



DAILY BRIEF

From April 28, 2011

Several of the business community's priorities passed the House, Senate and in some cases, will be sent to the Governor for final consideration. Perhaps the greatest victory comes in the face of property insurance reform in Florida. SB 408, the Senate's comprehensive property insurance bill, was passed in the Senate today under the steadfast leadership of Senator Garrett Richter (R-Naples). Other bills advancing in the House & Senate included the creation of Florida's One Stop Business Connect Act, the corporate income tax "Piggy Back" measure, and the completion of comprehensive telecommunications reform.

Also of note today, the Senate has decided to pull the controversial immigration bill (SB 2040) straight to the floor after intense lobbying by opponents of this measure including AIF. It is expected that the Senate could take up the bill as early as Saturday when they will be in session during a rare weekend meeting.

Be sure to check out AIF's recently created "Top Priorities" snapshot, which provides our members with an up-to-date overview of where our top priorities remain in the process.

Insurance

Today, the Senate took up and considered a top insurance priority measure for AIF – SB 408 Relating to Property & Casualty Insurance by Senator Garrett Richter (R-Naples). Introduced as the Senate's comprehensive property insurance bill, this legislation is vital for the restoration of the private residential insurance market, in turn reducing Citizens and its potential deficit taxes. Further, SB 408 includes provisions to eliminate fraud abuse in claims relating to mandatory sinkhole coverage.

During discussion and debate on the floor today, one of the bill's leading opponents - Senator Mike Fasano (R-New Port Richey) – spent much of the Chamber's time in attempt to remove a sinkhole amendment that repeals the requirement that private insurers include the coverage as a mandatory offering. Senator Mike Bennett (R-Bradenton), countered Senator Fasano's argument, stating that forcing companies to sell a product on which they cannot make money is not plausible, nor sustainable. Fortunately, the bill passed without Senator Fasano's amendment and was subsequently passed by a vote of 25-12.

SB 408 will now proceed to the House Chamber for consideration. The House proposal, HB 803 by Representative John Wood (R-Haines City), has already passed the full House.

AIF SUPPORTS legislation which makes sinkhole coverage optional to the insured; reduces the time frame to file hurricane claims from 5 years to 3 years after the hurricane; increases solvency requirements for insurance companies; eliminates public adjusters' abuses; and repeals the current requirement that property replacement costs be paid up front and replace with the payment of actual cash value with a holdback until repairs are actually completed.

Economic Development

The Senate considered and unanimously passed HB 1231 Relating to Telecommunications by Representative Mike Horner (R-Orlando) this morning after having substituted the bill for its Senate companion – SB 1524 by Senator David Simmons (R-Orlando) – yesterday. Senator Simmons explained that the bill completes the deregulation of land line telecommunications service while maintaining the Public Service Commissions’ oversight of inter-company disputes. The bill continues the Legislature’s past reform of the regulation of communications services in Florida to recognize the rapidly changing competitive market.

The bill will now be enrolled and sent to the Governor’s desk for final consideration.

AIF SUPPORTS legislation that modernizes Florida’s communications laws and empowers consumers, not state regulation, to pick winners and losers. Further, AIF supports these much-needed reforms to keep and create jobs, and to spur investment, as Florida competes with states that have already created an attractive investment environment.

The Senate also took up and unanimously passed HB 187 Relating to Streamlining the Issuance of Licenses, Certifications, & Registrations Issued by State Agencies by Representative Mike Horner (R-Kissimmee). Known as “Florida’s One Stop Business Connect Act”, this legislation is a top priority this session for AIF in an effort to create a mechanism to assist business’ needs to comply with all corporate requirements necessary to do business in Florida.

HB 187 would require the Governor to establish a One-Stop Business Connect Workgroup that would be tasked with reporting an action plan back to the Governor, the President of the Senate and the Speaker of the House. The primary purpose of the plan is to establish an online, self-service, single point of entry system for new and existing businesses to efficiently complete their transactions with the state. This mechanism would be available to all Florida businesses.

HB 187 will now proceed to the Senate for consideration by its members.

AIF SUPPORTS legislation that will create easier and more efficient mechanisms for Florida’s businesses to comply with state regulations and requirements.

Space

SB 652 by Senator David Simmons (R-Altamonte Springs) Related to Liability of Spaceflight Entities passed unanimously on the Senate Floor today. The bill will remove the sunset provision in Florida’s current law providing immunity to spaceflight companies for injuries or death resulting from the normal risks associated with this risky activity. Eliminating the sunset provision will provide a sense of stability on this issue and keep Florida competitive with other states looking to recruit companies in this growing field.

SB 652 will now head to the House for final consideration. The House companion, HB 703 by Representative Tom Goodson (R-Titusville), has passed all referenced committees and is ready to be considered by the full House. It is expected that SB 652 will be substituted for the House measure and passed in the coming days.

AIF SUPPORTS this bill and the entire space agenda, and will work with Space Florida and other partners in the aerospace industry to make Florida a desirable location for aerospace commerce. SB 652 will continue to make Florida a desirable location for commercial spaceflight by extending liability protections for commercial space companies.

Legal & Judicial

Today, the full Senate unanimously passed HB 701 Relating to Property Rights by Representative Eric Eisnaugle (R-Orlando). This bill amends the “Bert Harris Act” to make changes to Florida’s statutory protections on real property rights. In 1995, the Bert Harris Act was enacted by the Legislature to provide a new cause of action for private property owners whose property has been “inordinately burdened” by state and local government action that may not rise to the level of a “taking” under the State or Federal Constitution. The inordinate burden applies either to an existing use of real property or a vested right to a specific use.

HB 701 specifies that a moratorium on a development that is in effect for longer than 1 year is not a temporary impact to real property and may constitute an “inordinate burden.” Further, the bill expands the options for private property owners to obtain compensation or another remedy for governmental action that inordinately burdens real property. Provisions within HB 701 make it clear that certain moratoria lasting more than one year are not necessarily “temporary”, so as to be excluded from the definition of inordinate burden.

HB 701 has passed the House & Senate and will now proceed to the Governor for his approval.

AIF SUPPORTS legislation that pre-empts state and local governments from infringing on private property rights. By providing more clarity in these types of cases, Florida will offer a far more stable atmosphere for conducting business and encouraging growth.

Taxation

Today, the House took up HB 311 Relating to Local Business Taxes by Representative Kenneth Roberson (R-Port Charlotte) on the Special Order Calendar. Representative Roberson explained that the bill provides 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.

Following the explanation, there were no questions or debate and Speaker Dean Cannon (R-Winter Park) rolled the bill over to third reading. He then recognized Representative Roberson for a motion which was to waive the rules and take up HB 311 on third reading for final passage. Again, there were no questions or debate and the bill passed unanimously by a vote of 116 – 0.

HB 311 has now moved to Senate for final consideration. The Senate companion, SB 582 by Senator Nancy Detert (R-Venice), is currently in the Senate Budget 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.

Another AIF tax priority was voted on and passed unanimously on the House floor today. HB 887 Communications Services Tax by Representative Chris Dorworth, (R- Heathrow) simply allows the dealers of communications services to round the tax up in the when the third decimal is greater than 4.

HB 887 will now proceed to the Senate where it is awaited by its Senate companion, SB 1198 by Senator Elynn Bogdanoff (R-Fort Lauderdale), which is currently on the Senate calendar.

AIF SUPPORTS legislation that will eliminate antiquated and cost prohibitive tax criteria for multi-state communications dealers.

The House also took up and passed HB 7185 Corporate Income Tax by Representative Steve Precourt (R-Orlando). Representative Precourt explained that the state corporate income tax is a function on the taxpayer's federal income tax. Each year Florida passes a "piggyback" bill to adopt the federal changes that were made.

In some cases, however, when the federal code changes allow for increased depreciation of certain assets that would cost the state revenue, the state does not always codify those particular changes. He went on to say that in 2008 and 2009 the "piggyback" bill allowed the taxpayers to spread the benefits received by the federal code changes over 7 years.

HB 7185 extends this process for the 2010 and 2011 federal changes, thus avoiding the \$500 Million estimated loss in corporate income tax.

The bill passed overwhelmingly by a vote of 103 – 12 and will now proceed to the Senate. The Senate companion, SB 1998 by Senator Ellyn Bogdanoff (R-Ft. Lauderdale), is awaiting consideration on the Senate Calendar.

AIF SUPPORTS the adoption of a corporate income tax "piggyback" bill that codifies federal income tax code changes and ensures that businesses are not burdened with keeping two sets of books.

Education

After many years of trying to change the constitutionally mandated class size limits, a measure aimed at easing the counting process for class size appears close to becoming law. Today, during the Senate's morning Session, Senator David Simmons (R-Altamonte Springs) presented his class size requirements bill – SB 1466.

This bill clearly defines "core-curricula courses" and "extracurricular courses", determines the class size maximum for "core-curricula courses", which will effectively reduce the number of courses to which the constitutional mandate applies from over 800 to just over 300. This enables districts to focus the class size restrictions on the most critical cores subjects and will help ease the fiscal impact of this constitutionally restricted class size.

Further, the bill would allow schools to temporarily exceed the class size limits in a case where a student enrolls after the October accounting of the class size. This too will help ease the implementation issues that districts have encountered.

At each committee stop, SB 1466 was unanimously passed and was ultimately passed on the floor by a vote of 38-1.

Following its passage today, SB 1466 will now head to the House for consideration.

AIF supports increased flexibility in meeting the class size mandate so that districts can continue to offer a wide range of core and elective courses, which ultimately prepares Florida's students for future employment and higher education.

Open-Carry Legislation

Today, the full Senate passed what was once considered a contentious “open-carry” firearm measure; however, AIF and the business community worked diligently with stakeholders to substantially amend this proposal. As originally filed, SB 234 by Senator Greg Evers (R-Crestview) would expand Florida’s current concealed weapons law to allow for those license holders to carry their weapons in the open. To address concerns and return the bill back to its original purpose, Senator Ellyn Bogdanoff (R-Ft. Lauderdale) was successful in passing an amendment that strictly addresses accidental exposure. In addition, language that would have legalized open-carry was removed – a move strongly supported by AIF.

SB 234 will now advance to the House for final consideration.

AIF applauds Senator Bogdanoff for working with stakeholders to address concerns with open-carry laws in Florida. By amending this legislation, Florida’s business owners will not be exposed to liability concerns and a new duty of care related to having knowledge of a potential dangerous instrument on an employer’s premises.