



DAILY LEGISLATIVE BRIEF FROM APRIL 3, 2008

The major developments taking place today include passage of CFO Sink's proposal to reduce the Cat Fund's exposure by the Senate Governmental Operations Committee. This AIF-supported proposal is a good first step towards reducing the potential for future "hurricane taxes" that could result from the next big hurricane to hit our state.

In addition, the Senate Environmental Preservation and Conservation Committee unanimously passed their version of the Florida Forever successor program (SB 542). AIF has been working with the *Florida Coalition for Responsible Preservation of Public Land* to ensure that this program will include a number of enhancements that will ensure that all Floridians maintain their rights to responsibly enjoy and use public lands.

On a more disappointing note, the House Policy and Budget Council – during a marathon 10 hour session – approved the sweeping of over \$640 million dollars from the Transportation Trust Fund. Instead of using these dollars for valuable road projects that have the potential to stimulate the economy, the House is proposing to use the monies to plug the existing budget holes.

Guns in the Workplace

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 today, 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.

Insurance

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.

Jose Gonzalez, on behalf of AIF, testified in support of the bill and thanked CFO Sink and the bill's sponsor for bringing forward this proposal. "This proposal will ensure that a greater amount of risk will be spread worldwide and assumed by private insurance companies," he stated. The bill has the potential to save businesses an estimated \$5 billion in hurricane taxes over the next 30 years by reducing the potential for additional assessments to cover the Cat Fund's exposure.

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.

Transportation

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.

This unprecedented sweep of transportation dollars was met with vocal opposition from a majority of the business groups in Florida. AIF's Jose Gonzalez reminded committee members that AIF and 18 other business associations had stood before the Committee advocating for an economic stimulus package which emphasizes spending dollars on transportation to stimulate the economy. According to the Department of Transportation, for every \$1 spent on road development, \$7 is returned to the economy.

Despite this 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.

Taxation

Today, 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.

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.

Infrastructure

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.

AIF supports a Florida Forever successor program, but believes it should encompass better public access to these lands than it currently possesses. FRPPL members are seeking the preservation of unique lands while maintaining reasonable access for recreational use by boaters, bird watchers, hunters and other avid outdoorsmen. In addition, the program should provide for environmentally sound use of certain lands to responsibly keep up with Florida's growing population and economic needs.

AIF and members of the FRPPL would like to thank Senator Saunders for incorporating many of our important concerns into the bill and we look forward to working with him on the remaining issues that have yet to be resolved.

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

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.

In 2007, Senator Fasano offered a similar bill, much broader in scope, which ultimately died in committee. This year however, the bill has provisions in place to alleviate most concerns and will hopefully pave way for a successful finish this session. AIF met with committee members and staff to encourage support for the bill in the committee meeting. In addition, House sponsor Representative Rob Schenck (R-Springhill) attended the Senate Committee for support.

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.

Environment

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's House companion, HB 527 by Representative Trudi Williams (R-Ft. Meyers), was approved yesterday by the House Environmental & Natural Resources Council. SB 2594 will now be considered by the Senate Community Affairs Committee.

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.