



DAILY BRIEF

From March 25, 2009

The battle to keep workers' compensation rates affordable for employers in Florida was the main topic of conversation today as the [Senate Banking & Insurance Committee](#) approved [SB 2072](#) Relating to Workers' Compensation Attorney Fees by [Senator Garrett Richter \(R-Naples\)](#). This was a major victory for AIF and the business community and we will continue to put the pressure on the trial bar as the House of Representatives considers [HB 903](#) by [Representative Anitere Flores \(R-Miami\)](#) on the Floor tomorrow (Thursday). Be sure to check out the "Workers Compensation" section of this report for a full recap of today's Senate committee meeting.

A number of AIF session priority bills also saw action including:

- A proposed constitutional amendment to save the secret ballot process in Florida ([SB 1908](#));
- Economic Stimulus Package 2.0 legislation creating the New Markets; Development Program ([HB 485](#));
- The House's growth management package;
- Legislation reforming Florida's Low Income Pool;
- and much more.

Workers Compensation

This morning 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.

The House companion bill, [HB 903](#), by [Representative Anitere Flores \(R-Miami\)](#) is identical to the Senate bill and will be heard by the full House of Representatives tomorrow during session.

Please [contact your local Representative](#) immediately and urge them to SUPPORT HB 903 and to OPPOSE any amendments to the bill.

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.

Card Check

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 today 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.

This bill is a top priority for AIF as it provides Floridians the opportunity to vote in favor of protecting the right to a secret ballot. Without this legislation and with the potential passage of the federal Employer Free Choice Act or EFCA, employees in Florida will be subject to intense pressure and harassment from union bosses to sign pledge cards in support of union representation.

[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.

Senate Select Committee on Florida's Economy

The [Senate Select Committee on Florida's Economy](#) met today 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 proposed legislation directs the Office of Tourism, Trade and Economic Development (OTTED) to issue a request for information (RFI) for the development of an internet site for the "One-Stop Permitting and Licensure." The website should be designed so that individuals and businesses can obtain information concerning development permits; guidance on what development permits are needed for particular projects; permit requirements; and who may be contacted for more information.

Development permits are wetland or environmental resource permits; surface water management permits; stormwater permits; site plan approvals; zoning approvals and comprehensive plan amendments; building permits; transportation concurrency approvals; consumptive water-use permits; wastewater permits and dock permits.

The following agencies would be integrated into the system:

- The Department of Agriculture and Consumer Services
- The Department of Business & Professional Regulation
- The Department of Health
- The Department of Financial Services
- The Office of Insurance Regulation of the Financial Services Commission
- The Agency for Workforce Innovation
- The Department of Revenue
- The Department of State
- The Fish and Wildlife Conservation Commission
- The Agency for Health Care Administration

It seems as though the agencies listed above do most of the permitting and licensure in the state. The only other state agency that does licensure that is not included in the list is the Department of Education.

The One-Stop Permitting and Licensure System will provide access to the Department of Environmental Protection; Department of Community Affairs; Department of Management Services, Department of Transportation and the five water management districts in the state.

The proposed legislation also designated a time line of 60 days for a permit to be approved or denied.

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.

ESP 2.0

Today, 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.

Growth Management

Today, 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 this measure as a way to stimulate Florida's economy through low cost regulatory measures that seek to reduce unnecessary government oversight.

Health Care

Today, 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 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.

Insurance

Today, 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.

Today, 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.

Space

Today, 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 69](#) 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.

Taxation

Today, 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.

Today, 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 unanimously approved by the [Senate Judiciary Committee](#) today.

[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.

The [House Economic Development and Community Affairs Committee](#) also passed (10-5) [HB 385](#) Relating to Limitation on Aggregate Ad Valorem Taxes on Real Property by [Representative David Rivera \(R-Miami\)](#). This joint resolution caps total ad valorem tax on parcel of real property to 1.35 percent of highest taxable value of property.

Representatives of The Florida Association of Property Tax Professionals and The Florida Association of Realtors both waived in support of the bill. The Mayors of Tarpon Springs and Pembroke Pines spoke in opposition to the bill, stating that local governments are struggling to raise revenue and State mandated caps will force them to limit services.

[HB 385](#) will now be considered by the [House Finance and Tax Council](#).

AIF is supportive of some limits on ad valorem tax rates, but has not taken a position on this resolution because there are concerns with the differences among the counties with high property values and those with very moderate values.

On Wednesday morning, The [House Economic Development Committee](#) met and heard [HB 469](#) Relating to Tax on Sales, Use, and Other Transactions by [Representative Tom Grady \(R-Naples\)](#). The bill establishes a cap of \$25,000.00 on taxes imposed on boat purchases in Florida. With close to 1200, miles of coastline and 11,000 miles of rivers, streams & waterways, Florida's economy would benefit from increased purchases and registration of large luxury yachts. Florida marine industry and ancillary businesses have lost revenue and jobs to more tax friendly neighboring states and foreign jurisdiction in the Caribbean. The bill passed on a vote of 18 to 2.

[HB 469](#) will be considered next by the [House Economic Development & Community Affairs Policy Council](#).

AIF supports legislation aimed at encouraging the growth of Florida's marine industries. This type of legislation will ensure that Florida can compete with its neighboring states when it comes to attracting boat buyers and water craft enthusiasts.