



## WEEKLY LEGISLATIVE UPDATE FROM APRIL 11, 2008

With just three more weeks of session left, many of the House councils are holding their last meetings for the year. This has led to long agendas and marathon meetings as legislators scramble to get their bills through the committee process and on to the floor. This week was highlighted with the passage of the 2008 budget by each chamber. The House's budget is \$65.1 billion and the Senate's budget is \$65.9 billion. They will now have to go to conference and work out their differences to come up with matching budgets before going to the Governor for this signature. The most talked about cuts are the proposed health care reductions which total more than \$1 billion; the majority greatly affecting Florida's Medicaid population. Republicans oppose raising taxes and the democrats do not want to cut services.

In addition, the "Guns in the Workplace" bill passed the legislature this week and has been sent to the Governor for his consideration. The Governor has until April 16<sup>th</sup> to act on the bill.

### **Guns in the Workplace**

On Wednesday, April 9<sup>th</sup> the Senate passed HB 503, the "Guns in the Workplace" bill by Representative Greg Evers (R-Milton) by a 26-13 vote. The bill prohibits employers from restricting employees, who hold a valid concealed weapon permit, from keeping their gun locked inside a car.

There were no amendments to the bill and very few questions were taken before the vote. Senator Ted Deutch (D-Delray Beach) reiterated to the Senate members that the bill lacked language covering daycares, nursing homes, and even restrictions concerning assault weapons. He also cited statistics that 60 percent of employers had experienced threats from disgruntled employees warning that they were going to harm members of management. Senator Arthenia Joyner (D-Tampa) also reminded the members of a similar bill that was voted down around this time last year, which she attributed to a tragic college shooting incident (Virginia Tech University).

Votes on HB 503 were divided mostly along party lines, with Senator Mandy Dawson (D-Ft. Lauderdale) as the lone Democrat voting for the bill. The bill was immediately signed by the officers and presented to Governor Crist for his consideration. The Governor must act on this bill by April 16<sup>th</sup>, 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.**

### **Insurance**

On Tuesday, April 8<sup>th</sup> the Senate General Government Appropriations Committee passed SB 2156 Relating to Florida Hurricane Catastrophe Fund by Senator Bill Posey (R-Rockledge). This is CFO Alex Sink's proposal to reduce the Florida Cat Fund's exposure, which currently stands at a total of \$28 billion dollars when all layers of coverage are considered. 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, the proposal reduces the maximum temporary increase in coverage limits (TICL) option from \$12 billion to \$9 billion.

SB 2156 is now ready to be considered on floor of the Senate.

**AIF supports SB 2156 and its efforts to protect Florida's taxpaying citizens from facing a financial deficit in the form of assessments or "hurricane taxes" that will affect our economy and livelihood for years to come.**

SB 2860 Relating to Insurance by Senator Jeff Atwater (R-North Palm Beach) was considered on the floor of the Senate on Thursday, April 10<sup>th</sup>. As original filed, the bill included a number of onerous changes to the regulatory environment (including drastic fines for non-compliance) for private insurance companies in Florida. In addition, it would have continued the freeze on Citizen Property Insurance Corporation's premium rates, which haven't been increased since 2005.

During debate on Thursday, Senator Al Lawson (D-Tallahassee) valiantly tried to remove some of the bill's more onerous provisions including the dangerous anti-trust provisions as well as the heavy fines for private insurers outlined in the bill. In addition, Senator Lawson objected to the subsidization of million dollar homes on the coast by those policy holders in more inland areas of Florida. Despite his strong debate, all of Senator Lawson's amendments were defeated. Amendments were adopted that guarantee that if a home is mitigated or retrofitted to meet the wind-borne debris requirements of the Florida Building Code, its property insurance policy cannot be non-renewed for a period of three years. In addition, an amendment by Senator Steve Geller (D-Hallandale Beach) would prevent private insurers from non-renewing large numbers of policies without prior approval from the Office of Insurance Regulation.

SB 2860 is now ready for a final vote on the floor of the Senate.

**AIF opposes legislation that allows Citizens to compete with private insurance companies. By continuing to suppress Citizen's 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. AIF is also strongly concerned about provisions in this bill that would open other lines of insurance to greater litigation as a result of the anti-trust provisions in the bill.**

## **Taxation**

On Wednesday, April 9<sup>th</sup> the House Government Efficiency and Accountability Council unanimously passed HB 909 Relating to Value Adjustment Boards (VAB) by Representative Peter Nehr (R-Tarpon Springs). Representative Nehr offered a strike-everything amendment to the bill that implemented the Auditor General's County Value Adjustment Boards performance audit that took place between July 2003 and June 2004 and was reported on in July 2005.

In addition to the changes from the audit, the substitute amendment also changes the composition of the VABs and allows for a refund of the filing fee if the taxpayer prevails. It also implements six of the audit recommendations, which will make the process much fairer for taxpayers. Based on 2006 reports by 45 of 67 county VABs, the denial rate is still very high at 87%. Representative Nehr further explained that these changes should aid in bringing that rate down. In addition, the substitute amendment expresses the legislative intent that a taxpayer shall never have the burden of proving that the property appraiser's assessment is not supported by any reasonable hypothesis.

HB 909 will now be considered on the House floor. HB 909's Senate companion, SB 2080 by Senator Mike Haridopolos (R-Melbourne), was scheduled to be heard during the Senate Community Affairs Committee, but was not considered due to time constraints.

**AIF supports this bill because it contains improvements favorable to the taxpayer when contesting the property appraiser's value of the taxpayer's property. The changes to existing law will give AIF members a more level playing field when going before the VAB. The changes made at the last Council of legislative intent on "any reasonable hypothesis" are of tremendous value to taxpayers.**

The Council then passed HJR 949 Relating to Maximum Ad Valorem Tax Limitation; Voter-Approved Exception by Representative Carlos Lopez-Cantera (R-Miami) on a 13-3 vote. The resolution is the same as a current citizen initiative that has collected approximately 100,000 signatures as of this date. The proposal caps the amount of property taxes at 1.35 percent of the highest taxable value of a property.

HB 949 will now be considered by the House Policy & Budget Council. HB 949's Senate Companion, SB 2190 by Senator Michael Bennett (R-Bradenton), passed the Senate Community Affairs Committee on a 7-3 vote and will now be considered by the Senate Finance & Tax Committee.

**AIF has not taken an official position on this proposal. Although the property tax savings would be significant for employers, the unintended consequences on local government must be considered.**

SB 1586 Relating to Corporate Income Tax by Senator Mike Haridopolos (R-Melbourne) was considered by the Senate on Thursday, April 10<sup>th</sup>. Senator Haridopolos explained that the corporate income tax "piggyback" bill coupled the state income tax with the federal IRS Code to conform to the changes made by Congress in 2007 except for the bonus depreciation allowed in the federal stimulus package. This he said was just too expensive for the state during these hard economic times. The bill also speeds up payments by one day to move one additional quarterly payment from the 2009-2010 fiscal years into the 2008-2009 fiscal years.

SB 1586 is now ready for final passage on the floor of the Senate.

**AIF supports the passing of legislation that brings into conformity state corporate income tax code to the federal IRS code changes, making filing the state corporate income tax return almost identical to the federal one. 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.**

On Thursday, April 10<sup>th</sup> the House Policy & Budget Council unanimously passed proposed council bill PBC 11 Relating to Property Tax Administration. This is a “glitch” bill to fix some of the implementation issues with 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. This bill 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. This last issue is addressed in the bill and tax payer no longer need to apply for the 10% cap.

**AIF supports this bill which makes the administration of Amendment 1 more efficient and fair for Florida’s employers.**

For months now, AIF has been supporting working waterfront property owners in their efforts to keep property taxes reasonable. Unfortunately their property is being assessed at high rates because the water front property is prime for high-rise development.

Representative Mitch Needelman has filed HB 877 that provides an alternative method for counties and local governments to incentivize the maintenance and preservation of working waterfront property. The bill would allow owner of a working waterfront to convey all rights to develop the property to the local government where the property is located for seven years. This will help when determining the fair market value of the property. Basically this conveyance will guarantee the maintenance of the working waterfront real property in exchange for a reduction in the taxable value of the parcel. If the property owner terminates the conveyance prior to the expiration of the seven year period they would have to pay taxes to the county or city equal to the difference between the amount actually paid while the conveyance was in effect and the amount the owner would have paid without the conveyance.

The Office of Program Policy Analysis and Government Accountability (OPPAGA) reported that in 2005 the marine industry has a total economic impact of \$18.4 billion and employs more than 220,000 Floridians.

The bill passed unanimously and now goes to the House Policy & Budget Council.

**AIF supports efforts to protect Florida’s valuable working waterfronts. The industries located on these lands bring an incredible amount of economic activity to the state.**

## **Education & Workforce Development**

On Tuesday, April 8<sup>th</sup> the Senate Education Pre-K – 12 Appropriations Committee unanimously passed SB 1062 Relating to Educator Certification/Foreign Languages by Senator Paula Dockery (R-Lakeland), which increases access for Florida’s high school students to foreign languages.

Right now, teachers in Florida are certified to teach only three languages. This bill opens up a certification process for many world languages including Chinese, Italian, Haitian-Creole, and more.

SB 1062 was amended to match the House version and is now ready for a floor vote in the Senate. The House companion is also awaiting a floor vote from the House.

**AIF supports students having access to classes in modern languages that are used for around the world for commerce, which will give our students the foundation they need to compete in the global workforce.**

On Thursday, April 10<sup>th</sup> the Senate Finance & Tax Committee unanimously passed SB 346 by Senator Jeremy Ring (R-Margate). SB 346 creates the Sure Bright Futures Postgraduate Scholarship Program. SB 346 is a priority for Associated Industries of Florida because it provides a new source of workforce training for Florida students seeking advanced degrees and employment. The legislation creates a match program for private sector businesses with students who are enrolled in a university seeking an advanced degree. A corporate sponsor would provide a scholarship for the student, who would then agree to work for the company for a minimum of 4 years after graduation.

SB 346 will now be considered by the Senate Higher Education Appropriations Committee. Its House companion, HB 231 by Representative Kevin Ambler (R-Tampa), unanimously passed the House Schools and Learning Council on Tuesday, April 8<sup>th</sup> and will now be considered by the House Policy & Budget Council.

**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.**

Two AIF priority education bills passed the House Policy & Budget Council on Thursday, April 10<sup>th</sup> and are now ready for a floor vote. HB 7045 Relating to Public School Curricular Standards by Representative Joe Pickens (R-Palatka) is the enhanced curricular sunshine state standards bill, which is a priority bill of Speaker Rubio, the State Board of Education, and AIF. Representative Anitere Flores (R-Miami) presented the bill, which requires the Department of Education (DOE) to upgrade our current standards by making them more rigorous and grade specific for the core subjects (math, language, science).

Additionally, the bill adds standards in other important subjects such as civics and even physical education. The Enhanced Curricular Standards bill strengthens Florida's education accountability system by adding social studies to the FCAT, exploring some end of course exams, and pushing back the FCAT testing date later in the school year. Fourteen amendments were offered that strengthened and clarified parts of the bill.

**AIF Supports raising the rigor of high school education to better prepare students for transition into higher education and better align their skills with the needs of the 21st century workforce.**

HB 7069 Relating to College and Career Preparation, by Representative Pickens is the college and career readiness bill, which is aimed at shortening the time needed for a college degree and broadening the scope of curriculum available to students through accelerated college credit programs such as Advanced Placement, International Baccalaureate, and Dual Enrollment. Representative Marti Coley (R-Marianna) presented the bill, which also contains the Remedial Reform Pilot program with the goal of reducing the need for, and cost of, remedial education for recent high school graduates. The proposed bill creates a diploma designation for accelerated credit (AP, IB, DE, AICE); requires each district to offer at least 4 accelerated college credit courses (can be any of AP, IB, DE, AICE) in math, english, science, social studies, and four career education dual enrollment courses; and requires the State Board to develop a plan to increase accelerated college credit programs.

**AIF supports increased educational opportunities for students that expand access to rigor in high school and prepare students for the workplace AND higher education.**

In an unusual move, the House Schools and Learning Council unanimously passed two Senate bills on Friday, April 11<sup>th</sup> because there were no House companions for the bills.

SB 1908 Relating to Designation of High School Grades by Senator Don Gaetz (R-Ft. Walton Beach) enhances Florida's school grading system by revising 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.

The Senate bill was amended in the council meeting to include a House proposed committee bill (PCB) relating to college and career preparation, which passed the Policy and Budget Council on Thursday, April 10<sup>th</sup> as a stand alone bill. This PCB is also supported by AIF. Representatives Dorothy Bendross-Mindingall (D-Miami) and Shelly Vana (D-West Palm Beach) debated in favor of the bill, which Democrats are hailing as a long awaited change in the school grading system - created under the administration of former Governor Bush.

**AIF believes it is important to continue to build on the K-12 accountability system with particular focus on rewarding performance improving the value of a high school diploma and also supports expanded access for all students to a rigorous curriculum that will prepare them for higher education and work.**

SB 1906 Relating to Alternative Credit High School Courses by Senator Gaetz 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. This is an issue of great interest for Senator Gaetz, who as a former superintendent of Okaloosa schools created the Choices Career Academies, which are a model for integrated academics and career preparation. This bill was amended to include other House provisions as well, including some related to the expanded use of the Ready to Work credential.

**AIF supports career education that is linked the same academic standards as traditional education (reading, writing, 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.**

## **Infrastructure**

On Tuesday, April 8<sup>th</sup> the House Economic Expansion & Infrastructure Council unanimously passed HB 431 Relating to Affordable Housing by Representative Keith Fitzgerald (D-Sarasota). The bill deals with community land trusts and affordable housing built on these lands. Specifically, the bill defines just valuation of the underlying land as what a willing buyer would pay a willing seller, limited by the terms of the ground lease.

If a community land trust homeowner were taxed on the value of the land and dwelling unit without regard to resale restrictions, which all such units carry in the underlying ground lease, taxes would far exceed the actual value of the home to the homeowner.

HB 431 will now be considered by the House Policy & Budget Council; the companion in the Senate, SB 796 by Senator Michael Bennett (R-Bradenton), has yet to be heard.

**AIF supports this legislation because it creates sustainable affordable housing for Florida's workforce, while correctly addressing the issues created in assessing property taxes.**

On Tuesday, April 8<sup>th</sup> the House Governmental Efficiency & Accountability Council passed HB 683 Relating to Public Construction Works by Representative Will Weatherford (R-Zephyrhills) on a 13-2 vote. The purpose of this proposed legislation to require local governments to competitively bid certain public construction projects over \$250,000. The local government would determine the cost of the project and then the private sector would have an opportunity to bid on said project. If a private sector bid is 10 percent less than the public sector, then the private sector company would be awarded the job. It would also prohibit a local government from owning or operating an asphalt plant or a portable or stationary concrete batch plant with an independent mixer.

Public airports and seaports are excluded from this legislation as they have certain federal guidelines they must meet. HB 683 will now be considered by the House Policy & Budget Council.

**AIF supports this legislation. Local governments should provide the necessary services such as police, fire and EMS services and not use taxpayers' money to be in the construction or road building business.**

On Wednesday, April 9<sup>th</sup> the Senate Environmental Preservation and Conservation Committee considered SB 2406 Relating to Aggregate Mining by Senator Mike Bennett (R-Bradenton). The bill contained a strike-everything amendment to make it identical to the House's proposed committee bill ENRC 13. The bill was debated at length and then temporarily passed until next week, to allow the bill's sponsor to work with interested parties in an effort to implement language acceptable to all. The bill would prohibit local governments from duplicating regulatory requirements required by Department of Environmental Protection, while preserving a local governments right to apply all other regulations. Local government representatives expressed their opposition to this provision, and the committee members were split.

On Friday, April 11<sup>th</sup> the House Environment & Natural Resources Council passed proposed committee bill ENRC 13.

On Wednesday, April 9<sup>th</sup> a similar proposal, SB 774 Relating to Transportation/Construction Aggregate Materials by Senator Carey Baker (R-Eustis), was passed by the Senate Community Affairs Committee. The bill's key feature is a requirement that a local government may deny a mining permit only on a super majority vote of the governing body.

SB 774 will now be considered by the Senate Transportation and Economic Development Appropriations Committee.

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

On Wednesday, April 9<sup>th</sup> the Community Affairs Committee also unanimously passed SB 474 Relating to Growth Management by Representative Rudy Garcia (R-Hialeah). The bill contains provisions regarding prohibitions on infrastructure spending in coastal areas, a new concurrency provision for urban areas, as well as a host of "clean-up" provisions for the current Growth Management Act. The bill will require substantial work to make it like recent drafts of its House companion or what many Senators have said they expect out of the legislation; it has a long way to go and will require many amendments to appease both these tasks. During the meeting Department of Community Affairs (DCA) Secretary Tom Pelham testified that his agency would not be able to support the bill if any amendments were added to the bill. This caused great concerns for members of the Committee who

begrudgingly withdrew a number of amendments. The bill's sponsor, Senator Garcia, even stated that he would "pull the bill" if he thought the provisions currently proposed by the DCA would hurt Florida's economy.

SB 474 will now be considered by the Senate Transportation and Economic Development Appropriations Committee.

**AIF supports legislative proposals that would build on gains made last year in growth management legislation. The reform of growth management laws is important to employers because they have the potential to impact the construction of roads, schools, and water projects, which are essential to economic development.**

## **Economic Development**

On Tuesday, April 8<sup>th</sup> the Senate Commerce Committee unanimously passed SB 928 Relating to Economic Development by Senator Alex Diaz de la Portilla (R-Miami), which is an act that establishes the Small Business Regulatory Relief Act. This very good bill institutes the state's first Small Business Advisory Committee as well as creates the Small Business Advocate. Within SB 928, the advisory council's tasks would be to work with all state agencies in monitoring regulatory requirements of small businesses and make recommendations to the Legislature of how those burdens may need to be revised in order to reduce the detrimental impact they may be having on Florida's 2 million small businesses. The reviews of these should also be coordinated with the agency's sunset review process, a process by which state agencies are reviewed by the Legislature to determine if the agency and/or its rules and procedures are necessary.

As mentioned, the bill also creates the Small Business Advocate whose duties would be to represent the views and interests of small businesses before the agencies and the Legislature. The advocate would also be charged with receiving and responding to complaints from small businesses about regulatory burdens that may be adversely affecting their business. SB 928 also requires that both the council and advocate report to the Governor and the Legislature.

SB 928 will now be considered by the Senate Finance & Tax Committee.

**AIF supports SB 928 and applauds Senator Diaz de la Portilla for bringing it forward. So often small businesses are adversely affected by regulatory and procedural burdens that can stymie growth or in some instances, halt a business altogether. This bill will give small businessmen and women a voice in government.**

On Tuesday, April 8<sup>th</sup> the Senate Commerce Committee unanimously passed SB 2310 Relating to Economic Stimulus by Senator Jeremy Ring (D-Margate). AIF has reported several times on this bill, one that could infuse as much as \$1.8 billion dollars into Florida domiciled companies by allowing the State Board of Administration's (SBA) to invest up to 1.5% of the Florida Retirement System. Florida companies, including ones that concentrate on aerospace, aviation, engineering, computer technology, renewable energy, and medical sciences would be eligible for these investments. The bill goes to great lengths to responsibly address concerns of utilizing state retirement dollars by mandating that the investments shall not impugn the integrity of normal SBA investments as well as requiring reporting of these investments to the Governor, Senate President and House Speaker.

AIF strongly supports this bill and applauds Senator Ring on its passage. We believe this bill is one of the most innovative ways that the Florida Legislature could help stimulate Florida's lagging economy. By encouraging the infusion of capital in Florida based businesses, communities and families will be the beneficiaries of this bill. We hope that the Florida House of Representatives will consider hearing this bill's companion, HB 1295 by Representative Frank Attkisson (R-Kissimmee).

SB 2310 will now be considered by the Senate Finance & 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.**

On Tuesday, April 8<sup>th</sup> the Economic Expansion and Infrastructure Council considered HB 293, or the New Markets Tax Program, sponsored by Rep Will Weatherford (R-Wesley Chapel). This bill is a priority bill for AIF this session and is very important to some of our members. This legislation creates a state program by which venture capital groups, approved under the federal program would receive a state level incentive in the form of a tax credit when investing risk capital into designated rural, low income and economically desolate areas as a means to stimulate the local economy. This proposal would piggyback off the federal program where almost \$20 billion dollars of federal tax credits are available.

A strike-everything amendment that was adopted was the result of conversations with Council staff and input from the Department of Revenue and OTTED. The amendment consisted of several pieces of technical and clarifying language however, the policy remains consistent.

**AIF supports efforts to draw down federal dollars for economic development in low-income areas of the state through innovative proposals such as the New Markets Tax Credits Program.**

On Wednesday, April 9<sup>th</sup> the House Environment & Natural Resources Council unanimously passed HB 179 Relating to Placement of Vessels in State or Federal Waters Seaward of the State to Form Artificial Reefs by Representative Doug Holder (R-Sarasota). HB 179 would create the "Ships 2 Reefs" program, a matching grant program whereby, the state of Florida partners with local governments, the federal government and private entities in providing for funds needed to participate in the sinking of decommissioned naval vessels as a tourist attraction off the coasts of Florida. This great bill would utilize our state's largest natural resources, our oceans, for economic development. The grant program, estimated to cost approximately \$2 million to the state, would be administered by the Fish and Wildlife Conservation Commission and may be used for the reconditioning, towing and sinking of such vessels.

Several council members thanked Representative Holder for bringing the issue forward. HB 179 will now be considered by the House Policy & Budget Council. HB 179's Senate companion, SB 432 by Senator Mike Bennett (R-Bradenton) was supposed to be heard on Wednesday, April 9<sup>th</sup> by the Senate Community Affairs Committee, but due to lengthy debate surrounding other bills the committee meeting ended before it was heard. We believe that the bill will be placed on the agenda for next week's Community Affairs Committee meeting.

**AIF fully supports these two bills. As the committee process begins to wind down in the 2008 Session, we will encourage the Legislature to consider all pieces of legislation that will help create economic clusters of activity. We applaud Representative Holder and Senator Bennett for utilizing Florida's greatest natural resource in their efforts.**

On Wednesday, April 9<sup>th</sup> the Senate Governmental Operations Committee unanimously passed SB 1120 Relating to Research Commercialization Matching Grant Program by Senator Don Gaetz (R-Ft. Walton Beach). SB 1120 assists small or start up companies in their quest to realize economic viability in the commercial market. Senator Gaetz reduced the appropriations for the program in SB 1120 from \$5 million to \$4 million to match the amount designated in its companion bill. It will now be considered by the Senate Higher Education Appropriations Committee. SB 1120's companion, HB 593 by Representative Steve Precourt (R-Winter Garden), unanimously passed the House Economic Expansion & Infrastructure Council on Tuesday, April 8<sup>th</sup> and will now be considered by the House Policy & Budget Council.

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

On Thursday, April 10<sup>th</sup> the Senate Transportation and Economic Development Appropriations Committee passed two bills that are likely to emerge as two of the Senate's most critical pieces of legislation addressing the economy. SB 2714 Relating to Economic Development by Senator Mike Fasano (R-New Port Richey) creates a guaranteed revolving loan program that will provide loan guarantees to local governments or private entities that need assistance in building or modernizing facilities or infrastructure that is 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 in providing access to telecommunications facilities or energy sources. The program is modeled after programs at the Department of Environmental Protection (DEP) and the Florida Department of Transportation (FDOT), and would be administered through the Office of Tourism Trade and Economic Development (OTTED). Senator Fasano offered an amendment that will put \$20 million into the program, a move that caused quite a stir on the committee.

SB 2714 is now ready to be considered on the floor of the Senate.

**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.**

Also approved by the Committee was SB 2778 Relating to Scripps Research Institute by Senator Fasano, which requires that the state receive back 10 to 15 percent of royalties from project contracts with private companies that receive Innovation Incentive funds. These returns will then be distributed to various trust funds related to economic development. In addition, it specifically 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. Added to the bill were provisions that are included in the House's Economic Stimulus package related to timelines for grant applications.

SB 2778 is now ready to be considered on the floor of the Senate.

**AIF supports SB 2778 since it ensures 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.**

In the area of economic development, the House has decided to focus on existing programs and reduction of red tape to help businesses get Florida's economy back on track. This week, the House rolled out their Economic Stimulus package before the Economic Expansion and Infrastructure Council. The bill, sponsored by Representative Dean Cannon (R-Orlando) and the Council, is a broad piece of legislation that is further proof of the House's commitment to stimulate the economy by reducing regulatory burdens on Florida businesses. The stimulus package broadens the scope of businesses eligible for state incentives, greatly increases assistance to rural communities in need of economic activity, establishes a state office for small businesses and state advocate to protect and promote the interest of small businesses across Florida and expedites application processes for businesses applying for state grants, funds and incentives.

**AIF supports many measures in this legislation. Reducing regulations, while increasing the number of eligible companies for the millions in incentives, is a key step in trying to get our economy going. Holistically, EEIC 12 is broader stimulus package than anything that is currently in the Senate. However, the Senate has many more stand alone bills addressing economic stimulus that addresses several provision in this bill. As we head toward the final weeks of session negotiations between the House and Senate on these economic stimulus bills will take form and AIF will be closely monitoring every step of the way.**

## **Legal & Judicial**

On Wednesday, April 9<sup>th</sup> the House Government Efficiency and Accountability Council unanimously passed proposed committee bill GEAC 13, which deals with the Administrative Procedures Act. Similar language was passed during the 2007 Session, but unfortunately was vetoed by Governor Charlie Crist. This bill implements the recommendations of the Joint Administrative and Procedures Committee (JAPC) arising from their review of state agency utilization of "unadopted" rules. It also provides additional incentives for state agencies to undergo rule adoption and implementation procedures when authority for such is granted by statute.

AIF has worked closely with the Governor's Office to make sure this year the bill will not be vetoed.

**AIF supports this proposal 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.**

## **Energy**

On Thursday, April 10<sup>th</sup> the Senate General Government Appropriations Committee unanimously passed SB 1544 Relating to Energy by Senator Burt Saunders (R-Naples). This bill encompasses a majority of the Governor's energy package, which has been the subject of much attention in recent months.

The bill was amended during the committee meeting in order to bring it closer in line with its House companion (ENRC 1). Due to the state's fiscal crisis, much of the appropriations which would have been used as incentives for the development of alternative energy technologies were stripped by the bill's sponsor. In addition, a provision that would have required that utilities use a minimum of 3% energy from solar power was also removed. Finally, the bill was amended to require that any renewable portfolio standard developed by the Public Service Commission must be ratified by the legislature (incidentally, this also applies to any cap-and-trade program established by the PSC). Senator Saunders explained that the reason behind this was that he wanted to avoid any increase in electric rates or other unintended consequence that may result from the implementation of a new renewable portfolio standard.

SB 1544 will now be considered on the floor of the Senate.

**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 8<sup>th</sup> the Senate Health Policy Committee unanimously passed SB 1598 Relating to Health Insurance Coverage/Amino-acid-based Formula by Senator Durrell Peaden. This bill deals with a mandated offering of coverage for Amino-acid-based formulas. These formulas for infants are already a mandated offering of coverage, this bill the formula is delivered by an enteral procedure (a tube placed through the stomach) as opposed to offering the formula intravenously.

SB 1598 will now be considered by the Senate General Government Appropriations Committee.

**While a worthy proposal, 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 8<sup>th</sup> the House Healthcare Council unanimously passed HB 19 Relating to Coverage for Mental, Nervous, and Substance-related Disorders by Representative Ed Homan (R-Temple Terrace). The bill, which would have mandated costly mental health services to be included in insurance policies, was substantially changed. The bill now requires insurers to make available the option to purchase coverage for serious mental illness when the treatment is determined to be medically necessary. Further, insurers are allowed to charge an appropriate premium for this increased coverage.

In order to control costs, the new language limits the illnesses covered, allows for inpatient coverage benefit limits and requires these services be provided through managed care arrangements. Further, the bill only applies to employer groups of 50 employees and above and if it is found that this coverage would result in a 2% increase of the policy, the coverage can be cancelled.

HB 19 will now be considered by the House Policy & Budget Council. Its Senate companion, SB 164 by Senator Victor Crist (R-Tampa), will now be considered by the Senate General Government Appropriation Committee.

**AIF thanks Representative Homan for his willingness to work with the business community to find ways to address the issue of mental health parity without costly mandates that would drive up the cost of health insurance for employers.**

The long awaited House hearing on two innovative plans to provide low cost health insurance to uninsured Floridians was held on Tuesday, April 8<sup>th</sup> in the House Healthcare Council. The proposals - one being advanced by the House and the other by Governor Crist - were rolled into one proposed committee bill - HCC 18 Relating to Affordable Health Coverage. HCC 18 was passed by the Health Care Council and was assigned a bill number (HB 7081).

On Thursday, April 10<sup>th</sup> the House Policy & Budget Council passed HB 7081 Relating to Affordable Health Coverage by Representative Aaron Bean (R-Fernandina Beach) by a 23 to 8 margin. The bill has two main provisions. The first, developed by Governor Charlie Crist, contains a Cover Florida program that would establish an ITN process to provide low-cost insurance to Florida's uninsured. The providers of this plan would be licensed insurers. The second, developed by the House, entails provisions of an Affordable Healthcare Program establishing a "farmer's market" at which all kinds of vendors, licensed and unlicensed, could offer various kinds of health services to Florida individuals through an employer portal. Other components of the bill would:

- Increase the eligibility for Health Flex from 200 to 300% of Federal Poverty Limit;
- Allow employers to make, as a condition of employment, an employee sign up for their group health plan;
- Require employees to opt-out of their employer's group health plan;
- Exempt from the Insurance Code, non-profit religious organizations that acts as a clearinghouse of sorts for ensuring their members receive medical services;
- Remove the 10% cap on the full pay participants in the Kidcare Program; and
- Allow Kidcare premium assistance to be used toward an employer sponsored insurance plan.

The Democrats on the Council continued to raise concerns mainly focused on unlicensed entities and the makeup of the public-private corporation, which would be established to administer this program. This bill is now ready for the House floor. Similarly, the Senate companion - SB 2534 by Senator Durrell Peaden (R-Crestview) - is poised to pass the Senate next Wednesday, having gone through the amendatory process.

**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.**

On Thursday, April 10<sup>th</sup> the Senate General Government Appropriations Committee unanimously passed SB 1012 Relating to Health Insurance Claims Payments by Senator Don Gaetz (R-Ft. Walton Beach), after the most onerous portion of the bill was removed. The section that would have required health plans to pay out-of-network providers directly (mandatory assignment), was significantly watered down to ensure the in-network providers are paid directly. This is common practice in the industry. Another provision would shorten the period of time in which a health plan can "look back" at a provider payment to determine if it was inappropriate. Current law calls for 30 months, but this bill would shorten it to 12 months.

The final provision, which would negatively affect employers, is the proposed prohibition of silent PPOs. Silent PPOs are preferred provider organizations used by companies to negotiate lower costs for health insurance. AIF and insurers are very close to a compromise on this issue and it is likely this issue will be resolved on the floor. As a result, Jose Gonzalez, Vice President of Governmental Affairs for AIF, thanked the bill sponsor for his willingness to work on their concerns. The mandatory assignment language has already been removed from the House version, and we feel confident we will resolve the Silent PPO issue.

SB 1012 will now be considered on the floor of the Senate. Its House companion, HB 405 by Representative Bill Galvano (R-Bradenton), was passed by the House Healthcare Council (16-1) on Wednesday, April 8<sup>th</sup> and is scheduled to be heard by the House Policy & Budget Council on Monday, April 14<sup>th</sup>.

**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.**

## **Secondary Metal Theft**

On Tuesday, April 8<sup>th</sup> the Senate Criminal and Civil Justice Appropriations Committee unanimously passed SB 556 Relating to Secondary Metals Recycling by Senators Lee Constantine (R-Altamonte Springs) and Victor Crist (R-Tampa). Senator Constantine explained that the bill adds additional recordkeeping requirements for secondary metals recyclers in an attempt to curb the "wave" of metal theft occurring in the state. Senator Constantine hoped that the additional requirements, such as physical descriptions of the sellers and the tag number of their vehicle, would discourage persons from attempting to redeem stolen metals, leading to a decrease in thefts.

SB 556 will now be considered on the Senate floor.

On Tuesday, April 8<sup>th</sup> the Senate Criminal Justice Committee unanimously passed SB 1384 Relating to Theft of Copper or Other Nonferrous Metals by Senator Charles Dean (R-Inverness). Senator Dean's aide, Kevin Sweeny, appeared for the Senator due to his absence. Sweeny explained that 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.

SB 1384 will now be considered by the Senate Criminal & Civil Justice Appropriations Committee. SB 1384's House companion, HB 799, was recently passed by the House on a unanimous vote.

**AIF supports 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.**

## **Space**

Tuesday, April 8<sup>th</sup> was a great day for the space agenda in the Florida Legislature. In both the House and Senate, three priorities for Associated Industries of Florida passed several committees that would advance the agenda of space related economic development in Florida.

The Senate Judiciary Committee unanimously passed SB 2438 Relating to Spaceflight/Informed Consent by Senator Bill Posey (R-Rockledge). Known as informed consent for spaceflight, SB 2438 provides a limitation on liability for spaceflight activities. This bill has now passed all committees of reference and will be ready for action by the full Senate during the final three weeks of session. The House companion, HB 737, has also passed all committees of reference and is on the House Calendar.

The House Economic and Infrastructure Council unanimously passed two space priorities by Representative Thad Altman (R-Melbourne). After spending the weekend recovering from an emergency appendectomy last week, Representative Altman was back in action in the House, unanimously passing HB 1055 Relating to Space Industry, which creates the Space Technology Research and Diversification Act and HB 1373 Relating to Qualified Defense Contractor Tax Refund Program, which expands the current qualified defense contractor tax refund program to space flight business and space flight contracts. Both bills are major priorities for Associated Industries of Florida and now have one more stop in the House Policy & Budget Council before being ready for the House Calendar.

Also on Tuesday, the Senate Higher Education Committee unanimously passed SB 2526 Relating to Space Technology Research and Diversification, the companion to HB 1055, SB 2526, has one more committee hearing remaining in the Senate Transportation and Economic Development Appropriations Committee, before hitting the Senate Calendar.

**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.**

On Thursday, April 10<sup>th</sup> the Senate Finance and Taxation Committee unanimously passed SB 2666 Relating to Space Flight Contractors/Tax Refunds by Senator Bill Posey (R-Rockledge). SB 2666 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. To be eligible for a refund, the space flight business contract or facility must result in a new increase in space flight business employment at a Florida facility. SB 2666 also allows local governments to use donated or discounted land and buildings to qualify as the required local match.

SB 2666 will now be considered by the Senate Transportation and Economic Development Appropriations Committee. SB 2666's House companion, HB 1373 by Representative Thad Altman (R-Melbourne), will now be considered by the House Policy & Budget Council.

**AIF supports adding space flight businesses to the Qualified Defense Contract Tax Refund Program. The incentives included in this successful program should go a long way in helping Florida maintain and attract commercial space industries.**

## **Immigration**

On Tuesday, April 8<sup>th</sup> the House State Affairs Committee held a rare workshop this late in the session to discuss the issue of immigration reform in Florida. A number of bills have been filed in the House dealing with different aspects of immigration policies and enforcement issues. House bills 73 Relating to Illegal Immigration by Representative Don Brown (R-Defuniak Springs), 159 Relating to Enforcement of Immigration Laws by Representative Sandy Adams (R-Oviedo), 571 Relating to Illegal Aliens by Representative Dick Kravitz (R-Jacksonville), 577 Relating to Illegal or Undocumented Aliens by Representative Trudi Williams (R-Ft. Myers), 821 Relating to Illegal Immigration by Representative Gayle Harrell (R-Port St. Lucie), and 1247 Relating to Immigration Status of Inmates by Representative Dan Gelber (R-Miami) were considered during the day's workshop, which lasted almost three hours.

**AIF supports the concept of "comprehensive immigration reform." Florida's economy relies on the manpower provided by migrant labor and mass deportation of law abiding workers is unrealistic. The Florida legislature should focus its efforts on encouraging the federal government to once again consider federal legislation that secures our borders, provides for a temporary guest worker program, establishes tamper proof IDs for migrants, and establishes a reliable and quick verification process for employers to use.**

## **Ports**

The "goodbye FUPAC" theme continued this week in the Florida Senate. Last week, \$615,000, needed to produce the Florida Uniform Port Access Credential (FUPAC), was struck from the Senate version of the budget. On Tuesday, Bill Janes, Chairman for the Florida Seaport Security Standards Advisory Council, offered an alternative means of credentialing.

On Tuesday, April 8<sup>th</sup> the Senate Military Affairs & Domestic Security Committee passed SB 1470 Relating to Seaport Security by Senator Charlie Dean (R-Inverness) on a 5-2 vote. The bill proposes to designate the federal Transportation Worker Identification Card (TWIC) as the FUPAC card. However, Janes further explained a new process for port access. Because standards are slightly different between state and federal cards, a TWIC card would not gain access to Florida's ports until an affidavit or enrollment application was completed.

While the new system is not actually detailed in the bill, Janes imagined that the enrollment for access would include questions of the applicant about criminal background not considered relevant by the federal government. In addition to all the federal requirements, Florida Statutes would ban access for a conviction of dealing in stolen property, burglary, theft or possession of a firearm as an element of a crime.

Janes anticipates that applications would be collected and then randomly checked for accuracy. The staff analysis concludes that the cost to the state for this program would be about \$30 per applicant. The Governor's Office of Drug Control estimates the cost of the TWIC card would be \$132.50.

While one card for \$162.50 sounds better than the status quo, Senators Tony Hill (D-Jacksonville) and Gary Siplin (D-Orlando) did not agree with the plan. Both believe Florida should be governed by the same regulations as the rest of the country.

SB 1470 will now be considered by the Senate Criminal Justice Committee.

**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 Tuesday, April 8<sup>th</sup> the Senate Commerce Committee approved SB 692 Relating to Recycling by Senator Dennis Jones (R-Seminole), which 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 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 long distances to take aluminum cans, recyclable plastic and glass to a recycling center where they may receive very little for these items.

SB 692 will now be considered by the Senate General Government Appropriations Committee.

**AIF opposes this bill only because of the mandate on small businesses and not for profits. Although AIF supports recycling efforts that are good for our environment and economy, we still are requesting an amendment to require the private sector groups listed in this bill to recycle when cost effective.**

## Hospitals/CON

On Thursday, April 10<sup>th</sup> the Senate considered SB 2326 Relating to Hospitals by Senator Durell Peaden (R-Crestview). As originally filed, the bill would have eliminated the certificate-of-need (CON) requirement for general hospitals. The proposal has since been amended to only address certain changes dealing with applications for a CON and challenges to future CON applicants by existing hospitals. 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.

During Thursday's Senate session the bill was further amended to require that private hospitals who fail to successfully challenge a CON application must pay attorney fees to the prevailing party in an amount up to \$2 million dollars. This amount is reduced to \$1 million dollars for teaching hospitals.

The bill is now ready to be considered for a final vote on the floor of the Senate. 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 and its *Florida Hospital Council* urge caution as legislators consider making significant changes to Florida's existing CON process. Although well-intentioned, the changes being proposed to Florida's CON process are still troublesome.**

## Florida Forever

On Thursday, April 10<sup>th</sup> the Senate General Government Appropriations Committee unanimously passed SB 542 Relating to Florida Forever 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. Since the beginning of Florida Forever, the state has purchased more than 600,000 acres of environmentally sensitive land. 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, and relocation of imperiled species. The FRPPL would like to see better management practices implemented on these state owned public lands as well.

SB 542 will now be considered on the floor of the Senate. Its House companion, proposed committee bill ENRC 9, was passed by the House Environmental and Natural Resource Council on Friday, April 10<sup>th</sup>. The House version re-institutes the Florida Forever program for another 10 years and enhances the current program to prioritize public water access, alternative water supplies, imperiled species mitigation, and performance standards for land management. The bill was also amended to include some important working waterfront provisions that will ensure that these culturally sensitive lands are also protected using the Florida Forever model. A number of groups both business and those representing the environmental community testified in support of this important program.

**AIF and the *Florida Coalition for Responsible Preservation of Public Land* support the implementation of a successor program for Florida Forever.**