



DAILY LEGISLATIVE BRIEF FROM MAY 1, 2008

With one day left to go in the 2008 legislative session, a number of major issues are still to be settled. The House of Representatives spent most of the day debating the budget and passed a number of the conforming bills necessary to implement the budget. The Senate is expected to pass the state budget during their session tomorrow.

Issues concerning commuter rail, transportation, health insurance coverage for the uninsured, and growth management are still on the table and negotiations – especially on the deal between the state and CSX took place throughout the day. It is expected that a deal on a plan to address the issue of Florida's more than 3.8 million uninsured will be reached tomorrow and a bill containing parts of the Governor's Cover Florida plan and the House's "Farmer's Market" will be passed by the Legislature. The fate of the Central Florida Commuter Rail Project; unfortunately is much more uncertain.

Correction: In the April 25th edition of the AIF Weekly Report, we incorrectly reported that a bill sponsored by Representative Sandy Adams (HB 7119 Relating to Uniform Port Access Credential Card) had not being considered by the appropriate committees. The bill had indeed passed all of its committees of reference. We apologize to Representative Adams for the oversight.

Insurance

SB 2860 Relating to Insurance by Senator Jeff Atwater (R-North Palm Beach), this year's property insurance reform bill, passed the Senate by a vote of 33 to 5 and is now on the way to the Governor for his consideration. There was very little debate and the bill was approved rather quickly. Yesterday, an agreement between the House and Senate negotiators had been reached. The bill continues the freeze on Citizen Property Insurance Corporation rates for another year and provides for a number of additional consumer protections such as requirements for insurance companies to notify the state 90 days before nonrenewing more than 10,000 policies within one year and establishes fines for companies that violate the insurance code.

House negotiators were successful; however, in amending the bill to contain language from Representative Alan Hays' (R-Umatilla) bill to establish a mission-review taskforce whose purpose would be to develop strategies for Citizens to return to an insurer of last resort.

SB 2860 will now be sent to the Governor for his signature.

While we are disappointed that the policy of freezing Citizens rates continues to be perpetuated, thus exposing businesses to further hurricane taxes should a bad storm hit Florida, AIF is encouraged by agreement reached on SB 2860. The inclusion of Representative Alan Hay's (R-Umatilla) proposal to establish a task force to look at ways to return Citizens to the insurer of last resort (one of AIF's 2008 Session Priorities) does present an opportunity for the Legislature to continue to seek solutions to the current property insurance crisis.

Taxation

The House passed (118-1) HB 5065 Relating to Corporate Income Tax by Representative Michael Grant (R-Port Charlotte).

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.

HB 5065 will now be sent to the Governor for his consideration.

AIF supports this legislation because it brings into conformity, Florida's corporate income tax code with the federal IRS code changes. This will prevent businesses in Florida from having to keep two sets of books. However, there will be some differences due to the bill not allowing for accelerated depreciation or the bonus depreciation that is allowed by the federal code.

Education & Workforce Development

The Senate passed (31-6) HB 7045 Relating to Public School Curricular Standards by Representative Anitere Flores (R-Miami). A strike-everything amendment was adopted that includes parts of many education bills AIF has been following this session, as well as several others including:

- Curriculum Standards (HB 7045)
- High School Grading (SB 1908)
- Ready to Work (HB 985)
- Alternative credit (SB 1906)
- College and Career Prep (7069)
- Ethics in Education (SB 1712)
- Charter schools (HB1259 and HB 1301)

Later in the evening, the House reconsidered HB 7045 as amended by the Senate. The House stripped the Senate language passed earlier in the day and amended it to meet their version and passed it unanimously (118-0). With less than 24 hours left to go in the 2008 Session, it is uncertain if the two chambers will reach agreement on an education package.

HB 7045 will now be sent to the Senate floor for consideration.

AIF supports many of the provisions included in these bills, since they lay the foundation for increasing the rigor of high school courses; thereby, helping ensure that Florida's future workforce will be better equipped to meet the demands of the global economy and the requirements of Florida's employers.

Infrastructure

The Senate unanimously passed (38-0) SB 482 Relating to Affordable Housing by Senator Rudy Garcia (R-Hialeah). The bill amends current law to remove the provision requiring the Florida Housing Finance Corporation (FHFC) to pay a General Revenue service charge at the time of the original transfer or rights and liabilities between its entities. The bill also substantially revises and updates current statutes, which govern the definitions and implementation of the State Housing Initiatives Partnership (SHIP) Act. It also allocates SHIP funding for manufactured housing with a 15% cap, and gives local jurisdictions the authority to reassign a one-cent tax on hotel rooms for purposes of providing affordable housing and creates new criteria for the State Apartment Incentive Loan (SAIL) program.

SB 482 will now be sent to the House floor for consideration.

AIF supports this bill as it directly provides a mechanism to lower housing costs for Florida's citizens. The issue of funding affordable housing is part of AIF and the business community's Economic Stimulus Package. Spending dollars on housing is directly tied to increases in state revenue.

Health Care

The Senate unanimously passed (38-0) HB 461 Relating to Health Flex Plans by Representative Jimmy Patronis (R-Panama City). The goal Health Flex plans hope to achieve is to provide a "cafeteria-like" plan for health insurance, which allows policy holders to pick and choose their individual coverage options. These Health Flex plans are not considered full blown insurance, but will hopefully provide companies with alternative choices allowing them to provide less costly insurance options for their employees.

HB 461 will now be sent to the House floor for consideration.

AIF supports market-based solutions to the problem of Florida's uninsured. These individuals typically rely on emergency rooms for their primary care. Unfortunately, this kind of care is the most expensive option. Expanding access for low-income employees to health flex plans is sound public policy.