



DAILY LEGISLATIVE BRIEF FROM APRIL 2, 2008

Two themes dominated as the House and Senate were in session today. The House spent a great deal of time on the subject of abortion, while the Senate took up a number of bills dealing with Florida's senior citizens. The House canceled their scheduled session for Friday, after going late into the evening today. The Senate is scheduled to be in session tomorrow afternoon and will take up the controversial "guns in the workplace" bill, opposed strongly by AIF and the rest of the employer groups in Florida.

Earlier in the day a number of committees debated priority issues for AIF. The House Environment and Natural Resources Council passed their version of the energy package and the Governor's plan to deal with Florida's uninsured passed the Senate Health and Human Services Appropriations Committee. Tonight's report includes complete coverage of these two proposals as well other bills important to the business community.

Health Care

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. Insurers and employer groups expressed their support for such a measure. AIF's Jose Gonzalez testified that this new approach will help more employers across the state to provide health benefits to their employees. 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.

AIF's Jose Gonzalez testified in support of the proposal calling this bill one of AIF's top priorities for the session. Businesses in Florida want to provide health insurance for their employees but recent increases in cost have made it very difficult for them to do so. This type of plan would allow even the smallest employers to provide some level of coverage for their employees.

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.

Economic Development

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.

Types of businesses that would benefit from this bill include, but are not limited to, aerospace engineering, computer technology, renewable energy, and medical and life sciences. The bill contains specific parameters surrounding the investment of these funds that protect the integrity of the Florida State Retirement Fund and would call for the SBA to report to the Legislature on a

yearly basis relaying the status of these funds. These provisions have helped garner the broad support from the business community, the Police Benevolent Association, The Florida Association of Professional Firefighters and other employee union groups in which members have investments in the Florida State Retirement Fund.

The bill also provides for a \$40 million one-time cash prize to the private sector firm that provides the most significant advancement in the reusable space vehicle industry. The funding of this one-time cash prize would be contributed from both the private sector and the state, each allocating \$20 million a piece. The investment from the state would come no earlier than 2014, thus having no fiscal impact for the 2008-2009 budget year.

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. [Click here to read about AIF's Economic Stimulus Plan.](#)

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.

Hospitals/CON

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.

Jose Gonzalez, on behalf of AIF, urged the Committee members to be cautious when proposing changes to the CON process, especially this late into the session. The CON process in Florida has been around for over 30 years and since 1999 the process has approved 28 hospitals, representing more than 3 hospitals per year.

Both Senators Nan Rich (D-Sunrise) and Don Gaetz (R-Ft. Walton Beach) expressed support for the amended bill, but pointed out that they would have voted against the elimination of the CON process as originally proposed.

SB 2326 will now be considered by the Senate Health Regulation Committee.

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.

Taxation

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 today's 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.

The Senate Finance & Tax Committee considered several bills that are of interest to AIF members. SB 1586 Relating to Taxation by Senator Mike Haridopolos (R-Melbourne) was unanimously approved. This bill is an example of what we fondly call the "piggy-back bill." Florida's Corporation Income Tax Code is usually amended each year to follow the federal Internal Revenue Code so that Florida corporations will not have to set up two separate accounting procedures. SB 1586 makes that amendment, but also provides for exceptions to the federal code that was brought about as part of the Economic Stimulus Act of 2008.

HB 1586 will now be considered by the Senate General Government Appropriations Committee.

AIF supports the "piggy-back" bill as it will help Florida corporations from unnecessary accounting procedures.

The Committee also unanimously approved SB 1588 Relating to Property Tax Administration 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.

Environment

The House Environment & Natural Resources Council unanimously approved HB 527 Relating to Brownfield Site Redevelopment by Representative Trudi Williams (R-Ft. Meyers). 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.

HB 527 will now be considered by the House Policy & Budget Council.

AIF has not yet taken a position on this bill, but is in the process of determining our stance on the issue.

Energy

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.

Secondary Metal Theft

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.