



WEEKLY BRIEF

From the Week of April 19 - 23, 2010

Week 8 of the 2010 session is officially in the books. With one week left to go, much of the attention remains on passage of the budget – the only bill legislators are required by the Constitution to pass. The majority of the budget conference process has been completed with only a handful of “bump” items to be negotiated by both appropriations chairs during the weekend. Some of the issues yet to be decided include how much to spend per student in Florida as well as whether to charge state workers for health insurance.

Most of the major pieces of legislation affecting the business community such as Medicaid reform, property insurance reform, recycling, water, and the “Jobs for Florida” package remain unresolved. Most of these complex issues will remain this way until the final hours of session.

Ports

On Monday, April 19th the Senate Transportation Committee unanimously passed SB 1992 by Senator Jeremy Ring (D-Margate) to enhance economic development in Florida seaports. Due to a scheduling conflict, the bill was presented to the Senate committee by the sponsor of its House companion bill, Representative Lake Ray (R-Jacksonville).

SB 1992 is a top priority of the AIF Florida Maritime Council. The legislation creates a new section of law entitled the Florida Ports Investment Act. Furthermore, it identifies a new funding source for Florida port projects through incentivizing Florida 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 now scheduled to be heard by the Senate Committee on Finance and Tax and then subsequently by the Senate Policy & Steering Committee on Ways and Means. The House measure, HB 1169 by Representative Lake Ray (R-Jacksonville), has already passed the floor and is awaiting consideration in the 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.

During a meeting Senate on Thursday, April 22nd, members unanimously passed HB 821 Relating to International Commercial Arbitration by Representative Perry Thurston (D-Ft. Lauderdale).

This bill has been a top priority of the AIF Florida Maritime Council for the 2010 Legislative Session. HB 821 allows Florida companies engaged in international commerce to conduct arbitrations on a more regular basis in Florida. By design, this will decrease their costs while simultaneously boosting Florida’s reputation as an international leader in commercial arbitration.

The bill will bring additional arbitration business to the state, as well as business that is currently lost to other countries. Furthermore, this measure will further strengthen Florida's position as a global leader for international trade and commerce.

HB 821 passed the Florida House of Representatives earlier on Thursday and subsequently passed the Senate the same afternoon. The bill is now headed to the Governor's desk to be signed into law.

AIF SUPPORTS this legislation because of its ability to make Florida a more attractive location for international business. Businesses look for the familiar, and the acceptance of the Model Law in so many jurisdictions around the world would prove to be a positive consideration in deciding where to locate international companies and conduct business transactions. AIF proudly salutes the bill sponsors, Senator Dan Gelber (D-Miami Beach) and Representative Perry Thurston (D-Ft. Lauderdale) for their vision and leadership in bringing this important business-friendly bill to the Florida Legislature.

On Tuesday, April 20th the Senate Military Affairs & Domestic Security Committee unanimously passed SB 274 Relating to Domestic Security by Senator Mike Bennett (R-Bradenton). Perhaps the most significant element of this bill for AIF is the requirement that Florida seaport security standards be linked to the federal seaport security standards. This has been a top priority of the AIF Florida Maritime Council for three years and we have made great strides in achieving the total transition. The measure, however, is met with strong resistance by the Florida Department of Law Enforcement (FDLE) and the Governor's Office of Drug Control. Members of the committee expressed great concern that the refusal of Florida's executive agencies to match the federal standards was very expensive for Florida employers and workers.

SB 274 is now scheduled to be heard by the Senate Criminal Justice Committee for further consideration.

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

During a meeting of the Senate Policy and Steering Committee on Ways & Means on Tuesday, April 20th, members unanimously passed SB 2000 Relating to Florida's Ports by Senator Jeremy Ring (D-Margate). 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. The bill creates a conceptual permit system which would allow for the issuance of an umbrella permit that ties together a series of individual environmental permits and authorizations normally needed for port operations.

SB 2000 has passed its final committee stop and is scheduled for the Senate Special Order calendar on Tuesday, April 27th. The House companion, HB 963 by Representative Lake Ray (R-Jacksonville), was read for a second time on Wednesday, April 22nd and awaits final consideration by House members.

AIF SUPPORTS legislation that eases the regulatory and permitting burdens of our state's 14 deep water ports.

Taxation

On Wednesday April 21st the House of Representatives unanimously passed HB 7219 Relating to Corporate Income Tax by Representative Joseph Abruzzo (D-Wellington). Known as the “corporate piggyback bill,” the bill simply adopts the 2010 version of the Federal IRS code changes for the state Corporate Income Tax.

HB 7219 will now head to the Senate for consideration. The House companion, SB 1912 by Senator Thad Altman (R-Melbourne), is in its final stop in the Senate Policy & Steering Committee on Ways and Means.

AIF SUPPORTS legislation that adopts the latest changes of the Federal IRS code so businesses only have to maintain one set of books for Florida. Failure to pass this bill would result in increased bookkeeping burdens for Florida’s businesses.

Economic Development

On Monday, April 19th the Senate Transportation and Economic Development Appropriations Committee unanimously passed SB 1472 Relating to Research Commercialization Matching Grant Program this week by Senator Nancy Detert (R-Bradenton).

Known as the “Florida Research Commercialization Matching Grant”, this legislation would create a new state matching grant for early stage companies that need funds to continue research towards marketable technologies. This would help aid these types of companies in times of tight venture markets where capital is scarce. The recipients of this grant have to meet a certain set of criteria including having secured funding in the past from non-governmental sources.

During its consideration, the committee adopted an amendment that would strip the measure of its current year funding of approximately \$4 million. This was done as a reaction to the current financial hole that the state budget is facing and will set the stage for future appropriations requests to fund the program.

SB 1472 will now move forward to the Senate Policy and Steering Committee on Ways and Means, its final committee of reference before heading to the Senate floor. Its House counterpart, HB 983 by Representative Matt Hudson (R-Naples), has proceeded to Senate messages and awaits consideration.

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.

On Monday, April 19th the House Full Appropriations Council on Education & Economic Development unanimously passed HB 773 Relating to Expedited Permitting by Representative Paige Kreegel (R-Punta Gorda). Currently, Florida statute allows for an expedited permitting of targeted economic development projects that meet certain job creation requirements. While good in theory, very few permit applications have benefited from this process with only three projects utilizing the process over the last four years. In practice, HB 733 would reduce the job creation requirements from 100 jobs to 50 jobs. It also broadens the eligibility to renewable energy projects that meet the job requirements. Lastly, the oversight of the permitting remains at the Department of Environmental Protection (DEP) while the economic development analysis will be administered by the Governor's Office of Tourism Trade and Economic Development (OTTED).

HB 773 will now be considered by the House Economic Development & Community Affairs Policy Council.

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.

On Thursday, April 21st the Senate passed SB 1178 Relating to Dynamic Scoring by Senator Mike Haridopolos (R-Melbourne). This bill is AIF's top economic development priority this session as it could set the predicate for policies that will enact positive changes to economic development procedures for the state of Florida.

This legislation creates a new law which allows the Speaker of the House or the Senate President to request a special impact session of consensus estimating conferences to evaluate proposed legislation using dynamic scoring, return on investment or cost-benefit techniques; an exercise that businesses perform on a daily basis.

Furthermore, the bill requires the Office of Economic and Demographic Research to recommend protocols and procedures which, upon approval by the Speaker and the President, will govern the application of specific techniques when requested by the Speaker or the President. The measure passed nearly unanimously with 33 members voting for the measure and one nay from Senator Dan Gelber (D-Miami Beach).

SB 1178 will now be reported to the House for final passage.

AIF SUPPORTS legislation that addresses the cost-benefit analysis of economic development incentive policies. Additionally, AIF applauds Senator Haridopolos for continuing to move this bill through the Senate and will continue to work diligently towards its final passage.

Insurance

On Monday, April 19th the Senate General Government Appropriations Committee unanimously passed SB 2176 Relating to Commercial Insurance Rates by Senator Mike Bennett (R-Bradenton). 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 was subsequently read a second time by members of the Senate on Friday, April 23rd and is awaiting final consideration. The house measure, HB 1563 by Representative Brad Drake (R-DeFuniak Springs), remains in 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.

During a meeting of the House of Representatives on Tuesday, April 20th, members considered HB 447 by Representative Bill Proctor (R-St. Augustine) on second reading. Known as the "consumer choice" bill, a top priority for AIF this legislative session, HB 447 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. The bill also contains other property insurance provisions designed to address claims fraud and abuse and other cost drivers leading to higher rates.

HB 447 was subsequently rolled over to the third reading and repeatedly postponed during this week's business. The bill will remain on the House calendar until the sponsor is ready to have it brought forth for consideration.

AIF SUPPORTS legislation that will help reinvigorate the property insurance market and help to keep policies out of Citizens; thus, reducing businesses' exposure to hurricane taxes to pay Citizens' claims paying deficits.

On Thursday, April 22nd the Florida Senate passed SB 2264 Relating to Public Adjustors by Senator Mike Bennett (R-Bradenton) with no debate or questions by members.

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 re-opened 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. In addition, this measure also shortens the time frame that claims can be open from five years to three.

SB 2264 will now be sent to the House for consideration by its members.

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.

Energy

On Monday, April 19th the House Rules and Calendar Council passed House Memorial 1535 by Representative Sandy Adams (R-Oviedo). The Memorial would urge the President, Congress and the Florida Congressional delegation to oppose the American Clean Energy and Security Act (HR 2454, 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.

HM 1535 was read a second time on Wednesday, April 21st and adopted. The measure will now be sent to the Senate for consideration by its members.

AIF's Florida Energy Council (FEC) voted overwhelmingly to SUPPORT this Memorial, as the federal legislation has the potential to impede the already fragile recovery of Florida's economy. 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 cannot withstand what amounts to an additional tax on energy.

On Tuesday, April 20th the Senate Policy and Steering Committee on Ways and Means unanimously passed SB 2322 Relating to the Property Assessed Clean Energy (PACE) Program by Senator Mike Bennett (R-Bradenton). 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.

SB 2322 has passed its final committee of reference and is now on the Senate calendar for Tuesday, April 27th. The House companion measure, HB 7179 by Representative Steve Precourt (R-Orlando), was read a second time by House members on Friday, April 23rd.

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

Environmental

On Monday, April 19th the Senate General Government Appropriations Committee unanimously approved SB 570 Relating to Recycling by Senator Lee Constantine (R-Altamonte Springs). The recycling bill incorporates many of the recommendations that AIF's Environmental Sustainability Council has. The committee adopted one amendment that will allow yard trash to be disposed of in landfills if the landfill collects methane gas and uses it as a renewable energy source.

On Friday, April 23rd SB 570 was called to the floor for a second reading when it was temporarily postponed due to concern over provisions in the bill that exempt counties from certain reporting requirements.

SB 570 will remain on the Senate calendar to be brought up next week.

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.

On Tuesday, April 20th the Senate Policy and Steering Committee on Ways & Means approved SB 550 Relating to Environmental Protection by Senator Lee Constantine (R-Altamonte Springs). Known as the "Florida Water Bill.", this proposed legislation includes recommendations from the Senate Select Committee on Florida's Inland Waters and the Senate Environmental Preservation & Conservation Committee interim report.

To learn more about AIF recommendations found within SB 550, please refer to Tuesday's edition of the Daily Brief.

SB 550 was subsequently considered a second time on Friday, April 23rd by members of the Senate. The bill will now proceed to third reading and final passage in the Senate.

AIF would like to thank Senator Constantine for this consensus driven legislation that will benefit both the environment and businesses in our state.

On Wednesday, April 21st House Memorial (HM) 1589 was adopted by the Florida House of Representatives which urges the U.S. Environmental Protection Agency (EPA) to withdraw proposed numeric nutrient criteria for the water quality standards of our state's water bodies. EPA is slated to release numeric nutrient criteria that may make the majority of Florida's water impaired without scientific bases. The cost to bring our standards to EPA proposed levels could cost Florida approximately \$140 million a year.

Following its second reading, HM 1589 was adopted and sent to the Senate for consideration by its members.

AIF supports the House Memorial and thanks our Florida Congressional Delegation for their efforts to have EPA delay or withdraw their proposed numeric nutrient criteria standards.

Health Care

On Monday, April 19th the Senate Health Regulation Committee unanimously 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.

SB 182 will now proceed to the General Government Appropriations Committee for further consideration. The House companion, HB 7 by Representative Ed Homan (R- Temple Terrace), currently remains 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.

On Thursday, April 21st the Florida Senate passed HB 37 Relating to Healthcare Services by Representative Scott Plakon (R-Longwood) that will add language relating to health care to the Florida Constitution. This joint resolution will allow employers, individuals and health care providers to opt-out of the federally mandated insurance provision. Specifically, this legislation will maintain the availability of private health insurance coverage and would protect employers and individuals from fines or penalties that the federal government may attempt to levy for non-compliance.

As with any constitutional amendment, HB 37 will require 60 percent approval by voters during the upcoming November general election.

AIF OPPOSES federal mandates that force Florida's citizens & business owners to purchase health insurance. AIF salutes Representative Plakon for his proactive legislation that will soften the blow from federally mandated healthcare.

Space

On Monday, April 19th SB 2500 Relating to Space and Aerospace Infrastructure by Senator Thad Altman (R-Melbourne) was unanimously passed by the Senate Transportation and Economic Development Appropriations Committee. Also known as the Space Transition and Revitalization (STAR) Act, this legislation provides resources to retain and create jobs in the aerospace industry. Specifically, this measure performs the following:

- Modifies the Quick Action Closing Fund (QAC) to be capped at 20 percent of its legislative appropriation for projects that retain or create high-technology jobs associated with developing a more-diverse aerospace economy in Florida;
- Waives QAC requirements for projects that seek to mitigate the negative economic impacts on Florida of the Space Shuttle Program's impending retirement;
- Creates the "Space Business Investment and Financial Services Initiative," which directs the president of Space Florida to develop a 5-year strategic plan, to be updated annually, for the management and goals of the Space Business Investment and Financial Services Trust Fund; specifies the responsibilities of Space Florida's board of directors in approving expenditures from the trust fund; and requires periodic reports;
- Provides Space Florida with flexibility in how it spends the remaining \$10.8 million from Specific Appropriation 2649 of ch. 2008-152, Laws of Florida; and
- For FY 10-11, appropriates just over \$25.5 million in nonrecurring state general revenue for various Space Florida-related activities.

SB 2500 has been removed by the Senate Policy and Steering Committee on Ways and Means, its final committee of reference, and will proceed directly to the Senate floor. The House measure, HB 1389 by Representative Steve Crisafulli (R-Merritt Island), was passed in the House on Thursday, April 22nd and will also be sent to the Senate.

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.

On Tuesday, April 20th the Senate Governmental Oversight and Accountability Committee unanimously passed SB 2606 Relating to Space Florida by Senator Lee Constantine (R-Altamonte Springs). This bill revises the organization in a number of ways, most notably by reducing the number of Space Florida Board members from 19 to 15 and replacing some of the government representatives with industry representatives. This reorganization of Space Florida's board will allow them to be more industry-focused and ensure that there is the expertise to compete for aerospace jobs throughout the nation.

SB 2606 was removed by its final reference in the Senate Transportation and Economic Development Appropriations Committee and will now head straight to the Senate floor.

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

Gaming

On Monday, April 19th the House of Representatives passed SB 622 Relating to the Seminole Indian Compact by Senator Dennis Jones (R-Seminole) by a vote of 74 to 39. Now that the Legislature has ratified the Compact it will go into effect as soon as Governor Crist signs the bill. The compact gives the Seminoles exclusive gaming rights for 20 years with a review in five years to run banked card games at 5 of its 7 existing casinos and slot machines at four casinos outside Miami-Dade and Broward Counties. Furthermore, the compact includes provisions that guarantee the State of Florida a billion dollars over the next five years, with over \$437 million coming this year. Other provisions include mandatory 2 day, 10 hour monthly inspections at a capped cost of \$250,000 per year to be paid by the tribe, tort liability and non-smoking facilities, and a mechanism for the tribe to waive its sovereign immunity. For existing pari-mutuel facilities in Dade and Broward Counties, the bill reduces their tax rate from 50 to 35 percent; and tracks and frontons statewide would get expanded gaming hours and higher betting limits. Although the provisions do not prohibit Florida from permitting other gaming activities, the state would forfeit revenue sharing if it did so.

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 because of its negative effect on the state's pari-mutuel industry.

SB 640 Relating to Pari-mutuel Wagering by Senator Dennis Jones (R-Seminole) passed the General Government Appropriations Committee unanimously on Monday, April 19th with one amendment. This legislation regulates existing pari-mutuel facilities which are not covered by the Seminole Compact. It seeks to enhance the environment for the industry by changing the definition of "full schedule" for live racing or games for jai alai frontons if the facility has conducted at least 100 performances per year and a handle of less than \$4 million per year. Instead of requiring 100 performances for 10 years after December 31, 1992, SB 640 reduces that requirement to 100 performances for 3 consecutive years, plus the handle requirements in order for a jai alai fronton to qualify for the reduced schedule of 40 performances instead of 100 performances. The bill also eliminates the taxes on handle and card rooms, creating an \$18 million tax reduction for the industry in year one. The amendment created a reduction on the fiscal impact to the state and limits the cost to \$8.4 million. There are currently twenty-seven pari-mutuel facilities in operation throughout the state. Twenty-three of the facilities have card rooms and five facilities have slot machines.

SB 640 has one remaining stop in the Senate Policy and Steering Committee on Ways & Means before heading to the floor.

Associated Industries of Florida has closely monitored the pari-mutuel debate in the legislature for the past two years and has supported fair and equitable gaming in Florida.

Elections

On Monday, April 19th the House Rules and Calendar Council passed HB 7231 Relating to Standards for Establishing Legislative and Congressional District Boundaries by Representative Dorothy Hukill (R-Port Orange) passed the House Rules and Calendar Committee by a 12 to 6 vote. This proposed constitutional amendment is designed to complement 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 that 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 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.

On Thursday, April 22nd the bill was considered on second reading on the House floor and will now proceed to third reading for final passage. Its Senate companion, SB 2288 by Senator Mike Haridopolos (R-Melbourne), has been placed on the Senate special order calendar for Tuesday, April 27th.

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.

Legal & Judicial

On Tuesday, April 20th the State House of Representatives unanimously passed SB 2440 Relating to Liability Releases by Senator Mike Bennett (R-Bradenton). This legislation will clarify a Florida Supreme Court ruling relating to a parent's ability to sign waivers for their children to participate in certain recreational activities. SB 2440 was very important for many AIF members in the tourism and recreation industries. This bill provides more clarity for the use of waivers, and should generate more predictability in these types of cases.

SB 2440 will now be sent to the Governor's desk for his approval.

AIF SUPPORTS legislation that begins to address this important situation for Florida's tourist and recreational businesses by providing parents the ability to sign waivers so that their children can participate recreational activities.

Business Regulation

On Tuesday, April 20th the Senate Governmental Oversight and Accountability Committee unanimously passed SB 1844 Relating to Rulemaking by Senator Mike Bennett (R-Bradenton). The bill 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.

SB 1844 has been removed by its final committees of reference and is on the Senate Special Order Calendar for Tuesday, April 27th. The House companion, HB 1565 by Representative Chris Dorworth (R-Lake Mary), has been read for the second time and awaits final passage.

AIF applauds Senator Bennett for his commitment to creating a regulatory environment that is not destructive, but rather complementary to the Florida business community.

Information Technology

On Wednesday, April 21st the Florida Senate unanimously passed SB 1706 Relating to State Financial Matters by Senator JD Alexander (R-Winter Haven).

Senator Alexander explained that this bill enhances the authority of the Legislature over agency contracting that affects the state budget. It prohibits agencies, with exceptions, from obligating the state through certain types of contractual clauses, and requires advance notice to the Governor and Legislature before entering into certain high-value or no-cost contracts.

Senator Alexander added that the bill specifies contractual language addressing the state's ability to terminate contracts, which must be included in all executive and judicial contracts, and creates misdemeanor penalties for agency employees who willfully violate these provisions.

Furthermore, the bill requires that acceptance or rejection contract deliverables be in writing, and prohibits agencies from entering into lease or deferred payment purchases of greater than \$500,000 without legislative approval or during the interim Legislative Budget Commission approval. The bill also requires agency heads or their equivalents to sign contracts worth more than \$25,000, and to certify compliance with applicable contracting provisions for all contracts with terms of greater than 12 months.

The bill will now be sent to the House for consideration by its members. The House measure, HB 1491 by Representative Elaine Schwartz (D-Hollywood), has not yet been heard in committee.

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.

Growth Management

On Wednesday, April 21st the Senate took up HB 7099 Relating to Legislative Reauthorizations by Representative Dorothy Hukill (R-Port Orange). Commonly referred to as the "bridge bill", this bill 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).

During the Senate's consideration of the bill, HB 7099 was amended to include the re-authorization of the Department of Community Affairs (DCA), which the House has refused to take up this session, and an amendment dealing with agricultural enclaves. The bill must now be sent back to the House in hopes that they will concur with the amendments.

These two amendments are problematic since the House has been adamant in their refusal to hear legislation surrounding the re-authorization of DCA, and will likely consider not taking the bill out of messages. Furthermore, the agricultural enclaves amendment will also be opposed by the DCA.

This legislation, which is so important to the development community and has not received a single negative vote in committee, has now become extremely controversial.

HB 7099 will now be sent back to the full House and awaits their consideration.

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.

Transportation

On Thursday, April 22nd the Florida House of Representatives unanimously passed HB 7213 Relating to Capital Formation for Infrastructure Projects by Representative Dave Murzin (R-Pensacola). The bill creates the Florida Infrastructure Fund Partnership, a contingent tax credit program designed to leverage investment and private funding for state infrastructure projects. The Partnership is authorized to raise \$350 million in private funds for direct investment in infrastructure projects, including water or wastewater systems, communication systems, power systems, transportation systems, renewable energy systems, ancillary or support systems, or other strategic infrastructure needs. Tax credits are available for redemption no earlier than 2023 and are used only as a guarantee on an investment partner's principal investment. The Florida Opportunity Fund will serve as the general partner of the program. A separate entity, the Florida Infrastructure Investment Trust, will administer the tax credit program.

HB 7213 has now been sent to Senate messages for consideration by its members.

AIF SUPPORTS legislation that seeks to increase investments in infrastructure. These kinds of investments will lead to job creation at a time when over 1 million Floridians are unemployed.

Affordable Housing

On Friday, April 23rd the House of Representatives unanimously passed HB 665 Relating to Affordable Housing by Representative Gary Aubuchon (R-Cape Coral). 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. HB 665 allows the cap to be lifted and all monies collected within the Sadowski Trust Fund can be used to fund affordable housing.

HB 665 will now be sent to the Florida Senate for consideration by its members.

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.