



DAILY LEGISLATIVE BRIEF FROM APRIL 21, 2008

The marathon meetings continued on Monday, as the House Policy and Budget Council held meeting late into the night. The mood among council members was much improved from last Friday's tense House session. At the end of the meeting, Council Chairman Ray Sansom (R-Ft. Walton Beach) announced that this would be the last meeting of the Policy and Budget Council and thanked all members and staff for their hard work. Whether this is in fact the last meeting is still up in the air, since Chairman Sansom made the same announcement last Monday.

The first round of preliminary budget conference meetings were held Monday afternoon and they will continue throughout the week. Tuesday will feature a number of Senate committee meetings and it marks the 50th day of session - meaning that it is the last day for regularly scheduled committee meetings in the Senate.

Florida Forever

The House Policy and Budget Council unanimously passed HB 7141 Relating to Florida Forever by the House Environment and Natural Resources Council. 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.

HB 7141 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 also includes some important working waterfront provisions that will ensure that these culturally sensitive lands are also protected using the Florida Forever model.

During today's meeting, Representative Will Kendrick (R-Carrabelle) presented the bill and offered two amendments. The first brought the House bill closely in line with its Senate companion, SB 542 by Senator Burt Saunders (R-Naples), which has been placed on the Senate calendar. The second amendment deleted language that would have transferred the popular Florida Communities Trust program from its current home in the Department of Community Affairs (DCA) to the Department of Environmental Protection. This was a highly contentious issue from many in the environmental community as well as for representatives from DCA.

A number of groups both business and those representing the environmental community testified in support of this important program. HB 7141 is now ready to be considered on the floor of the House.

AIF and the *Florida Coalition for Responsible Preservation of Public Land* support adding additional uses of public lands to the Florida Forever program 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.

Taxation

The House Policy & Budget Council approved HB 135 Relating to Exemptions from the Tax on Sales, Use, and Other Transactions by Representative Baxter Troutman (R-Winter Haven) on a 23-5 vote. This proposed legislation would give a sales tax exemption on electricity used for packing houses. A packing house is a place where fresh fruits and vegetables are packed, or otherwise prepared, for market or shipping for wholesale distribution. The legislation does not give the exemption to buildings or structures where agriculture products are sold at retail prices.

Agriculture is the second largest economic contributor to the State of Florida. This sales tax exemption will help our farming community keep prices as low as possible.

HB 135 is now ready for consideration on the House floor. Its Senate companion, SB 394 by Senator Jeff Atwater (R-North Palm Beach), will now be considered by the Senate Finance & Tax Committee.

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 Council also unanimously approved HB 893 Relating to Tax on Sales, Use, and Other Transactions by Representative Marti Coley (R-Marianna). The bill would allow a sales tax holiday for school items in 2008, but not before making some significant changes. For the past several years, Florida has had a "Sales Tax Holiday" for back to school supplies. The first sales tax holiday for back-to-school supplies began in 1998, but in 2002 and 2003 it was not enacted due to revenue shortfalls.

An amendment was adopted to shorten the time frame for the sales tax holiday from 10 days to 7 days. Now the sales tax holiday will begin on August 2nd and end at midnight on August 8th. The amendment also changed the type of items eligible for the sales tax exemptions. These include clothing, wallets, or bags, including handbags, backpacks, fanny packs, and diaper bags, but exclude briefcases, suitcases, and other garment bags, and must have a sales price of \$50 or less per item. The final change allows school supplies having a sales price of \$10 or less per item to be eligible for the sales tax holiday as well. In previous years books have been included in the sales tax holiday, but due to the fiscal impact, they were not included in this year's list of items.

HB 893 is now ready for consideration on the House floor. Its Senate companion, SB 2094 by Senator Daniel Webster (R-Winter Garden), will now be considered by the Senate Finance & Tax Committee.

AIF has consistently supported sales tax holidays for back-to-school supplies throughout the years. The holiday entices residents from neighboring states come across Florida's border to purchase these items, thus generating extra revenue to Florida businesses.

Education & Workforce Development

The House Policy & Budget Council unanimously passed SB 1908 Relating to Designation of High School Grades by Senator Don Gaetz (R-Ft. Walton Beach). This is the high school grading bill that set off the reading of all bills in entirety in the House on Friday. Representative Joe Pickens introduced it appropriately as, "the bill that started it all."

The proposal, supported by AIF, is an enhancement to education accountability in a manner that encourages more access to and performance on rigorous coursework and career education. It also reduces the influence of the FCAT on high school grades, which determines how much reward money schools get. Other factors, including the graduation rate and students' scores on Advanced Placement tests would be included

SB 1908 is now ready for consideration on House floor and would need to return to the Senate for final approval.

AIF supports SB 1908 because it is important to continue to build on the K-12 accountability system with particular focus on improving the value of a high school diploma. Employers must be able to trust that a high school diploma ensures that a graduate can communicate and operate effectively in the workplace.

The Council also unanimously passed SB 1906 Relating to Alternative Credit High School Courses by Senator Gaetz. This bill 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. SB 1906 was amended in the House to include the Ready to Work bill, HB 985 by Representative Bryan Nelson (R-Apopka), which is another AIF supported bill.

SB 1906 is now ready for consideration on the House floor.

AIF supports SB 1906 and its efforts to link career education with more traditional instruction 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

The House Policy and Budget Council passed HB 1399 Relating to the Department of Transportation by Representative Gary Aubuchon (R-Cape Coral) by a 25-6 margin. This is the massive transportation bill for the 2008 session. AIF supports many of the provisions in the bill, which seek to improve transportation policies in Florida, especially the provisions that help ensure the success of the commuter rail project in Central Florida.

The Council spent over two hours questioning Representative Aubuchon and representatives from Florida Department of Transportation regarding several provisions associated with CSX and the commuter rail project. Most of the angst revolved around the immunity portion of the deal with CSX and the cost of the project.

Representative Aubuchon reminded members in his closing arguments that similar immunity provisions have been in existence with the South Florida rail system for over 20 years and that the many of the dollars to fund the project were already in the bill. In

addition, he cited the many positive impact this project would have on the quality of life for Floridians in Central Florida and huge positive affect this project would have on the economy of our state.

AIF supports HB 1399 and the many transportation policy innovations contained in this omnibus bill. Investments in infrastructure such as the Central Florida commuter rail project are just they type of activities Florida needs to stimulate the economy.

Legal & Judicial

The House Policy & Budget Council unanimously passed HB 7127 Relating to Administrative Procedures by Representative Ed Homan (R-Temple Terrace). The bill creates incentives for state agencies to properly promulgate rules when the Legislature provides statutory authority to do so. This bill will provide more predictability and fairness for all Florida businesses and residents dealing with state agencies on virtually any matter.

HB 7127 is now ready for consideration on the House floor. Its Senate companion, SB 704 by Senator Mike Bennett (R-Bradenton), is ready for consideration on the floor of the Senate.

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.

Health Care

The House Select Committee on Autism and Developmental Disorders discussed options for addressing the issue related to those with this condition. The proposed council bill, HCC 27, does not contain an insurance mandate at this time. Instead, it provides the following:

Directs Office of Insurance Regulation (OIR) to convene a workgroup of insurers, including self-insured employers, the Governors office and the Legislature to develop an agreement on the following issues:

1. Penalties to be imposed on insurers who deny coverage for medically necessary services due to the presence of a developmental disability.
2. Methods for communicating with beneficiaries on the scope and extent of their insurance coverage for habilitation services and behavioral intervention.
3. Development of new product lines to provide financing and insurance opportunities for services related to developmental disorders.

For any insurer who has not signed the "compact", a mandate would take effect in 2010, and would require coverage of speech, occupational and physical therapies as well as behavioral interventions. A lifetime benefit for these services would be \$108,000, with annual service caps of \$36,000 per enrollee.

The House Health Care Council will consider HCC 27 tomorrow morning at 9 am.

AIF is consistently opposed to additional health insurance mandates because of their potential to increase the cost of health insurance. This proposal does provide some flexibility and we are currently studying its impact on the cost of health insurance plans for employees.