palm Beach), Matt Meadows (D-Lauderhill), and Will Kendrick (R-Carrabelle) pertaining to the revenue impact the bill will have on local government. Representative Cannon answered them all by stating that the bill makes the process fairer to the taxpayer and if they prevail, it means that local government had over assessed their property and should not have had those revenues to begin with.

HB 1283 will now move to the House floor.

AIF supports efforts to increase fairness for property owners by requiring property appraisers to use the "presumption of correctness" standard.

Next, the Council passed HB 7005 Relating to Taxpayers Bill of Rights by Representative Frank Attkisson (R-Kissimmee) on a 23-7 vote. Representative Attkisson explained that the bill amends the state Constitution to remove the government's presumption of correctness and places the burden of proof, by a preponderance of the evidence, upon the government to prove that the assessment does not exceed just value. It also provides that the taxpayer is entitled to reasonable attorney's fees to be specified in general law.

Representatives Jack Seiler (D-Pompano Beach), Ron Saunders, Curtis Richardson and Will Kendrick asked questions regarding whether the bill should be in the Constitution and about the provision for attorney fees. An amendment removing the attorney fee provisions was adopted during the meeting.

HB 7005 will now move to the House floor.

AIF supports the joint resolution because it provides a level playing field for taxpayer who challenges the value of their property's assessment. It will benefit our members who believe their property has been over valued by the property appraiser.

On Tuesday, April 1st the House Economic Expansion & Infrastructure Council unanimously approved HB 111 Relating to Hurricane Preparedness by Representative Peter Nehr (R-Tarpon Springs). This legislation will give a sales tax holiday from June 1 – 7, 2008 for items that can help a person prepare for a hurricane. Some of the items included in the sales tax holiday are

portable self-powered light source selling for \$20 or less; portable radio, two-way radio, or weatherband radio selling for \$75 or less; batteries; tarpaulin selling for \$50 or less; non-electric food storage cooler selling for \$30 or less, just to name a few.

HB 111 will now be considered by the House Policy & Budget Council.

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

On Wednesday, April 2nd the House Environment & Natural Resources Council unanimously approved HB 135 Relating to Exemptions from the Tax on Sales, Use, and Other Transactions by Representative Baxter Troutman (R-Winter Haven). This bill originally would have given a sales tax exemption for the purchases of low-volume irrigation or microirrigation equipment that is used exclusively in agricultural production. Unfortunately, the bill had to be amended in the House Agribusiness Committee because of the revenue impact to the state. The bill heard in the council meeting provides a sales tax exemption for electricity used in packing houses that are not located on a farm.

HB 135 will now be considered by the House Policy & Budget Council.

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

On Wednesday, April 2nd the Senate Finance & Tax committee passed SB 2788 Relating to Tax Administration by Senator Haridopolos on a 4-1 vote. This bill is the Department of Revenue's legislative package that includes several statutory changes that will reduce the burden on taxpayers, reduce DOR costs and increase efficiency, improve tax administration, and improve enforcement of tax laws. The only no vote on the bill was from Senator Rhonda Storms (R-Brandon). She cited a section in the bill that provides a retroactive communication services tax exemption for intertrack wagering and simulcasting at pari-mutuel facilities as grounds for her objection.

AIF thanks the Department of Revenue for their cooperation in making a number of changes to existing law recommended by AIF and other business associations.

SB 2788 will now be considered by the Senate Criminal Justice Committee.

AIF supports the recommended changes to the state's tax policies included in SB 2788. These changes will increase efficiency and reduce regulations for businesses in Florida.

The Committee also unanimously approved SB 1588 Relating to Property Taxation by Senator Haridopolos, which is a "glitch bill" to Amendment 1. In January, Florida voters approved a constitutional amendment for property tax reform. However, before the amendment was passed in January, the Legislature had already adopted implementing language during its last Special Session in 2007. The Department of Revenue (DOR) had been charged with reviewing the implementing language and the constitutional amendment to see if there were any drafting errors and/or ambiguities about how it should be interpreted so that the Legislature could address them during the 2008 Session. SB 1588 makes the changes recommended by DOR. As it relates to business owners, the bill relieves uncertainty about whether taxpayers are eligible for the benefits included in Amendment 1. This is especially important because, under a little-known provision in the amendment, business owners must apply for the 10% assessment cap.

SB 1588 will now be considered by the Senate Community Affairs Committee.

AIF supports this legislation so that taxpayers in certain situation will know for sure if they are eligible for the benefits provided by amendment 1.

On Thursday, April 3rd the House Policy and Budget Council unanimously passed HB 5065 Relating to Corporate Income Tax by Representative Michael Grant (R-Port Charlotte).

Representative Grant explained that Florida's Corporate Income Tax Code follows the Federal Internal Revenue Code by using federal rules 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 that were part of the federal economic stimulus package.

It also speeds up the quarterly payments so that there will be five payments in this fiscal year rather than four. It accomplishes this by making the July 1, 2009 payment due on June 30, 2009.

Representative Jack Seiler (D-Pompano Beach) asked if this “speed up” would become a problem in the following fiscal year. Representative Grant said it would increase revenues this fiscal year by somewhere between \$93 and \$94 million and reduce the 2009-2010 fiscal year by the same amount. However, this extra money will allow us to fund programs that we could not have otherwise funded this year. Hopefully next year the state’s economy will improve and make the loss not as critical.

On Wednesday, April 2nd the Senate Finance & Tax Committee unanimously passed HB 5065’s Senate companion SB 1586 by Senator Mike Haridopolos (R-Melbourne), which will now be considered by the Senate General Government Appropriations Committee. HB 5065 is now ready to be considered on the House floor.

AIF supports the passage of this bill so that Florida businesses do not have to endure the burdensome task of filing duplicative tax records. However, there will be some differences due to the bill not allowing the accelerated depreciation or the bonus depreciation that is allowed by the federal code.

Education & Workforce Development

On Tuesday, April 1st the House Schools and Learning Council passed proposed committee bill (PCB) SLC 08-05 Relating to College and Career Preparation by the House Schools and Learning Council. This PCB requires that all schools expand access to rigorous courses by making available to all students four courses in Advanced Placement, International Baccalaureate, or dual enrollment; as well as four career education dual enrollment courses. The PCB also contains a remedial reform pilot program and an expanded use of College Placement Tests during 11th grade to determine college readiness for students who have passed the reading and math portions of the FCAT.

That same day, The Senate Education Pre K-12 Committee unanimously passed SB 1914, which is the Senate version of a curriculum reform bill requiring the State Board of Education to adopt Sunshine State Standards 2.0. The bill does not contain many of the provisions that are in the House curriculum reform bill, but it is at least a step in the direction toward matching up some of the education priority bills between the two chambers.

SB 1914 will now be considered by the Senate Education Pre K-12 Appropriations Committee.

AIF supports access to rigor and increased standards which will enhance the value of a high school diploma; preparing today's students for tomorrow's economy.

On Tuesday, April 1st the Senate Commerce Committee unanimously passed SB 346 Relating to Sure Futures Postgraduate Scholarship Program by Senator Jeremy Ring (D- Margate). SB 346 is the same bill as considered in the 2007 Session, which creates the Sure Futures Postgraduate Scholarship Program. This program matches private-sector businesses with students who are seeking advanced degrees such as PhDs or masters degrees and employment opportunities.

This bill is important to the business community because it works to keep Florida's best and brightest students here in the state to help drive the economy and work for our domestic businesses. The way the program works is that a company or corporate sponsor would provide a scholarship for a student, who would then in turn agree to work for the corporate sponsor for a minimum of 4 years after graduation.

SB 346 will now be considered by Senate Finance and Tax 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 Thursday, April 3rd the Senate Environmental Preservation & Conservation Committee unanimously approved SB 542 Relating to Land Acquisition/Florida Forever Trust Fund by Senator Burt Saunders (R-Naples). AIF has been working with the *Florida Coalition for Responsible Preservation of Public Land* (FRPPL) on a successor program for Florida Forever. The FRPPL supports the continuation of this land acquisition program, but would like more access to these state owned public lands for recreational water usage, alternative water supply programs, relocation of imperiled species, and the use of land for linear facilities. The FRPPL would like to see better management practices implemented on these state owned public lands as well.

Senator Saunders presented a strike-everything amendment, which incorporated many of the suggestions made by the Coalition, including water access and better management practices. Unfortunately, an amendment to add alternative water supply programs

to the list of compatible uses was withdrawn and will need to be addressed at a later date. The FRPPL would also like to see different language pertaining to the imperiled species included in the bill.

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

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, April 1st the Senate Commerce Committee unanimously passed SB 1120 Relating to Research Commercialization Matching Grant by Senator Don Gaetz (R-Ft. Walton Beach). This bill would create a matching grant program by way of a \$5 million appropriation, for small or start up companies that already are receiving federal grants and are looking to the state for help with their operations. Eligible companies must meet specific criteria and demonstrate their commitment to high quality jobs and innovative research.

According to the bill sponsor, the program would help draw down an available \$2 billion in federal funds. The bill also requires that Enterprise Florida administer the grant awards and that all applications must be reviewed and either accepted or denied within 45 days of submittal. This bill would also ensure that eligible companies must have a presence in the state of Florida.

SB 1120 will now be considered by the Senate Government Operations Committee.

AIF strongly supports the Legislature's efforts to energize Florida's economy by way of tax incentives, business development credits and various other business incentives for existing Florida businesses and new research institutes looking to expand in Florida.

On Wednesday, April 2nd the Senate Finance & Tax Committee unanimously passed SB 2310 Relating to Economic Stimulus by Senator Jeremy Ring (D-Margate). This is one of most innovative pieces of legislation in the 2008 Session and could serve as one of Florida's largest economic development tools in state history, giving approximately \$2.0 billion in capital investment to Florida based companies. By allowing 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", this legislation would help to address the state's lagging economic engine.

AIF was the first business organization to testify and publicly support the legislation in committee and will continue to advocate on its behalf. AIF remains committed to encouraging our policymakers to be aggressive and bold in their efforts to stimulate Florida's economy.

SB 2310 will now be considered by the Senate General Government Appropriations 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.

On Thursday, April 3rd the Senate Environmental Preservation & Conservation Committee unanimously passed SB 402 Relating to Target Industry Businesses/Expedited Permitting by Senator Mike Fasano (R-New Port Richey). This bill will allow targeted industries, as defined in Florida Statute, who seek to locate in a community to receive expedited permitting for wetland and environmental resource permits at the Department of Environmental Protection or any applicable water management agency. Currently, permit applications must be approved or denied within 90 days, which is an often cumbersome time frame that has stymied economic growth in some instances. This legislation would require mandatory application reviews to reduce any conflicts in permitting, as well as require local government recognition that the business is desired by a municipal or county government resolution, in order for a business to take advantage of this expedited permitting.

SB 402 will now be considered by the Senate Community Affairs Committee.

AIF supports legislation aimed at improving the permitting process for existing businesses in Florida and for those companies looking to invest in our state. Any legislation that helps this process will have a dramatic effect on helping to stimulate our economy.

Legal & Judicial

On Tuesday, April 1st the Senate Commerce Committee passed SB 2076 Relating to Arbitration by Senator Ted Deutch (D-Delray Beach) on a 5-3 vote. This bill relates to the arbitration code and severely hampers a business' ability to contract with consumers to resolve disputes through arbitration instead of litigation. The legislation would essentially force more disputes to litigation and nullify any contractual arbitration requirements if a consumer is a party to a contract.

Arbitration should serve as an efficient and predictable alternative to litigation, but if the current structure of its use is altered significantly, as with this legislation, its effectiveness will be minimized. The bill would also drastically increase the litigation burden on businesses and the court system.

Senator Steve Oelrich (R-Gainesville) stated that this bill should not be supported because of the increased burden it will place on the judiciary system at a time when funding is already at an all time low. AIF's general counsel, Tamela Perdue, also warned the committee in her testimony that the bill will create more litigation over the arbitration process rather than work out the underlying dispute between the parties. The vast majority of business associations were in attendance at the meeting in opposition to the bill.

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.

Energy

On Wednesday, April 2nd the House Environment & Natural Resources Council unanimously passed proposed committee bill ENRC 01 Relating to Energy. 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, and a new energy governance structured within the Office of the Governor.

A total of 26 amendments, most dealing with technical changes to the language, were taken up and passed by the council. Two of these amendments did receive debate from members of the business community. The first, offered by Representative Steve Precourt (R-Winter garden), requires the commission to select the most current version of the International Energy Conservation Code (IECC) as a foundation for the Florida Building Code. Doug Buck on behalf of Florida Home Builders testified in support of the amendment.

The second amendment, offered by Chairman Stan Mayfield (R-Vero Beach), provides rules that the Florida Energy & Climate Commission must adopt pertaining to renewable portfolio standards (RPS). Not only did this amendment add language for these rules, it also deleted language allowing the Commission to review and change the goals for renewable energy resources at least once every five years. This summoned some concerns from the audience, but Representative Paige Kreegel (R-Punta Gorda) reiterated that the goal of this bill is not to produce cheap energy, but to produce efficient, reliable energy that is good for the environment.

Governor Charlie Crist showed up towards the end of the meeting to thank individuals for the time and hard work that has gone into helping move the bill along the legislative process.

The proposed committee bill is now ready to be heard on the floor of the House.

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, April 1st the Senate Banking and Insurance Committee unanimously passed three bills pertaining to additional mandates on health insurance.

SB 1598 Relating to Health Insurance Coverage/Amino-acid-based Formula by Senator Durell Peaden (R-Crestview) deals with a mandated offering of coverage for Amino-acid-based formulas. These formulas for infants are already a mandated offering of coverage, but under current mandate the formula is delivered by an enteral procedure (a tube placed through the stomach) as opposed to offering the formula intravenously.

SB 1010 Relating to Senator Les Miller Act/Prostate Cancer Screening by Senator Tony Hill (D-Jacksonville) deals with mandated coverage for an annual screening for prostate cancer. This bill would require all individual, group, and out-of-state group health insurance policies, including all health maintenance organization (HMO) contracts, to provide coverage for an annual screening for prostate cancer to a man age 40 or over, set forth in the early detection guidelines of the National Comprehensive Cancer Network or other evidence-based sources. The estimated annual recurring impact to the State Employees Health Insurance Trust Fund for this new health insurance benefit is \$460,000.

SB 448 Relating to Breast Cancer/Lymph Node Dissection Coverage by Senator Arthenia Joyner (D-Tampa) would apply the same requirements for coverage of a lymph node dissection that currently apply to coverage for a mastectomy. Specifically, the 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.

All three bills (SB 1598, SB 1010, and SB 448) will now be considered by the Senate Health Policy Committee.

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.

On Tuesday, April 1st the Senate Health policy committee unanimously passed SB 1012 Relating to Health Insurance Claims Payments by Senator Don Gaetz. This bill would increase the cost of health insurance for Florida employers and the State of Florida Health Insurance Plan. The bill contains three troublesome provisions:

First, it would require insurers to allow their insureds to sign over their benefits to a provider that does not belong to their insurer's network. The problem with this is that the out-of-network provider will be allowed to bill the employee who received the services the difference between what the insurer reimburses them and what they believe their charges are (charges are not set out in statute).

Secondly, it would put more limitations and requirements on "silent PPOs" which are used frequently by self-insured employers to provide a comprehensive network to their employees. If these provisions were approved, an employer who wishes to self-insure may have to contract a provider network on their own rather than being allowed to use an insurer's already-established network.

Thirdly, it would shorten the time an insurer, on behalf of employers, can look back at provider claims to ensure there was not an over or under payment. The time period proposed - one year - would result in insurers to missing approximately 25% of over or under payments.

SB 1012 will now be considered by the Senate General Government Appropriations Committee. The House companion - HB 405 by Representative Bill Galvano (R-Bradenton) - has only been heard in one committee.

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.

On Wednesday, April 2nd the Senate Health and Human Services Committee unanimously passed SB 2534 Relating to Health Insurance by Senator Durell Peadar (R-Crestview). This is the Governor's "Cover Florida" plan designed to help deal with the 3.8 million uninsured Floridians. The bill provides the following:

- Allows a dependent to remain on his or her parent's health policy until age 30;
- Extends the sunset on Health Flex Program and moves the eligibility from 250% to 300% of the Federal Poverty Limit;
- Provides for a state-administered "Invitation to Negotiate" for health plans to provide two low-cost options (one with catastrophic coverage and one without) to persons currently uninsured for six months.

According to the bill's sponsor, the cost of these plans would be as low as \$150 dollars per month. The plans offered under this plan would be exempt from the current insurance code, which means they are not required to provide all 54 benefit mandates. In addition, the plans will be lower in cost through the use of cost containment measures such as limits on the number of services, caps on benefits, and specified co-payments.

SB 2534 is now ready to be considered on the floor of the Senate.

AIF supports market-based solutions to the uninsured crisis in Florida. Currently, over 3 million people in Florida have no access to health insurance. This proposal has the potential to provide these individuals with a low-cost plan that provides some minimum coverage, including hospital stays. AIF looks forward to continuing to work with the bill's sponsor and the Governor's office on this encouraging proposal.

Business Regulation

On Tuesday, April 1st the House Governmental Efficiency and Accountability Council approved proposed committee bill (PCB) GEAC 08-22 Relating to Small Business Regulatory Relief Act by the House Government Efficiency & Accountability Council. This proposed legislation would create a Small Business Regulatory Review Advisory Council and a Small Business Advocate. The Council, consisting of nine members with appointments made by the Governor, President of the Senate and the Speaker of the House, would provide state agencies with input regarding proposed rules or programs that may affect small businesses and review certain rules and regulations if requested by small business owners. The Council would also participate in the agency sunset review process. Finally, state agencies will be required to prepare a statement of estimated regulatory cost of a proposed rule if it will have an impact on small business.

According to the staff analysis, there are 1,942,200 small businesses in Florida and more than half of these businesses are operated by sole-proprietors, working full-time without any paid employees.

AIF supports efforts that seek to reduce burdensome regulation for all employers in Florida. Our state has one of the most complicated regulatory environments in the Southeast; any improvement on this front will help make Florida more competitive.

Ethics and Elections

On Tuesday, April 1st both the House and Senate Ethics and Elections Committee considered legislation dealing with paid petition gatherers. SB 2340 Relating to Paid Petition Circulators Registration by Senator Bill Posey (R-Rockledge) was passed by a 5-2 margin. The bill attempts to increase the level of accountability of paid petition gatherers by establishing a registration system for these individuals. Currently, there is no way of keeping track or even finding paid petition gatherers should any allegation or wrong-doing or fraud be made. Several states including California currently require that paid petition gatherers register with the Secretary of State (SOS). The provisions in the bill would not apply to volunteer petition gatherers.

The bill:

- Prohibits a paid petition circulator from collecting petitions in Florida without first registering with the Department of State.
- Prohibits anyone from paying a petition circulator who is not registered with the Department of State.
- Prohibits registrants from circulating petition forms until the forms have been registered with the Department of State.

In order to be a registered paid petition gatherer, the individual must be:

- A citizen of the United States;
- A legal resident of the state of Florida; and
- Not a convicted felon ineligible to register to vote.

Members from a number of volunteer, citizen groups like the League of Women Voters, the American Cancer Society, and the AFL-CIO testified in opposition to the bill. John French testified on behalf of AIF, providing committee members with a snapshot of what the paid petition gathering process was really like on the ground using examples from AIF's "Save Our Constitution" experiences. AIF was the first group to use the recently-passed signature revocation process to help defeat the Hometown Democracy amendment. Many other business associations also testified in support of the bill.

SB 2340 will now be considered by the Senate Judiciary Committee.

Later in the day, the House Economic Expansion and Infrastructure Council approved SB 2340's House companion, HB 903 Relating to Registration of Paid Petition Circulators by Representative Chris Dorworth (R-Heathrow) after a lengthy debate. Again, the same players debated the bill, with those in favor of the bill arguing that registering paid petition gatherers was good public policy because it would ensure transparency and accountability in the process.

HB 903 will now be considered by the House Policy & Budget Council.

AIF supports legislation that would bring about increased accountability for paid petition signature gatherers through a registration process.

Space

On Tuesday, April 1st the Senate Commerce Committee unanimously passed three priority space bills supported by Associated Industries of Florida. Barney Bishop, President and CEO of Associated Industries of Florida, attended the committee meeting to let Senators know about the importance of the space industry in Florida and convey AIF's strong support for the bills moving through the process.

SB 2426 Relating to Space Florida/Florida Aerospace Development by Senator Bill Posey (R-Rockledge), previously referred to as the SADIE Act, was renamed through an adopted amendment to become the Space and Aerospace Catalyst and Enhancement Act (SPACE Act). This bill would create a new program in the Governor's Office of Tourism, Trade and Economic Development to provide funds for Space Florida. These funds would be directed to provide or upgrade space-related infrastructure or to create or retain high-quality, high-salary jobs in the space or aerospace industry.

SB 2426 will now be considered by the Senate Finance and Tax Committee

SB 2526 Relating to Space Technology Research and Diversification by Senator Posey will create the Space Technology Research and Diversification Initiative Act (STRDI) in the Governor's Office of Tourism, Trade and Economic Development to be a university-led program to develop high-impact space research and applied technology programs that can best advance the state's interest in a very competitive and diverse space industry.

SB 2526 will now be considered by the Senate Higher Education Committee.

SB 2666 Relating to Space Flight Contractors/Tax Refunds by Senator Posey expands the successful qualified defense contractor tax refund program to allow for space flight businesses or entities with space flight contracts to now qualify for these tax refunds.

SB 2666 will now be considered by the Senate Finance and Tax Committee.

AIF supports full funding of Space Florida and other space-related programs. Additionally, AIF supports proposals such as the Space and Aerospace Catalyst and Enhancement Act (SPACE Act), the Space Technology Research and Diversification Initiative Act, and adding space flight businesses to the Qualified Defense Contract Tax Refund Program. Investing in space leads to more jobs, a high-skilled workforce, and great economic activity.

Hospitals/CON

On Wednesday, April 2nd the Senate Health and Human Services Appropriations committee unanimously passed SB 2326 Relating to Hospitals by Senator Durell Peadar (R-Crestview). As originally filed, AIF and its *Florida Hospital Council* were strongly opposed to this measure, which would have eliminated the certificate-of-need (CON) requirement for general hospitals. During the meeting, a strike-everything amendment was adopted that essentially re-focused the intent of the bill to look at ways to improve the process; not do away with it completely. As amended the bill now:

- Requires the Agency for Health Care Administration (AHCA) to hold a public hearing upon the request of any applicant for a CON, affected person, or interested party;
- Limit the period of any challenge to a CON request to four months; and
- Requires that any party appealing a final order that grants a general hospital CON to post a \$1 million bond in order to maintain the appeal and if the appealing party loses, to pay the prevailing side's attorney's fees and costs, up to \$1 million.

Most of the changes to current law proposed by SB 2326 are designed to cut down the cost and time associated with litigating CON requests.

SB 2326 has been removed from any future committee stops and is now ready to be considered on the floor of the Senate.

AIF and its *Florida Hospital Council* urge caution as legislators consider making significant changes to Florida's existing CON process. Hospitals are not like other retail businesses; and therefore, the idea that more competition will result in lower costs is not always the case. The CON process in Florida ensures the survival of community and safety net hospitals that play a vital role in ensuring access to medically and financially underserved patient populations.

Environment

On Thursday, April 3rd the Senate Environmental Preservation & Conservation Committee unanimously approved SB 2594 Relating to Brownfield Areas by Senator Lee Constantine (R-Altamonte Springs). This proposed legislation would make changes to the brownfield laws by establishing a new tax credit for an additional 25% of the total site rehabilitation costs, up to \$500,000, as a bonus for the construction and operation of a health care facility or a health care provider on a brownfield site. It would also implement the same changes for affordable housing. The bill includes language allowing a credit for the removal of solid waste from the Brownfield site as long as the site was not used before as a landfill. The bill provides for definitions for items covered under these new changes. SB 2594 will next be considered by the Senate Community Affairs Committee.

SB 2594's House companion, HB 527 by Representative Trudi Williams (R-Ft. Meyers), was unanimously approved on Wednesday, April 2nd by the House Environmental & Natural Resources Council and will now be considered by the House Policy & Budget Council.

AIF supports this legislation as it will hopefully will increase participation in the redeveloping of brownfield sites and therefore promote economic development efforts. It will also help to improve the affordable housing problem facing Florida today.

Secondary Metal Theft

On Wednesday, April 2nd HB 799 Relating to Theft of Copper or Other Nonferrous Metals by Representative Sandy Adams (R-Oviedo) was unanimously passed (116-0) by the House.

The bill provides that a person who knowingly and intentionally takes copper or other nonferrous metals from a utility or communications service provider commits a first degree felony if the theft: damages, interrupts or interferes with the facilities or service of a utility or communications service provider. This bill is important to aid in deterrence of the theft, which may result in a disruption of 911 services.

HB 799's Senate companion, SB 1384 by Senator Charlie Dean (R-Inverness), is scheduled to be considered by the Senate Criminal Justice Committee.

AIF supports this legislation, which helps law enforcement find these thieves and makes it harder for them to unload their stolen goods. Metal thieves may get a few hundred dollars for the metal they steal, but a business may have to spend 100 times that amount to repair the damage.

Guns in the Workplace

On Thursday, April 3rd the Senate considered SB 1130 Relating to Firearms in Motor Vehicles by Senator Durell Peaden (R-Crestview) on the floor this afternoon. This legislation, more commonly known as the "guns in the workplace" bill, provides that no public or private entity may prohibit any customer, employee, or invitee from possessing any legally owned firearm locked inside or to a private motor vehicle in a parking lot, if the person is lawfully in the area. The bill further prohibits an employer from inquiring as to whether a person has a firearm in his or her vehicle, conditioning employment on an agreement not to have a legal firearm locked inside a vehicle, or terminating employment of an employee for the same. Additionally, the bill provides that an employer cannot expel a customer or invitee for having a legal firearm in a vehicle.

During debate, the bill was amended to line up with the House version of the bill, HB 503 by Representative Greg Evers (R-Milton), by adopting language, which would prohibit employers from keeping guns off their property only if the employer has a valid concealed weapon permit. Senators David Aronberg (D-Greenacres) and Ted Deutch (D-Delray Beach) attempted unsuccessfully to amend the bill by adding a number of other exemptions to the bill such as utilities, day care facilities, and businesses that sell controlled substances. Currently, the bill contains a number of exemptions including nuclear power plants, schools, airports, defense contractors, etc.

No vote was taken, but the bill was "rolled over to third reading" – meaning that it is now ready for a final vote. We expect the vote to take place early next week.

AIF strongly 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.

Transportation

On Thursday, April 3rd the House Policy and Budget Council passed HB 5067 Relating to State Infrastructure by the Economic Expansion and Infrastructure Council. HB 5067 is one of the many conforming bills for the House's proposed budget. What makes this bill important to the business community is that it includes a \$640 million dollar sweep of the state's Transportation Trust Fund, which provides the necessary funding for road and other transportation projects. The dollars being swept would be used to plug the current budget holes facing the Legislature.

Despite opposition from the business community the Committee voted to approve the sweep. The Senate, on the other hand, is proposing funding for transportation under Senator Mike Fasano's (R-New Port Richey) Building Florida's Future program.

AIF opposes any effort to sweep dollars from the state's Transportation Trust Fund. Instead of using these funds for plugging budget holes, the Legislature should be looking for ways to disburse these dollars on roads now in order to reap the economic stimulus they will generate.