



DAILY BRIEF

From March 10, 2009

Tuesday was a very busy day of committee meetings, with a number of AIF priority legislation up for consideration. Legislation mentioned in AIF's [Economic Stimulus Package 2.0](#) continued to move swiftly through committee meetings and one of AIF's top priorities – Workers Compensation – was considered by the House Insurance, Business, and Financial Affairs Policy Committee.

The Senate Commerce Committee considered a number of economic development bills supported by AIF and in the education arena the House PreK-12 Education Policy Committee passed legislation, which provides greater flexibility in the implementation of Florida's Class Size Amendment.

On Wednesday, the legislature will be considering AIF priority issues such as:

- Seaport Security – The Senate Military Affairs and Domestic Security Committee will continue its consideration of the issue of duplication of security credentials at Florida's deep water ports
- Cardcheck – Representative Adam Hasner (R-Delray Beach) will be presenting his constitutional amendment to save the secret ballot process in Florida
- New Markets Development Program – HB 485 by Representative Will Weatherford (R-Zephyrhills)
- SunRail – The Senate Judiciary Committee will be considering SB 1212 which creates the Central Florida Commuter Rail Project

Business Regulation

Today, the House Agriculture and Natural Resources Policy Committee unanimously passed one of AIF's priority bills for the 2009 Legislative Session, HB 73 Relating to Expedited Permitting for Targeted Industries by Representative Robert Schenck (R-Springhill). This legislation is meant to help encourage business growth and expansion by stipulating that state required permits for storm water and environmental resource permits be approved or denied within 45 days, rather than the current policy of 90 days upon submission. HB 73 implements policies to expedite these permits for targeted industries as identified by local governments and seeks to reduce an often labor intensive and time consuming process that businesses are forced to deal with.

Often times, the prospect of a lengthy approval process will deter a business from entering a region and will serve as an opportunity lost for the area's job creation and economic stimulus efforts. This legislation would enhance the application process by requiring a pre-application review process to afford both the applicant and the agency the ability to discuss and address all requirements of the permit application.

Several Democrats asked questions of the sponsor indicating their allegiance to the current process which allows for a 90 day review. Several Republican members of the committee, including Representative Rich Glorioso (R-Plant City), commended the bill's sponsor for bringing the issue forward. AIF consultant, Stephen Shiver, was in attendance and spoke in favor of the bill.

HB 73 will next be considered by the House General Government Policy Council.

At the end of the meeting, Chair Trudi Williams (R-Ft. Myers) requested that the committee members continue to work on their list of issues they would like to see included in a proposed committee bill on streamlined permitting. She asked that information be provided to staff by Friday of this week. Next week, they will workshop the proposed committee bill and vote on it during the fourth week of session.

Representative Mary Brandenburg (D-Lake Worth), the Ranking Democratic Member of the committee, had to leave the meeting early for another event. Therefore, Representative Mark Pafford (D-West Palm Beach) reported to the committee that the House Democrats are supportive of several issues being discussed. Those issues included many recommendations found in AIF's [2009 Session Priorities](#) and [ESP 2.0](#), such as extension of permits for 3 years, expediting permits, and the elimination of unnecessary duplications.

AIF SUPPORTS legislation aimed at improving the permitting process for existing businesses in Florida and for those companies looking to invest in our state.

Education & Workforce

Today, the House PreK-12 Education Policy Committee passed (10-3) HB 919 Relating to Revision of the Class Size Requirements for Public Schools by Representative Will Weatherford (R-Wesley Chapel). Beginning with the 2010-2011 school year, the joint resolution changes the way that class size compliance is calculated by: (1) using the *average* number of students *at the school level*, rather than the maximum number of students at the classroom level; and (2) allowing the number of students that could be assigned to each teacher in prekindergarten through grade 3 and grades 4 through 8 to increase:

- For prekindergarten through grade 3, the maximum number of students that could be assigned to each teacher in an individual classroom is raised from 18 to 21, *but the school level average cannot exceed 18 students.*
- For grades 4 through 8, the maximum number of students that could be assigned to each teacher in an individual classroom is raised from 22 to 27, *but the school level average cannot exceed 22 students.*
- For grades 9 through 12, the calculation method is limited to the average number of students at the school level, which cannot exceed 25 students.

The joint resolution contains a ballot summary required to notify voters of the contents of the proposed amendment and must pass each side of the Legislature by a three-fifths vote.

Overall, HB 919 saw much less animosity than it has in prior years with only three no votes in its first committee stop. HB 919 will next be considered by the House Education Policy Council.

AIF supports increased flexibility in the implementation of the class size reduction requirement due to the positive fiscal impact that would be created as a result of changing the compliance requirements. This proposal is part of [AIF's Economic Stimulus Package 2.0](#) since greater flexibility will ensure money is spent where it is most needed at a time when school funding is facing drastic reductions as a result of the downturn in the economy.

Energy & Environment

Today, the Senate Environmental Preservation and Conservation Committee unanimously passed SB 114 Relating to Contaminated Property/Notification by Senator Charlie Justice (D-St. Petersburg). This bill was filed in response to a situation in the St. Petersburg area where a contamination plume spread outside the property owner's boundary and some residents did not feel as though they were properly notified.

The bill, as filed, would expand the list of those notified of a contaminated property to a radius of 1 mile. Senator Paula Dockery (R-Lakeland) offered a "strike-everything" amendment that was adopted, which lowered the radius of notification to 1,000 feet. This is still problematic to the business community. Currently, the Florida Department of Environmental Protection (DEP) is required to notify all recorded property owners which contamination had been discovered beyond property boundaries within 30 days. Expanding the notice requirement to such a large area, without any scientific bases, may cause property owners to be alarmed without cause.

Of course there are two sides to this issue. On one hand, a company would not want to buy property only to find out that there is a contamination problem in their neighborhood. However, too much notification may make owners of contaminated property a target for lawsuits simply due to increased public awareness of the presence of contamination.

At this time AIF opposes SB 114. We will continue work with Senator Justice and the DEP to see if there is a way to craft legislation to give adequate notice to property owners who may be affected by the spread of contamination.

The House Energy and Utilities Policy Committee heard a presentation on factors for legislative consideration in developing policy on alternative sources of electrical energy in the state of Florida. Following the staff presentation was a series of presentations on options to promote renewable and clean energy in Florida. First, the committee heard from former CIA Director, James Woolsey, who discussed the security and reliability of the electric grid. Mr. Woolsey was advocating for a feed in tariff, which would allow consumers to produce a portion of the energy they use through renewable sources such as solar energy panels. The next presenter was Dr. Steven Smith, of the Southern Alliance for Clean Energy, who discussed reasons for his support of the renewable portfolio standards. The third speaker was Mary Wilkerson, owner of Gulfside Resorts, who explained to the committee why she felt it is beneficial to a small business owner like herself to be able to produce a portion of the energy needed to run the business. The next presenter, from Florida Crystals, discussed the potential benefits of producing energy from biomass. Finally there were representatives from BP Solar and Florida Solar Energy Industries Association who talked about solar energy.

The Senate Community Affairs Committee unanimously passed SB 978 Relating to Oil and Gas Production Taxes by Senator Ken Pruitt (R-Port St. Lucie). This bill establishes a tiered tax structure for the oil production tax on tertiary oil, provides exemptions from certain oil and gas production taxes during certain periods of time, as well as establishes a future date in which the tax exemptions would be repealed.

The bill heard little debate or discussion by committee members before passage. SB 978 will next be considered by the Senate Finance and Tax Committee.

SB 978's House companion, HB 515 Relating to Oil and Gas Production Taxes by Representative Greg Evers (R-Milton), was approved unanimously by the House General Government Policy Council.

The council approved a "strike-everything" amendment, offered by Representative Denise Grimsley (R-Sebring), which would replace delivered price with gross value as the basis of measurement for tax purposes in order to conform the bill to its Senate companion.

HB 515 will next be considered by the House Finance and Tax Council.

Workers' Compensation

Today the House Insurance, Business and Financial Affairs Policy Committee met this morning and considered HB 903 by Representative Anitere Flores (R-Miami) regarding attorney fees in workers' compensation. The bill passed the committee by a vote of 14-2. The only representatives voting against the bill were Representatives Priscilla Taylor (D-Riviera Beach) and Evan Jenne (D- Ft. Lauderdale).

However, the bill remains in a unique procedural posture in that it was retained by today's committee. This means that at the next meeting of this committee it can be reconsidered. However, if no additional action is taken on it at the next committee meeting, it will move to the House Council on General Government Policy.

The bill as passed is a very narrow and strict fix to the Florida Supreme Court's recent decision in the *Murray v. Mariner Health* case which simply reinstates the statutory limitations on attorney fees and eliminates hourly rates. AIF fully supports this bill and applauds both Representative Flores and all the representatives who voted in favor of this legislation today. The Republican committee members who voted in favor of the bill were Chairman Pat Patterson (R-Deland), Vice-Chairman Alan Hayes (R-Umatilla), Carl Domino (R-Juno Beach), Erik Fresen (R-Miami), Ed Homan (R-Temple Terrace), John Legg (R-New Port Richey), Charles McBurney (R-Jacksonville), Peter Nehr (Tarpon Springs), Bryan Nelson (R-Apopka), Scott Plakon (R-Longwood), Kenneth Roberson (R-Port Charlotte), John Wood (R-Haines City), and Ritch Workman (R-Melbourne). Democrats voting in favor of the bill were Joseph Abruzzo (D-Wellington), Janet Long (D-St. Petersburg), Kevin Rader (D-Boynton Beach), Richard Steinberg (D-Miami Beach) and Jim Waldman (D-Coconut Creek).

Representative Flores had prepared a strike all amendment that also sought to generate savings for Florida employers, while providing a different fee structure for those who represent injured workers. However, she withdrew the amendment and stated that it was not complete. She assured the committee that she would work closely with all interested parties to develop legislation that corrects the *Murray* decision and brings about stability and predictability to Florida workers' compensation system and the rates Florida employers must pay to obtain the coverage.

AIF SUPPORTS efforts to pass workers' compensation legislation that clarifies the intent of the 2003 reforms and prevents Florida's workers' compensation system from deteriorating to pre-2003 status.

Taxation

Today, the Senate Communications, Energy and Public Utilities Committee unanimously approved SB 1590 Relating to Communications Services Taxes by Senator Thad Altman (R-Melbourne). The bill allows the dealers to allocate the bad debt tax credit to state and local jurisdictions on a proportionate basis, rather than maintain the voluminous amounts of data necessary to identify the actual jurisdiction from which it originated. The bill is remedial back to October of 2000. Senator Altman further explained that the industry, local governments and the Department of Revenue were all in agreement on the bill.

SB 1590 passed the committee with no questions or debate and will next be considered by the Senate Community Affairs Committee.

AIF SUPPORTS this bill because it makes administering the communications services tax more efficient for the providers and fairer to the taxing jurisdictions.

Secondary Metal Theft

Last year, AIF was actively involved with the *Floridians for Copper & Metal Theft Crime Prevention* in passing major legislation to curb the rising problems with secondary metal theft. This year, the issue is back, but to address a different problem from metal theft.

Some local governments have enacted ordinances that would place longer holds on secondary metal items and the legitimate recyclers are having problems storing these items. Senator Carey Baker (R-Eustis) and Representative Pat Patterson (R-Deland) have filed legislation that would prohibit local governments from adopting or enforcing any local ordinances, special law, or local regulation that is more stringent than the new law. Both of these bills were heard in different committees today.

Senator Baker's bill, SB 478 Relating to Relating to Secondary Metals Recyclers, passed the Senate Community Affairs Committee (9-1) after an amendment, offered by Senator Thad Altman (R-Melbourne), was adopted.

The House Companion, HB 339 Relating to Secondary Metals Recyclers by Representative Patterson, was also amended and received a favorable vote (15-2) from the House Agriculture and Natural Resources Committee.

Some local law enforcement officers still oppose the bill, but both sponsors are working toward compromise language.

Although the *Floridians for Copper & Metal Theft Crime Prevention* is not supporting the legislation at the current time, many of the individual members of the coalition do support the efforts of Senator Baker and Representative Patterson. AIF has always supported preemption of local regulation legislation as it ensures uniform regulation throughout the state.

Economic Development

The Senate Commerce committee considered a number of economic development bills designed to help stimulate Florida's economy and encourage businesses to either expand their existing operations or relocate to Florida.

SB 634 Relating to Commercialization Matching Grants by Senator Don Gaetz (R-Niceville) was unanimously passed by the committee. The bill creates the Florida Research Commercialization Matching Grant Program (program) to assist small or startup companies that take advantage of federal and state partnerships to accelerate their growth and market penetration. Program applicants must meet several criteria, such as having attracted funding from non-government sources. The bill also directs Enterprise Florida, Inc.'s, Technology, Entrepreneurship and Capital Committee, or a subcommittee, to develop program policy, establish criteria for the grant awards, approve the awards, and review the program's progress and results. Eligible businesses must be registered with the Department of State (DOS), have their primary office in Florida as well as the majority of its employees, and conduct its principal research in Florida. Senator Gaetz explained that this bill was a work product of the Senate Select Committee on Florida's Economy, which has been tasked by Senate President Jeff Atwater (R-North Palm Beach) to look at ways to stimulate Florida's economy.

SB 634 will now be considered by the Senate Transportation and Economic Development Appropriations Committee.

The Committee also unanimously passed SB 350 Relating to Entertainment Industry Economic Development by Senator Mike Haridopolos (R-Melbourne). This bill converts Florida's existing film and entertainment incentive from a cash reimbursement of qualified expenditures, to an uncapped, transferable credit against sales and corporate income taxes. For the last few years, Florida has had a film industry incentive program in place to try to lure production companies to film in Florida thus driving economic activity in our state. Members of the Committee including Chairman Rudy Garcia (R-Miami), who shared with the committee that he had the opportunity to play a small role in the television series CSI Miami, were very supportive of the bill.

SB 350 will now be considered by the Senate Finance and Tax Committee.

One of the bills considered by the Committee today did run into some problems. SB 768 by Senator Steve Oelrich (R-Gainesville) was temporarily passed by the Committee due to the members having a number of questions on the specifics of the bill. SB 768 creates a research and development (R&D) tax credit against Florida corporate income taxes. The Florida tax credit is modeled after the federal research tax credit in Title 26 U.S. Code section 41 and incorporates some of its definitions. The tax credit is equal to 10 percent of the difference between a company's qualified R&D expenditures in the current taxable year and its average R&D expenditures over the previous 4 tax years. Senators Durrell Peaden (R-Crestview) and Dan Gelber (D-Miami Beach) both had questions about which kinds of R&D would be eligible for the incentives in this bill. The senators felt that given the economic difficulties being experienced by the state incentives should be given to very specific industries that the state has already invested in; instead of the broad group of businesses that would qualify under the original language in the bill.

Representatives from Enterprise Florida were on hand and were questioned by members of the committee, but were unable to answer the senator's specific questions. Given the number of questions from members Chairman Garcia asked the bill be temporarily passed.

AIF supports all three of these economic development bills. The incentives included in these bills allow Florida to compete with its sister states in the region and they provide the right kind of encouragement for companies to invest in Florida.