



DAILY LEGISLATIVE BRIEF FROM APRIL 17, 2008

The end game is starting to become less murky as a number of the major bills for the 2008 session begin to take shape. The Senate has taken up its version of the energy bill and amended it to conform to its House companion. Instead of passing it on the floor today, Senate President Ken Pruitt (R-Port St. Lucie) announced that they would not be taking a vote until receiving the House version. On the issue of Florida Forever (a priority item for AIF), it is the House who will be taking the Senate work product.

Today's Senate session was highlighted by the passage of a number of economic development bills critical to AIF and the busy community. The House, on the other hand, spent much of the afternoon debating dueling health insurance proposals – each offering solutions to the crisis of Florida's uninsured population. The House and the Governor's office have both drafted proposals that attempt to resolve the problem, but each would go about it in vastly different ways. The Senate passed the Governor's plan, but the House has added its proposal to the bill and as of today the bill is a combination of the two.

Taxation

The Senate Community Affairs Committee unanimously passed SB 2080 Relating to Value Adjustment Boards (VAB) by Senator Mike Haridopolos (R-Melbourne). The bill implements 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.

Several people testified in support of the bill, including Frank Meiners on behalf of Associated Industries of Florida. There were no questions or debate by the members of the committee.

SB 2080 will now be considered by the Senate General Government Appropriations Committee on Tuesday, April 22nd. Its House companion, HB 909 by Representative Peter Nehr (R-Tarpon Springs), is ready for consideration on the House floor.

AIF supports this legislation 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.

Economic Development

Today, the Senate Community Affairs Committee unanimously passed three measures that AIF has been actively supporting this session; and in doing so, moves them one step closer to the floor for a final vote.

SB 850 Relating to Corporate Income Tax by Senator Mike Fasano (R-New Port Richey), otherwise known as the New Markets Tax Credit program, creates a Florida venture capital program that would allow venture groups to receive a state level incentive in the form of a tax credit when investing risk capital into designated rural, low income and economically strained areas of the state. This is important in helping to stimulate the economy in these areas as well as aiding in the creation of areas of business clusters. In addition, this new Florida program would piggyback off of an existing federal program that has \$20 billion dollars of federal tax credits available.

AIF stood in support of this bill today and applauded Senator Fasano for his work on this bill. SB 850 will now be considered by the Senate Finance & Tax Committee. Its House companion, HB 293 by Representative Will Weatherford (R-Zephyrhills), is ready for consideration on the House floor.

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.

SB 402 Relating to Target Industry Businesses/Expedited Permitting by Senator Fasano will allow targeted industries, as defined in FL Statute 288.106, to receive expedited permitting from their respective state Water Management Districts or the Department of Environmental Protection (DEP). These are businesses that are headquartered in Florida and provide high-skill, high wage jobs. SB 402 would assure that local governments, by resolution, could approve expedited permitting for targeted businesses in need of wetland resource or Environmental Resource Permits (ERP). Currently, the Water Management Districts have up to 90 days to approve these permits; however, under SB 402, approval or denial would be limited to 45 days. This would help expedite the permitting process for industries looking to establish in an area and would help local governments attract and retain businesses for job growth. AIF supports this legislation and encourages the Legislature to pass this on to the Governor.

HB 402 will now be considered by the Senate Commerce Committee. Its House companion, HB 147 by Representative Robert Schenck (R-Springhill), is ready for consideration on the House floor.

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.

SB 432 Relating to Artificial Reefs/Placement of Vessels by Senator Mike Bennett (R-Bradenton) seeks to create economic activity by allowing Florida to offer a matching grant to local governments in order to participate in the sinking of decommissioned naval vessels to serve as a tourist attraction. Administered by the Florida Fish and Wildlife Conservation Commission, these matching grants may be used for the reconditioning, towing and sinking of such vessels in Florida with the hopes that recreational divers, fishermen and swimmers will take advantage of this generating millions in state revenues to the area. As reported earlier, in 2006, the USS Oriskany was sunk off the coast of Pensacola, generating \$2 million in economic activity to Escambia County alone and a total of \$3.6 million for the area, creating almost 67 new jobs. This revenue was generated by fishing and some 4200 charter diving trips around the vessel.

SB 432 will now be considered by the Senate General Government Appropriations Committee. Its House companion, HB 179 by Representative Doug Holder (R-Sarasota), will now be considered by the House Policy & Budget Council.

AIF supports this creative way to stimulate Florida's economy by using the state's natural resources.

The Senate also unanimously passed two pieces of legislation important to AIF's economic stimulus efforts this session.

SB 2778 Relating to Economic Development by Senator Mike Fasano (R-New Port Richey) is the Senate's major economic stimulus package. Mirroring various provisions in its house companion, HB 7111 by Representative Dean Cannon (R-Winter Park), SB 2778 aims to loosen regulatory burdens on businesses, increase the number of companies eligible for incentive programs through the Office of Tourism Trade and Economic Development (OTTED), increases economic assistance to rural areas of the state, sets timelines for application approvals or denials to OTTED for economic assistance, and 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. One major provision that was also included is the creation of Florida's Building Florida's Future revolving loan guarantee program. This would establish a program that would help secure loans for infrastructure improvements to local governments and private entities that are looking to secure a targeted industry in their community.

SB 2778 will now be sent to the House for consideration. Its House companion, HB 7111, is ready for consideration on the House floor.

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.

SB 2310 Relating to Economic Stimulus by Senator Jeremy Ring (D-Margate) is a creative and resourceful way to utilize existing funds in the Florida State Retirement System (FRS) to stimulate the economy by allowing as much as 1.5 percent, or \$2.1 billion, into specific businesses across Florida. Most importantly, these businesses must be domiciled within the state. This bill has been one of AIF's most important pieces of legislation and could have a tremendous impact on our business community. In addition to the infusion of capital in Florida based businesses, the bill also provides for a \$40 million one time cash prize to the private sector firm that provides the most significant advancement within the reusable space vehicle industry.

SB 2310 will now be sent to the House for consideration. Its Senate companion, HB 1295 by Representative Frank Attkisson (R-Kissimmee), will now be considered by the House Economic Expansion & Infrastructure Council.

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.

Health Care

The House considered SB 2534 Relating to Health Insurance by Senator Durrell Peaden (R-Crestview), and made substantial amendments to it late this afternoon, after substituting it for its House companion (HB 7081 by the House Healthcare Council). This bill combines the Governor's "Cover Florida" plan and Representative Aaron Bean's (R-Fernandina Beach) "Farmer's Market" plan as ways to deal with the more than 3.8 million uninsured Floridians.

Several onerous provisions were removed from the bill, including language which would have:

- Required employees to opt out of their employers health plan;
- Allowed out of state insurers (not licensed in Florida) and self-insurers to provide risk-bearing products in the House Marketplace environment; and
- Make extending coverage to a parent's dependent until age 30 a requirement

Under the House's plan, a corporation would be established, which would oversee administration of the health insurance marketplace. A good provision was amended to the bill today, which added the Insurance Commissioner or his designee to the Board of Director's for the corporation in the House "Farmer's Market" plan. The responsibilities of this corporation include pooling the risk of the individual participants and preventing selection bias, as well as establishing the methodology for assessing the risk of enrolled individual participants. For this reason, it is important for the Office of Insurance Regulation to be represented on this Board.

The bill is poised to pass the full House tomorrow and head back to the Senate for a final vote. It is unclear at this time if the Senate will accept this bill since their version originally only included the Governor's plan.

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.

Space

Today, the Florida Senate unanimously passed (39-0) SB 2438 Relating to Spaceflight/Informed Consent by Senator Bill Posey (R-Rockledge). A significant priority for Associated Industries of Florida, SB 2438 provides that a spaceflight entity is not liable for injury to, or death of, a spaceflight participant resulting from the inherent risks of spaceflight launch activities, so long as a required warning is given to, and signed by the participant.

SB 2438 will now head to the House for consideration. Its House companion, HB 737 by Representative David Simmons (R-Altamonte Springs), is scheduled to be considered on the floor of the House in the last two weeks of the 2008 Session.

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

Environment

The Senate Community Affairs Committee unanimously passed SB 2594 Relating to Brownfield Areas by Senator Lee Constantine (R-Altamonte Springs). The Brownfields Redevelopment Program empowers communities, local governments and other stakeholders in economic development to work together to assess, clean up, and reuse brownfields. A brownfield site is property, which may be complicated by actual or perceived environmental contamination during the expansion, redevelopment or reuse of the property. The bill provides for a one-time, 25 percent tax credit of up to \$500,000 for the construction and operation of new health care facilities or health care providers on brownfield sites. Also, solid waste removal costs can be a part of the tax credits allowed under this section.

SB 2594 still has several committee stops including the Banking & Insurance, Finance & Tax and General Government Appropriations committees. With only two weeks left in the session, it will be difficult for the bill to make it through all of these references. However, the bill could be withdrawn from some of the referenced committees. Its house companion, HB 527 by Representative Trudi Williams (R-Ft. Meyers), is ready for consideration on the House floor.

AIF supports this legislation as it will hopefully increase participation in the redeveloping of brownfield sites and therefore promote economic development efforts. The reuse of property is an important component of sound land use policy and the economic development advantage is great in promoting the growth of new jobs.