



WEEKLY BRIEF

From the Week of April 13 - 17, 2009

After two days of marathon budget discussions in the House, both chambers are now ready to enter into the conference process to hammer out the differences between their respective budgets. Conference committees will begin at 8:00 a.m. on Monday, April 20th. The differences between the two bodies are significant and it will be interesting to watch how the negotiations will shake out.

A number of AIF priority legislation saw action this week and it is all recapped in this week's edition of AIF's *Weekly Report*.

Taxation

On Friday, April 17th, the Florida House of Representatives voted in favor of a solid waste disposal fee of \$1.25 per ton. Originally found in [HB 5121](#) by [Representative Ralph Poppell \(R-Titusville\)](#), the language is now in [SB 1750](#) by [Senator Carey Baker \(R-Eustis\)](#) and will be a conference committee issue. The vote was 70 yeas and 47 nays with every Democratic House member voting against the bill along with three Republicans:

- [Representative Jennifer Carroll \(R-Jacksonville\)](#)
- [Representative Carl Domino \(R-Juno Beach\)](#)
- [Representative Dorothy Hukill \(R-Daytona Beach\)](#)

The House and Senate will appoint members to serve on a conference committee to hammer out the difference between the two budgets. So far the Senate does not have this new solid waste disposal fee in their budget.

AIF and the solid waste industry worked closely with the Florida Association of Counties and the Florida League of Cities opposing this new tax. Several counties and cities, including Manatee, Collier, Broward and the City of Jacksonville sent resolutions to the legislators asking them to vote against the bill.

AIF opposes this new tax as it will cost residents and businesses over \$10.4 million this year and approximately \$25 million next year.

On Wednesday, April 15th the [Senate Finance and Tax Committee](#) also approved (4-1) [SB 2270](#) Relating to Corporate Income Tax/Water's Edge Group by [Senator Dan Gelber \(D-Miami Beach\)](#). [Senator Gelber](#) explained that the bill levels the playing field between multi-state and in state companies who cannot utilize the deductions from income that the larger multi-state companies can.

The bill mandates combined reporting by requiring all members of a unitary business (water's edge group) to file a combined return and to apportion income to Florida using a single apportionment computation. Under current Florida law, corporations operating both in Florida and in other parts of the U.S. pay taxes depending on the portion of their total sales, payroll, and property located in Florida, as opposed to those portions located in all states. Corporations, which are members of federally defined affiliated groups, have the choice of filing as a separate entity or as a consolidated group. Florida exempts "foreign source income" from its corporate-income tax. Income, such as dividends, paid to a corporation operating in Florida by subsidiaries located in foreign countries is not included in the calculation of Florida income.

[SB 2270](#) will now be considered by the [Senate General Government Appropriations Committee](#).

AIF strongly opposes this bill because it is overly broad and discourages investment and therefore economic development in the state. Moreover, the bill includes provisions that no other competing state currently has, putting Florida at a real disadvantage when competing for jobs with other South Eastern states. In addition, there is doubt that it will increase revenues for the state based on an Earnest and Young LLP study.

The Committee also unanimously approved [SB 1468](#) Relating to Working Waterfront Property by [Senator Charlie Dean \(R-Inverness\)](#). This legislation implements the language of the constitutional amendment approved by voters in the November 2008 General Election. Amendment 6 changes the way businesses located on working waterfronts are assessed property taxes. Currently, they are being assessed at "highest and best use," but the constitutional amendment changes it to "current use." There was one amendment adopted that was technical in nature.

[SB 1468](#) will now be considered by the [Senate Policy and Steering Committee on Ways and Means](#). The House companion, [HB 825](#) by [Representative Julio Robaina \(R-Miami\)](#), was unanimously approved by the [House Finance and Tax Committee](#). The council considered three amendments, two of which were adopted. The first amendment was a strike-all that incorporated a variety changes supported by the Coalition. The second amendment, offered by [Representative Ellyn Bogdanoff \(R-Fort Lauderdale\)](#), was an unfriendly amendment because it leaves too much discretion to the property appraisers on assessment. The committee approved the amendments with the understanding that **Chair Bogdanoff** would continue to work with SOW to come to an agreement on acceptable language. The third amendment dealt with recapture, but was withdrawn by **Chair Bogdanoff**.

[HB 825](#) will now be considered on the House floor.

AIF was actively involved with the passage of Amendment 6 and is supporting SB 1468 these measures 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, April 15th the [Senate Finance and Tax Committee](#) unanimously approved [SB 1006](#) Relating to Ad Valorem Assessments/Challenges by [Senator Mike Fasano \(R-New Port Richey\)](#). The committee adopted an amendment, offered by [Senator Mike Bennett \(R-Bradenton\)](#), which leaves the presumption of correctness with the Property Appraiser or the Value Adjustment Board. However, when challenged by a taxpayer, the taxpayer is entitled to a determination of the appropriateness of the appraisal methodology. The amendment makes the challenge process fairer and levels the playing field for the taxpayer.

[SB 1006](#) will now be considered by the [Senate Policy and Steering Committee on Ways and Means](#). The House companion, [HB 521](#) by [Representative Carlos Lopez-Cantera \(R-Miami\)](#), was unanimously approved by the [House Finance and Tax Council](#). The House bill was not amended with the same language as the Senate bill, but will next be considered by the [House Full Appropriations Council on Education and Economic Development](#), where it will most likely be conformed to the Senate bill.

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.

Business Regulation

AIF has been actively working on ways to reduce the permitting, regulation and fees that businesses in Florida face on a daily basis. On Monday, April 13th the [House Finance & Tax Council](#) unanimously passed [HB 1133](#) Relating to Agriculture by [Representative Ralph Poppell \(R-Titusville\)](#), which covers all three and helps the agriculture industry. First, the bill prohibits counties from imposing an assessment or fee for storm water management on land classified as agriculture if the agricultural operation has a National Pollutant Discharge Elimination System (NPDES) permit, an environmental resource permit (ERP), a works-of-the-district permit, or implements best management practices (BMPs). Some counties are imposing storm water utility fees on agricultural lands where the farm operation has an agriculture discharge permit or implements BMPs. Currently eleven counties have storm water utilities; six exempt agricultural parcels from the fees they charge and five do not.

Also [HB 1133](#) clarifies that nonresidential farm buildings are exempt from building codes. Some local governments are assessing impact fees and/or requiring permits for nonresidential farm buildings, even though the buildings are never inspected. The bill also exempts farm fences from the Florida Building Code and exempts them from county or municipal codes and fees. Farmers in South Florida had to apply for "ZIP" – a zoning improvement permit and the only reason for the permit is to generate revenue for the local government.

[HB 1133](#) is now ready to go to the full House for final consideration.

AIF supports the reduction in permitting, regulation and fees whenever possible. Florida's second largest industry is agricultural and CS/CS/HB 1133 helps our farmers save money and time.

On Tuesday, April 14th the [House General Government Policy Council](#) passed [HB 1525](#) Relating to Motor Vehicle Dealerships by [Representative Carlos Lopez-Cantera \(R-Miami\)](#). The bill enacts a number of changes to the section of law dealing with auto franchise agreements. One of the more problematic sections of the bill adjusts the geographic distances between dealerships, for the purposes of challenging the establishment of a new dealership or relocating an existing one. This language would make it nearly impossible for a dealer to relocate or expand in a market where an existing dealership was located.

[HB 1525](#) will now be considered by the [House Finance and Tax Council](#).

AIF is opposed to HB 1525 because of its many anti-free market provisions. The section of the bill dealing with how a dealership can locate to a new market includes a number of onerous provisions and over regulation that is anti-competitive.

On Tuesday, April 14th the [Senate Commerce Committee](#) unanimously approved [SB 852](#) Relating to Economic Development Projects/Expedited Permitting by [Senator Mike Fasano \(R-New Port Ritchey\)](#). The measure aims to cut the permitting process in half, from 90 days to 45 days, for targeted industries that are in need of permit approvals from the Department of Environmental Protection (DEP) or Water Management District.

This legislation is a part of AIF's [Economic Stimulus Package 2.0 \(ESP 2.0\)](#), and is a top priority for AIF in trying to reign in regulatory burdens that tend to hinder business growth and expansion. This legislation does not affect the agency's ability to approve or deny the permit. Additionally, before an applicant can benefit from the expedited process, the local governing body must approve, by resolution, that this applicant is actually a targeted industry for the area.

[SB 852](#) will now be considered by the [Senate General Government Appropriations 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, April 14th the [Senate Community Affairs Committee](#) unanimously approved [SB 2016](#) Relating to Environmental Permitting by [Senator Mike Bennett \(R-Bradenton\)](#). This session the Legislature is looking at ways to streamline the permitting process and [SB 2016](#) would help the process when it comes to wetland permitting.

Under this proposed legislation the Florida Department of Environmental Protection (DEP) would be able to perform certain permitting duties instead of the Army Corp of Engineers, which should eliminate certain duplicative steps without harming the environment.

[SB 2016](#) will now be considered by the [Senate Governmental Oversight and Accountability Committee](#).

AIF supports efforts to streamline the permitting process whenever possible and applauds Senator Bennett for sponsoring this legislation. As the saying goes, time is money and the longer it takes to go through the permitting process, the more money you are going to spend. Duplication of the regulatory system, at any level, is not a good use of taxpayers' time or money.

On Tuesday, April 14th the [Senate Environmental Preservation and Conservation Committee](#) unanimously approved [SB 2026](#) Relating to Regulatory Reform by [Senator Thad Altman \(R-Melbourne\)](#). The bill 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.

Unfortunately, the bill picked up two bad amendments. The first amendment, offered by [Senator Paula Dockery \(R-Lakeland\)](#), removed the section of the bill that dealt with imperiled species. Local governments are regulating imperiled species beyond the scope of the Fish and Wildlife Conservation Commission, which is leading to additional duplication in regulation. The second unfriendly amendment, offered by [Senator Lee Constantine \(R-Altamonte Springs\)](#), placed a version of his springs legislation on the bill. Although [Senator Constantine's](#) intension of protecting Florida's springs are noble, it will cause an undue burden on property owners to change from septic tanks to a more expensive waste disposal system before they could sell their property within a specific time frame.

[SB 2026](#) will now be considered by the [Senate Commerce Committee](#).

The House companion, [HB 7143](#) by the [House Agriculture & Natural Resources Committee](#) and [Representative Trudi Williams \(R-Fort Myers\)](#) was on the [House General Government Council](#) agenda, but the committee ran out of time and the bill was not considered. [Chairman Baxter Troutman \(R-Winter Haven\)](#) announced at the end of the meeting that he is requesting another bill to take care of [HB 7143](#) and several other bills. A strike everything amendment was in the committee packet, but it made more technical changes than substantial ones. [HB 7143](#) contains all the good sections found in [SB 2026](#), including the imperil species section, but unlike [SB 2026](#) does not have the springs language added by Senator Constantine.

It is a priority of AIF to give our Florida businesses regulatory relief and some of this measure does when dealing with environmental permits. A variety of industries have to get these environmental permits and this streamlining of the permit process will help companies save time and money without jeopardizing the environment. We are hopeful that we can resolve the problems caused by the Dockery and Constantine amendments.

On Tuesday, April 14th the [House General Government Policy Council](#) unanimously approved [HB 1515](#) Relating to Protecting Urban and Residential Environments and Water by [Representative Dave Murzin \(R-Pensacola\)](#). This measure aims to place in statute the process and standards for persons who provide the service of applying fertilizer. This bill strikes a balance between protecting our state's natural resources from excessive nutrients and allowing properly trained, licensed and certified persons to provide an important service to consumers. The bill is the product of many discussions between industry stakeholders, the Department of Environmental Protection (DEP), and the Department of Agriculture and Consumer Services (DACCS).

[HB 1515](#) will now be considered by the [House Natural Resources Appropriations Committee](#). Similar language is expected to be added to an irrigation bill in the Senate.

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

The council also approved (15-2) [HB 1465](#) relating to Telecommunication Companies by [Representative Will Weatherford \(R-Wesley Chapel\)](#). The bill allows for the competitive market to serve as the regulator of non-basic telecommunications service, but continues to have Public Service Commission (PSC) regulation over basic service.

The committee approved two amendments to the bill, offered by [Representative Weatherford](#), which made it more consumer friendly. The first amendment cut the cap on non basic service from 20 percent to 10 percent as well as delayed the implementation of the 10 percent cap for two years on services that were basic before the bill caused them to change to non-basic. The second one increased from 135 percent to 150 percent of the federal poverty level to qualify for Lifeline service.

[HB 1465](#) will now be considered on the House floor.

[HB 1465's](#) Senate companion, [SB 2626](#) by [Senator Mike Haridopolos \(R-Melbourne\)](#) also passed on Tuesday, but only after a motion to reconsider the bill by Senate Commerce committee member [Senator Steve Oelrich \(R-Gainesville\)](#). Last week the bill had died in the same committee. The bill was amended to be identical to the House bill and narrowly passed on a 6 to 4 vote.

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

AIF supports this measure 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, 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 the competitors.

Court Funding

On Monday, April 13th the [House Criminal and Civil Justice Appropriations Committee](#) approved (7-1) [HB 1121](#) Relating to Disposition of Court Fees by [Representative Elynn Bogdanoff \(R-Fort Lauderdale\)](#). This bill creates a better mechanism for funding of Florida's court system by placing more legislative oversight for the court fees and fines that are collected by the clerks of courts. This will provide more adequate funding directly to the court system, which will help ensure that cases are heard and decided more efficiently and quickly. The bill does not remove or terminate employees in the clerks of courts offices around the state as some had feared earlier in the committee process. This is a significant change in the state's court funding policy and process and is the result of a lot of negotiation between the courts and clerks, as well as members of the committee.

[HB 1121](#) will now be considered by the [House Civil Justice and Courts Policy Committee](#). The Senate companion, [SB 2108](#) Relating to State Court Funding by [Senator Ken Pruitt \(R-Port St. Lucie\)](#), was approved (36-1) on Thursday, April 16th by the Senate.

[SB 2108](#) will now be sent to the House of Representatives for consideration.

AIF strongly encourages the Florida Legislature to fund the court system adequately and swiftly at a level equivalent to the judiciary's status as the third equal branch of government. We would like thank Representative Bogdanoff for her leadership on this important policy matter.

Health Care

On Monday, April 13th the [House Health Care Appropriations 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 bill also ensures that no registered lobbyist can serve on the council, as well as expands membership to non-hospital representatives.

On Wednesday, April 15th the [House Full Appropriations Council on General Government and Health Care](#) unanimously approved [HB 285](#) meaning that the bill is now ready to be considered on the House floor.

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).

On Tuesday, April 14th the [Senate Banking and Insurance Committee](#) unanimously approved [SB 308](#) Relating to Autism by [Senator Jeremy Ring \(D-Margate\)](#). This bill would require a physician to refer a minor, whose parent thinks that the minor might have autism spectrum disorder (ASD), to an appropriate specialist immediately for screening, evaluation, or diagnosis. The bill requires insurers and health maintenance organizations (HMOs) to provide direct access to an appropriate specialist for the diagnosis of ASD. The bill would further require health

insurance policies and HMO contracts to provide at least three visits per policy year for the screening, evaluation of, or diagnosis for autism spectrum disorder.

[SB 308](#) will now be considered by the [Senate Children, Families, and Elder Affairs Committee](#).

AIF OPPOSES any health insurance mandate that makes coverage less affordable and accessible without greatly contributing to the increased well-being of all Floridians.

On Wednesday, April 15th the [Senate Children, Families, and Elder Affairs Committee](#) approved (6-1) [SB 242](#) Relating to Autism Spectrum Disorder Screening/Minors by [Senator Jeremy Ring \(D-Margate\)](#). The Proposed Committee Substitute (CS) for [SB 242](#) provides that a parent, legal guardian, or other authorized person has the right to choose an alternative immunization schedule rather than the one recommended by the Centers for Disease Control and Prevention (CDC), as long as the child is immunized prior to kindergarten or initial entry into a public or private school. The bill requires health care practitioners to provide the parent or legal guardian of a minor with a copy of the current vaccine information statement before administering any vaccine to the minor child.

[SB 242](#) will now be considered by the [Senate Military Affairs and Domestic Security Committee](#).

AIF OPPOSES any health insurance mandate that makes coverage less affordable and accessible without greatly contributing to the increased well-being of all Floridians.

On Wednesday, April 15th the [Senate Health Regulation Committee](#) approved (5-2) [SB 1122](#) Relating to Health Insurance/Payment of Benefits/Claims Forms by [Senator Don Gaetz \(R-Ft. Walton Beach\)](#). The committee erased the pro-business changes that had been added to the measure last week. The good language would have ensured that employees that use out-of network providers would not be subject to "balance billing" by that provider. It also would have preserved the ability of health insurers to maintain strong networks, which is the lynch pin of a managed care company's cost saving measures.

[SB 1122](#) will now be considered by the [Senate General Government Appropriations Committee](#).

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.

Gaming Facilities

On Monday, April 13th the [House Select Committee on Seminole Indian Compact Review](#) approved (16-4) proposed committee bill (PCB) **SICR 09-02** Relating to Pari-mutuel Permit Holders. Generally, the bill proposes to level the playing field for the pari-mutuel industry in response to the Seminole Indian Gaming Compact, which if approved, provides authority to the Governor to enter into new compact with the Seminole Tribe. Highlights of the PCB include:

- Closing a quarter horse loophole and subjects quarter horse permit holders to the same permit and licensure requirements as other horse racing permit holders;
- Reducing the annual slot machine license fee from \$3 million to \$2 million;
- Replacing the current tax rate on slot machines (18 percent) to twice (36 percent) the revenue sharing rate applicable to the Tribe set forth in the original Compact or a minimum of \$140 million for slot machine tax collections;
- Extending the hours of operations for card rooms from 12 hours to 24 hours; and
- Increasing wager limits for various card games.

This is an important issue for AIF to monitor, particularly on behalf of its members in, and affected by, the pari-mutuel industry. These bills will have a dramatic effect on the business model of individual businesses and industries as well as the regulatory framework of gambling in Florida. The Compact remains a complicated issue with significant implications for industry practices and policy development. We will continue to monitor and update our members as the measure sees action.

On Tuesday, April 14th the [Senate Policy & Steering Committee on Ways and Means](#) approved (11-8) [SB 836](#) Relating to Gaming by [Senator Dennis Jones \(R-Seminole\)](#). This bill was passed as a Committee Substitute (CS) with several amendments. It was drafted concurrently with [SB 788](#) Relating to Gaming Compact/State of Florida & Seminole Tribe by Senator Jones, which allows the Seminole Tribe to enter into a new Compact with the State.

[SB 836](#) eliminates unnecessary regulations, provides consistency between provisions, and streamlines regulatory procedures for the pari-mutuel industry. Specifically, the CS:

- Establishes provisions for the operations and regulation of electronic gaming machines in pari-mutuel facilities which do not operate slot machines;
- Provides for monthly payments instead of bi-weekly payments for license fees and taxes for pari-mutuels;
- Changes the definition of year from calendar year to state fiscal year;
- Deletes the 30 day limit on the validity of the temporary occupational license;
- Removes exceptions relating to the quarter horse permit application process;
- Removes the "Florida Thoroughbred Racing Season" to create uniformity for operation dates;
- Authorizes permit holders to conduct historical racing and requires an annual \$1 million dollar fee to the division;
- Reduces the tax rate on slot machine revenue from 50 percent to 35 percent;
- Provides that the payout percentage of a slot machine facility shall be no less than 85 percent instead of 85 percent per machine; and
- Provides that cardroom licensees located in Miami-Dade and Broward County, who are slot machine licensees, may conduct the game of blackjack if the Governor and the Seminole Tribe enter into a compact.

[SB 836](#) will now be considered on the floor of the Senate.

AIF supports gambling proposals, which allow our state's pari-mutuel industry to remain competitive. During these difficult times the state needs all the revenue it can get. These bills will have a dramatic effect on the business model of individual businesses and industries as well as the regulatory framework of gambling in Florida. We will continue to monitor and update our members as the measure sees action.

On Thursday, April 16th the Senate passed [SB 788](#) Relating to Gaming Compact by [Senator Dennis Jones \(R-Seminole\)](#). The bill states that the compact executed by the Governor and the Seminole Tribe in 2007 is not approved or ratified and authorizes the Governor to execute a new compact with the Seminole Tribe to allow Class III gambling, which includes banked cards and blackjack. The bill also establishes minimum standards which, if incorporated in the new compact, would preempt the need for Legislative ratification as well as provides revenue sharing provisions.

Two amendments were adopted which:

- Clarified language so that revenue sharing from the Compact and the agreement would be deposited into the Educational Trust Fund; and
- Corrected a scrivener's error relating to revenue sharing payments to the State.

There was no debate on either amendment. Two additional amendments by [Senator Ted Deutch \(D-Delray\)](#) were withdrawn, and [Senator Dan Gelber \(D-Miami Beach\)](#) voiced his concern that the bill expands gambling too quickly. The bill was passed by a vote of 27 to 11.

AIF supports the enactment of a gaming compact with the Seminole Indian Tribe of Florida as long as Florida's existing pari-mutuel industry is allowed to provide additional gaming options so that this important industry in Florida can itself prosper and provide much needed revenue to the state. The revenue raised from the Seminole gaming compact will also go a long way in providing additional revenues.

Unemployment Compensation

On Tuesday, April 14th committees in both the Senate and the House unanimously passed almost identical bills revising Florida's unemployment tax structure. The [Senate Commerce Committee](#) approved [SB 810](#) by [Senator Rudy Garcia \(R-Miami\)](#), and the [House Economic Development and Community Affairs Policy Council](#) approved the introduction of a proposed committee bill ([PCB EDCA 09-07](#)). Both bills aim to address the looming insolvency of Florida's Unemployment Compensation Trust Fund (UCTF). The bills provide the following three measures through which employers' unemployment compensation tax obligations will change:

- Increasing the taxable wage base upon which unemployment taxes are calculated from \$7,000 to \$8,500;
- Permanently increasing the UCTF trigger thresholds from 3.7 percent to 4 percent and 4.7 percent to 5 percent; and
- Reducing the period within which an employer may recoup its tax credits from 4 years to 3 years to better stabilize the fund

These measures will represent an increase in the average Florida employer's unemployment tax of approximately \$35 per employee for small employers with a minimal experience rating. However, the measures are needed to avoid imposition of a forced repayment program from the federal government that would likely result in loss of all employer unemployment compensation tax credits and an additional legislative assessment on all employers above the current tax level.

AIF supports the passage of both bills as the best means for Florida's employers to mitigate the increasing levels of unemployment our state is acing and ensure adequacy in funding of the system.

On Tuesday, April 14th the [Senate Commerce committee](#) also passed [SB 516](#) Relating to Unemployment Compensation by [Senator Tony Hill \(R-Jacksonville\)](#) expanding the qualification requirements for unemployment benefits. This expansion is supported by certain legislators as a way to attract \$444 million in federal stimulus funds. However, this funding is only a one time distribution, while the substantive benefit expansion costs employers in Florida \$74 million each year, and requires the statutory changes to be permanent. In the long run, the benefit expansion is much more costly to businesses than the short term federal funding availability.

[SB 516](#) will now be considered by the [Senate Judiciary Committee](#).

AIF opposes this bill for the significant and lasting increase it forces on the unemployment taxes paid by Florida employers.

Space

On Tuesday, April 14th the [Senate Commerce committee](#) unanimously passed [SB 1526](#) Relating to Relating to Corporate Income Tax/Spaceflight Project by [Senator Mike Haridopolos \(R-Melbourne\)](#). This bill essentially enacts a proposal known as the "Commercial Launch Zone" or CLZ in Florida's space coast. The bill creates four corporate income tax credits, available for tax years beginning on or after January 1, 2013, for certified commercial spaceflight businesses that meet job creation and investment levels, and participate in a successful launch within the 3 previous years. These incentives are:

- A non-transferable tax credit equal to 50 percent of the net corporate income tax liability in a given tax year.
- A transferable corporate income tax credit based on a certified commercial spaceflight business' net operating losses, and which can be sold to any other Florida corporate income taxpayer for at least 75 percent of its face value.
- A jobs tax credit equal to 10 percent of each new employee's annual wages, and capped at \$7,500 per worker.

- A tax credit computed at 7.5 percent of machinery and equipment purchased for use in a commercial spaceflight project. The business must purchase at least \$500,000 in machinery and equipment to qualify for a claim against 50 percent of its tax liability in a given year.

AIF has been a strong supporter of the space industry over the last few years and strongly supports this legislation which will ensure that Florida maintains its dominance in space-related activities. States like Virginia and New Mexico are currently vying for commercial space launches and Florida must remain competitive. This proposal will go a long in achieving that goal, especially in light of the space shuttle program coming to an end in the near future.

AIF strongly supports the creation of a Commercial Launch Zone. Florida's space industry is a \$2 billion economic driver that employs 30,000 Floridians in 47 of Florida's 67 counties; therefore, we must do everything in our power to maintain our prominence in space.

On Thursday, April 16th the Florida House unanimously approved (114-0) [HB 69](#) Relating to Space Industry by [Representative Dorothy Hukill \(R-Port Orange\)](#).

A priority for Associated Industries of Florida, the Space Technology and Research Development Institute 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.

The companion, [SB 888](#) by [Senator Evelyn Lynn \(R-Daytona Beach\)](#), was unanimously approved by the [Senate Higher Education Committee](#) on Wednesday, April 15th and has one more stop in the [Senate Ways and Means Committee](#).

As mentioned in AIF's Economic Stimulus Package 2.0, AIF fully supports diversification of the space industry through university-based and applied technology programs across the state.

Energy & Environment

On Tuesday, April 14th the [House General Government Policy Council](#) approved (10-6) [HB 1219](#) Relating to Environmental Control by [Representative Charles Van Zant \(R-Palatka\)](#). The measure directs the Florida Department of Environmental Protection (DEP) to develop a plan, including legislative recommendations to implement an offshore oil and natural gas drilling program, and submit the plan to the Governor, President of the Senate and Speaker of the House by December 31, 2009.

[HB 1219](#) will now be considered by the [House Natural Resources Appropriations Committee](#).

AIF was the first business organization in Florida to support offshore drilling for oil and natural gas as long as it is done in an environmentally sensitive manner. Florida has beautiful beaches and we do not want to harm our natural resources; however, Florida is missing the opportunity to collect royalties from these oil and natural gas leases. AIF supports this measure as a first step to accomplishing this task.

Growth Management

On Tuesday, April 14th the [Senate Community Affairs Committee](#) unanimously approved [SB 630](#) Relating to Impact Fees/Moratorium on Imposition or Collection by [Senator Mike Bennett \(R-Bradenton\)](#). The bill places a three-year moratorium on the imposition or collection of impact fees by a municipality or county.

The real controversy came in an amendment, offered by **Senator Bennett** that added an increase of a one percent local option doc stamp for infrastructure, as well as limiting residential impact fees to \$2 per square foot and \$8 per square foot for non-residential property.

[SB 630](#) will now be considered by the [Senate Finance and Tax Committee](#).

The committee also approved (8-2) [SB 364](#) Relating to Department of Community Affairs (DCA) by [Senator Mike Bennett \(R-Bradenton\)](#). The measure aims to simplify state licensing and permitting by providing a central point for collection of data and fees. By 2010 the Department of Environmental Protection (DEP), Department of Transportation (DOT), DCA, Department of Business and Professional Regulation (DBPR), Department of Revenue (DOR) as well as the five water management districts must all be online, with other agencies to follow by 2011. The program would be designated E-Shop Florida.

[SB 364](#) will now be considered by the [Senate Finance and Tax Committee](#).

On Tuesday, April 14th the [Senate Transportation Committee](#) approved (5-2) [SB 362](#) Relating to Growth Management by [Senator Mike Bennett \(R-Bradenton\)](#). The bill creates a definition for "dense urban land area", which was originally carried in a similar measure ([SB 360](#) by [Senator Bennett](#)), and allows transportation concurrency to be relaxed.

This bill is important to AIF because it broadens those dense urban land areas that were at scaled back in [SB 360](#). It would apply to much broader areas than just the urban service boundaries of local government.

[SB 362](#) will now be considered by the [Senate Transportation and Economic Development Appropriations Committee](#).

AIF supports efforts to streamline and reform Florida's growth management laws. This is important to employers because they have the potential to impact the construction of roads, schools, and water projects, which are essential to economic development.

On Wednesday, April 15th the [Senate Finance and Tax Committee](#) unanimously approved [SB 580](#) Relating to Impact Fees/Challenges by [Senator Mike Haridopolos \(R-Melbourne\)](#). The bill changes the burden of proof for a business who challenges a local government's enactment of an impact fee to merely a preponderance of the evidence, thus alleviating a local government's presumption of correctness that currently attaches to impact fee ordinances. In addition, the bill includes legislation to implement a two-year freeze on impact fees.

[SB 580](#) will now be considered by the [Senate Transportation and Economic Development Appropriations Committee](#).

On Friday, April 17th the House companion, [HB 227](#) by [Representative Gary Aubuchon \(R-Cape Coral\)](#), was approved (92-26) by the Florida House.

[HB 227](#) will now be sent to the Senate for consideration.

AIF SUPPORTS legislation that eases the burden of proof on impact fee challenges. This statutory fix will level the playing field for businesses in any court challenge so that governments are not presumed correct in their methodology when increasing an impact fee, or crafting a new one.

Insurance

On Friday, April 17th the [Senate Policy and Steering Committee on Ways and Means](#) approved (10-9) [SB 1950](#) Relating to Insurance by [Senator Garrett Richter \(R-Naples\)](#). The measure aims to reduce potential assessments (hurricane taxes) against businesses' insurance premiums by reducing the state's Hurricane Catastrophe Fund coverage as well as by making the state-run property insurance company, Citizens, actuarially sound. The bill was approved by the narrowest of margins after controversial amendments were withdrawn. The legislation saw a considerable amount of debate from critics who said the bill unfairly raises rates on Citizens policyholders. The bill calls for Citizens rates to rise 10 percent a year until they become actuarially sound, a process that could take more than five years. "We have dug ourselves a hole," Richter said. "This legislation is an attempt to stop the digging."

[SB 1950](#) will now be considered by the [Senate Rules Committee](#).

On Tuesday, April 14th the [House General Government Policy Council](#) unanimously approved [SB 1950's](#) House Companion, [HB 1495](#) by [Representative Bryan Nelson \(R-Apopka\)](#). The bill contains similar provisions found in the Senate companion, but raises Citizens rates 20 percent a year and like the Senate bill reduces the state's Hurricane Catastrophe Fund coverage.

[HB 1495](#) will now be considered by the [House Full Appropriations Council on General Government and Health Care](#).

AIF supports this measure as a way to remove and increase Citizens' rates; reduce Cat Fund coverages; continue the state's home hurricane loss mitigation program, My Safe Florida Home; and encourage the restoration of Florida's private property insurance market.

Workers Compensation

On Wednesday, April 15th the [Senate Judiciary Committee](#) approved (7-2) the workers compensation bill, [SB 2072](#) by [Senator Garrett Richter \(R-Naples\)](#), but the version of the bill that passed is not favorable to Florida's employers.

As filed, the bill would have clarified the statutory ambiguity identified by the Florida Supreme Court in the *Murray v. Mariner Health* decision. This bill as filed would also have reversed the 6.4 percent rate hike that became effective April 1, 2009 and would eliminate the need for future rate increases due to the attorney fee changes.

However, an amendment filed by [Senator Jeremy Ring \(D-Margate\)](#) deleted the entire bill and put in its place language support by the trial attorneys that will allow for increased attorney fee schedules and higher attorney fee collections on washout settlements. We are in the process of analyzing all of the details of the bill as passed and placing a price tag value to it. However, the bottom line is that Florida employers cannot tolerate any increase in their workers' compensation premiums. This bill now absolutely represents an increase and definitely sets the workers' compensation system up for a return to the chaos and crisis of the late 90's and pre-2003 reform days.

Although there remains one additional committee of reference, now is the time for all Florida employers to contact their senators and let them know the importance of passing workers' compensation reform that narrowly and precisely corrects the ambiguity in the statute while restoring and protecting our current rate levels with no future increases in these perilous economic times.

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.

Education & Workforce Development

On Wednesday, April 15th the [Senate Education Pre-K-12 Appropriations Committee](#) unanimously approved [SB 1682](#) Relating to Governmental Operations by [Senator Stephen Wise \(R-Jacksonville\)](#). The bill was amended to add provisions related to education accountability, which bring together the accountability systems from the A+ Plan and No Child Left Behind (NCLB). This measure aims to ensure that all students in Florida are making educational progress.

With the amendments added, the bill will help to better align the state and federal accountability systems to ensure there is a command focus on student learning, as well as expand the intervention plans that districts will have to implement to all schools so that all students, even lower-performing students in higher-performing schools, receive the same interventions and support as those in Title I schools.

[SB 1682](#) will now be considered by the [Senate Governmental Oversight and Accountability Committee](#).

AIF supports legislation that enables better prepared students through accountability for educational outcomes. AIF believes 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. This measure strengthens Florida's nationally recognized school accountability system, aligns it with the federal accountability system and ultimately improves the value of a high school diploma for future employers.

On Thursday, April 16th the [Senate Education Pre-K-12 Committee](#) approved (4-2) [SB 2654](#) Relating to High School Graduation by [Senator Thad Altman \(R-Melbourne\)](#). This is AIF's top education priority for the 2009 session. The bill 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, as well as requires students to achieve a grade-level score on the 10th grade FCAT.

[SB 2654](#) will now be considered by the [Senate Education Pre-K - 12 Appropriations Committee](#).

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.

On Friday, April 17th the House approved (78-41) [HB 919](#) Relating to Revision of the Class Size Requirements for Public Schools by [Representative Will Weatherford \(R-Wesley Chapel\)](#). The Joint Resolution preserves the constitutional integrity of the Class Size Amendment approved by Florida voters in 2002 by holding class size measurement at the school average level with limits on individual classroom sizes. The measure would also allow for flexibility, giving principals and teachers the ability to manage small differences in class sizes within a school, which could for example put students that need a little extra attention in a slightly smaller class, while compensating with a slightly larger class.

If approved by the Senate, Florida voters will have the opportunity to vote on this proposed constitutional amendment in the 2010 General Election. [HB 919](#) will now be sent to the Senate for consideration.

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.

Legal & Judicial

On Wednesday, April 15th the [Senate Judiciary Committee](#) unanimously approved [SB 886](#) Relating to Parental Authority by [Senator Steve Oelrich \(R-Gainesville\)](#). The measure was combined with [SB 2268](#) by [Senator Carey Baker \(R-Eustis\)](#), which also deals with a parent's authority to waive liability on behalf of their children. However, a very bad amendment, offered by [Senator Dan Gelber \(D-Miami Beach\)](#) on behalf of the trial lawyers, was adopted onto the bill. The Gelber amendment limits the liability waiver to only the inherent risk of an activity.

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](#) and now [SB 886/2268](#) codify in Florida law the authority of a parent to waive liability on behalf of their minor child.

This was the third try at getting the bill out of the [Senate Judiciary Committee](#), but the good news is that the bill is now available to move on through the legislative process. [SB 886](#) will now be considered by the [Senate Children, Families, and Elder Affairs Committee](#).

The House companion, [HB 363](#) by [Representative Mike Horner \(R-Kissimmee\)](#), will now be considered on the House floor and will be coming over without bad amendments. So, the battle will be between the two versions of the bill late in session.

AIF supports the right of parents to waive liability on behalf of their minor children and thanks Senators Oelrich and Baker 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 Thursday, April 16th the House passed [HB 215](#) Relating to Contingency Fees for Attorneys Hired by the Attorney General by [Representative Erik Eisnagle \(R-Orlando\)](#) by a strict party line vote of 66-49. 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 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. Lastly, this bill requires copies of executed contingency fee agreements, as well as payment of contingency fees, to be posted on the Department's website.

The bill will now be sent to the Senate for consideration.

[HB 215's](#) Senate companion, [SB 1370](#) Relating to Contingency Fee Agreements by [Senator Mike Fasano \(R-New Port Richey\)](#) also saw action on Thursday passing the [Senate Governmental Oversight and Accountability Committee](#) on a 5 to 3 vote, which was also among party lines. There was very little debate or questions on the bill.

[SB 1370](#) will now be considered by the [Senate Criminal and Civil Justice Appropriations](#).

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.

Seaport Security

On Wednesday, April 15th the [Senate Criminal Justice Committee](#) unanimously passed [SB 2684](#) Relating to Seaport Security. There were some technical amendments adopted to the bill without any debate or discussion. The bill now closely mirrors its companion measure in the House, [HB 7141](#). [SB 2684](#) has one more committee stop in the Senate, the [Senate Criminal & Civil Justice Appropriations Committee](#).

This bill will not require an additional state ID card for persons entering a Florida seaport if they already hold a federal Transportation Worker Identification Card (TWIC). The bill will require those individuals to sign an affidavit attesting that they have not been convicted of certain crimes and submit to a Florida background check once every five years. The costs will be less than \$100 every five years to enter all Florida seaports as opposed to the current situation where the cost is over \$800 per employee. This reduces the economic burden on employers and allows Florida's public and private sector leaders to continue working together to craft solutions at the federal level in the future that may further enhance the opportunities for less regulation and greater prosperity.

AIF supports SB 2684 because it significantly reduces the costs to employers conducting business at Florida's public seaports.