



DAILY BRIEF

From March 17, 2010

Wednesdays are typically the busiest days of the week during session and today certainly met that expectation. AIF priority bills were heard starting early in the morning and late into the evening. After some delay, the House Insurance, Business & Financial Affairs Policy Committee finally considered a property insurance bill today passing HB 447 Relating to Residential Property Insurance by Representative Bill Proctor (R-St. Augustine). Known as the Consumer Choice bill, this bill is one of AIF's top priorities for the 2010 session. After passing both chambers last year, a very similar bill was vetoed by Governor Crist. AIF is a strong proponent of bringing back the private property insurance market to Florida and HB 447 is a strong step in the right direction. Other priorities seeing action today included legislation to help Florida's seaports, the "Space Transition & Revitalization Act," and a number of environmental sustainability issues including the Senate's recycling bill (SB 570) and water legislation.

Also of note today, the Senate Reapportionment Committee passed SB 2284 Relating to the Legislature by Senator Joe Negron (R-Palm City). This bill changes the opening date of the 2012 Session from early March to January 10, 2012. This is a typical occurrence that allows for the scheduling of the constitutionally-mandated Special Session on Reapportionment which occurs after the census. Additionally, the desire to move Session forward allows the legislature to obtain the latest 2010 census data while allowing enough time for the reapportionment process to be completed before qualifying for elections begins.

Insurance

Today, the Insurance, Business & Financial Affairs Policy Committee approved CS/HB 447 Relating to Residential Property Insurance by Representative Bill Proctor (R-St. Augustine). This bill will provide homeowners with the option of purchasing their homeowners' insurance from a private insurance company using rates higher than their approved rates in lieu of the state's insurance company, Citizens. By encouraging private insurance companies and their private claims-paying capital to return or continue to do business in Florida, this bill will help to reduce the burden of "hidden hurricane taxes" on businesses insurance premiums to fund Citizens' claims paying deficits. Many businesses are shocked to learn that TODAY - in 2010 - they are STILL paying hidden hurricane taxes to cover Citizens insured losses from the 2004 and 2005 hurricanes. This bill will reduce this taxation risk on Florida's families and businesses which is a top priority for AIF.

HB 447 will now move on to the House General Government Policy Council for further consideration.

AIF SUPPORTS legislation which makes competition the primary determinant of insurance rates, including consumer choice for homeowners, flex rating for insurers and exemption from OIR prior approval of rates for certain commercial policies.

Additionally, the Senate Banking and Insurance Committee unanimously approved CS/SB 2264 Relating to Public Adjusters by Senator Mike Bennett (R-Bradenton) that places restrictions on abusive public adjusters' advertising, solicitation, and compensation practices. The bill also decreases the window of time to file a claim from 5 years to 3 years. Public Adjusters' abuses and reopened 2005 hurricane claims are cited as the primary reasons for the pending Cat Fund request before the Governor and Cabinet to approve additional hurricane taxes of \$710 million.

AIF SUPPORTS legislation that will reduce abusive practices performed by public adjusters and protect businesses from risk of excess taxation. AIF commends Senator Bennett for his legislation that affords insurers the opportunity to underwrite policies in Florida without facing burdensome assessments.

Education

HB 1287 Relating to Public K-12 Education by Representative Tom Grady (R-Naples) unanimously passed the PreK-12 Policy Committee today, its first committee stop in the House. As a priority for Governor Crist, HB 1287 removes the \$2000 cap on bonuses paid to teachers whose students pass rigorous courses and exams, including Advanced Placement, International Baccalaureate and Advanced International Certificate of Education courses. Instead of being capped, teachers have the potential to earn \$50 for every student who achieves a passing grade on the end-of-course exam. The bill also requires school districts to reinvest 100 percent of funds dedicated for these programs, without diverting them to cover unrelated expenses. The bill passed with support from AIF, the Foundation for Florida's Future and Governor Crist' office.

HB 1287 will now move forward to the PreK-12 Appropriations Committee for further consideration.

AIF SUPPORTS this bill under its priority for college and career readiness. Access to rigorous courses in high school has demonstrated that students will possess the necessary skills to progress and succeed throughout higher education.

Energy

Today the House General Government Policy Council passed House Memorial 1535 Relating to American Clean Energy and Security Act by Representative Sandy Adams (R-Oviedo) by a vote of 12-3. The Memorial would urge the President, Congress and the Florida Congressional delegation to oppose the American Clean Energy and Security Act (HR 2454, also known as the Waxman-Markey bill) and any other proposals by federal agencies that will artificially raise energy prices for consumers and place an undue burden on the economy for little or no environmental benefit.

The council recognizes that any federal legislation or agency rules that would cause energy prices to increase, thereby inflating the cost of doing business is not warranted at this time. Not only are Floridians struggling in this difficult economy, but Florida's employers can not withstand what amounts to an additional tax on energy.

HB 1535 will now move to the House Rules & Calendar Council for further consideration.

AIF's Florida Energy Council voted overwhelmingly to SUPPORT this Memorial, as the federal legislation has the potential to impede the already fragile recovery of Florida's economy.

Environmental

The House Military and Local Affairs Policy Committee approved HB 1109 Relating to Water Supply by Representative Trudi Williams (R-Ft. Meyers). The proposed legislation consolidates all water supply-related sections such as water supply policy, planning, production and funding currently spread throughout Chapter 373 into a new Part VII of that Chapter. It will centralize water supply provisions into one location and will lead to a more efficient management and administration of water law. **Keyna Cory, AIF's Senior Lobbyist**, waived in favor of the bill.



**Keyna
Cory**

HB 1109 will move to the House Natural Resources Appropriations Committee for further consideration.

AIF SUPPORTS state funding for alternative water supply programs. We commend Representative Williams for putting forth legislation that will lead to a more efficient management of water supply policy.

SB 570 Relating to Solid Waste Recycling by Chairman Lee Constantine (R-Altamonte Springs) was unanimously passed by the Senate Environmental Preservation & Conservation Committee today. The bill has a goal to increase Florida's recycling rate to 75% by 2020.

Keyna Cory, AIF's Environmental Sustainability Council Lobbyist, testified that while the proposed committee substitute is better than the original version, more work is needed on the bill. Ms. Cory raised some concerns regarding the following sections of the bill:

*Private businesses, other than Certified Recovered Materials Dealers, with 25 or more employees that generate recyclable materials such as but not limited to paper, metals, glass, plastics, textiles, rubber materials, and mulch, shall report the amount of recycled materials to the county biennially starting January 1, 2011, utilizing the Department's designated reporting format. Private businesses not required to report their recycling rates are encouraged to participate. Notwithstanding any other provisions of state or local law, those private business reporting, other than certified recovered materials dealers, according to this subsection shall not be required to comply with any additional recycling reporting requirements regarding their recycling rates. **AIF recommended that reporting system be voluntary. Although there are no penalties for not reporting, some publicly traded companies are concerned about not complying with the law if they chose not to report.***

*If the state's 2013 calendar year recycling rate is below forty-five percent, the department shall provide a report to the Legislature. The report shall identify those additional programs including but not limited to composting, zero waste zones, pay as you throw, a container deposit program, a landfill disposal surcharge fee or a prohibition of disposable plastic bags, or statutory changes needed to achieve the goals provided in this subsection. The report must include an evaluation of the costs to the public and private sectors to enact and administer these programs. The report shall be provided no later than 30 days prior to the 2015 regular session of the Legislature. **AIF would prefer not to list programs in statute and give the Florida Department of Environmental Protection the flexibility in creating its study.***

In Senator Constantine's opening remarks, he referenced what companies like Pepsi-co and Nestle Waters North America are doing to reduce their packaging and making their products lighter. Ms. Cory noted that there was nothing in the proposed committee substitute to give a company credit for their source reduction effort. Senator Constantine expresses interest in seeing this issue addressed.

The Recycling Business Assistance Center is in the proposed committee bill and AIF continues to support the creation of the center.

Senator Dennis Jones (R-Seminole) offered an amendment to require airports to recycle aluminum cans and plastic bottles. The amendment was adopted without objection.

SB 570 is scheduled to be heard in the Senate Community Affairs Committee next.

AIF believes that Florida can increase its recycling rate, but the management of waste is much more than recycling. Additionally, AIF SUPPORTS the creation of the Recycling Business Assistance Center as it has the potential of creating jobs; however, we will continue to oppose mandates. We want to thank Senator Constantine for his work on this important bill.

Chairman Lee Constantine (R-Altamonte Springs) also released a draft of his proposed legislation to make significant changes to the state's water policy today. The 136 page bill includes the consolidation of all water supply-related sections such as water supply policy, planning, production and funding currently spread throughout Chapter 373 into a new Part VII of that Chapter. This section is similar to the bill passed by the House Military & Local Affairs Policy Committee, HB 1109 by Representative Trudi Williams (R-Ft. Meyers).

The bill also contains the recommendations from the Senate Select Committee on Florida's Inland Water which include:

- Expanding the definition of alternative water supply projects to include projects that demonstrate quantifiable water conservation.
- Restoring funding to alternative water supply projects using SBA funds
- Requiring DEP to work on numeric nutrient criteria using total maximum daily load (TMDL) and basin management action plans (BMAP) as a way to show EPA Florida is serious about water quality.
- Maintaining the "local sources first" policy in its current form
- Adopting measures that will protect Florida's aquifers and other water resources and reduce nitrogen and phosphorus loading
- Implementing a "SWIM" (Surface Water Improvement and Management Program) – like program for springsheds
- Creating Responsible Management Entity Model as a way to effectuate a septic tank inspection and maintenance program with local governments' authority over them.
- Banning class A and B residuals from domestic wastewater facilities and the land spreading of septage from septic tank pump outs. Ensure the class AA residuals marketed as a fertilizer product are applied to the land at proper agronomic rates.
- Requiring DEP to study reclaimed water use to see nutrient levels
- Emphasizing and expanding the blue belt tax exemption, already in the state constitution, to give incentives to landowners in high-water recharge areas to hold more water on their land.
- Tapping the state's water experts, such as the University of Florida's Water Institute, for science-based policy recommendations
- Directing the Florida Building Commission to evaluate and update existing building policies and codes

- Requiring water management districts to negotiate disputes in good faith and use mediation or arbitration before proceeding to court

The bill is expected to be considered by the Senate Environmental Preservation & Conservation Committee next week.

AIF SUPPORTS the funding of alternative water supply programs. Additionally, AIF supports efforts to protect Florida's springs with reasonable regulations that do not unfairly target or place undue burdens on citizens and businesses.

Space

HB 1389 Relating to Space and Aerospace Infrastructure by Representative Steve Crisafulli (R-Merritt Island), a bill of great importance to AIF, was unanimously passed by the House Economic Development Policy Committee today.

HB 1389 creates the "Space Transition and Revitalization Act", also known as the STAR Act. This essentially modifies the Quick Action Closing Fund to emphasize the importance of the transition from the end of the space shuttle program, and provides tools to Space Florida to make plans for capital assistance and financing services for aerospace business expansion, economic development, and infrastructure financing in the state. Additionally, the bill revises a previous appropriation to Space Florida to provide Space Florida with some flexibility in the use of the funds originally targeted to Space Launch Complex.

The committee provided very little discussion or debate and the bill passed unanimously out of the committee today.

HB 1389 will now move to the House Finance & Tax Council for further consideration.

AIF SUPPORTS giving Space Florida the flexibility to allocate any of the un-obligated Launch Complex (LC) 36 funds for any purpose determined to have the greatest benefit to the commercial space industry in Florida. AIF also SUPPORTS this legislation as it will establish a number of incentives for luring new commercial space projects to Florida.

Economic Development

The Senate Commerce Committee took up four pieces of legislation that AIF is supporting this session.

The Committee passed SB 2378 Relating to Florida's One-Stop Business Connect Act by Senator Thad Altman (R-Melbourne) today. This legislation is one of Governor Crist's top priorities for this session. The bill creates a workgroup to develop a plan to establish an online connection that is easily accessible through the state's official portal, "MyFlorida.com," to provide an efficient and effective online, self-service method for individuals to access state requirements for starting and operating a business, by July 1, 2014. The workgroup will include the heads of several state agencies including the Departments of Revenue, State, Business and Professional Regulation, and others. The Secretary of the Department of Business and Professional Regulation will serve as the chair of the workgroup. The workgroup is tasked with:

- Compiling an inventory of all business licenses, certifications, and registrations, required by each participating agency.
- Compiling relevant rules and laws associated with each participating agency.

- Analyzing each participating agency's licensing, certifying, or registering process and identify any duplicative, inefficient, or ineffective processes.
- Recommending standardization and automation of licensing, certification, and registration processes if appropriate.

SB 2378 will now be considered by the Senate Governmental Oversight and Accountability Committee.

AIF SUPPORTS legislation that will enable current and future business owners to find all the information they need for starting and running a business in one convenient portal on the internet.

SB 2426 Relating to New Markets Development Program by Senator Mike Fasano (R-New Port Richey) codifies last year's New Market Tax Credit legislation, AIF's top economic development issue from the 2009 legislative session. This program, currently being implemented by the Office of Tourism, Trade, and Economic Development (OTTED), will infuse millions of dollars into businesses that exist in low income areas of the state. This program will serve as a catalyst for neighborhoods and communities who have struggled to compete in creating job opportunities for its citizens. SB 2426 will clarify provisions of the new law and bring it into full continuity with the successful federal model of the New Markets Tax Credit. The bill was unanimously passed by the committee's members today.

SB 2426 will move to the Senate Community Affairs Committee for consideration by its members.

AIF SUPPORTS HB 2426 and the "New Markets" Tax Credit Program because of its potential to create jobs and stimulate economic activity in areas of the state that need it the most.

After the passage of SB 2426, the committee considered SB 1856 Relating to Qualified Target Industry (QTI) Tax Refund Program which makes a number of technical changes to the state's Qualified Targeted Industries Program. Created in 1994 and administered by OTTED and Enterprise Florida, this program offers encouragement for the recruitment or creation of higher paying, higher skilled jobs in return for tax breaks. The QTI program is scheduled to sunset in 2010. In addition to reenacting this program for another five years, SB 1856 codifies the state's return on investment process for after award assessments and makes changes to various provisions of the implementation of the program.

Previously the bill had taken out various portions that would weaken the incentive and in some instances reduce the number of entities that would be eligible for the tax breaks. However, at the direction of Chairman Rudy Garcia (R-Miami) the committee adopted amendments reinstating these provisions and making the bill a better package for the business community. Senator Nancy Detert (R-Venice) was a vocal advocate for reinstating these issues.

SB 1856 will move forward to the Senate Finance & Tax Committee for further consideration.

AIF has made job creation and economic development its top priority for the 2010 session. We fully embrace these initiatives and will continue to ask the legislature to support these as well. Florida, more than ever, must pay particular attention to our economic development policies and in doing so nurture our existing businesses.

Finally, the Committee also unanimously passed SB 1126 Relating to Expedited Permitting by Senator Thad Altman (R-Melbourne). The bill removes certain responsibilities for the review of expedited permitting applications from the Office of Tourism, Trade, and Economic Development (OTTED) and transfers those review powers to the Department of Environmental Protection (DEP). By streamlining this process it makes it easier for economic development

projects to access our state's expedited permitting statutes. The bill also expands expedited permit review eligibility to biofuel production and power generation.

SB 1126 will now be considered by the Senate Policy and Steering Committee on Ways and Means.

AIF SUPPORTS legislation that removes unnecessary levels of government oversight from the expedited permitting process. Removing OTTED from the environmental aspects of the expedited permit review chain may lead to streamlining of expedited permit and comprehensive plan amendment reviews by the DEP. Businesses would then need to execute only one agreement with the DEP, not separate ones with each agency or governmental entity.

The House Economic Development Committee chaired by Representative Jennifer Carroll (R-Jacksonville) unanimously passed HB 1509 Relating to Economic Development by Representative Will Weatherford (R-Trinity). This bill could be poised to serve as the House's version of a potential economic stimulus package in future weeks. This bill makes revisions to the Capital Investment Tax Credit program, expands the Qualified Target Industry program to manufacturing and quantifies various provisions of the Quick Action Closing fund. This bill is largely a housekeeping piece of legislation at this time meant to clean up various portions of standing statute and increasing the usefulness and functionality of these very important incentive packages.

HB 1509 will now progress to the House Finance and Tax Council for further consideration

AIF SUPPORTS efforts to simultaneously stimulate the economy while incentivizing growth among businesses in Florida. AIF will closely monitor this legislation for substantial changes that would benefit the economy.

Growth Management

Today, the Senate Community Affairs Committee heard SB 2452 Relating to Growth Management by Senator Mike Bennett (R-Bradenton), otherwise known as the "bridge bill".

SB 2452 provides a safety net for developers who have relied on certain provisions of last year's landmark growth management bill (SB 360), which is currently being challenged in state courts. Known as the "Community Renewal Act," SB 360 offered larger developments the option of avoiding the Developments of Regional Impact (DRI) process in certain densely populated areas, as defined by legislation. Should the challenge be successful and the bill be declared unconstitutional, numerous developers would face a regulatory nightmare for having followed the provisions of the bill, particularly as it relates to Developments of Regional Impact (DRI).

The bill, which is a high priority for AIF this year, passed seamlessly without amendment or discussion. During the public testimony portion of the bill's consideration, AIF was present to voice support for the bill.

SB 2452 is now scheduled for consideration by the Senate Judiciary Committee.

In the event that 2009's SB 360 is found unconstitutional, AIF SUPPORTS the addition of language which clarifies that a developer still has the opportunity to re-enter the process without penalty.

Ports

This morning the House Economic Development Policy Committee unanimously voted to approve HB 1169 Relating to Investments in Florida Ports by Representative Lake Ray (R-Jacksonville). The bill creates a new section of law entitled the Florida Ports Investment Act. The bill identifies a new funding source for Florida port projects through incentivizing insurance companies to make investments in exchange of future insurance premium tax credits. Such investments are desperately needed to expand the role Florida ports play in moving goods into Florida directly, rather than utilizing other state's facilities and businesses to facilitate our state's commerce.

HB 1169 is scheduled to be heard by the House Transportation and Economic Development Appropriations Committee.

AIF SUPPORTS legislation that creates funding for the development of Florida's ports. AIF commends Representative Ray for his vision and leadership in developing this legislation to help Florida's port businesses expand Florida's position as an international commerce leader.

Transportation

The House Roads, Bridges and Ports Policy Committee met this morning and passed a number of significant bills. The committee discussed and passed both the annual legislative packages for the Florida Department of Transportation and the Florida Department of Highway Safety and Motor Vehicles.

The FDOT package (HB 1271), sponsored by Representative Mike Horner (R-Kissimmee), contains a number of "housekeeping" issues for the agency that failed to pass from last session, as well as a number of important amendments that would:

- Raise the scale tolerance for commercial vehicles using state roads from the current limit of 80,000 lbs to 88,000 lbs;
- Authorize an additional weight of an auxiliary power unit on a commercial motor vehicle;
- Change the policy for toll violation enforcement in the state; and
- Create the Osceola County Expressway Authority.

HB 1271 is scheduled to move to the House Transportation & Economic Development Appropriations Committee for further consideration.

AIF SUPPORTS raising the weight limit on commercial trucks using state and local roadways to weight limits that are equal to those of our surrounding states. Furthermore, we believe that increased truck weight limits will have a positive effect for the Florida business community by reducing the shipping costs for moving goods, and aligning Florida's current weight limits with those of our surrounding southern states.

The Committee unanimously passed HB 1331 Relating to Public Roadways by Representative Joseph Abruzzo (R-Wellington). Under HB 1331, the design, construction and maintenance of roads may not impede the access of existing adjacent property owners. The legislation also prohibits the Department of Transportation from dividing state highways or erecting media barriers in areas zoned for business without the approval of the governing body of the municipality or county. **Jose Gonzalez, Vice President of Governmental Affairs**, supported the bill on behalf of AIF.

HB 1331 will now be considered in the House Transportation & Economic Development Appropriations Committee.

AIF SUPPORTS this legislation as a way to strike a balance between public safety and free-commerce.

Business Regulation

HB 163 Relating to Prepaid Wireless Telecommunications Service was considered today by Representative Joe Gibbons (D-Pembroke Pines) in the Energy & Utilities Policy Committee.

Representative Gibbons introduced and explained the bill enthusiastically. He explained that it defines a collection method for an existing fee to fund public safety and 911 around the state. The 911 fee was originally created on landlines, added to wireless phones once that technology emerged to create a unified, statewide E911 system. Prepaid wireless is one of the newer technologies, but it is still a wireless phone. This bill creates the collection method for the fee to occur at the time when an actual transaction takes place. Representative Gibbons took many questions, most from Representative Jennifer Carroll (R-Jacksonville) mainly concerning the method of collecting the E911 fee on prepaid phones and cards. Representative Clay Ford (R-Pensacola) also had questions concerning the collection method in the bill.

Public testimony included the Florida Retail Federation, stating opposition to the collection of the fee at the point of sale. The telecom industry testified in support of the bill and primarily addressed some technical questions from Representative Jennifer Carroll.

A vote was taken to adopt a “strike-everything” amendment, which essentially replaces the original bill language. The amendment passed 13-3.

Following the vote on the amendment, the Chairman temporarily postponed the bill on a motion by Representative Ford. HB 163 is expected to be considered during the committee’s next meeting on Thursday, March 25th.

HB 163’s Senate companion, SB 1202 by Senator Mike Bennett (R-Bradenton), fared much better this afternoon passing the Senate Community Affairs Committee unanimously. Representatives from the Retail Federation once again stood up in opposition to the bill citing a number of reasons why retailers do not want to be the entities that remit the E911 fee back to the state. **Jose Gonzalez, AIF’s VP of Governmental Affairs**, spoke in strong support of the legislation pointing out that it is a priority for Associated Industries. Mr. Gonzalez testified that the collection of this E911 fee, which is currently in law, is essentially in order to ensure public safety across the state of Florida; therefore, ensuring a strong business climate.



Jose Gonzalez

Senator Bennett did express his desire to help smaller retailers, such as independently-owned convenience stores, so that they would not be overly-burdened by having to remit this fee.

SB 1202’s next stop is the Senate Judiciary Committee.

AIF supports legislation that will help maximize the recovery of E911 fees which support public safety in Florida.

Information Technology

Senator JD Alexander (R-Lake Wales) introduced SB 2250 Relating to Florida Financial Management Information System in the Senate Committee for Governmental Oversight and Accountability this morning. He explained that the bill would establish a new model for the financial infrastructure of the State. The bill is designed to streamline the accounting subsystems currently being used, and creates a workgroup to study the subsystems and advise on methods to improve them.

Senator Al Lawson (D-Tallahassee) expressed concern that the bill would cost a significant amount of money and needed further study in these economic times. Senator Alexander responded that not to move on this bill now would cost the State more in the long run. Senator Lawson then asked for a cost analysis to be produced by staff before voting it through. Senator Alexander responded that this is essentially a bill authorizing the study of streamlining the state's financial systems.

Senator Eleanor Sobel (D-Hollywood) asked the only other question, which was where this group would be located. Senator Alexander answered that they would be within the CFO's office but would report to the Governor. There was no debate and the bill passed unanimously through committee.

SB 2250 will now progress to the Senate Finance and Tax Committee for further consideration.

AIF's IT Council will closely monitor this bill as the Financial Management System may help establish consistent accounting systems among the various agencies. Future systems for the many state business processes will interface with the Financial Management System.