



# WEEKLY BRIEF

From the Week of March 23 – March 27, 2009

This week marked the last week of regular committee meetings in the House of Representatives, meaning that legislators were scrambling to get their bills heard and passed. This led to long agendas and some frustrated members, but in the end a number of AIF session priorities did see positive action as we progress towards the end of the 2009 regular session. This edition of the *Weekly Report* contains all the information you need to know on the progress of these bills.

Most importantly for AIF members was the movement of both the House and Senate versions of legislation dealing with workers' compensation and maintaining the savings achieved by the 2003 reforms spearheaded by AIF. The House is now ready to vote on [HB 903](#) by [Representative Anitere Flores \(R-Miami\)](#) on Tuesday, March 31st after debating it on Thursday. In the Senate, [SB 2072](#) passed its first committee of reference and will hopefully be considered by the [Senate Judiciary](#) committee next week.

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## Workers Compensation

On Wednesday, March 25th the [Senate Banking & Insurance Committee](#) approved [SB 2072](#) relating to workers' compensation attorney fees by a vote of 6-3. [Senator Garrett Richter \(R-Naples\)](#) chairs the committee and is the sponsor of the bill. This legislation is critical to stave off the 18.6% increase in workers' compensation rates that Florida employers will face if legislation to correct the Supreme Court's decision in the *Murray* case is not passed this session.

[Senator Al Lawson \(D-Tallahassee\)](#) filed an unfriendly amendment that would have expanded the scope of the bill and may not have prevented the future rate increases that [SB 2072](#) will clearly achieve. Fortunately, this anti-business amendment was defeated by members of the Committee. AIF applauds **Senator Richter** for his leadership and strongly supports his work on [SB 2072](#), which will prevent a future workers' compensation crisis and will restore the delicate balance the state's businesses and employees need.

On Thursday, March 26th the Florida House of Representatives successfully advanced [SB 2072's](#) House companion [HB 903](#) Relating to Attorney's Fees in Workers' Compensation Cases by [Representative Anitere Flores \(R-Miami\)](#). This measure aims to restore balance and predictability in attorney's fees in workers' compensation. Fortunately, the sponsor explained the bill and answered questions when the bill was on the House's Special Order calendar.

AIF and Florida's business community strongly supports this legislation and urges its passage this session to correct an ambiguity that the Florida Supreme Court identified in the law in its October ruling of the *Murray* case.

[Representative JC Planas \(R-Miami\)](#) filed an unfriendly amendment that could have likely raised rates for workers' compensation coverage and included other issues not addressed by the *Murray* case. The amendment was defeated by a vote of 45-69.

The bill will be heard next by the full House when it is presented for final passage. The House meets in session again next week and AIF encourages the House to pass the bill at that time.

**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.**

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## ESP 2.0

On Wednesday, March 25th the [House Economic Development and Community Affairs Policy Council](#) unanimously approved [HB 485](#) Relating to Fast Track Economic Stimulus for Small Businesses by Representative [Will Weatherford \(R-Wesley Chapel\)](#). This legislation is a top priority for AIF, and is included in our *Economic Stimulus Package 2.0* (ESP 2.0). This measure is touted as one of the most innovative ways to attract both private and public funds into the Florida market.

The bill would create the New Markets Investment Program in Florida where venture capital would be placed into low-income community businesses where capital is needed, and support to stimulate the local economy is necessary. The program would leverage almost \$26 billion in federal funds and would immediately place Florida as one of the most attractive states for investors looking to invest in local businesses.

As reported earlier, the program has the potential to have a total economic impact of \$6.3 billion over the next ten years, and is expected to incite some \$250 million in private sector investment immediately. It is also expected to create almost 4000 jobs in its first year.

[HB 485](#) will now be considered by the [House Finance and Tax Council](#).

**AIF is an ardent supporter of this legislation. Not only will this create jobs and stimulate economic activity in the state, but it will also foster growth in some of the most depressed areas of Florida. Growth and economic activity are job drivers for the state's economy and programs like the New Markets Development Program are just one way that Florida's economy can get back on track.**

On Thursday, March 26th the [House Government Accountability Act Council](#) approved [HB 1291](#) Relating to Public-Private Partnership Infrastructure Projects by [Representative Charles Van Zant \(R-Palatka\)](#) by a 17-4 vote. The bill would authorize the Department of Management Services (DMS), other state agencies, and local governments to enter into public works infrastructure projects with a private entity or a consortium of private entities in an effort to address a public need for improving the economy, environment, and social infrastructure of the state through the construction or expansion of public works projects. The bill establishes set parameters for the bidding and contract management aspects of these projects and requires that all proposed projects meet the requirements and standards of federal and state law.

These public-private partnership projects (or P3s as they are known) could include telecommunications, cable television, electricity, transportation of gas, oil or crude oil products, solid waste, wastewater and specific storm water projects. This proposal has the potential to directly stimulate the economy by making it easier for the private sector to enter into agreements with state and local governmental agencies. AIF's [\*Economic Stimulus Package 2.0\*](#) includes a recommendation for the usage of P3s for future infrastructure projects.

[HB 1291](#) will now be considered by the [House Governmental Affairs Policy Committee](#).

**AIF supports HB 1291 and believes this legislation will help create jobs, which are desperately needed, while providing valuable infrastructure projects for the betterment of citizens in Florida.**

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## **Business Regulation**

On Monday, March 23rd the [House Policy Council](#) unanimously approved [HB 73](#) Relating to Expedited Permitting Process for Economic Development Projects by [Representative Robert Schenck \(R-Springhill\)](#).

For the second straight year AIF has worked with **Representative Schenck** on this piece of legislation, which is crafted to curb the wait time for businesses to receive approval or denial from the Department of Environmental Protection (DEP) or regional Water Management Districts. Current law states that the reviewing body has up to 90 days to approve or deny certain environmental related applications. This legislation would cut that wait time in half (45 days) for economic development projects defined as a "Targeted Business" for the region, and implement a process by which a mandatory pre-application meeting to review the paperwork is completed prior to the 45 day clock beginning. Additionally, the bill requires local governments to grant approval for this expedited process by passing a resolution stating that the local government supported the expedited permitting process for the project.

[HB 73](#) next moves to the floor to be considered by all 120 members of the Florida House.

On Tuesday, March 24th [HB 73's](#) companion, [SB 852](#) by [Senator Mike Fasano \(R- New Port Ritchey\)](#), was approved by the [Senate Environmental Preservation and Conservation Committee](#) on a 5-1 vote. [Senator Paula Dockery \(R-Lakeland\)](#) was the single "No" vote on the bill.

[SB 852](#) 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. AIF has been out in front on this issue and has included it in our *Economic Stimulus Package 2.0 (ESP 2.0)* as a top priority in finding ways that the state can help stimulate the economy through reduced regulation.**

On Tuesday, March 24th the [Senate Communications, Energy and Public Utilities Committee](#) passed (6-2) [SB 2626](#) Relating to Telecommunication Services by [Senator Mike Haridopolos \(R-Melbourne\)](#). The bill would allow for the competitive market to serve as the regulator of non-basic telecommunications service, but has the Public Service Commission (PSC) continue regulation over basic service.

The committee adopted a strike-all amendment, offered by **Senator Haridopolos**, which makes changes in the provider to provider disputes that was requested by the competitors such as Comcast.

[SB 2626](#) will now be considered by the [Senate Commerce Committee](#).

**AIF supports SB 2626 because it brings fair competition to the communications industry by creating a level playing field among the many providers of telecommunications services in Florida, including wireless, cable, Voice over Internet Protocol (VoIP) and the incumbent local exchange carriers. The open competition will benefit our members with new and innovative services that may not be offered without a level playing field among competitors.**

On Friday, March 27 the [House Civil Justice and Courts Policy Committee](#) unanimously approved [HB 1515](#) Relating to Protecting Urban and Residential Environments and Water by [Representative Dave Murzin \(R-Pensacola\)](#). There was very little discussion and virtually no debate. This bill creates a new statutory section regulating the use and application of fertilizer containing nitrogen or phosphorous by establishing fertilizer content and application requirements and turf and landscape practices and training requirements. The bill also provides that vegetative debris cannot be deposited onto sidewalks or roadways or into storm water drains, ditches, conveyances, water bodies, or wetlands. In addition, the bill allows local governments to adopt additional and more stringent provisions if:

- The local government can verify impaired waters and the achievement of total maximum daily loads allowable under state or federal law; or
- The local government can provide scientific evidence that harm to human health or the environment exists or that the prevention of such harm warrants such fertilizer application requirements.

[HB 1515](#) will now be considered by the [House General Government Policy Council](#).

**AIF supports legislation that develops an overarching model for fertilizer regulation that applies statewide.**

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## Legal & Judicial

On Monday, March 23rd the [House Policy Council](#) passed [HB 215](#) Relating to Contingency Fees for Attorneys Hired by the Attorney General by [Representative Erik Eisnaugle \(R-Orlando\)](#) by a 17 to 7 vote, which was mainly on party lines. The bill provides for great transparency and accountability in the hiring of outside attorneys by the Attorney General and the Department of Legal Affairs. The bill prohibits the Department of Legal Affairs from entering into a contingency fee contract with a private attorney unless the Attorney General (AG) makes a written determination before entering such contract that contingency fee representation is both cost-effective and in the public interest. This bill prohibits contingency fee contracts entered into by the Department to exceed an aggregate contingency fee in excess of specified amounts. This bill prohibits a total aggregate contingency fee in excess of \$50 million, except when the AG determines, upon consultation with the Cabinet, that there are exigent or unusual circumstances or special legal knowledge or experience is required, and provides written evidence of this.

The bill will now be considered on the Floor of the House of Representatives.

**AIF SUPPORTS efforts to add transparency and accountability in the hiring of outside counsel by the Attorney General's office. This practice will ensure that tax dollars will be wisely spent and not wasted on costly attorney's fees.**

On Tuesday, March 24th the [House Civil Justice and Courts Policy Committee](#) passed [HB 363](#) by [Representative Mike Horner \(R-Orlando\)](#) by an 8 to 1 voted. The bill is aimed at reinstating a parent's right to waive liability for their minor children. The bill sparked many questions and amendments, but in the end was passed with only two amendments; one clarifying that a waiver must be clearly written and the other clarifying that illegal activity cannot be waived.

Last year, the Supreme Court of Florida, in the case of *Kirton vs. Fields*, held that parents do not have the right to release a provider from liability for injury on behalf of a child. [HB 363](#) codifies in Florida law the authority of a parent to waive liability on behalf of their minor child.

**AIF SUPPORTS the right of parents to waive liability on behalf of their minor children and thanks Representative Horner for taking on this important issue. Without liability protection from a waiver, many businesses, particularly in the recreation and sports industries, will not allow minors to participate. Since many of these businesses cater to families, tourism, or directly to minors, this could impact their ability to stay in business at all.**

On Friday, March 27 the [House Civil Justice and Courts Policy Committee](#) considered [HB 495](#) Relating to Negligence by [Representative Dave Murzin \(R-Pensacola\)](#). This issue turned out to be very controversial. The bill would correct a court ruling and require plaintiffs alleging a business owner's negligence for slip and fall injuries to prove that the business owner knew or should have known about any conditions on the premises that caused or significantly contributed to the injury. These situations are most easily described the classic "banana peel" type accidents and the question often revolves around how long a spilled or broken item remains un-cleaned or ignored in public establishments like stores or restaurants.

There were two unfriendly amendments filed by [Representative Mike Scionti \(D-Tampa\)](#), which would place onerous and costly requirements on businesses litigating these cases. Both amendments failed and the bill was passed by the committee with an 8-2 vote. However, [Representative Audrey Gibson \(D-Jacksonville\)](#) moved to retain the bill in the committee and prevent it from advancing to its next stop.

[Representative Eric Eisnaugle \(R-Orlando\)](#) moved to counter the retention and called for an immediate favorable reporting. The vote on that motion was 6-4, but such motion would have required a 2/3 vote of the committee. Since that did not occur, **Representative Gibson's** motion to retain the bill stands, and it will not yet move to its next committee stop.

The committee meets again on Monday, March 30th at noon. If it takes no further action on this bill, it will then move immediately to the next committee stop, which is the [House Criminal and Civil Justice Policy Council](#).

**AIF supports legislation which protects business owners from costly and frivolous litigation.**

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## Water

On Monday, March 23rd the House [Full Appropriations Council on General Government and Health Care](#) unanimously approved [HB 7059](#) Relating to Trust Funds/Re-creation/Water Protection Sustainability Program Trust Fund/DEP by [Representative Ralph Poppell \(R-Titusville\)](#). This measure aims to recreate the Water Protection and Sustainability Program Trust Fund (WPSTF). If not re-enacted, the trust fund would terminate on July 1, 2009. This trust fund receives its money from a portion of doc stamp revenues and was created to fund alternative water supply, the total maximum daily load program, and the Disadvantaged Small Community Wastewater Grant Program.

[HB 7059](#) next moves to the floor to be considered by all 120 members of the Florida House.

**AIF supports efforts to reinstate the annual state funding for alternative water supply development and water quality improvements funding. The recreation of the WPSTF is the first step and now we need to find the funding for it.**

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## Growth Management

On Tuesday, March 24th the [Senate Community Affairs Committee](#) unanimously approved [SB 2148](#) Relating to Growth Management by [Senator Mike Bennett \(R-Bradenton\)](#). As currently drafted, this bill would:

- Require the housing element of a local comprehensive plan to address affordable senior housing;
- Contain the same provisions as [SB 2572](#), creating Agricultural Industrial Centers;
- Specify that improvements to regionally significant transportation facilities will be credits against proportionate share;
- States that creation of a charter school can satisfy the mitigation requirements for school concurrency purposes.

[SB 2148](#) will now be considered by the [Senate Transportation Committee](#).

The committee also passed (7-3) [SB 1306](#) Relating to Growth Management by [Senator Mike Bennett \(R-Bradenton\)](#). The committee approved a strike all amendment, offered by **Chair Bennett**. The bill in its current form:

- Defines "dense urban areas" more closely reflecting the definition in [SB 360](#) (a municipality or county with a density of at least 1000 people per square mile, or a county whose population is at least 1,000,000);
- Allows a local government in certain circumstances to designate transportation concurrency exception areas;
- Clearly states that a developer may not be required to fund or construct proportionate share mitigation greater than that needed to offset its impacts;
- Encourages job creating development through incentives and expedited permitting; and
- Directs the DCA and DOT to coordinate in the development of a mobility fee methodology.

[SB 1306](#) will now be considered by the [Senate Transportation Committee](#).

On Wednesday, March 25th the [House Economic Development and Community Affairs Policy Council](#) considered and voted out proposed committee bill (PCB) **EDCA 09-02** Relating to Growth Management. The bill is drafted to match [SB 360](#), but had several additions which caused Thomas Pelham, Secretary of the Department of Community Affairs (DCA), to criticize the bill. One such issue is a provision allowing state certification of local governments planning process without state oversight.

The PCB will now be filed as a bill and referenced to committees for consideration.

**AIF SUPPORTS reforms to Florida's current growth management laws. For starters, legislators should look towards the development of a true "fair share" system of payment for school and transportation concurrency. Developers and builders should not be forced to pay for those who came before them, instead of their own impacts. These charges can and have made projects financially unfeasible.**

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## Energy & Environment

On Tuesday, March 24th, despite strong opposition from automobile manufacturers, dealers, and the business community, the Senate Environmental Preservation and Conservation Committee unanimously passed [SB 1994](#) Relating to Motor Vehicle Emission Standards by Chairman Lee Constantine (R-Altamonte Springs). As part of Governor Crist's Executive Orders on Climate Change, the Department of Environmental Protection (DEP) was tasked with developing an administrative rule adopting California Low Emission Vehicle (CA-LEV) Standards in Florida. As part of the last year's omnibus energy bill (HB 7135) legislators included a requirement that this rule be ratified by members of the Florida Legislature. [SB 1994](#) is the legislation which would enact the adoption of these emission standards.

One amendment was adopted, which included a provision requiring that any changes made by in California by the board that oversees these standards be ratified by the Florida Legislature. This was in response to a finding by the Joint Administrative Procedures Committee, which questioned the constitutionality of delegating Florida's authority to an unelected board in California. Under the CA-LEV rules, any state adopting these standards would be bound to follow the determinations of the California Air Resources Board (CARB).

[SB 1994](#) will now be considered by the Senate Commerce Committee.

**AIF OPPOSES any attempt to adopt California's lower emission vehicle standards. Not only would CA-LEV increase the cost and reduce the availability of vehicles, it would mark an unprecedented and historical move by elected officials in Florida to allow an unelected board from another state to set policy in Florida.**

On Tuesday, March 24th the [House Agriculture and Natural Resources Policy Committee](#) narrowly approved (7-5) [HB 1219](#) Relating Environmental Control by [Representative Charles Van Zant \(R-Palatka\)](#). The original bill directed the Florida Department of Environmental Protection (DEP) to develop a plan, including legislative recommendations, to implement an expedited permitting process for the development and construction of a nuclear power plant. The legislation would reduce the amount of time for granting such a permit in half. The bill also directed DEP to develop a plan to implement an off-shore oil and natural gas drilling program and include an expedited permitting process for these activities as well.

The bill was amended to remove the nuclear power plant permitting section.

[HB 1219](#) will now be considered by the [House Energy and Utilities Policy Committee](#).

**AIF SUPPORTS this legislation as it begins to lay the foundation for Florida to tap into the natural gas and oil resources of the Gulf of Mexico. Florida should explore ways to increase the environmentally sensitive exploration and production of oil and natural gas; thereby, claiming some of the royalty revenues that would be owed to the state.**

On Tuesday, March 24th the [Senate Community Affairs 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 originally filed, would have expanded 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.

[SB 114](#) will now be considered by the [Senate Pre-K-12 Committee](#).

**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.**

On Friday, March 27th the [House Agriculture & Natural Resources Policy Committee](#) considered two bills of importance to the business community. First was **PCB ANR 09-02**, the streamline permitting bill. [Representative Trudi Williams \(R-Ft. Myers\)](#), Chair of the committee, has been working on this proposed committee meeting for several weeks. The PCB includes priority issues for AIF members such as permit extensions for certain projects; prohibits local governments from requiring as a condition of approval for a development permit that an applicant obtain a permit or approval from any other state or federal agency; changes the way agencies handle request for additional information (RAI); self-certification for certain permits; eliminates duplicative permitting in some cases by delegating authority to local governments; moves approval of projects in water management districts to the executive director; and expediting permits that creates jobs.

This PCB is a good start in helping companies move through the legislative maze at a faster pace. It also helps companies who have already gone through the long and expensive permitting process extend those permits for a three year period in anticipation of the economy turning around.

**AIF supports this legislation; however, there are some details that still need work. Also, we would like to see extending permits for consumption use permits, know as CUPs included in the proposed legislation as well.**

Also, [Representative Kevin Rader \(D-Boynton Beach\)](#) presented his legislation that would place a deposit on bottles in efforts to promote recycling. Bottle bills were popular in the Northern states in the late 80’s and early 90’s. Only one state Hawaii has imposed a bottle bill in recent years. With a bottle bill, a fee is placed on bottle beverages such as soft drinks, juice bottles and beer bottles and when you return the bottle to a redemption center you get your deposit back.

**Keyna Cory**, AIF’s Chief Lobbyist, spoke against the bill. She told the committee that Representative Rader proposed legislation was a little premature since the Florida Department of Environmental Protection (DEP) must submit a plan to the legislature next year to increase Florida’s recycling goal to 75% by 2020. Cory said that the committee needs to wait until a comprehensive plan is created. Also she told the committee that AIF is very much in favor of recycling efforts. AIF has established a Recycling Task Force and has already met with DEP to see how the business community can help DEP reach the lofty goal.

Even **Cameron Cooper** from DEP said the bill was a tad early but will be a part of their report coming forth next year. After much discussion and testimony from environmental groups, **Representative Rader** decided to temporarily postpone his bill. Since this was the last committee meeting for the [Agriculture and Natural Resources Policy Committee](#), the bill is dead for the year.

**AIF supports recycling efforts but would like to take a state wide approach on the recycling. Last year the legislature passed legislation that directs DEP to develop a plan to increase Florida's recycling goal to 75% by 2020 and present it to the Legislature in 2010. AIF has created a Recycling Task Force and has started working with DEP to see how the business community can help with their plan.**

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## **Ethics & Elections**

On Tuesday, March 24th the [House Civil Justice & Courts Policy Committee](#) passed (5-3) [HB 497](#) Relating to Paid Petition Circulators by [Representative Chris Dorworth \(R-Heathrow\)](#). The bill was amended at this committee stop to address the process by which citizens may propose amendments to the state constitution, particularly the procedures involving signature-gathering by paid petition circulators and expressly prohibits:

- A paid petition circulator from collecting petitions in Florida without first registering with the Department.
- Anyone from paying or providing other valuable consideration to a petition circulator who is not registered with the Department.
- A paid petition circulator from continuing to perform any duties permitted under the bill if any of the requirements for registration can no longer be satisfied.
- Registrants from circulating petition forms until the forms have been registered with the Department.

[HB 497](#) will now be considered by the [House Economic Development & Community Affairs Policy Council](#).

**AIF SUPPORTS legislation that would bring about increased accountability for paid petition signature gatherers and would like to thank Representative Dorworth for continuing to work on this priority for AIF and the business community.**

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## **Taxation**

On Wednesday, March 25th the [House Military and Local Affairs Policy Committee](#) unanimously approved [HB 825](#) Relating to Ad Valorem Taxation of Working Waterfront Property by [Representative Julio Robaina \(R-Miami\)](#). This is the bill to implement the constitutional amendment approved by voters last November, which changes the way working waterfronts are assessed by property appraisers. With this change, true working waterfronts will be assessed at current use instead of the highest and best use standards. Amendment 6 received over 70.6 percent of the vote in the 2008 General Election, with over 4.9 million Floridians voting favorably for this idea.

[HB 825](#) will now be considered by the [House General Government Policy Council](#).

**AIF was actively involved with the passage of Amendment 6 and is supporting this measure to implement it. Working waterfront properties should be taxed at their current use and not at the highest and best use as they are today. The marine industry has an economic impact of approximately \$18 billion per year and employees over 220,000 people in our state. This industry is too important to lose to other states because of our property tax system.**

On Wednesday, March 25th the [House Economic Development and Community Affairs Committee](#) unanimously passed [HB 521](#) Relating to Ad Valorem Tax Assessment Challenges by [Representative Carlos Lopez-Cantera \(R-Miami\)](#). The bill amends s. 194.301 to add provisions governing the presumption of correctness and the burden of proof. Under today's law, the taxpayer has the burden of proving, by a preponderance of evidence, that the assessment exceeds just value when challenging assessments.

The measure also creates legislative intent that states that the taxpayer never has the burden of proving that the property appraiser's assessment is not supported by any reasonable hypothesis of a legal assessment.

[HB 521](#) will now be considered by the [House Finance and Tax Council](#).

[HB 521's](#) Senate companion, [SB 1006](#) by [Senator Mike Fasano \(R-New Port Richey\)](#), was also unanimously approved by the [Senate Judiciary Committee](#) on Wednesday, March 25th.

[SB 1006](#) will now be considered by the [Senate Finance and Tax Committee](#).

**AIF supports legislation that addresses ad valorem assessment value challenges including revising the burden of proof and the presumption of correctness to level the playing field for tax payers.**

On Thursday, March 26th the [Senate Finance and Tax Committee](#) continued its consideration of Florida's tax structure by holding a workshop on a number of tax reform proposals. Most of the committee's time was spent on the issue of excise taxes on alcoholic beverages. The committee listened to a presentation from staff on Florida's current excise tax structure and the history of alcohol taxation in the state. This presentation was followed by members of the beer and spirit industries who testified on the negative effects increasing Florida's excise tax on alcoholic beverages. Industry representatives explained that Florida has one of the highest tax rates for beer, wine, and liquor products in the country. They also outlined the deleterious effects increasing taxes on these products would have on jobs in the state.

At the end of the meeting, [Chairman Thad Altman \(R-Melbourne\)](#) stated that at their next meeting, the committee would consider three pieces of legislation on doc stamps, cigarettes taxes, and corporate income taxes. The Senate is looking to raise about \$2.1 billion in additional taxes and fees. This includes \$870 million from a \$1-per-pack cigarette tax increase, more than \$740 million from closing tax loopholes and eliminating sales tax exemptions, new excise taxes and fees.

Read the March 26th Edition of AIF's Daily Brief for the complete report from this meeting.

**AIF SUPPORTS a careful review of Florida's sales tax exemptions, but not an automatic sunset of these important tax policies. Legislators should proceed under the impression that each exemption is worthy and serves a public purpose. Exemptions should be repealed only when no evidence of public purpose is found.**

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## **Education & Workforce**

On Tuesday, March 24th, AIF's top education priority, [HB 1293](#) Relating to High School Graduation by [Representative Erik Fresen \(R-Miami\)](#), passed the [House PreK-12 Appropriations Committee](#) on a 5 to 3 vote. The bill creates the 21st Century Diploma Initiative which raises high school graduation standards to ensure Florida's students are prepared to enter the increasingly competitive global economy. The initiative raises the bar on math and science requirements for high school graduation, requires students to achieve a grade-level score on the 10th grade FCAT and aligns requirements for the Bright Futures Scholarship Program with new graduation requirements. AIF's top education priority is the passage of this bill.

[HB 1293](#) will now be considered by the [House Full Appropriations Council on Education & Economic Development](#).

**AIF strongly supports increased standards for high school graduation so that students will graduate from high school ready for college and work. This bill increases the value of a Florida high school diploma – for businesses, for colleges, and most importantly, for the students of Florida.**

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## **Card Check**

On Wednesday, March 25th the [Senate Judiciary Committee](#) passed [SJR 1908](#) Relating to Guaranteeing the Right to Vote by Secret Ballot by [Senator Garrett Richter \(R-Naples\)](#) on a strict party line vote of 5 to 3. The bill was amended to include some clarifying language on which types of elections would be guaranteed with a secret ballot. [SJR 1908](#) proposes the creation of Section 28 of Article I of the Florida Constitution to provide that voting by secret ballot is a fundamental right of all individuals. The proposed constitutional amendment provides that the right of individuals to vote by secret ballot is guaranteed where local, state, or federal law requires elections for public office, requires public votes on initiatives or referenda, or requires designations or authorizations of employee representation. If passed by the Legislature the proposed amendment would be placed on the November 2010 general election ballot for approval by the voters in Florida.

[SJR 1908](#) will now be considered by the [Senate Transportation and Economic Development Appropriations Committee](#).

**AIF supports efforts to protect the secret ballot process in Florida. Passage of this proposed constitutional amendment will allow voters in Florida to decide whether they want to enshrine the use of secret ballots in elections in our state's top document.**

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## Senate Select Committee on Florida's Economy

On Wednesday, March 25th the [Senate Select Committee on Florida's Economy](#) met and heard a presentation from **Dr. Jim Zingale** about streamlining state government. He used a chart that was prepared in 2007 to show that many of the state agencies overlap in regulation. He believes many of the state functions could be integrated in what he calls "back-office support services." But state agencies are not designed to work together in many cases and stay within their own silo. For example, Dr. Zingale said that many of the state agency computer systems still do not "talk to each other." There may be ways to streamline the entire process, but it would take some time.

The committee then reviewed a proposed committee bill (PCB) dealing with one-stop permitting and licensure. The seven page bill directs state government to: *"foster the creation and maintenance of compact and responsive regulatory and permitting systems allowing new and existing businesses as well as individuals to efficiently obtain governmental approvals without duplication of effort, multiple applications, redundant reviews, protracted delays or unnecessary expense."*

The PCB will be considered at the next meeting especially since copies of the proposed committee bill were not available to the public until the meeting started.

**Many of the ideas contained in the PCB are supported by AIF, but we need to carefully review the entire legislation and look forward to working with the Select Committee as the bill moves forward in the process.**

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## Health Care

On Wednesday, March 25th the [House Health Care Regulation Policy Committee](#) unanimously approved [HB 285](#) Relating to Medicaid Low-Income Pool and Disproportionate Share Program by [Representative Jimmy Patronis \(R-Panama City\)](#). The bill aims to modify the makeup of the Low Income Pool (LIP) Council. The LIP Council is currently made up of representatives from the hospitals that receive income from the \$1 billion in Federal funds it draws down yearly.

The committee adopted an amendment, offered by **Representative Patronis**, that ensures that no registered lobbyist can serve on the council. It also expands membership to non-hospital representatives.

[HB 285](#) will now be considered by the [House Health & Family Services Policy Council](#).

**AIF SUPPORTS legislation that eliminates the Low Income Pool (LIP) Council and places responsibility for recommendation and distribution of these funds in the hands of the Legislature and experts at the Agency for Health Care Administration (AHCA). The amendment language brings us one step closer to achieving this ultimate goal.**

On Friday, March 27th the [House Insurance, Business, & Financial Affairs Policy Committee](#) approved [HB 855](#) Relating to Direct Payment of Benefits by [Representative Marcelo Llorente \(R-Miami\)](#) on a 16 to 3 vote, advancing this bill at the strong opposition of Associated Industries of Florida. This bill would require a health plan to reimburse an out-of-network provider directly when the patient agrees to it. Current practice is that the health plan sends the reimbursement for an out of network provider's service directly to the member. This is because their responsibility is to their member and not the out of network provider.

**Jose L. Gonzalez**, AIF's Vice President of Governmental Affairs, spoke against the bill stating that there is no protection guaranteeing that employees will not be billed for additional costs by the out-of-network provider. Health plans protect employees by ensuring that an in-network provider agrees to accept the plan's reimbursement as payment in full. An out-of-network provider, under this bill, would receive the reimbursement from the health plan and still be able to bill the patient for additional costs.

Requiring the direct payment of providers that choose not to contract with health plans greatly weakens a very important cost containment tool used by plans. Health plans provide cost savings by negotiating discounts with providers who contract with them in return for sending a steady stream of patients to the provider and paying them directly. If an out-of-network provider can receive the same reimbursement and get paid directly, the ability of the plan to negotiate lower rates (which they pass on through lower premiums) is taken away. As such, premiums will increase as a result of this legislation.

AIF would like to thank Representatives [Joseph Abruzzo \(D-Wellington\)](#), [Carl Domino \(R-Juno Beach\)](#) and [Bryan Nelson \(R-Apopka\)](#) for their "no" votes on this legislation.

[HB 855](#) will now be considered by the [House General Government Policy Council](#). [HB 855's](#) Senate companion, [SB 1122](#) by [Senator Don Gaetz \(R-Ft. Walton Beach\)](#), has not yet been heard; however, we expect it to be placed on the Senate Banking and Insurance Committee agenda within the next few weeks.

**AIF opposes legislation that would erode the important savings achieved by health plans through the establishment of provider networks. Businesses in Florida are struggling more than ever to keep providing health insurance for their employees; this legislation has the potential to increase health insurance premiums.**

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## Insurance

On Wednesday, March 25th the [Senate Banking and Insurance Committee](#) unanimously approved [SB 1894](#) Relating to Surplus Lines Insurers by [Senator Mike Bennett \(R-Bradenton\)](#). The committee adopted (5-4) a trial lawyer amendment, offered by [Jeremy Ring \(D-Margate\)](#), which surfaced right before the start of the meeting. The amendment, by making several enumerated provisions of Chapter 627 applicable to surplus lines insurance, destroys the surplus lines market that over 15 percent of Florida businesses depend upon for their insurance.

**Jose L. Gonzalez**, AIF's Vice President of Governmental Affairs, testified in opposition to the Ring amendment and reiterated the importance of access to this type of insurance for members of the business community who depend on surplus lines for insuring hard to place risks like commercial warehouses, marinas, and other assets.

[SB 1894](#) will now be considered by the [Senate Finance and Tax Committee](#).

**AIF supports this measure as a way to ensure the continued accessibility of Surplus Lines insurance in Florida. Approximately fifteen percent of Florida businesses procure their property and liability insurance through the Surplus Lines insurance market. Without this market, insurance will not be available to many of these businesses with hard to place risks and unique insurance needs.**

On Wednesday, March 25th the [House Military and Local Affairs Policy Committee](#) passed (9-6) [HB 1043](#) Relating to First-responder Services by [Representative Nick Thompson \(R-Ft. Myers\)](#). Known as the bill to eliminate the "crash tax," [HB 1043](#) prohibits counties and cities from imposing taxes or fees and from obtaining reimbursement for costs incurred for services provided by first responders (law enforcement officers, firefighters or emergency medical technicians or paramedics), including volunteer first responders, in response to motor vehicle accidents, fires, or other emergencies.

Several fire chiefs and emergency rescue representatives spoke against the bill.

[HB 1043](#) will now be considered by the [House Insurance, Business & Financial Affairs Policy Committee](#).

**AIF supports efforts to prohibit local governments from charging Floridians and businesses an accident tax simply in response to emergency services being provided. Floridians already pay property taxes, which are designed to pay for government services. This practice is nothing more than double taxation.**

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## Space

On Wednesday, March 25th the [House Economic Development and Community Affairs Policy Council](#) unanimously approved [HB 69](#) Relating to Space Industry by [Representative Dorothy Hukill \(R-Port Orange\)](#). A priority for AIF, the bill creates a multi-university Space Technology and Research Development Institute (STRDI) within the Governor's Office of Tourism, Trade and Economic Development and is supported by Space Florida. The STRDI will be a university-based program, led by Embry-Riddle Aeronautical University, to provide research and development and policy analysis to improve the competitiveness of the space transportation industry in Florida. Research to be supported by the institute includes, but is not limited to:

- Range and airspace management systems;
- Spaceflight human factors;
- Launch vehicle safety;
- Materials science; and
- Spaceport instrumentation, technologies, and processes.

[HB 6g](#) will next be considered by the [House Transportation & Economic Development Appropriations Committee](#).

**As mentioned in ESP 2.0, AIF fully supports diversification of the space industry through university-based and applied technology programs across the state.**

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## State Budget

On Thursday, March 26th the [House Transportation and Economic Development Appropriations Committee](#) held a workshop on this year's budget. The following allocations were discussed:

- \$10 million for Quick Action Closing Fund - QAC enables the state to respond quickly and with flexibility to address competitive disadvantages and capture economic opportunities of significant importance.
- \$3.8 million for Space Florida operations.
- \$21 million for Economic Development Tools - these are incentives programs designed to encourage new businesses in targeted industries to locate in Florida. It also encourages existing businesses in targeted industries to expand to create high-quality and high wage jobs.
- \$6.8 million for Enterprise Florida operations.

The House is also recommending a sweep of the entire Florida Housing Finance Corporation's (FHFC) appropriation (estimated at \$117 million) to general revenue. The Senate, on the other hand, is recommending all \$117 million for the State Housing Initiatives Partnership Program (SHIP). The Legislature will authorize the FHFC to spend all the federal stimulus dollars as appropriated in the stimulus act.

We will continue to keep you up to date on recent budget issues affecting Florida's business community.

**Funding of affordable housing is a critical component of our state's economic engine. For every \$1 million of state funding in housing, \$10.36 million of economic activity is generated. Therefore, we are pleased to hear that the Senate is willing to appropriate all the state affordable housing dollars and we will work towards ensuring that the Senate's position prevails at the end of budget negotiations.**