



DAILY BRIEF

From April 13, 2010

Governor Charlie Crist continues to be heavily lobbied on the teacher performance pay legislation (SB 6) as the hour approaches for him to make a decision. AIF and other business groups stood together this afternoon in a press conference to urge Governor Crist to sign SB 6. The Governor has until noon on Friday, April 16th to make his decision. We continue to urge all AIF members to contact Governor Crist and ask him to sign this important education reform bill.

In the Legislature, several major pieces of property insurance reform legislation including the "Consumer Choice" bill saw action in committee today. Check out the "Insurance" section of tonight's *Daily Brief* for complete coverage.

Insurance

Two weeks ago, **Governor Charlie Crist** testified against and pledged to veto legislation that is a top priority for AIF. SB 876 by Senator Mike Bennett (R-Bradenton), also known as the "consumer choice" bill, would 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. Last week, Governor Crist expanded his veto threat to include any legislation which would raise property insurance rates. Notwithstanding the Governor's concerns, the "consumer choice" bill was unanimously passed by the Senate General Government Appropriations Committee.

SB 876 is now scheduled to proceed to the Senate Policy and Steering Committee on Ways and Means. The House companion, HB 447 by Representative Bill Proctor (R-St. Augustine), is scheduled to be heard by the House General Government Policy Council on Wednesday, April 14th.

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.

Also during their meeting today, the Senate General Government Appropriations Committee unanimously approved SB 2044 by Senator Garrett Richter (R-Naples). This bill contains provisions that would allow insurers to raise rates within certain parameters and require minimal review from the Office of Insurance Regulation (OIR). The bill contains other AIF priorities designed to improve the property insurance market such as delaying the reduction of Citizens' wind-only high risk areas and repair and replacement claims payment holdback. The bill was also amended to address concerns by the Governor, Cabinet, and the Insurance Commissioner regarding transfer of monies from domestic property insurers to affiliated servicing companies.

SB 2044 has one last stop in the Senate Rules Committee before proceeding to the Senate floor for consideration by its members.

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

The Senate Judiciary Committee unanimously passed SB 2264 Relating to Public Adjustors by Senator Mike Bennett (R-Bradenton).

This legislation aims at reigning in unscrupulous public adjustors who entice homeowners to reopen claims against insurance companies. As a result of this practice millions of dollars of reopened claims from the 2004-2005 hurricane seasons are creating a financial strain on insurance companies and the state of Florida. SB 2264 would require greater disclosure to homeowners from the part of these public adjustors. It also shortens the time frame claims can be open from five years to three.

SB 2264 will now be considered on the floor of the Florida Senate for final passage.

Taxation

The Senate General Government Appropriations unanimously approved SB 2182 Relating to Agriculture by Senator JD Alexander (R-Lake Wales). This proposed legislation would clarify in state law that land classified as "agricultural" retains that classification when offered for sale.

AIF supports SB 2182 by Senator Alexander as it will allow owners of property formerly classified as agricultural, but being offered for sale, retain their agricultural assessments. Additionally, owners of agricultural improvements, structures, or equipment on agricultural land used as a natural conservation or to implement best management practices may be subject to lower property taxes.

SB 2182 will now head to the Senate floor for consideration.

AIF SUPPORTS legislation that reduces the burden on Florida's agricultural industry. As the second largest industry in the state, it is important that AIF take the appropriate measures to reduce assessments on Florida's farmers.

Today, the Senate Finance & Tax Committee unanimously approved SB 2454 Relating to Sales & Use Tax/Boat Sales by Senator Joe Negron (R-Palm City). SB 2454, otherwise known as the "Florida Maritime Full Employment Act", is designed to reinvigorate our state's boating industry. Florida's marine industry has gone from an \$18 billion economic impact to our state to \$16 billion in just a few years. Currently, SB 2454 is trying to help this industry by imposing an \$18,000 cap on the amount of tax due on each sale or use of a boat.

SB 2454 will now proceed to the Senate Policy and Steering Committee on Ways and Means, its last committee of reference before heading to the Senate floor.

AIF SUPPORTS efforts to strengthen Florida's marine industry. AIF recognizes its importance and believes that businesses will benefit from the increased expenditures on the purchase and use of boats in Florida.

The Senate Finance & Tax Committee also approved two pieces of legislation concerning the implementation of Amendment 6, the constitutional amendment that deals with how working waterfront properties are appraised. Furthermore, these measures will ensure that these properties, which are defined as Working Waterfront Properties, will be assessed at current use and not highest & best use as done previously.

SB 346 by Senator Charlie Dean (R-Inverness) was approved by committee members first following a strike all amendment which clarified definitions and the assessment process. SB 1408, also relating to Working Waterfront Property, was subsequently considered and passed by members. This bill has the same definitions as SB 346; however, it expands the definition beyond those in the constitutional amendment. The bill also includes changes to the Stan Mayfield Working Waterfronts and changes who may qualify for the grants provided in this program.

AIF supports efforts to pass implementing legislation from Amendment 6; however, work is still needed to develop definitions for marinas and navigable waters. We must be careful to craft legislation that will not harm those who really deserve the working waterfront tax classification. AIF is working adamantly to stay within the spirit of the language approved by voters in 2008.

The Senate Finance and Tax Committee also considered and unanimously passed SB 1202 Relating to Prepaid Wireless/E911 fees by Senator Mike Bennett (R-Bradenton).

Senator Bennett briefly explained that the Proposed Committee Substitute (PCS) simply postpones the collection of the E911 fee on prepaid wireless until July 1, 2013 and increases the amount counties may carry forward to the next year to 30%.

AIF lobbyist Frank Meiners was present to waive in support of the bill, along with several other interested parties. A former county 911 coordinator testified in opposition to the bill because it delays the time in which counties will begin receiving revenues from the prepaid wireless service; however, the opponent did not provide a solution to the difficulty with performing these collections.



Frank Meiners

SB 1202 will now go to the General Government Appropriations Committee, its final stop before reaching the Senate floor.

AIF supports the bill which moves closer to determining the best and most efficient method for collecting E911 fees from prepaid wireless customers. The funds are absolutely necessary for maintaining public safety.

Environmental

Today, the Senate Commerce Committee unanimously passed SB 544 Relating to Brownfield Development by Senator Lee Constantine (R-Altamonte Springs). Back in 1997, Florida started the "Brownfield's Redevelopment" Act to encourage the clean up and redevelopment of Brownfield sites, especially those which are complicated by real or perceived environmental contamination. SB 544 makes changes to the current program by specifying that Brownfield projects are eligible for funding and priority ranking when they meet existing statutory criteria under the state's Water Pollution Control Financial Assistance Revolving Loan Program. Additionally, it provides that recommendations for potential improvements to Florida's Brownfield program be included in the Florida Department of Environmental Protection's (DEP) annual Brownfield report.

SB 544 is now scheduled to progress to the Senate Finance & Tax Committee for further consideration by its members.

AIF SUPPORTS SB 544 because of its capability to create jobs and restore property to be developed that was at one time not usable.

Health Care

Today, the Senate Banking and Insurance Committee passed SB 182 Relating to Coverage for Mental and Nervous Disorders by Senator Victor Crist (R-Tampa). This bill would require all small and large group health insurance policies to offer coverage for mental and nervous disorders, as well as substance abuse. The federal government recently passed a mental health parity act which applies only to large groups; therefore, SB 182 will have the greatest impact on Florida's small employers and their employees. The committee's staff analysis of the legislation noted that private insurance premiums could increase as a result of this bill. The report further indicated that for each percentage point that premiums increase due to expanded coverage of mental and nervous disorders, the cost of an average family policy will increase by \$10 per month or \$120 per year.

Jose Gonzalez, AIF's Vice President of Governmental Affairs, stood in opposition to the bill and noted that small employers, those who are least likely to be able to handle premium increases, would be affected by this mandate. Voting against the mandate were Senators Al Lawson (D-Tallahassee), Chris Smith (D-Ft. Lauderdale) and Ronda Storms (R-Tampa).



**Jose
Gonzalez**

SB 182 will now proceed to the Senate Health Regulation Committee. The House companion, HB 7 by Representative Ed Homan (R- Temple Terrace), is currently in the House Insurance, Business & Financial Affairs Policy Committee.

AIF will continue to OPPOSE mandates that drive up costs for Florida's businesses. In addition, AIF will continue to work with legislative members to fight these mandates and protect the state's commerce from rising premiums that they simply cannot afford.

Economic Development

Today, the Senate Finance and Tax Committee unanimously passed a priority bill for AIF. SB 1430 by Senator Mike Haridopolos (R-Melbourne) creates the Entertainment Industry Incentive Program, an extension of a current grant program administered by the Office of Tourism Trade and Economic Development (OTTED). This measure provides a corporate income and use tax credit for expenditures made towards creating film, entertainment and digital productions in the state of Florida. This program is scheduled to begin in 2011 and will sunset in 2014. Furthermore, the total commitment annually towards this program is \$75 million. The committee adopted a committee substitute making several changes, including a cap for single recipients of \$8 million. This bill still has two committee stops left; however, the measure proposals put forth in SB 1430 are also found in SB 1752, also known as the *Jobs for Florida* package by Senator Don Gaetz (R-Niceville). **AIF Senior Lobbyist Keyna Cory** stood in support of this legislation.



**Keyna
Cory**

SB 1430 is scheduled to move forward to the Senate Transportation and Economic Development Appropriations Committee. The House measure, HB 697 by Representative Steve Precourt (R-Orlando), is waiting to be heard by the Senate.

AIF SUPPORTS passage of legislation creating a tax credit-based rebate incentive that is not subject to legislative appropriations.

Subsequently, the Finance and Tax Committee unanimously passed SB 2426 by Senator Mike Fasano (R-New Port Richey) which is a glitch bill for last year's top economic development priority for AIF, the New Markets Tax Credit legislation. This legislation will continue to codify the state program that is intended to encourage capital investment into low income areas by awarding tax credits to investing entities. SB 2426, while innocuous in nature, is an important piece of the New Markets program making a difference in the state.

SB 2426 will proceed to the Senate Policy and Steering Committee on Ways and Means, its last committee of reference before heading to the Senate floor.

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.

In addition, the Senate Transportation and Economic Development Appropriations Committee passed SB 1856 Relating to the Qualified Target Industry (QTI) Tax Refund Program by Senator Rudy Garcia (R-Miami). QTI is a widely used incentive program administered by OTTED that awards businesses incentives for creating high wage jobs and expanding their workforce in the state. QTI is probably the most popular incentive program utilized by businesses and industries that focuses on creating jobs in a defined sector of the economy, known as qualified targeted industries. SB 1856 will extend the program another 10 years to 2020, implement several accountability measures meant to ensure that state resources are being used wisely and will require post award reports/studies for each project to give a glimpse of the effectiveness of the incentives.

SB 1856 now moves on to the Senate Ways and Means Committee and then will move to the Senate floor for a final vote. The House companion is now on second reading awaiting a floor vote.

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.

Ports

Today, the Senate Banking & Insurance Committee unanimously passed SB 1992 Relating to Economic Development for Florida's seaports by Senator Jeremy Ring (D-Margate). This 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.

SB 1992 is scheduled to be heard by the Senate Transportation Committee. The House companion, HB 1169 by Representative Lake Ray (R-Jacksonville), has already passed the full House

AIF commends Senator Ring for his vision and leadership in developing this legislation to help Florida's port businesses expand Florida's position as an international commerce leader.

Another piece of legislation that Senator Ring is sponsoring, SB 2000 Relating to Florida's Ports, unanimously passed through the Senate Transportation and Economic Development Appropriations Committee. This critical bill enhances the positioning of our state's seaports as global economic drivers of the future – particularly in light of the upcoming expansion of the Panama Canal and the resulting increased international trade activity in the ports.

SB 2000 is scheduled to be heard next in the Senate Policy & Steering Committee on Ways & Means. The House companion, HB 963 by Representative Lake Ray (R-Jacksonville), has one final stop in the House Economic Development & Community Affairs Policy Council before heading to the floor.

AIF applauds Senator Ring for his vision for recognizing the need to enhance Florida's seaports for a more prosperous future.

AIF SUPPORTS legislation that attempts to regulate public adjustors and their operations in Florida. This legislation will help protect homeowners and reduce the number of frivolous claims.

Transportation

SB 2362 Relating to Transportation by Senator Andy Gardiner (R-Orlando), also known as the Senate Transportation package, unanimously passed the Senate Transportation and Economic Development Appropriations Committee today. The annual omnibus transportation package has been less than controversial this year, and contains provisions that look to do the following:

- Create the Osceola County Expressway Authority;
- Authorize a weight increase or "scale tolerance" for commercial motor vehicles;
- Authorize regional transportation or transit authorities to levy up to a 1% discretionary sales surtax for transportation systems by a vote of the county electorate; and
- Clarify the notification requirements for issuance of a toll violation, and clarifies the land uses associated with outdoor advertising.

SB 2362 will now head to the Senate Calendar. The House companion, HB 1271 by Representative Mike Horner (R-Kissimmee) will be heard on Friday, April 16th in the House Economic Development & Community Affairs Policy Council.

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.