



# DAILY BRIEF

**From March 15, 2011**

The Legislature considered several bills of great importance to AIF and the business community today, mainly in Florida House of Representatives. Among them was the highly controversial “Teacher Quality” measure – HB 7019 by House K-20 Competitiveness Subcommittee – that consumed over two hours of debate today on the bill’s second reading. While that is still a far cry from last year’s lengthy deliberation, taking members well into the midnight hour, we will wait and see how opposing members will address the teacher reform package on the bill’s third and final reading tomorrow.

One of the proposals that AIF is supporting as a mega-job creator is legislation (HB 1415 and SB 1708) that would create the framework for the construction of destination resorts in Florida. AIF is supportive of this proposal because of the great potential it has for creating thousands of jobs and for what it would do to Florida’s tourism industry – one of the most important in the state. Today, AIF sent Senate President Mike Haridopolos (R-Melbourne) a letter detailing AIF’s support for this measure and dispelling a number of erroneous claims made by a Tea Party representative.

Be sure to read today’s edition of the Daily brief to learn about the expansion of the state’s Qualified Target Industry (QTI) program, reforms to duplicative seaport security standards, and the consideration of the state’s first tort reform measure to make it to the Senate floor.

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## **Legal & Judicial**

Today, the full Senate considered amendments to the first tort reform bill to be heard by a full body of the Legislature this session. SB 142 by Senator Garrett Richter (R-Naples) corrects an inequitable decision of the Florida Supreme Court relating to how the jury receives evidence in products liability cases alleging that vehicles are not crashworthy. Florida is one of the few states that prohibit the introduction of any evidence relating to the driver’s condition at the time of the crash. The Senate adopted some amendments to the bill which were the work product of negotiations led by Senator Richter. Senator David Simmons (R-Orlando) explained the amendments and the ramifications of the bill on the entire body of Florida negligence law.

SB 142 is a very important bill for attracting business to Florida. This bill will erase the last remaining vestige of joint and several liability in our state’s negligence law. Furthermore, its passage will send a strong signal to the business community that our Senate is serious about ensuring the fair and equitable nature of our judiciary system.

SB 142 was amended and consequently rolled to third reading; however, the full Senate is slated to consider this bill on final passage tomorrow (Wednesday, March 16th) at 10:00 am. AIF strongly encourages all Senators to vote for this important priority bill. The House measure, HB 201 by Representative Marlene O’Toole (R-The Villages), is awaiting consideration in the House Judiciary Committee before heading to the Floor.

**AIF SUPPORTS efforts by the Florida Legislature to clearly express that a Florida Supreme Court-create standard regarding crashworthiness is absurd and unfair. Furthermore, AIF members are strongly urged to call their Senators today and vote YES on the passage SB 142.**

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## **Economic Development**

Today, the House Subcommittee on Business and Consumer Affairs unanimously passed a top priority bill for the business community – HB 187 by Representative Mike Horner (R-Kissimmee) Relating to Streamlining the Issuance of Licenses, Certifications, & Registrations Issued by State Agencies. 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.

AIF stood in support of the measure and will continue to work for full support of the Legislature.

HB 187 will now proceed to the House Government Operations Appropriations Subcommittee committee for further consideration. An identical measure in the Senate, SB 798 by Senator Thad Altman (R-Melbourne), has been referred to the Senate Commerce and Tourism Committee to be heard 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.**

The House Economic Development & Tourism Subcommittee unanimously passed HB 879 Relating to Tax Refund Program for Qualified Target Industry Businesses by Representative Eric Eisnagle (R-Orlando) today.

As one of the state’s lead economic development incentives, the Qualified Target Industry Tax Refund Program (QTI) is intended to attract businesses that offer high-wage jobs to relocate in Florida. This is effectively done by providing refunds on corporate income, sales, ad valorem, and certain other taxes to the relocating businesses.

The QTI program provides several criteria for the Governor’s Office of Tourism, Trade, and Economic Development (OTTED) and Enterprise Florida to review when establishing the list of target industries for the incentive. HB 879 revises the criteria of QTI’s by providing special consideration to industries that strengthen the state’s position as a global trade and logistics hub, which may have the effect of encouraging private sector economic activity in that particular industry.

HB 879 passed without debate or opposition and will now proceed to the House Finance & Tax Committee for further consideration. The Senate companion, SB 1318 by Senator Lizbeth Benacquisto (R-Wellington), is waiting to be heard in the Senate Commerce and Tourism Committee.

### **AIF SUPPORTS continued availability of state funds for creating incentives that will stimulate economic development and recruit businesses to Florida – a top priority for Governor Rick Scott.**

The House Economic Development & Tourism Subcommittee also unanimously passed another bill that aims to stimulate economic development in Florida – HB 943 Relating to Capital Formation for Infrastructure Projects by Representative Eric Eisnaugle (R-Orlando).

HB 943 creates the “Florida Infrastructure Fund Partnership”, a contingent tax credit program designed to leverage investment and private funding for state infrastructure projects, aiming to encourage private sector growth in Florida

Under this bill, the Partnership is authorized to raise \$700 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. The Florida Opportunity Fund, created to mobilize and increase venture capital available to Florida businesses, will serve as the general partner of the program.

HB 943 will now advance to the House Finance & Tax Committee for further consideration.

**AIF SUPPORTS legislation that will encourage direct investment in our state’s infrastructure projects. Furthermore, we commend Representative Eisnaugle for bringing forth a proposal to effectively stimulate private sector growth and create jobs when our state needs it the most.**

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### **Seaport Security**

The House Transportation and Highway Safety Subcommittee unanimously passed HB 391 Relating to Seaport Security by Representative Dana Young (R-Tampa). This bill is important to the business community because it will lower the costs of doing business in Florida’s ports by removing burdensome and duplicative security measures. These cost reductions will improve Florida’s competitiveness with neighboring states in our quest to expand economic development in our maritime industries. Furthermore, HB 391 is the top priority for AIF’s Maritime Council. AIF appreciates the approval of today’s committee members and the leadership of Chairman Brad Drake (R-DeFuniak Springs) in bringing forth this bill so early in the Legislative session.

HB 391 will now proceed to the House Criminal Justice Subcommittee for further deliberation. The Senate measure, SB 524 by Senator Jack Latvala (R-St. Petersburg), is scheduled to be heard by the Senate Transportation Committee on Wednesday, March 16th at 3:30 pm.

**AIF SUPPORTS legislation to reduce red tape and regulatory burdens, such as duplicative security credentialing, which encumber businesses in their daily work. AIF salutes Representative Young for her diligent efforts and leadership in bringing forth this meaningful legislation that will undoubtedly make Florida a more attractive place for doing business.**

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### **Finance & Tax**

During a meeting of the full Senate this morning, members took up and passed Senate Joint Resolution (SJR) 958 by Senator Ellyn Bogdanoff (R-Ft. Lauderdale).

Generally referred to as “Smart Caps”, SJR 958 would limit revenues collected by state government to the amount collected the previous year, plus an annual adjustment based on a combination of population growth and the rate of inflation. Any funds in excess of the limits will be placed in the state’s

“rainy day fund” until that fund reaches 10 percent of the prior year’s total budget – at that point, the Legislature must vote to either provide tax relief or reduce property taxes.

Debate on the Senate floor was brief as most Senate members had heard the various arguments in committee. After a short debate, which included Senators Gwen Margolis (D-Miami), Nan Rich (D-Sunrise) and Chris Smith (D-West Palm Beach) as opponents and Senators Don Gaetz (R-Destin) and Miguel Diaz de la Portilla (D-Miami) as proponents, Senator Bogdanoff closed on the bill by explaining the clear advantages of allowing the voters to decide if they wanted a realistic cap on state revenues. The resolution passed on a vote of 27 to 13.

**AIF SUPPORTS legislation that establishes a state revenue cap because it is clear that the state has not demonstrated fiscal constraint in the past when revenues were increased beyond the critical needs of the state. AIF believes that spending excess revenues, especially creating recurring programs that must continue to be funded in the future, places the state in the position to possibly raise taxes to meet those needs when revenues fall of. Furthermore, placing a smart cap in the constitution that requires a super majority encourages fiscal discipline for future legislative bodies.**

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## **Environmental**

Today, the House Agriculture & Natural Resources Subcommittee considered and passed HB 239 Relating to Numeric Nutrient Water Quality Criteria by Representative Trudi Williams (R-Ft. Meyers).

Currently, the U.S. Environmental Protection Agency (EPA) is in the process of implementing numeric nutrient criteria (NNC) on Florida’s water bodies. EPA’s proposed NNC rules lack adequate scientific support and fail to take into account the unique characteristics of Florida’s many rivers, lakes, and streams. The consequences of this rule could be devastating to the state’s economic recovery and well-being.

If implemented, HB 239 would clarify that EPA’s NNC rule undermines the numeric endpoints promulgated under the Total Maximum Daily Load (TMDL) program that EPA has approved as protective of designated uses. Furthermore, HB 239 prohibits the adoption of the new NNC rule unless approved by the Florida Legislature; however, it does not prohibit any entity from complying with a pollution discharge permit or from managing a water quality program unrelated to EPA’s numeric nutrient criteria rule.

The bill will also provide the Florida Department of Environmental Protection (DEP) with the authority to adopt its own numeric nutrient criteria when it determines that it is necessary to protect aquatic life that are reasonably expected to inhabit those waters.

**Keyna Cory, Senior Lobbyist for AIF**, spoke in support of the bill. She informed the committee that AIF had created a Numeric Nutrient Criteria Task Force that goes beyond AIF members and includes not only the business community but local governments and regulated industries, both public and private. Ms. Cory also spoke about the recent NNC Task Force DC “Fly-In” where they met with members of the Florida Congressional Delegation. She commented on the bi-partisan support that the Congressional Delegation has offered to Florida in effort to regulate its own waters.



Ms. Cory closed by stating that this legislation sends a strong message to EPA and members of Congress that Florida’s Legislature is united with Attorney General Pam Bondi and Commissioner of Agriculture Adam Putnam, who have filed suit against EPA. She thanked General Bondi and Commissioner Putnam for their steadfast leadership on this very important issue.

**AIF encourages the Florida Legislature to engage and support our Congressional delegation in their efforts to stop the U.S. Environmental Protection Agency's (EPA) imposition of unreasonably restrictive water quality standards only on the State of Florida. These proposed federal standards are unscientific and costly for businesses and consumers. Furthermore, AIF commends Representative Trudi Williams for her leadership on this very important issue. Read AIF's statement on the passage of HB 239 today.**

Also under consideration in the House Agriculture & Natural Resources Subcommittee today was HB 991 Relating to Environmental Permitting by Representative Jimmy Patronis (R-Panama City). The proposed legislation, as amended by members of the committee today, provides for the following changes:

- Shortens the time frame for application - HB 991 provides that an application must be approved or denied within 60 days, as opposed to 90 days currently provided in law, after the receipt of a completed application unless a shorter period of time for agency action is provided;
- Prohibits a local government from conditioning the approval for a development permit on an applicant obtaining a permit or approval from any other state or federal agency - under HB 991 an applicant does not have to wait for approval from a governmental entity before receiving the approval from another governmental entity and will shorten the time frame for permitting;
- Allows applicants 90 days to respond to Requests for Additional Information (RAIs);
- Expands the process for submitting RAIs; if there is a second request for additional information, it must be signed by supervisor of the project manager. A third request requires the signature of the division director who oversees the program area. The fourth request for additional information must be signed by the assistant secretary of the department or assistance executive director of the district. Furthermore, any additional request beyond that must be signed by the secretary of the department or the executive direct of the district; *and*
- Provides for incentive-based environmental permitting

**Keyna Cory, AIF's Senior Lobbyist**, spoke in favor of the bill. She stressed that in business, time is money and that Florida is at a disadvantage when it comes to other states because our permitting process takes so long.

HB 991 was passed by members of the committee and is scheduled to advance to the House Rulemaking & Regulation Subcommittee. The Senate companion, SB 1404 by Senator Greg Evers (R-Crestview), has been referred to the Senate Environmental Preservation and Conservation Committee.

**AIF SUPPORTS efforts to streamline the permitting process in Florida. Businesses must be relieved from unnecessary costs and extensive waiting periods when seeking development, construction, operating, and building permits. AIF applauds Representative Patronis for understanding the importance of modernizing Florida's environmental permitting system.**

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## Growth Management

Today, the Senate Budget Committee met and considered Senator Mike Bennett's (R-Bradenton) growth management (SB 174) and affordable housing (SB 176) bills, both of which are part of the Legislature's attempt to re-pass SB 360. As many recall, SB 360 was a landmark growth management bill, known as the "Community Renewal Act," that offered larger developments the option of avoiding the Developments of Regional Impact (DRI) process in certain densely populated areas. This action is intended to cure the problem of violation of the Constitution's ban on more than one subject in a single bill, as was raised by a circuit court last year when it found SB 360 to be unconstitutional.

The only dissenting votes were cast by Democrat members of the committee against SB 174. SB 176 passed with unanimous consent.

SB 174 and SB 176 will now proceed to the Senate floor for consideration by its members. Their respective House companions, HB 7001 and HB 7003 by the House Community & Military Affairs Subcommittee, were read for second time on the House floor today and rolled to third reading. They are expected to be passed during the next meeting of the full House.

AIF SUPPORTS efforts to re-enact the Community Renewal Act so as to guarantee that those developments that relied on the legislation, as well as those needing to avail themselves of its benefits, can proceed with certainty.

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## Space

The House Economic Development and Tourism Subcommittee unanimously passed HB 703 Relating to the Liability of Spaceflight Entities by Representative Tom Goodson (R-Titusville). During his introduction of the bill, Representative Goodson explained that this legislation will keep Florida competitive in attracting businesses related to space flight by eliminating the sunset provision in the existing liability exemption. This puts Florida on par with other states and assures prospective companies that they will continue to enjoy protection from liability for injuries due to the reasonable risks associated with space flight.

AIF appreciates the committee's unanimous support of legislation to enhance Florida's position as a leader in aerospace commerce. HB 703 will now progress to the House Civil Justice Subcommittee for further deliberation. The Senate measure, SB 652 by Senator David Simmons (R-Altamonte Springs), has advanced to the Senate Judiciary committee.

**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. HB 703 will continue to make Florida a desirable location for commercial spaceflight by extending liability protections for commercial space companies.**

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## Insurance

In a meeting of the Senate Budget Committee today, members considered SB 408 Relating to Property and Casualty Insurance by Senator Garrett Richter (R-Naples). Introduced as the Senate's comprehensive property insurance bill, this legislation is a top AIF priority for the restoration of the private residential insurance market, which is essential to reducing Citizens and its potential deficit taxes. Further, SB 408 includes provisions to eliminate fraud abuse in claims relating to mandatory sinkhole coverage.

Despite its unanimous passage in the previous committee of reference, SB 408 was temporarily passed by the Senate Budget Committee to iron out some concerns voiced by a handful of the committee members.

**AIF SUPPORTS legislation such as SB 408 by Senator Garrett Richter (R-Naples) 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.**