



DAILY BRIEF

From March 8, 2011

Today marks the beginning of what is expected to be an unprecedented year in Florida politics. As the Governor settles in, alongside like-minded leadership in the House & Senate, there is a sense of solidarity and willingness to work together to get Florida back on track.

During the first of what will be many House and Senate chamber sessions, House Speaker Dean Cannon (R-Winter Park) and Senate President Mike Haridopolos (R-Melbourne) addressed their respective legislative bodies this morning to mark their appreciation and support as the new presiding officers. During Speaker Cannon's address, he acknowledged his desire to slash the state's budget by \$4 billion, reform Florida's Medicaid program and to improve the judicial system by breaking the Florida Supreme Court into two separate civil and criminal divisions. President Haridopolos addressed the Senate in a similar fashion by reiterating his promises for Medicaid overhaul, pension reform and strict limits on state spending as the state faces a \$3.6 billion budget shortfall.

As is traditionally done on the opening day of the Legislative Session, Governor Rick Scott provided his "State of the State" address before members of the Legislature to share his agenda for the forthcoming year. Gov. Scott shared his vision to reshape government, cut corporate income taxes and provide additional methods to make the state more business-friendly. With a desire to "promote Florida as model for job creation", Gov. Scott did not hesitate to reiterate his platform to create jobs and asked business owners "what can we do to help you expand your business in Florida?" Scott also targeted tort reform, stating that "We can't allow frivolous suits and unreasonable awards to give our state a reputation that frightens away new jobs". Full text of Gov. Scott's remarks can be found below.

Insurance

Today the House Government Operations Appropriations Subcommittee approved HB 99 Relating to Commercial Insurance Rates by Representative Brad Drake (R-DeFuniak Springs). The measure will exempt the following insurance categories from the state's rates prior approval process: nonresidential property, excess property, commercial motor vehicles, fiduciary and general liability.

AIF believes this legislation will result in enhancing competition among insurance companies from which Florida businesses will benefit, particularly as it relates to affordability and availability of insurance. To attract and retain private capital to meet Florida's insurance needs, rates must be "market based" and regulated by consumers in a competitive environment, not by government.

HB 99 has one remaining stop in the House Economic Affairs Committee and is expected to be ready for full consideration on the floor by the end of the month.

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

Today, the House Community & Military Affairs Subcommittee considered and passed HB 639 Relating to Affordable Housing by Representative Gary Aubuchon (R-Cape Coral). Passing unanimously with no objection, HB 639 will remove the statutory limitations on the amount of documentary stamp revenue that goes into the State Housing Trust Fund and the Local Government Housing Trust Fund. The caps on the trust fund distributions are eliminated, so that 7.53 percent of net documentary stamp tax collections are split 50 percent to the State Housing Trust Fund and 50 percent to the Local Government Housing Trust Fund, and 8.66% of the net collections are split 12.5 percent to the State Housing Trust Fund and 87.5 percent to the Local Government Housing Trust Fund.

HB 639 has been a major priority for AIF and the Sadowski Housing Coalition and is expected to pass this legislative session.

HB 639 will now proceed to the Transportation & Economic Development Appropriations Subcommittee for consideration by its members. The Senate companion, SB 912 by Senator Mike Bennett (R-Bradenton), was passed by the Senate Community Affairs Committee and awaits further deliberation in the Senate Committee on Children, Families, and Elder Affairs.

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.

Education

Under the Chairmanship of Representative Marti Coley (R-Mariana), the House PreK-12 Appropriations Subcommittee met today and heard a workshop on proposed bill language to reduce class size in “core-curricula courses”. This provision defines core courses and clarifies that extracurricular courses are exempt from the class size requirements. Pre kindergarten through grade 3 “core-curricula courses” will continue to be capped at 18 students, grades 4 through 8 at 22 students, and grades 9 through 12 at 25 students, as required in the constitution. In addition, the bill language authorizes district school boards to make the determination they need to temporarily add students above their respective maximum if students arrive after the final count: up to 3 additional students may be assigned in kindergarten through grade 3, and up to 5 additional students for grades 4 through 12.

Commissioner of Education Eric Smith provided testimony before the committee, stating that his primary focus in drafting the bill language has been to create flexibility for school districts and improve student experience. He also wished to express his goal to preserve the elective courses that parents are so concerned about being cut from programs. Several speakers joined the workshop from various school districts in Florida to express their support of the bill language, claiming that they need this type of flexibility to be successful, as well as to meet their compliance requirements.

AIF has long supported flexibility in implementing the class size requirements in the Constitution in a way that balances the mandate with the need to preserve elective course offerings.

Environmental

HB 13 Relating to Onsite Sewage Treatment and Disposal Systems by Representative Marti Coley (R-Mariana) received a favorable vote from members of the House Health Care Appropriations Subcommittee today. HB 13 repeals the onsite sewage and disposal system evaluation program that was scheduled to begin on July 1, 2011. During the 2010 regular session, the legislature passed SB 550 – an omnibus bill dealing with a variety of water issues including the septic tank inspection program. This issue was so controversial that the Florida Legislature passed a bill during the Special Session back in November 2010 to delay the implementation of the evaluation/inspection system.

AIF and other stakeholders are continuing to try to find a compromise since many legislators want to repeal the inspection program in order to balance private property rights while protecting the environment.

HB 13 will now proceed to the House State Affairs Committee for further consideration by its members

AIF SUPPORTS revising the legislation dealing with the septic tank inspection program passed last session (SB 550) by changing the statewide program to a pilot program in counties with a first magnitude spring or an impaired watershed basin.

Taxation

The House Business and Consumer Affairs Subcommittee passed HB 311 Relating to Local Business Taxes by Representative Ken Roberson (R-Port Charlotte). This bill aims to reduce the tax burden Florida employers are currently facing as a result of local ordinances that require employees to pay local business taxes if their employer is already paying local businesses taxes to operate a business. The bill prohibits local governments from imposing a “local business tax” for professions regulated by the Department of Business and Professional Regulation (DBPR) without the local government verifying that the person has satisfied the DBPR qualification requirements. Furthermore, the bill clearly specifies that an individual who engages in or manages a business, profession, or occupation as an employee of another person is not required to pay a local business tax, obtain a local business tax receipt, or apply for an exemption from a local business tax.

Members of the business community including AIF were in attendance to voice their support for this bill. At a time when unemployment is at an all-time high, employees should not be forced to pay additional occupational taxes if their employer is already paying a local business tax. Representatives from local government were on hand to oppose the legislation, but their comments and testimony was not well received by members of the Committee.

Representative Roberson made an effective closing argument on his bill by stating that his bill would remedy the existing “double taxation” that is currently taking place across the state of Florida.

HB 311 will now be considered by the House Finance and Tax Committee.

AIF SUPPORTS legislation that eliminates the requirement for certain employees to pay a “local business tax” if their employer is already paying a similar tax. This legislation will reduce the tax burden on employees across Florida and create a more business-friendly environment at a time when Florida’s economy needs it the most.