



WEEKLY BRIEF

From the Week of April 5 - 9, 2010

Week 6 of the 2010 Legislative session can easily be described as one of the longest weeks of session so far. Major pieces of legislation were debated and passed by both chambers. In the early hours of Friday morning, the House finally passed SB 6 Relating to Teacher Performance after over 24 hours of debate over the span of two days. Weary House members had to get up early the same day as several House councils met throughout Friday.

The other major piece of legislation that was debated this week was the ratification of the Seminole Gaming Compact. It seems that the third time is the charm as both chambers are poised to pass the latest iteration of the compact next week. This new compact will bring the state over \$1 billion in new revenue over the next five years – unfortunately the ability of Florida's pari-mutuel industry to compete against the Seminole tribe will be greatly reduced under this new agreement, which was signed by the Governor and Tribal leaders earlier this week.

A number of AIF priorities in the areas of economic development, insurance, ports, business regulation, growth management and others also saw action this week and are included in this week's report.

Education

During a marathon meeting of the full House on Thursday, April 8th three major pieces of education reform legislation were considered and passed. AIF has worked diligently throughout the session on these measures and is pleased that all three are close to becoming law. SJR 2, SB 4 & SB 6 are now headed to **Governor Crist's** office for his approval.

Gaming

On Thursday, April 8th the House Select Committee on the Seminole Compact Review passed **SICR 03** Relating to Gaming. This measure represents the latest efforts of the Executive Office of the Governor, as well as the House and Senate leadership, to ratify a compact and repeal the terms of SB 788 from last year. Later that day the Senate considered their version of the Gaming Compact, SB 622 by Senator Dennis Jones (R-Seminole), during their floor session. Both chambers are expected to pass the measure next week.

Associated Industries of Florida has closely monitored the debate in the legislature for the past two years and has supported fair and equitable gaming in Florida. We have grave concerns about the compact as it is currently formulated and urge the legislature to promulgate uniform pari-mutuel statutes, rules and regulations.

Information Technology

On Thursday, April 8th the Senate Policy and Steering Committee on Ways and Means unanimously passed SB 1706 Relating to State Financial Matters by Chairman JD Alexander (R-Lake Wales). This bill enhances the authority of the Legislature over agency contracting that affects the state budget. Furthermore, it prohibits agencies from entering into a contract that:

- Requires the state to pay liquidated damages or early termination fees;
- Requires the state to pay interest if the agency has insufficient budget to pay; and
- Binds the state to make future-year payments to offset payments not made in a prior year.

SB 1706 would also require the legislature to approve any lease or lease purchase agreement of \$500,000 or more. It requires the agency heads to sign contracts in excess of \$25,000. In general, this measure gives the legislature the authority to oversee most agencies' contracting to protect the budgetary process.

Barney Bishop, AIF's President & CEO, testified in opposition to the bill.

Recognizing that Chair Alexander had the full support of his committee, testimony against the measure proved to be an uphill battle. Nonetheless, Mr. Bishop was respectful of the Ways and Means Chair by explaining that AIF's opposition was more about the logistics of implementing the provisions of the bill, rather than the concept.



**Barney
Bishop**

SB 1706 has passed its final committee of reference and is ready for consideration by the Senate.

AIF's IT Council was one of the most vocal OPPONENTS of this legislation during the 2009 session. AIF continues to be OPPOSED because this bill will place an inordinate amount of restrictions on businesses contracting with the state. AIF will continue to monitor this legislation closely in order to protect businesses that contract with the state.

Economic Development

On Tuesday, April 6th the House of Representatives considered and passed three economic development bills that are all priorities for AIF.

First, the House unanimously passed HB 697 Relating to Entertainment Industry Economic Development by Representative Steve Precourt (R-Orlando). This bill revises the entertainment industry financial incentive program to include the expansion of tax credits and broadening the applicability and funding for the program. This economic incentive bill awards transferable tax credits for certain qualified expenditures in the film and entertainment industry. Additionally, the measure allows for the credits to be used to offset corporate income tax or sales and use tax liabilities and in certain instances, can be transferred or carried forward. A similar bill, SB 1430 by Senator Mike Haridopolos (R-Melbourne), continues to move through the Senate. In addition, the provisions contained within HB 697 appear in SB 1752 by Senator Don Gaetz (R-Niceville), otherwise known as the "*Jobs for Florida*" package.

HB 697 was passed by the full House and will be sent to the Senate to be passed in its current form, or be discussed in a joint legislative conference.

AIF SUPPORTS passage of legislation creating a tax credit-based rebate incentive that is not subject to legislative appropriations. Digital media entertainment and film are two industries that Florida must grow to be a part of the global economic landscape.

Subsequently, HB 7201 Relating to Economic Development by the House Finance and Tax Council also passed Tuesday's House session. This AIF priority bill amends Florida Statute 212.031; providing a partial sales tax exemption for renting, leasing, letting or granting a license for the use of real property to defined persons. Specifically enhancing the spaceport and manufacturing businesses, this measure enhances the current sales tax exemption for machinery and equipment purchases. Furthermore, the bill creates a Local Government Distressed Area Matching Grant Program administered by the Office of Tourism, Trade, and Economic Development (OTTED). OTTED will have the authority to review qualifying and evaluation criteria and will prioritize businesses located in economically distressed areas. Lastly, this bill appropriates \$5 million of non-recurring funds and \$5 million of recurring funds from General Revenue to Space Florida to further the growth and development of the aerospace industry. Several provisions of HB 7201 are also included in Senator Don Gaetz's (R-Niceville) SB 1752, more commonly referred to as the "*Jobs for Florida*" package.

Following passage in the House, HB 7201 will now proceed to the Senate to be considered in its current form, or it will be discussed in a joint conference.

AIF SUPPORTS legislation aimed at protecting Florida's space industry and the thousands of jobs and billions of dollars it provides to our state.

Lastly, Tuesday's House session considered and passed HB 983 Relating to the Florida Research Commercialization Matching Grant Program by Representative Matt Hudson (R-Naples). This bill creates the "Florida Research Commercialization Matching Grant Program" which assists startup and small companies in obtaining federal and state partnerships in their business growth. The program administrator and contract manager will be the Florida Institute for the Commercialization of Public Research. The program will make one-time awards of up to \$250,000 per project while requiring a minimum of 75% of the project's total funding to be supplied independently. This bill, like the many of economic development measures in the House, is also contained within the Senate's "*Jobs for Florida*" package.

HB 983 has been sent to Senate messages for consideration by its members.

AIF SUPPORTS continued availability of state funds for enhancing economic development through incentives for start-up companies and the recruitment of new businesses and talent to Florida.

Also on Tuesday, the Senate Finance and Tax Committee chaired by Senator Thad Altman (R-Melbourne) passed SB 1856 by Senator Rudy Garcia (R-Miami) that extends the Qualified Targeted Industry (QTI) incentive program to the year 2020. This incentive, a program that rewards the creation of high paying jobs across the state, is one of Florida's most active and successful incentive programs.

The Office of Tourism Trade and Economic Development (OTTED) administers this program in conjunction with Enterprise Florida. SB 1856, a strongly supported measure by AIF, also institutes several provisions that will assure accountability and post award assessments of the

program. In addition, the bill requires that the list of eligible participants (industries) be reviewed every three years to assure that they remain a targeted industry deserving of state incentives.

SB 1856 is now scheduled to be heard by the Senate Transportation & Economic Development Appropriations Committee on Tuesday, April 13th. The House companion, HB 7109 by Representative Jennifer Carroll (R-Jacksonville), was passed on Wednesday, April 7th by the House Economic Development & Community Affairs Policy Council and is ready for a vote by the full House.

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.

On Friday, April 9th the House Appropriations Council on Education & Economic Development met and passed HB 121 Relating to Cost-benefit, Return-on-investment, and Dynamic Scoring Techniques by Representatives Ralph Poppell (R-Titusville), Steve Crisafulli (R-Merritt Island) and Matt Hudson (R-Naples). The legislation, an AIF priority for the 2010 session, would implement a cost/benefit analysis process for legislation with a fiscal impact on the state.

As is current practice with state economists, when a matter of policy has a fiscal impact on state revenues, only the negative impacts are considered. This method doesn't accurately reflect the impact for instances where the policy could have a positive impact like tax breaks, incentives, etc. Upon final passage of the bill, at the direction of the Senate President or Speaker of the House, a particular piece of legislation will receive a cost-benefit analysis before it is considered by the Legislature.

Businesses undergo this exercise everyday in assessing their business models and investment opportunities. As government should be run like a business, AIF applauds the measure that the bill's sponsors have brought forward.

Now, as we enter the final weeks of session, both the House and Senate measure, SB 1178 by Senator Mike Haridopolos (R-Melbourne), are ready for floor votes. Since the bills are identical in both chambers, we expect this bill to be approved and sent to the Governor's desk soon.

AIF strongly SUPPORTS legislation that addresses the cost-benefit analysis of economic development incentive policies. With the Senate bill moving along, AIF will work alongside the House sponsors to overcome any obstacle that may prevent this vital legislation from passage.

Health Care

On Tuesday, April 6th the Senate Governmental Oversight and Accountability Committee approved SB 214 Relating to Autism by Senator Jeremy Ring (D- Margate). The bill, in its present form, expands the current health insurance mandate for autism to include cerebral palsy and Down's syndrome. The measure would also require insurers to provide "direct patient access" to a specialist for at least three visits a year for screening, evaluation or diagnoses of minors for these conditions.

SB 214 will proceed next to the Senate Policy and Steering Committee on Ways and Means.

On Friday, April 9th the House Governmental Operations Appropriations Committee approved HB 107 by Representative Marti Coley (R-Marianna) which would expand the current autism mandate and likely increase the cost of health insurance for employers and employees across the state. At the last committee stop, the bill was expanded further to require coverage for persons with cerebral palsy and Down's syndrome. During the committee's consideration Friday, an amendment was offered by Representative John Wood (R-Haines City) that would have stricken these two conditions from the bill. Rep. Wood noted that it was not prudent for the Legislature to add mandates on health insurance coverage, especially when the forthcoming federal health care reforms are slated to significantly increase the costs to the state and its residents. Ultimately, the amendment was not adopted.

Appropriations committees are tasked with considering the cost implications of proposed bills. During the committee's consideration of HB 107, there was significant discussion by members about how this bill may increase costs for the state, as well as for Florida businesses. One concern raised was the fact that the Department of Management Services (DMS) estimated a cost increase to the State Employees' Health Insurance program in the amount of \$6-12 million for FY 10-11. Notwithstanding, this significant increase in costs will only cover the expansion of cerebral palsy and Down's syndrome. The bill passed 8-3 with Representatives Janet Adkins (R-Fernandina Beach), Eddy Gonzalez (R-Hialeah Gardens) and John Wood voting against the bill.

HB 107 has one remaining stop in the House General Government Policy Council before being considered on the House floor.

AIF OPPOSES any health insurance mandate that makes healthcare coverage less affordable and accessible to Florida employers. Furthermore, AIF calls for the Legislature to acknowledge and use the current statutory requirement for any proposed mandate to have a cost study conducted prior to its approval.

Seaports

On Wednesday, April 7th the Senate Commerce Committee met and unanimously passed SB 1992 Relating to Florida Ports Investments by Senator Jeremy Ring (D-Margate). As a top priority of the AIF Florida Maritime Council (FMC), this measure 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's ports play in moving goods into Florida directly, rather than utilizing other state's facilities and businesses to facilitate our state's commerce. During public testimony on the bill, Governor Crist appeared before the committee and urged members to pass the bill.

SB 1992 is now scheduled to be heard in the Senate Banking & Insurance Committee. The House measure, HB 1169 by Representative Lake Ray (R-Jacksonville), has already passed the House and is ready to be heard by the full Senate.

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.

In addition, the Senate Community Affairs Committee met to consider SB 274 Relating to Growth Management by Senator Mike Bennett (R-Bradenton). This measure allows military bases to comment on local government land use decisions affecting lands adjacent to those bases, and providing for mediation in case of disagreement. Senator Bennett offered an amendment to the bill that further aligns Florida's security standards and background check requirements with federal law. The bill passed unanimously with without debate or controversy. AIF has been a strong supporter of reducing the duplicitous security requirements at our ports because of the high costs and regulatory burdens associated with them. As of now, there is no House companion to this bill, but we will continue to track this piece of legislation for our members.

SB 274 is scheduled to proceed to the Senate Environmental Preservation and Conservation Committee for further consideration.

AIF strongly SUPPORTS legislation significantly reduces the costs to employers conducting business at Florida's public seaports.

On Friday, April 9th the House Full Appropriations Council on Education and Economic Development unanimously passed HB 963 Relating to Economic Development for Florida's Seaports by Representative Lake Ray (R-Jacksonville). Rep. Ray has been a stalwart champion of Florida's ports during his time in the legislature, and his leadership has yielded favorable results for advancing this issue in the House this week. 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.

HB 963 is scheduled to proceed to the House Economic Development & Community Affairs Policy Council, its final committee of reference before consideration on the House floor. The Senate companion, SB 2000 by Senator Jeremy Ring (D-Margate), is scheduled to be heard by the Senate Transportation and Economic Development Appropriations Committee on Tuesday, April 13th.

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

Energy

On Friday, April 9th the House Finance and Tax Council passed HB 7179 Relating to the Property Assessed Clean Energy (PACE) Program by Representative Steve Precourt (R-Orlando). This bill would allow for local governments to offer financing to individual residential, commercial and industrial property owners for energy conservation and efficiency improvements, renewable energy improvements and wind resistance improvements. The financing would operate as a special assessment on the owner's property tax bill and spread out over a period of time. Also, the program is strictly voluntary and thus local governments would not be compelled to abide by a mandate.

HB 7179 is scheduled to proceed to the House General Government Policy Council for further consideration. The Senate measure, SB 2322 by Senator Mike Bennett (R-Bradenton).

AIF SUPPORTS legislation that incentivizes property owners to improve energy efficiency through sensible and affordable means.

Taxation

Legislation creating a “back to school” sales tax holiday saw action in both chambers on Tuesday, April 6th. In the House, HB 483 by Representatives Anitere Flores (R-Miami) and David Rivera (R-Miami) was unanimously passed by the whole chamber. The bill does away with sales tax on books, clothing, wallets, or bags, including handbags, backpacks, fanny packs, and diaper bags, but excluding briefcases, suitcases, and other garment bags, having a sales price of \$50 or less. The same sales tax exemption would apply to school supplies valued under \$10 dollars. The proposed sales tax holiday would take place August 13-15, 2010.

HB 483’s Senate companion SB 514 by Senator Mike Fasano (R-New Port Richey) was also unanimously passed by the Senate Finance and Tax Committee after a guest appearance by **Governor Charlie Crist** – a strong supporter of the “back to school” sales tax holiday. The Senate bill was amended; however, to increase the number of days from three to five. The length of sales tax holiday will now be negotiated between the House and Senate via the joint conference committee process.

SB 514 will now be considered by the Senate Ways and Means Committee.

AIF SUPPORTS the enactment of a sales tax holiday for school supplies. Research has shown that customers increase their spending during these tax-free periods; therefore, stimulating economic activity in our state.

On Friday, April 9th the House Full Appropriations Council on Education & Economic Development passed HB 7127 Relating to Working Waterfront Property by Representative Ellyn Bogdanoff (R-Ft. Lauderdale). This bill provides the implementing language for Amendment 6, the constitutional amendment approved by voters in 2008. Amendment 6 requires property appraisers to assess working waterfront properties on its current use and not highest and best use. The proposed bill provides definitions of working waterfront properties and how they can be assessed.

Keyna Cory, Senior Lobbyist for AIF and Chair of the “Save Our Waterfronts” coalition, the broad coalition responsible for the passage of Amendment 6, spoke in favor of the bill but voiced concerns about a provision that expands definitions to include properties not included in the original constitutional amendment.



**Keyna
Cory**

HB 7127 has passed its only assigned committee of reference and is ready to be heard by the full House of Representatives. The Senate companion, SB 1408 by the Senate Finance & Tax Committee, is scheduled to be heard by the Senate committee on Tuesday, April 13th.

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.

Business Regulation

On Friday, April 9th the House Finance & Tax Council met and considered HB 163 Relating to Prepaid Wireless Telecommunications Service by Representative Joe Gibbons (D-Pembroke Park). As originally drafted, the bill would implement a system for collecting E911 fees from the sale of prepaid wireless phones by requiring retailers who sell these phones to remit the \$.50 cent per phone fee to the state. Representative Gibbons explained that the bill has been amended to not assess the E911 fee on prepaid wireless users before July 1, 2013. Another amendment that was passed by members increases the carry forward of 911 funds from 20% to 30%.

HB 163 passed as amended and is on the way to the House Government Operations Appropriations Committee. The Senate measure, SB 1202 by Senator Mike Bennett (R-Bradenton), is scheduled to be heard by the Senate Finance & Tax Committee on Tuesday, April 13th.

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

Also on Friday, the House General Government Policy Council unanimously passed HB 1299, the “One Stop Business Connect Workgroup” measure by Representative Mike Horner (R-Kissimmee). HB 1299 requires the Governor to establish the “One Stop Business Connect Workgroup” comprised of the secretary, agency head or his or her designee from the following departments:

1. Agency for Health Care Administration
2. Department of Business & Professional Regulation
3. Department of Children and Family Services
4. Department of Health
5. Department of State
6. Department of Revenue

The representative from the Department of Business & Professional Regulation (DBPR) will serve as Chair for the workgroup. The workgroup will report back to the legislature by December 15, 2010 with a plan on establishing a “licensing portal” so that businesses will find the information on what they need to do in order to get the correct permit or license for their business.

HB 1299 has passed its final committee of reference and is ready to be heard by the full House of Representatives. Its Senate companion, SB 2378 by Senator Thad Altman (R-Melbourne), is in the Senate General Government Appropriations Committee.

AIF SUPPORTS legislation that will enable current and future business owners to access information they need for permitting, licensing, certification and registration in one convenient, internet-based portal.

Space

On Tuesday, April 6th the Senate Finance and Tax Committee unanimously passed SB 1188 Relating to Commercial Launch Zone (CLZ) Tax Incentives by Senator Thad Altman (R-Melbourne) which provides corporate income tax credits for commercial space flight projects. Specifically, SB 1188 creates three corporate income tax credits for certified commercial spaceflight businesses that meet specified job-creation and investment levels, and participate in a successful launch within the 3 previous years.

SB 1188 is now scheduled to be considered by members of the Senate Transportation & Economic Development Appropriations Committee.

AIF strongly SUPPORTS the creation of a Commercial Launch Zone or CLZ. 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.

Following SB 1188, the Senate Finance & Tax Committee considered and unanimously passed SB 2572 Relating to Aerospace Tax Credits by Senator Thad Altman (R-Melbourne). This measure seeks to address, in part, job-losses associated with discontinuance of the Space Shuttle program by creating two corporate income tax credits related to aerospace jobs created after January 1, 2011.

SB 2572 is scheduled to proceed to the Senate General Government Appropriations Committee for consideration by its members. The House companion, HB 1539 by Representative Sandy Adams (R-Oviedo), is currently waiting to be heard in the House Finance & Tax Council.

AIF is extremely supportive of legislation that diminishes the consequences of the Space Shuttle's retirement. With thousands of jobs forecasted to be lost, it is imperative that we provide the aerospace industry with incentives that will induce employment and stimulate associated commerce in Florida.

On Wednesday, April 7th HB 451 Relating to Space Florida by Representative Steve Crisafulli (R-Merritt Island) passed unanimously through the House Economic Development & Community Affairs Council. This measure seeks to realign the Space Florida board membership and revise the organization in a number of ways, most notably by reducing the number of Space Florida Board members from 19 to 15 to include more aerospace industry representation. This should result in a more nimble board, better able to respond to the needs of the aerospace industry and better prepare Florida to compete with other states and nations.

HB 451 has passed its final committee of reference and is ready to be considered by the full House of Representatives. SB 2606 by Senator Thad Altman (R-Melbourne), the companion measure in the Senate, is awaiting consideration in the Senate Governmental Oversight and Accountability Committee.

AIF SUPPORTS legislation to reorganize the board structure of Space Florida – the state's aerospace development organization.

On Friday, April 9th the House & Finance Tax Council unanimously passed HB 1389 Relating to Space & Aerospace infrastructure by Representative Steve Crisafulli (R-Merritt Island) with one amendment. This bill designates the "Space Transition & Revitalization (STAR) Act" which allows the use of 20 percent of the Quick Action Closing Fund to be used for attracting and retaining aerospace and high-tech jobs. The amendment adds language to give Space Florida flexibility in using funds appropriated for Launch Complex 36 for other launch complexes or related uses.

HB 1389 has passed its final committee of reference and will proceed to the House floor for approval by its members. The Senate companion, SB 2500 by Senator Thad Altman (R-Melbourne), is waiting to be heard by the Senate Transportation and Economic Development Appropriations Committee.

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.

Environmental

On Tuesday, April 6th the Senate Governmental Oversight & Accountability Committee narrowly approved SB 550 Relating to Environmental Protection by Senator Lee Constantine (R-Altamonte Springs). **Keyna Cory, Senior Lobbyist for AIF**, explained to the committee that there are several sections of the omnibus water bill that are important to AIF members, such as the reorganization of 373, F.S. and the creation of a new Part VII. Nonetheless, Ms. Cory reiterated that consolidating all water supply-related sections currently spread throughout Chapter 373 into a new Part VII makes sense. Furthermore, AIF supports the section of the bill that addresses numeric nutrient criteria in conjunction with stormwater legislation.



**Keyna
Cory**

Many AIF members, however, have expressed concerns with a new proposal called "Responsible Management Entities" (RME). RME's would be a private- public partnership to maintain, repair and/or replace septic tanks. The cost is estimated to be \$10 per month for an average home; however, interested parties who testified against the bill explained to the committee that the cost would be much higher.

SB 550 is scheduled to proceed to the Senate General Government Appropriations Committee for further consideration.

AIF supports legislation that protects Florida's water resources. However, we want to make sure unreasonable regulations do not unfairly target or place undue burdens on citizens and businesses.

The House General Government Policy Council met on Friday, April 9th and unanimously approved HB 981 by Representative Denise Grimsley (R-Sebring) dealing with the greenbelt property assessment on bona fide agricultural lands. Rep. Grimsley deferred to Representative Debbie Boyd (D-High Springs) to present the bill. Rep. Boyd explained that the bill clarifies that when agricultural property is offered for sale, it will continue to be eligible for greenbelt assessment so long as its primary use is agriculture. The bill is widely supported by the agriculture and cattle industries. The only vocal opposition to the measure was by a local property appraiser.

The bill will now proceed to the House Calendar.

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.

Affordable Housing

On Tuesday, April 6th the Senate Finance and Tax Committee unanimously approved SB 262 Relating to Affordable Housing by Senator Mike Bennett (R-Bradenton). This legislation includes a segment to remove the cap on the Housing Trust fund, also known as the Sadowski Trust Fund. A portion of documentary stamp taxes are placed in this fund to be used for affordable housing activities. Currently, there is a statutory cap on how much of the trust fund can be allocated toward affordable housing. The bill allows the cap to be lifted and all monies collected within the Sadowski Trust Fund can be used to fund affordable housing.

Many members of the Sadowski Affordable Housing Coalition, including Associated Industries, were in attendance to support the bill.

SB 262 will now be considered by the Senate Transportation and Economic Development Appropriations Committee. A similar measure, HB 665 by Representative Gary Aubuchon (R-Cape Coral), was unanimously passed on Wednesday, April 7th by the House Economic Development & Community Affairs Policy Council and will proceed to the House floor.

AIF SUPPORTS legislation that repeals the Housing Trust Fund cap and appropriates all doc stamp revenue toward affordable housing. AIF has worked closely with the Sadowski Coalition in effort to allocate these funds for which they were originally intended.

Elections

Late in the evening of Wednesday, April 7th Governor Crist unexpectedly moved to veto HB 1207 Relating to Campaign Financing by Representative Seth McKeel (R-Lakeland). This bill reenacts the regulation of electioneering communications organizations (ECOs) after a federal court decision in 2008. Additionally, this bill authorized the establishment of "Affiliated Party Funds" to require discrete and transparent reporting by so-called "leadership funds" that now operate under the reporting umbrella of the respective parties.

The Governor's decision to veto the measure was based on the "leadership fund" provision within the bill. Governor Crist stated that they were the political equivalent of slush funds and were a step backward in the area of campaign reform. Those knowledgeable about the provision disagree with the Governor's perception and speculated whether the veto was based on his misunderstanding of the bill or his desire to curry the favor of the press. His veto also spurred very strong negative reactions by the legislative leaders supporting the legislation.

The fate of ECO regulation is still in doubt. Legislative leadership is debating whether to attempt the reenact the ECO provisions of the bill before the end of the Session.

AIF SUPPORTS the enactment of Electioneering Communications Organizations (ECO) legislation that follows the guidelines established by federal courts.

Insurance

On Wednesday, April 7th the Senate Banking & Insurance Committee considered and passed SB 2108 Relating to Insurance by Senator Garrett Richter (R-Naples). AIF has long supported insurance premium discounts for residential property owners who install construction mitigation features. SB 2108 provides such discounts when features are added to a home that effectively reduces the amount of damage taken during a hurricane. Furthermore, abuses by home mitigation inspectors in falsifying the existence of loss mitigation features to qualify for discounts have greatly increased. During the meeting, the committee adopted a priority amendment that provides administrative sanctions in addition to the existing criminal penalties for home mitigation inspectors who do not personally inspect the home, or otherwise falsify inspection reports.

SB 2108 is scheduled to proceed to the Senate General Government Appropriations Committee for further 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.

Following the passage of SB 2108, the Senate Banking & Insurance Committee also unanimously approved SB 2176 Relating to Commercial Insurance Rates by Senator Durell Peaden (R-Crestview). This bill exempts certain commercial insurance products from the State's rate filing and prior approval process. Nonetheless, an insurer must notify the Office of Insurance Regulation (OIR) of any changes to rates for these exempted types of insurance within 30 days after the effective date of the change. The bill specifies the information that must be included in the notice, and requires that underwriting files, premiums, and loss and expense statistics must be maintained by the insurer and subject to review by the OIR.

SB 2176 is scheduled to move to the Senate Commerce Committee for consideration by its members. A similar measure in the House, HB 1563 by Representative Brad Drake (R-DeFuniak Springs), is awaiting consideration by the House Government Operations Appropriations Committee.

AIF SUPPORTS legislation aimed at de-regulating commercial insurance lines in Florida. Competition should be the primary determinant of insurance rates especially for commercial insurance, which is typically purchased by sophisticated business entities.

Growth Management

On Wednesday, April 7th the Senate Judiciary Committee met to consider and pass SB 2452 Relating to Growth Management, otherwise known as the "bridge bill", by Senator Mike Bennett (R-Bradenton).

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).

As expected, the bill passed without discussion or amendment by a vote of 7-2.

After passing its final committee of reference, SB 2452 is ready to be heard on the floor by the full Senate. The House companion, HB 7099 by Representative Dorothy Hukill (R-New Smyrna Beach), has passed its final committee of reference and will be sent to the House floor for consideration by its members.

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.