



# DAILY BRIEF

**From March 2, 2010**

The 2010 Legislative Session is officially underway as Legislators returned to Tallahassee for the annual 60 day session. Unlike previous years when most of the first day was taken up by ceremonial matters and welcome back speeches, legislators this year took up one of AIF's and the business community's top priorities – legislation to reduce the unemployment compensation tax increase facing employers in Florida. HB 7033 Relating to Unemployment Compensation by Rep. Dave Murzin (R-Pensacola) passed both chambers unanimously and was immediately sent to the Governor for his signature. The bill was then signed into law moments before the Governor's State of the State address this afternoon. For more information on the bill please click on the Unemployment Compensation section of today's *Daily Brief*.

As is customary, both presiding officers addressed their respective chambers today to lay out their priorities and goals for the year. House Speaker Larry Cretul (R-Ocala) stressed the importance of balancing the budget and called for an aggressive reorganization of state government including the merging of the Auditor General's office and the Office of Program Policy Analysis & Government Accountability into a new Legislative Accountability Office. He also announced proposals to create what he called "High Performance Government." Included in the proposals is an idea championed by AIF's Governmental Outsourcing Council and included in legislation (HB 717 and SB 1584) drafted by AIF which would:

- "Establish a process for designating a lead contract manager for health and human service providers with multiple state contracts and eliminating duplicative reporting and monitoring procedures."

Senate President Jeff Atwater (R-North Palm Beach) stressed job creation, educational reform, and cracking down on fraud as some of his priorities for 2010. The Senate has been working on a "Jobs for Florida" package that includes a number of positive economic development provisions. Unfortunately, the price tag on this omnibus bill may be too large in light of the state's budget crisis. President Atwater outlined his support of reforming the Class Size amendment and providing more flexibility for school districts – a proposal strongly supported by AIF and others in the business community.

Last but not least, Governor Crist gave his final State of the State speech this evening. Since he is not seeking re-election, today marked the last time he will address members of the Legislature in a State of the State speech. As expected, Governor Crist focused on the economy and praised legislators for their passage of the unemployment compensation bill. He touted many of his administration's successes and laid out his vision for improving Florida's economy. Governor Crist emphasized the importance of the space industry in Florida as well as his desire to see the return of the "Back to School" sales tax holiday. Given his recent dip in the polls, it was somewhat unexpected to hear the Governor outline his reasons for supporting the federal stimulus bill, which was greeted by standing ovations from members of the Democratic Party and a much cooler response from GOP members.

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## Unemployment Compensation

Today, the Florida Legislature unanimously passed HB 7033 which provides Florida employers with immediate relief from unprecedented unemployment compensation tax increases that they were facing this year. Then moments before his State of the State address Governor Charlie Crist signed the bill into law.

Without this important legislation, most Florida employers would be forced to pay unemployment taxes at levels higher than 1200% over last year's amounts. Plus, the full payments would have been due at the end of the first quarter. Many Florida businesses simply could not pay these unexpected, exorbitant taxes without terminating more workers, cutting benefits or possibly closing their doors all together.

Fortunately, AIF began working diligently with our legislative leaders a few months ago to develop a way to alleviate and mitigate this year's tax burden. Because this law passed today, businesses will have lower tax bills this year and will be able to make their payments on a quarterly payment plan, with payments spread throughout the calendar year, rather than having to make a large lump sum payment at the end of the first quarter.

Specifically, HB 7033 makes the following key changes to the 2010 tax requirements:

- Reduces the amount of each employee's wages upon which the employer pays the UC tax – from \$8,500 back down to \$7,000 for 2010 and 2011.
- Establishes a quarterly payment plan for 2010 and 2011 that lets employers spread out their unemployment compensation payments over the whole year without normal application of penalties or interest.
- Eliminates all elements of the rate calculations in the current law that would otherwise increase the tax for purposes of replenishing the Unemployment Compensation Trust Fund balance for 2010 and 2011.
- Allows unemployed Floridians to receive additional extended unemployment benefits funded by the federal government.

**AIF would like to commend each and every member of the Florida Legislature for their vote today. They have listened to the outcry of thousands of Florida businesses and have responded by passing this critical legislation. AIF applauds Senate President Jeff Atwater (R-North Palm Beach) and House Speaker Larry Cretul (R-Ocala) for their leadership and commitment in making this important bill the top priority of the session and ensuring its passage in such a timely manner.**

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## Legal & Judicial

On Monday, March 1st the House Civil Justice & Courts Policy committee approved HB 689 by Rep. Gary Aubuchon (R-Cape Coral), which deals with premises liability. The proposed bill provides that if a person slips and falls in a business establishment, the injured person must prove the business had actual or constructive knowledge of the dangerous condition and should have taken action to remedy it.

Rep. Aubuchon referred to this bill as the "Florida Competitive Business Act" and with the changes prescribed in the bill Florida would be like 35 other states with regards to premises liability.

Rep. Tom Grady (R-Naples) said it best, "Under current law in Florida, a business is presumed guilty until proven innocent. That is not right and this bill changes that."

Rep. Eric Eisnaugle (R-Orlando) said that he was comfortable for voting in favor of the bill, especially since it does not change the standard of care.

The bill passed 11 to 2 with Rep. Adam Fetterman (D-Port St. Lucie) and Rep. Darren Soto (D-Orlando) voting against the bill.

**AIF SUPPORTS legislation which protects business owners from costly and frivolous litigation. This legislation will require a plaintiff to show the business owner's actual knowledge of a hazardous situation before recovery is awarded.**

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## **Education**

Today, the Senate Education committee met to hear several presentations. The STEM presentation by NASA was cut short due to condensed meeting time when the opening session of the Florida Senate ran longer than expected. Additionally, there was also a presentation on instructional materials, the current process for adoption of instructional materials in Florida, and a call for increased flexibility in the instructional materials fund to allow districts to purchase the hardware for digital content in the classroom. The committee questions were lively and pointed, with Senators John Thrasher (R-Jacksonville), Ronda Storms (R-Brandon) and Don Gaetz (R-Destin) questioning the current process and requirements for new text books to be purchased on a prescribed timeline. Senator Frederica Wilson (D-Miami Gardens) expressed opposition to the idea of flexibility due to reasons of limited access to computers in the home for certain populations of students. Districts supporting the flexibility were unable to speak due to the committee's lack of remaining time, but are poised to speak when the actual legislation is considered.

**AIF SUPPORTS the issue of increased technology in the classrooms in order to produce graduates who are better prepared for the 21st Century innovation economy.**