



DAILY BRIEF

From April 26, 2010

The final week of the 2010 session began Monday with a full day of session in both chambers. Legislators considered a number of AIF priorities including commercial insurance de-regulation, recycling, water, and much more. After a lengthy debate the House passed its version of a proposed constitutional amendment (HB 7231) that would clarify the existing Fair Districts Florida amendments (5 & 6). Budget negotiations are also near the end as both appropriations chairs appear ready to agree on a \$68 billion budget that uses federal stimulus funds, revenue from the signing of the Seminole Indian Gaming Compact, and trust fund sweeps to balance the state's budget.

Also on Monday, Associated Industries of Florida released a statewide poll on the Medicaid Reform issue. The poll clearly shows that Floridians want legislators to contain the costs of this entitlement program, which is eating up the state budget.

And finally, don't miss this week's episode of AIFTV where we cover all of the top business issues that remain in play going into the final days of session.

Economic Development

Today, the House of Representatives unanimously passed HB 7109 Relating to the Tax Refund Program for Qualified Target Industry (QTI) Businesses by Representative Jennifer Carroll (R-Jacksonville). The program, administered by the state's Office of Tourism, Trade and Economic Development (OTTED) is set up to incentivize businesses to create certain stable and sustainable jobs. The program, which has been in existence since 1994, was scheduled to sunset this year. This bill will extend the program for another 10 years to 2020. It will also require a return on investment (ROI) exercise to be done with awarded incentives, and review those industries eligible for the award every three years.

Considered to be a part of the state's economic development Tool Kit, the QTI incentive is one of the state's most successful economic development programs. Recipients must be headquartered in Florida and meet certain wage level requirements in order to qualify.

HB 7109 will be reported to Senate Messages for a final vote. Provisions of this bill can also be found in SB 1752 by Senator Don Gaetz (R-Niceville), also known as the Senate's "Jobs for Florida" package. This legislation is also scheduled to come up for a vote this week.

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.

Environmental

Today, the House unanimously passed HB 7243 Relating to Environmental Control by Representative Trudi Williams (R-Ft. Meyers). As a major piece of recycling legislation for the 2010 session, HB 7243 sets a goal for Florida to reach a 75% recycling goal by 2020. Furthermore, the bill contains many of the recommendations made by the AIF Environmental Sustainability Council. HB 7243 directs the Florida Department of Environmental Protection (DEP), in conjunction with Enterprise Florida, to create a Recycling Business Assistance Center (RBAC).

The state will lead by example and immediately begin their plan to reach the 75% goal. HB 7243 directs state agencies, schools, universities and local government to report their recycling efforts on a standardized form created by DEP. In effort to help DEP capture the information they need to make sure recycling goals are being met, private businesses will be able to report their recycling practices as well.

HB 7243 will now proceed to the Senate for consideration by its members.

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.

Another piece of environmental friendly legislation that passed the House today was HB 1109 Relating to Water Supply by Representative Trudi Williams (R-Ft. Meyers). Dealing with the state's water issues, HB 1109 is a re-write of Chapter 373, the section of law dealing with water resources and water planning. The bill 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.

HB 1109 will now be sent to Senate Messages and await final consideration.

AIF SUPPORTS state funding for alternative water supply programs. Furthermore, AIF commends Representative Williams for the recognizing the importance of funding water supply projects under the Water Protection and Sustainability Program.

Today, the Florida Senate passed SB 550 Relating to Environmental Protection by Senator Lee Constantine (R-Altamonte Springs). The proposed legislation includes recommendations from the Senate Select Committee on Florida's Inland Waters and the Senate Environmental Preservation & Conservation Committee interim report. Some of provisions found within SB 550 accomplish the following:

- Reorganize various provisions of ch. 373, F.S., into a new part VII; **this was important to many of our AIF members;**
- Permit funding for alternative water supply projects through the State Board of Administration (SBA); this is an unique way to fund some projects since alternative water supply projects have not been adequately funding in the past few years;
- Expand the definition of alternative water supply to include conservation project – **again, supported by AIF;**
- Include Life-of-the-mine permit changes;
- Create an inspection system for septic tanks instead of the regional management entities (RME) which was in the last version of the bill;

- Establish a grant program to fund repairs and replacement of septic treatment systems for those who are at a certain income level;

SB 550 is now in House messages and awaits further consideration.

AIF supports SB 550 and thanks Senator Constantine for this consensus driven legislation that will benefit both the environment and businesses in our state.

During today's meeting of the Florida House, members approved HB 981 Relating to Agriculture by Representative Denise Grimsley (R-Sebring). This proposed legislation would clarify in state law that land classified as "agricultural" retains that classification when offered for sale.

AIF supports HB 981 by Representative Grimsley 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.

The bill passed without debate or questions. The legislation was voted on favorably by all members, with the exception of one "no vote" by Representative Darryl Rouson (D-St. Petersburg).

HB 981 will now proceed to the Senate for final consideration. As similar measure in the Senate, SB 2182 by Senator JD Alexander (R-Lake Wales), has already been read for a second time.

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.

Taxation

Today, the House of Representatives unanimously passed HB 163 Relating to Prepaid Wireless Telecommunications Service by Representative Joe Gibbons (D-Pembroke Park) without question or debate from members.

This bill, as originally filed, provides a method of collecting the E911 fee at the point of sale by the retailers in Florida. After much debate in committees and opposition by the Florida Retail Association, a compromise was developed which resulted in the committee substitute delaying the collection until July 1, 2013. Presently, the collection of prepaid wireless service fees is extremely difficult since there is no relationship between the provider and the customer. HB 163 presents a compromise that provides the E911 board time to work with all the parties to develop a method agreeable to all so that the fee can begin to be collected.

During the consideration of its Senate counterpart, SB 1202 by Senator Mike Bennett (R-Bradenton), Senate members substituted for HB 163 and subsequently passed the measure. Having passed both chambers, HB 163 will now be sent to the Governor's desk for final approval.

AIF SUPPORTS legislation which moves closer to determining the best and most efficient method for collecting E911 fees from prepaid wireless customers. These funds are absolutely necessary for maintaining the public's safety.

During their meeting today, the House of Representatives unanimously passed HB 7215 Relating to Property Taxation by the House Finance and Tax Council and Chair Ellyn Bogdanoff (R-Fort Lauderdale) without question or debate.

Representative Bogdanoff explained that the bill makes changes to several areas dealing with property taxation. Under current law, non-homestead property that has benefited from the 10 percent annual assessment increase limitation must be reassessed when there is a change of ownership or control. One way in which a change of ownership or control occurs is when there is a cumulative transfer of more than 50 percent of the ownership of the legal entity that owns the property. The bill provides that, for a publicly traded company, a change of ownership or control does not occur when the cumulative transfer of 50 percent of the ownership of the entity occurs through the buying and selling of shares of the company on a public exchange. This exception does not apply to transfers made through a merger or acquisition.

Owners of property to which the 10 percent limitation applies are required to notify the property appraiser when there is a change of ownership or control. The bill provides that if the change of ownership is recorded by a deed or other instrument in the public records of the county where the property is located, the recorded instrument serves as notice to the property appraiser.

Furthermore, HB 7215 directs the Department of Revenue (DOR) to produce a form that can be used by a property owner to provide notice to multiple property appraisers of all Florida property that the owner owns or controls for which a transfer of ownership or control has occurred.

HB 7215 will now be certified and sent to Senate Messages. The Senate's measure, SB 1884 by Senator Thad Altman (R-Melbourne), has been placed on the Senate calendar and is available to be placed on special order.

AIF SUPPORTS HB 7215 because without this needed change, publicly traded companies will no longer be eligible for the 10% assessment cap that they are entitled to. A change in cumulative ownership due to a change in stock holder control is not a feasible method for encumbering businesses with additional assessments.

Ports

Today, the House of Representatives passed a priority measure for AIF's Florida Maritime Council. HB 963 Relating to Florida's Seaports by Representative Lake Ray (R-Jacksonville) passed unanimously without question or debate from members.

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. This legislation authorizes seaports to receive or solicit proposals from and enter into public-private infrastructure project agreements with private entities to build, operate, maintain, or finance port-related public infrastructure projects.

HB 963 will also allow any of Florida's 14 deepwater ports to apply to the Department of Environmental Protection (DEP) for a port conceptual permit, including applicable authorization to use sovereign submerged lands, either under a joint coastal permit or the environmental resource permit for all or a portion of the port.

HB 963 will now be sent to the Senate for final consideration. The existing bill in the Senate, SB 2000 by Senator Jeremy Ring (D-Margate), has been placed on the Senate's Special Order Calendar for Tuesday, April 27th.

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.

Business Regulation

Today, the House of Representatives unanimously passed HB 1565 Related to Rulemaking by Representative Chris Dorworth (R-Heathrow).

HB 1565 requires an agency to prepare a statement of estimated regulatory costs (SERC) prior to the adoption, amendment, or repeal of any rule, not just on those having an impact on small business or those requested by a substantially affected person. Additionally, the measure would also cause an agency's failure to prepare a SERC on any rule to be a material failure. The bill also expands SERC requirements to include an economic analysis that demonstrates if a rule:

- Creates a regulatory environment that impedes or hinders economic growth and private-sector job creation;
- Expands the growth of state government that is not provided in the enabling statute for the rule;
- Increases regulatory costs to small businesses; and
- Is likely to adversely impact private-sector job creation or result in higher unemployment.

The bill requires the Joint Administrative Procedures Committee (JAPC) to determine whether a SERC prepared by an agency complies with the requirements for an economic analysis, as well as existing requirements for a SERC. If the economic analysis portions of the SERC indicate the proposal will perform any of the actions reviewed in the economic analysis, the rule may not take effect until it is submitted to the legislature for review at the next regularly scheduled session. The legislature may reject, modify, or take no action pertaining to a rule. If the legislature takes no action, the rule will take effect upon adjournment sine die by the Legislature.

Furthermore, this bill signals a warning to state agencies that do not fully contemplate and report the implications that administrative rules have on Florida's economic freedom.

3 amendments were offered today that sought to clarify language surrounding regulatory costs that are addressed by regulatory cost statements. The first two amendments explained, in separate parts of the bill, that increased regulatory costs were to be capped at \$200,000 within the 1st year that the rule would be implemented. The third amendment addresses another cost issue in a similar fashion, explaining that estimated costs associated to adverse impacts on economic growth, private sector job creation, or private sector employment shall not exceed \$1 million within a 5-year period. Essentially, the amendments provide a time frame in which regulatory costs may be spread out.

HB 1565 will now proceed to the Senate for consideration. A similar measure in the Senate, SB 1844 by Senator Mike Bennett (R-Bradenton), has been placed on the Senate Special Order Calendar for Tuesday, April 27th.

AIF applauds Representatives Chris Dorworth & Matt Gaetz for their commitment to creating a regulatory environment that is not destructive, but rather complementary to the Florida business community.

Apportionment

Today, the House of Representatives passed HB 7231 Relating to Standards for Establishing Legislative and Congressional District Boundaries by Representative Dorothy Hukill (R-Port Orange). The measure was certainly not without opposition as the bill passed by a margin of 74-40.

This proposed constitutional amendment is designed to clarify the Fair Districts Florida amendments (5 & 6) should these proposed constitutional amendments pass in November. The Fair Districts Florida amendments *are purported to establish fairness standards for use in creating legislative and congressional district boundaries. While protecting minority voting rights, the standards would prohibit drawing district lines to favor or disfavor any incumbent or political party. Legislative leaders and election law experts have questioned the ability for amendments 5 and 6 to achieve their stated goals. Thus, the House and Senate have unveiled a constitutional amendment of their own, through HB 7231, which would help achieve the goals of Fair Districts Florida, while ensuring that the Legislature can balance all the legal requirements under the Voting Rights Act.*

The House proposal, which will also appear on the November ballot, resolves some of the apparent contradictions in the Fair Districts amendments by insuring that the Legislature can take a balanced approach to their criteria, as opposed to the seemingly arbitrary applications as they are now written. The proposal also assures the protection of minority access districts and allows districting based on preserving communities of interest in addition to geographic and natural boundaries, etc.

Nearly two hours were consumed this afternoon to debate the merits and shortcomings of HB 7231. Opponents argued that the legislation does not adequately define “communities of interest” and that such criteria will maintain the status quo and favor incumbent legislators. Proponents, such as Representative Erik Fresen (R-Miami), pointed out that the failure to pass this Joint Resolution will result in compact redistricting criteria and ultimately trump minority voting rights. The bill was temporarily postponed after a lengthy initial debate and brought up for final consideration when it was passed by House members. The vote fell largely along party lines.

HB 7231 will now be sent to the Senate for final consideration.

AIF SUPPORTS legislation that helps clarify the Fair Districts Florida amendments and allows for the legislature to balance the many requirements necessary for redistricting to take place.

Energy

Today, the House of Representatives unanimously 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.

During its final reading today, HB 7179 adopted two technical amendments prior to its final passage. Representative Precourt subsequently closed on his bill by indicating that this is a great, innovative program for the state of Florida and that all members should support it.

HB 7179 will now be sent to Senate messages and await consideration by its members. The Senate companion, SB 2322 by Senator Mike Bennett (R-Bradenton), has been placed on the Senate calendar for Tuesday, April 27th.

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

Education

Today, members of the House of Representatives took up and passed HB 623 Relating to Instructional Materials by Representative Rachel Burgin (R-Tampa). The bill provides flexibility for school districts to purchase IT hardware in the instructional materials category so that students have more access to technology in the classroom.

A few proponents rose in support of the bill today, explaining the importance of technology in the classroom and the potential opportunities that will be derived from this legislation. Representative Dave Murzin (R-Ocala) shared his vision for the future, explaining that the technological implications of this legislation will allow his children, along with other students in Florida, to access materials half-way across the world at the push of a button.

HB 623 will now proceed to Senate messages.

AIF SUPPORTS the increase of technology use in K-12 public education to better prepare students for jobs in the future. In the 21st century's digital economy, such materials will provide our students with a competitive edge on a global scale.

Transportation

Today, the House of Representatives passed HB 1271 Relating to Transportation by Representative Mike Horner (R-Kissimmee). Also known as the Senate Transportation package, 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.

House members on both sides of the aisle passed the bill with overwhelming support. The only vote against the measure came from Representative Bill Proctor (R-St. Augustine).

HB 1271 will now proceed to the Senate calendar while the Senate companion, SB 2362 by Senator Andy Gardiner (R-Orlando), has been placed on the Special Order Calendar for Tuesday, April 27th.

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.

Insurance

Today, the full Senate unanimously passed SB 2176 Relating to Commercial Insurance Rates by Senator Durell Peaden (R-Crestview). Known as the “commercial insurance deregulation” bill, SB 2176 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.

The bill was passed without any opposition or questioning by members.

SB 2176 will now proceed to the full House of Representatives for final consideration.

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.