



WEEKLY BRIEF

From the Week of January 30 – February 3, 2012

Traditionally, the 4th week of any legislative session has often been considered a “fork in the road” as it relates to the weeks ahead. 2012 has proven to be no different. Some of the top priorities that AIF has pushed for in the 2012 Legislative Session were brought forth for consideration as most subcommittees prepare to conclude their work for this year. Here’s a recap of the week in review.

- HB 7051 Relating to Rules Establishing Numeric Nutrient Criteria by Representative Matt Caldwell (R-Ft. Myers) – which passed the full State House of Representatives on Friday with unanimous consent – will send new, business-friendly rules on numeric nutrient criteria (NNC) to the U.S. Environmental Protection Agency. **AIF would like to commend members of the Florida House for their bipartisan support on this good legislation which will prevent undue burdens on business owners and protect Floridians from increased costs.**
- The defeat of unfriendly legislation can be just as important as passing pro-business measures. On Tuesday of this week, AIF successfully defeated legislation that would have required legal publications, advertisements, or notices of foreclosure action to be placed on a publicly accessible Internet website of a clerk of court in lieu of publication in any other form of media.
- The Senate took up two separate measures on Thursday that would effectively eliminate the sales tax loophole for online retailers. **Proposed Committee Bill 7206** in the Senate Budget Subcommittee on Finance and Tax and SB 1514 by Senator Nancy Detert (R-Venice) aim to level the playing field for Florida’s brick and mortar businesses. Initial movement on these proposals suggests that the Legislature has an appetite for its final passage this year.
- Legislation that focuses on revamping Florida’s personal injury protection (PIP) system by reducing fraud in health care clinics and billing received its first hearing on Thursday of this week. SB 1860 Relating to Motor Vehicle Personal Injury Protection Insurance by Senator Joe Negron (R-Palm City) is strongly supported by AIF and members of the business.

As always, be sure to look out for the next episode of AIFTV. With explosive progress following Week 4, it’s an episode you won’t want to miss!

Workers’ Compensation

On Monday, January 30th the House Insurance & Banking Subcommittee overwhelmingly passed HB 4169 Relating to Insurance Company Excess Profits by Representative.

This legislation seeks to repeal a provision of the workers’ compensation regulatory framework relating to what is labeled “excess profits.” Under current law, workers’ compensation rates are set and carriers are told by the state what rates they must charge their policyholders. At the end of a reporting period, then, the state evaluates the company’s performance and sometimes determines that even with the mandated charges the carrier should refund some of its profits. This process usually occurs a few years subsequent to the year in which the “excess” was experienced which creates both accounting and cash flow problems for the companies.

Opponents of the bill were representatives of two state trial lawyer associations who claimed their opposition was due to the bill's detrimental impact on businesses; however, the overarching principles of reasonable regulation and market fairness far outweigh the criticisms they raised today.

HB 4169 will now advance to its final stop in the House Economic Affairs Committee.

AIF SUPPORTS legislation that will alleviate burdensome and confusing regulations, thus creating a more fair and predictable regulatory environment.

Environmental

On Monday, January 30th the Senate Environmental Preservation and Conservation Committee approved SB 1858 Relating to Water Storage and Water Quality Improvements by Senator Thad Altman (R-Melbourne).

This legislation would encourage public-private partnerships to accomplish water storage and water quality improvements on private agricultural lands. The bill, as originally filed, only allowed this practice to take place in the Lake Okeechobee watershed; however, during Monday's meeting an amendment was adopted that expanded this opportunity to anywhere in the state.

As amended, this proposal could provide an economic benefit to farmers and ranchers by increasing their ability to store water and provide water quality benefits on their land without incurring the permitting restrictions associated with creating wetlands. AIF stood in support of the legislation.

SB 1858 will now advance to the Senate Agriculture Committee Committee for further consideration. A similar measure in the House – HB 1389 by Representative Steven Perman (D-Boca Raton) – was unanimously passed by the House Agriculture & Natural Resources Appropriations Subcommittee on Tuesday of this week.

AIF will continue to SUPPORT legislation encouraging public-private partnerships for Florida's infrastructure needs, particularly as it relates to water.

One of the top priorities for AIF's Environmental Sustainability Council is to extend the time frame for consumptive use permits (CUPs) for alternative water supply projects from 20 to 30 years. On Monday, the Committee unanimously approved SB 1178 by Senator Alan Hays (R-Umatilla) to effectively make this change.

Water issues are very important to our AIF members. Without water there is no development, no growth, no environmental protection, and no economic rebound for the State of Florida. Furthermore, time and money will be saved by precluding entities from enduring the renewal process after 20 years.

SB 1178 will now advance to the Senate. A similar House proposal – HB 7045 by the House Select Committee on Water Policy – has been placed on the House Calendar for second reading.

AIF will continue to SUPPORT the extension of consumptive use permits (CUPs) for alternative water supply from 20 to 30 years for Florida's water utilities.

Last week, two House committees approved legislation – HB 7051 by Representative Matt Caldwell (R-Ft. Myers) – that is needed to send the Florida Department of Environmental Protection's new rules on numeric nutrient criteria (NNC) to the US Environmental Protection Agency. On Tuesday, the Senate

started the process of reviewing identical legislation with the passage of SB 2060 by the Senate Environmental Preservation and Conservation Committee.

On December 8, 2011, the Florida Environmental Regulation Commission unanimously approved the Florida Department of Environmental Protection's numeric nutrient criteria rules. The approved rules set limits on the amount of phosphorus and nitrogen allowed in Florida's waters and require a unitary, state-run nutrient control program.

Because the proposed legislation triggers the ratification process, the Legislature must approve the rule. SB 2060 gives the appropriate approval and also directs the Department to submit its rule to EPA for review under the Clean Water Act.

SB 2060 has passed its final committee of reference and has been placed on the Special Order Calendar for Tuesday, February 7th. The House proposal – HB 7051 by Representative Matt Caldwell (R-Ft. Myers) – has also seen significant movement this week. After introduction on the House calendar, the measure was passed with unanimous consent by every member of the Florida House. It is anticipated that this good bill will be passed and sent to the Governor's desk for final approval within the coming week.

AIF SUPPORTS ratification of the proposed numeric nutrient criteria rule proposed by the Florida Department of Environmental Protection. Furthermore, AIF would like to sincerely thank members for their bi-partisan support of this very important legislation for Florida.

Also on Tuesday, the Senate Health Regulation Committee unanimously approved SB 820 Relating to Onsite Sewage Treatment and Disposal Systems by Senator Charlie Dean (R-Inverness).

This proposal aims to repeal the statewide onsite sewage treatment and disposal system inspection program that was created in 2010. Under this bill, local governments will decide whether they want to have an inspection program for septic tanks. If a county has a first magnitude spring, they will have to pass an ordinance to "opt-out" of the program and all other local governments will have to "opt-in" the program. In addition, local governments will decide who will conduct the inspections. There is a grandfather clause for those local governments with inspection programs currently in place.

SB 820 will now proceed to the Senate Budget Committee. The House measure – HB 999 by Representative Chris Dorworth (R-Heathrow) – is awaiting hearing by the House Appropriations Committee.

AIF SUPPORTS onsite sewage treatment and disposal legislation that is both workable and mindful of environmental sustainability. AIF has been working closely with the Florida Home Builders Association and the Florida Association of Realtors on this proposal.

On Tuesday, the secondary metal theft issue legislation was heard in both its respective House and Senate committees.

First, HB 885 by Representative Clay Ford (R-Pensacola) received unanimous approval from the House Business & Consumer Affairs Subcommittee. This legislation is designed to decrease copper and metal theft that is plaguing our state. AIF and the Floridians for Copper & Metal Crime Prevention Coalition (read the Coalition's handout here) have been working closely on this bill with Senator Chris Smith (D-Oakland Park). This proposal clarifies permissible types of personal identification necessary for the legal sale of regulated metal, prohibits cash transactions on restricted regulated metal property and for those which require proof of ownership, prohibits checks for metal purchases to be sent to a P.O. Box and implements a statewide standard to keep metal thieves from "shopping" stolen property to cities or counties with less onerous penalties.

HB 885 now advances to the House Judiciary Committee. On the Senate side, SB 540 by Senator Chris Smith (D-Oakland Park) received a unanimous vote from the Senate Criminal Justice Committee. SB 540 has one remaining stop in the Senate Budget Committee.

AIF and the Floridians for Copper & Metal Crime Prevention Coalition SUPPORT legislation that will enact precautionary methods to help deter the removal of metal from private property and government structures, causing economic loss for both the private and public sectors.

On Wednesday, February 1st the House State Affairs Committee unanimously passed HB 503 Relating to Environmental Regulation by Representative Jimmy Patronis (R-Panama City).

There was a “strike-everything” amendment adopted and the following provisions reflect the changes made to the last version of the bill:

- Deleted the local delegation language;
- A sequence of permits was added;
- Deleted the language dealing with the dredge and fill of the Biscayne Aquatic Preserve;
- Corrected a glitch caused in the growth management bill from last session so that there will be no fees for automatic statutory renewal of local permits;
- Waste-to-energy plants will be able to use liquefied fuel;
- Petroleum voluntary contamination sites will be eligible with a score of 29 rather than 10;
- Added clarification with regards to zone of discharge limitation; *and*
- Deletes the septic tank opt-in language

Following the strike-everything amendment, environmental organizations still expressed concerns over the proposal as currently drafted; however, the House State Affairs Committee proceeded to unanimously approve the bill as amended.

HB 503 cleared its final committee of reference on Wednesday and is now ready for final action on the House Floor

AIF SUPPORTS efforts to streamline permitting across all state agencies. AIF would like to thank Representative Patronis for his commitment to work with all stakeholders on a bill that will streamline the permitting process. Time is money and Florida businesses are spending too much time on a permitting process that includes duplications and burdensome regulations.

In addition, the House State Affairs Committee unanimously approved HB 639 Relating to Reclaimed Water by Representative Dana Young (R-Tampa). During Wednesday’s meeting, a strike everything amendment was adopted. **Keyna Cory** testified, stating that “AIF had been silent on this bill; however, with the removal of reclaimed water from the definition of “waters in the state” we can proudly stand and support this legislation.”

As originally drafted, many of AIF’s members were concerned with making any changes to the definition of “water” or “waters in the state.” Nonetheless, the business community supported the proposed legislation’s goal – to encourage the reuse of reclaimed water and make it eligible for alternative water supply funding.

With the adoption of the amendment environmentalists, water management districts, the Florida Department of Environmental Protection and business community voiced their support for the bill and complimented Rep. Young for her work on this issue.

HB 639 is now ready for final passage before the full House of Representatives. The Senate companion – SB 1086 by Senator Rene Garcia (R-Hialeah) – is slated for consideration on Monday, February 6th in the Senate Environmental Preservation and Conservation Committee.

AIF SUPPORTS legislation recognizing the use of reclaimed water as both an important component of Florida’s diverse economy and overall water plan for our state.

On Thursday, January 2nd the Senate Budget Subcommittee on General Government Appropriations unanimously approved SB 1354 by Senator Nancy Detert (R-Venice).

The proposed legislation allows the Department of Environmental Protection (DEP) to create a statewide Environmental Resource Permitting system. The new statewide rule will be similar to the current DEP and water management district existing rules, except to reconcile differences and conflicts that are not based on geographic differences in physical or natural characteristics. Essentially, there will be one interpretation guided by DEP instead of having 5 different interpretations and inconsistent applications.

This legislation is a high priority of (DEP) and Florida’s business community. With a statewide ERP, no longer will Florida business experience different outcomes for similar projects. Instead, they will be afforded consistent and predictable outcomes no matter where they are located.

SB 1354 has one remaining stop in the Senate Budget Committee. An identical measure in the House – HB 7003 by the House Agriculture & Natural Resources Subcommittee – awaits consideration in the House State Affairs Committee.

AIF SUPPORTS the Florida Department of Environmental Protection’s proposal to have a statewide Environmental Resource Permit (ERP).

Health Care

On Monday, January 30th the Senate Community Affairs Committee approved SB 1568 Relating to the Sale of Public Hospitals by Senator Don Gaetz (R-Destin). Currently, the authority to sell or lease a county, district or municipal hospital is provided to its governing board. SB 1568 amends current law to require that the governing board of a county, district or municipal hospital, prior to completing a proposed sale or lease of the public hospital, receive approval from a majority of registered voters in the county, district or municipality. This bill would allow for more transparency in the governing board's decision-making process when deciding to agree to the sale or lease, and would further allow for more public input into the proposed sale or lease.

The Committee adopted a strike all amendment that offered some of the concerns worked out between the Safety Net Hospital Alliance of Florida and Sen. Gaetz. The bill calls for the proceeds of the sale of public hospitals to be split between paying for the community's indigent care or law enforcement services. Further, the bill requires a financial review by an independent auditor before a hospital can be sold.

The main difference between the Senate bill and its House companion, HB 711 by Representative Ed Hooper (R-Clearwater), is that the Senate bill calls for the approval by the Chief Financial Officer. This continues to be a point of contention between the two chambers. The Senate bill will now head to the Senate Budget Committee while the House bill has one remaining stop in the House Health & Human Services Committee.

AIF SUPPORTS legislation that will ensure that the taxpayer and the community are protected by ensuring that full and fair market value is received in exchange for the sale and/or lease of public hospitals.

Also on Monday, the House Federal Affairs Subcommittee overwhelmingly approved HB 1349 Relating to Statewide Implementation of Florida's Medicaid Reform Program by Representative James Grant (R-Tampa).

This Memorial would urge the Centers for Medicare and Medicaid Services (CMS) to approve the waivers submitted by Florida which would allow the state to implement the recently enacted Statewide Medicaid Managed Care program (SMMC).

The bill will move next to the House State Affairs Committee. The Senate companion – SB 1836 by Senator Joe Negron (R-Palm City) – has not yet been heard in the Senate Health Regulation Committee.

AIF ENCOURAGES the Centers for Medicare & Medicaid Services (CMS) to approve the waiver requested by Florida for the implementation of these important reforms.

On Tuesday, the House Health & Human Services Quality Subcommittee took up and approved a proposed committee bill **(PCB) - HSQS3**. This measure provides for the repeal of several health care benefit and provider mandates. Chairman John Wood (R-Haines City) noted that this was a difficult issue but it is imperative that the Legislature begin the process of finding ways to bring down the cost of health insurance. He told members of the committee that he was not questioning that these mandates are not valid or necessary; however, Chairman Wood explained that he wants government regulation out of the way of employers and their employees.

The proposed committee bill was approved on an 8 to 7 vote. The proposal will now be given a bill number and referred to further committees of reference.

AIF SUPPORTS legislation that will effectively reduce the costs associated with health insurance and provides greater choice and affordability within the current system.

Energy

On Monday, January 30th the Senate Communications, Energy, and Public Utilities Committee took up and voted to consider proposed committee bill **(PCB) 7202** Relating to Energy. This bill contains many of the provisions outlined by the Commissioner of Agriculture and Consumer Services Adam Putnam, and adds a few additional provisions. The bill will have its formal hearing at the next meeting.

Upon submission as a committee bill, **PCB 7202** was subsequently re-filed as SB 2094 and awaits assignment to further committees of reference.

AIF commends Commissioner Putnam for offering a comprehensive proposal that will address the future of Florida's energy policy. Furthermore, AIF looks forward to working with Commissioner Putnam and his department to adequately address our state's energy needs.

The Senate Communications, Energy, and Public Utilities Committee also took up and passed SB 648 Relating to Florida Climate Protection Act by Senator Alan Hays (R-Umatilla) on Monday.

This bill repeals the Florida Climate Protection Act of 2008, which allowed the Department of Environmental Protection (DEP) to adopt rules to create a cap-and-trade program; however, studies have shown that cap-and-trade would not be a cost-effective system, and as a result it was never implemented by the State. It also deletes a related provision on the recovery of costs associated with greenhouse gas registries.

SB 648 passed on a 10-4 vote and will now proceed to the Senate Environmental Preservation and Conservation Committee. An identical measure in the Senate – HB 4001 by Representative Scott Plakon (R-Longwood) – has been placed on the House Calendar for second reading.

AIF SUPPORTS legislation that will abolish the implementation of a “cap-and trade” program for the reduction of greenhouse gas emissions.

Taxation

On Monday, January 30th the Senate Communications, Energy, and Public Utilities Committee unanimously passed SB 1060 Relating to Communications Services Tax by Senator Ellyn Bogdanoff (R-Ft. Lauderdale). Senator Bogdanoff explained that the Florida’s Communications Services Tax (CST) went into effect in 2001 and is now over ten years old, and despite monumental advances in technology, hasn’t had any major rewrites. She added that the statute needs to be modernized by adding some new definitions and updating others. The bill defines “internet access service,” “digital goods” and “digital services.” Further, the term “cable service” is replaced with the broader term “video service” to reflect what has evolved in the marketplace since the CST was put in place.

Sen. Bogdanoff went on to say that sales price was revised to allow additional nontaxable items to be billed in a single line item without the entire amount of that item being taxable. Following no questions, a number of entities waived their time in support and no one was opposed.

The committee substitute now advances to the Senate Community Affairs Committee for further consideration. The House companion – HB 809 by Representative James Grant (R-Tampa) – passed the House Energy & Utilities Subcommittee this week and will advance to the House State Affairs Committee.

AIF SUPPORTS legislation that will make the administration of the Communications Services Tax (CST) more efficient.

The Senate Budget Subcommittee on Finance and Tax introduced proposed committee bill **(PCB) 7206** Relating to Tax on Sales, Use, and Other Transactions.

Known as the “E-Fairness” measure, this legislation would compel online retailers charge sales taxes on products shipped to Florida. As currently written, online retailers would be liable for paying the tax if the retailer has a relationship with persons in state helping them solicit business. In addition, the bill also includes a “click-through” nexus provision by extending Florida sales tax to dealers who enter into agreements with Florida resident, and instances where the residents receive commissions for referring customers by a link on an Internet website.

AIF, alongside representatives from Florida’s brick & mortar retailers, stood in support of the legislation to close this tax loophole that provides online retailers with subsequent price advantages.

PCB 7206 has been re-filed as SB 2098 and will now assigned to further committees of reference. Another E-Fairness proposal in the Senate – SB 1514 by Senator Nancy Detert (R-Venice) – passed out of the Senate Commerce and Tourism Committee by a 5-1 vote on Thursday. While possessing many of the same provisions contained within **PCB 7206**, SB 1514 does not include language that directs the Legislature to return the amount of sales taxes collected to the taxpayers of this state – either by establishing sales tax holidays or other tax relief measures. This provision is strongly supported by Governor Rick Scott.

AIF SUPPORTS efforts to enforce the fair collection of state sales tax. Common sense updates can and should be made to Florida’s tax system to level the playing field for all retailers selling goods in Florida.

On Wednesday, February 1st the House Appropriations Committee passed several budget conforming measures that are of interest to AIF and the business community.

First, HB 5701 Relating to Corporate Income Tax requires a one-time “speed-up” of estimated corporate income tax payments so that any estimated tax payment, that would otherwise be due no later than Sunday, June 30, 2013, shall be paid on or before June 28, 2013. The bill was presented by House Finance and Taxation Committee Chairman Steve Precourt (R-Orlando). During questions by members, Representative Franklin Sands (D-Sunrise) asked if the bill applied to C-corporations to which Chair Precourt sponsor confirmed that it did. Furthermore, he added, the bill applies to any company that files a corporate income tax return.

There were no other questions or debate or public testimony and the bill passed unanimously.

HB 5701 has passed its final committee of reference and will now proceed to the Floor for final passage.

SB 2068 by the Senate Budget Subcommittee on Finance and Tax was also passed with unanimous consent on Tuesday. Similar in nature to HB 5701, this proposal contains the business community’s recommendations as it relates to the following:

- The change in due date should be a one-time event rather than a permanent change in the bill; and
- The Department of Revenue should be encouraged to be reasonable and lenient in waiving penalties if some companies miss changed due date. The DOR will be instructed to send out notices to all businesses who pay corporate income taxes to give them ample warning of this one-time change.

SB 2068 will now advance to the Senate Budget Committee for final consideration before proceeding to the Floor.

AIF supports the adoption of the federal tax code for 2012. Further, AIF commends members of the Legislature for heeding concerns from the business community as it relates to reporting taxes in a fair and timely manner.

Following the passage of HB 5701, House Appropriations Chair Denise Grimsley (R-Sebring) acknowledged Representative Steve Precourt (R-Orlando) to present HB 5703 Relating to Tax on Communications and Utility Services.

Rep. Precourt explained that the bill simply shifts state revenue collections to the Public Education Capital Outlay and Debt Service Trust Fund (PECO) and away from the General Revenue fund and local governments by reducing the state Communications Services Tax (CST) sales tax component to 6.2% and

increasing the gross receipts tax component to .6%. This does not increase taxes on citizens; it merely provides the state with more money to bond for PECO.

HB 5701 has passed its final committee of reference and is now ready for final consideration on the House Floor.

While AIF is a proponent of reducing the communications services tax rate to 6.2 percent from 6.65, we will continue to monitor and assess the implications of increasing the gross receipts tax rate on Florida's communication services.

On Friday, February 3rd the full House of Representatives passed HB 103 Relating to Transfer of Tax Liability by a vote of 115 – 0.

This legislation changes the process for purchasing a business that may have an unpaid tax. Currently, the transferee assumes the tax liabilities unless an exception applies. Today there are three different statutes that apply to tax liability, one for sales tax liability, and one for communications services tax and another for state taxes in general. The bill repeals the two specific statutes and amends the statute relating to all taxes owed to the state.

The bill allows the transferee to take the business without assuming the transferor's liability under either of these circumstances:

- If the transferor obtains a certificate of compliance for the Department of revenue that the business owes no back taxes, *or*;
- If the transferee requests an audit by the Department of Revenue within 90 days to find out that the transferor is not liable for any outstanding taxes.

The measure – SB 170 by Senator Thad Altman (R-Melbourne) – is currently in the Senate Budget Committee, the last committee stop before it goes to the floor of the Senate.

AIF supports the bill because it makes Florida more attractive for potential buyers of businesses that have closed by providing certainty on not having to assume any outstanding tax liabilities or clarifying the maximum tax liability if the buyer agrees to assume them.

Growth Management

On Tuesday, January 31st the House Civil Justice Subcommittee took up and considered HB 1013 Relating to Residential Construction Warranties by Representative.

This legislation addresses a common law implied warranty of fitness and merchantability related to the purchase of improved real estate purchased from the builder. This common law implied warranty applies to buildings and other improvements which are affixed to the real property, as opposed to fixtures that can be removed from the real property without damage to the premises.

A recent District Court of Appeal decision expanded the common law implied warranty of fitness and merchantability to off-site improvements, such as roads and drainage areas within a subdivision. The DCA opinion is contrary to a previous Florida Supreme Court opinion. This bill provides that the implied warranty of fitness and merchantability or habitability does not include off-site improvements.

HB 1013 was passed out by an 8-2 margin, and was heavily lobbied against by members of the trial bar. The bill now advances to the House Judiciary Committee for further consideration.

AIF SUPPORTS legislation that will provide clarity as it relates to warranty obligations, thus promoting a more decisive environment for conducting business in Florida.

On Wednesday, the Senate Budget Subcommittee on General Government Appropriations took up and unanimously passed SB 704 Relating to Building Construction and Inspection by Senator Mike Bennett (R-Bradenton).

SB 704 bill provides in part that if a building code administrator or building official provide for electronic filing, then construction plans, drawings, specifications, reports, final documents, or documents prepared or issued by a licensee may be dated and electronically signed and sealed by the licensee and transmitted electronically to the building code administrator or building official for approval. In addition, the bill also expands the definition of “contractor” to include those persons or businesses that contract to demolish any residence or building. Currently, contractor licensure to demolish buildings and residences only applies when these particular structures are over three stories tall.

The bill passed unanimously and without controversy. SB 704 will now move forward to its final stop in the Senate Budget Committee. An identical measure in the House – HB 651 by Representative Daniel Davis (R-Jacksonville) – has one remaining stop in the House Economic Affairs Committee.

AIF SUPPORTS legislation that will generate cost savings resulting from efficiencies associated with electronic filing.

Business Regulation

On Tuesday, January 31st the House Civil Justice Subcommittee defeated a measure opposed by AIF that would have required that legal publications, advertisements, or notices of foreclosure action be placed on a publicly accessible Internet website of a clerk of court in lieu of publication in any other form of media. HB 149 by Representative Dennis Baxley (R-Ocala) was defeated by a vote of 5 to 9. The committee heard from a number of newspapers and members of the Keep the Public Noticed Coalition – a group of business and consumer organizations who opposed the notion of removing requirements to post important public notices in local newspapers.

AIF is not opposed to publishing public notices on the internet, but we believe it is also vitally important to publish these notices in print. The Internet alone does not provide sufficient public notice to all citizens and businesses of Florida, many of whom may not have access to a computer. Local newspapers offer citizens a single, convenient location to find all public notices as opposed to government entities publishing notices on their respective websites, which places this information in a myriad of different locations.

This is especially important with regards to the foreclosure on property. In these challenging economic times, it is better to have more transparency than less, especially in light of the ongoing foreclosure crisis in Florida.

AIF OPPOSES proposals that would limit the publishing of public notices to the internet alone. To acknowledge the “digital divide” and ensure protection of due process, AIF recommends that no government entity required to provide notice of its actions to the public be the only entity that publishes that notice.

Information Technology

On Wednesday, February 1st the Senate Governmental Oversight and Accountability Committee unanimously passed Senator Jeremy Ring (D-Margate) Information Technology legislation - SB 1498.

During consideration, a “strike everything” amendment was offered by Senator Ring. He explained that the bill, as amended, significantly changes the state’s IT governance structure. It abolishes the Agency for Information Technology (AEIT) and creates the Agency for State Technology (AST) which is given almost all of the state’s IT responsibilities. It transfers technology related functions from the Department of Management Services (DMS) to the AST.

Senator Ring added that the measure places all of the data centers under the AST which is also a Cabinet agency housed in the Governor’s Office.

SB 1498 will now advance to the Senate. The House proposal – HB 1215 by Representative – is slated for hearing in the House Government Operations Subcommittee.

AIF’s Information Technology Council supports the role of an Information Officer for all enterprise IT business processes; however, we will continue to work with policymakers to ensure that the proposal, as currently drafted, will most effectively execute the state’s information technology needs.

Also on Wednesday, the House Appropriations Committee approved HB 5501 by Representative Ed Hooper (R-Clearwater) Relating to the One-Stop Business Registration Portal. This legislation directs the Department of Revenue (DOR) to establish and implement, by January 1, 2013, a One-Stop Business Registration Portal – through an Internet website – that provides individuals and businesses with a single point-of-entry into state government for completing and submitting documents required for transacting business in Florida. A proposal linked to this bill – HB 5503 – creates the trust fund necessary to implement the portal.

HB 5501 has passed its final committee of reference and is now ready for final consideration on the House Floor.

AIF SUPPORTS legislation to create a “One-Stop Business Registration” portal that will simply facilitate transactions with Florida’s various state agencies.

Rep. Hooper subsequently introduced HB 5509 Relating to the State Data Center System. He explained that this bill changes the schedule for data center consolidation and exempts the Florida Department of Law Enforcement (FDLE), the Lottery, the Office of Policy and Budget (OPB) and the State Board of Administration (SBA) from consolidation.

Furthermore, Rep. Hooper went on to explain that the bill provides the Southwood Data Center a year off, giving them time to work on improving their administration. As such, the proposal will send what duties would have gone to Southwood to the Northwood data center. He offered three amendments relating to the Department of Highway Safety and Motor Vehicles and the Lottery which passed without objections. In addition, the bill makes other administrative changes to conform to the proposed budget.

HB 5509 has also passed its final committee of reference and is now ready for final consideration on the House Floor.

AIF’s IT Council will continue to monitor this legislation as a model for data center consolidation in Florida.

Economic Development

On Wednesday, February 1st the House Finance & Tax Committee considered a number of important bills concerning economic development in Florida.

The first bill to be considered was HB 1491 Relating to Capital Formation for Infrastructure Projects by Representative Eric Eisnagle (R-Orlando). This bill creates the state's first Florida Infrastructure Fund Partnership and institutes a tax credit program designed to leverage private investment in state infrastructure projects. By creating a public-private partnership fund, the intent of the legislation is to seek outside investor commitments to build capital infrastructure projects during a time when state resources to do so are dwindling. Authorized to raise up to \$700 million in private funds to help build water and wastewater systems, power systems, roads and other strategic infrastructure needs, this proposal would couple private sector investing to meet the needs of public sector infrastructure projects.

HB 1491 will now advance to the House Economic Affairs Committee for further consideration. A similar proposal in the Senate – SB 1472 by Senator Garrett Richter (R-Naples) – awaits consideration in the Senate Budget Subcommittee on Finance and Tax..

AIF SUPPORTS legislation that will provide tax incentives to leverage private investment in state infrastructure projects.

The Committee then unanimously passed HB 1119 Relating to the New Markets Development Program by Representative Steve Crisafulli (R-Merritt Island). In recent years, Associated Industries has been at the forefront of significant economic development policy initiatives meant to give existing and new businesses the ability and incentive to locate and grow in Florida. One of the cornerstone pieces of economic development legislation for AIF was a 2009 piece of legislation known as the *New Markets Tax Credit- Fast Track Economic Stimulus for Small Business* which was originally sponsored by incoming House Speaker Will Weatherford (R-Trinity). This legislation, passed and signed into law in 2009, relies on a market based approach to expand credit, capital and financial services to the state's low income communities across the state. By leveraging a \$26 billion federal program, the New Markets Tax Credit provides a modest state-level tax credit to encourage capital investments to be made in Florida's low income communities by utilizing federal oversight and allowing Florida to implement the program with minimal state resources. The program, with the potential to have a total economic impact of \$6.3 billion over the next ten years, is expected to incite some \$250 million in private sector investment in the short term. This economic development package included over \$97 million in tax credits for eligible businesses who show a long term commitment and investment into Florida's economy.

HB 1119 seeks to win legislative approval for a reauthorization of the program that would increase the amounts available to eligible companies and extend the program through the existence of an additional \$97 million in incentives. This reauthorization is critical to allowing the initiatives of Speaker-designate Weatherford to continue so that investment and expansion is encouraged in some of the state's most needy areas.

HB 1119 will now be considered by its last committee of reference the House Economic Affairs Committee.

AIF SUPPORTS the authorization of additional resources for eligible businesses that are committed to growing Florida's economy.

And last but not least, the House Finance & Tax Committee voted favorably to introduce an omnibus economic development package that contains provisions from existing legislation like the New Markets Development Program bill along with additional recommendations from the Chair and the Governor's Office. **PCB FTC 12-07** contains provisions granting additional sales tax exemptions for the aerospace industry, creating additional enterprise zones in rural counties, and incentives for the film and digital media industry and the biomedical research industry.

This broad package also includes two provisions recommended by the Governor's office. The first is an expansion of corporate income tax cuts championed by Governor Scott. The other reduces an output threshold by which manufacturers in Florida must abide by in order to be able to exempt machinery and equipment from sales taxes.

This economic development package received broad bipartisan support and if passed will provide businesses across a wide spectrum some much needed incentives. A bill number will be assigned to this proposed committee bill and the Committee will take a formal vote at its next meeting.

FTC 12-07 has subsequently been re-filed as HB 7087 and awaits assignment to further committees of reference.

AIF SUPPORTS the incentives included in this omnibus package as a way to help increase economic activity in our state.

Insurance

On Thursday, February 2nd the Senate Banking and Insurance Committee unanimously passed SB 1860 Relating to Motor Vehicle Personal Injury Protection Insurance by Senator Joe Negron (R-Palm City). The reform of Florida's broken PIP insurance system is a major priority for Governor Rick Scott and Chief Financial Officer Jeff Atwater as well as for the business community.

The state has experienced unparalleled fraud in the current Personal Injury Protection (PIP) coverage system resulting in increased rates for all Floridians over the past several years. Senator Negron's legislation is focused on reducing fraud in health care clinics and billing. Furthermore, the bill contains provisions that eliminate reimbursement for massage and acupuncture which is an area Senator Negron identified as one of the highest medical cost drivers in the system. Originally, Senator Negron's bill had a provision that would have restricted an insurance company from including legal fees in its rate filings, but with an amendment by Senator Garrett Richter (R-Naples), this provision was removed.

SB 1860 does not contain provisions that would lower attorney fees or require health care providers to give examinations under oath. Furthermore, it also does not contain any medical "gatekeeper" elements that would define how soon after an accident someone must seek medical treatment to legitimize that the medical conditions were causally related to the accident; however, these types of provisions are contained in HB 119 by Representative Jim Boyd (R-Bradenton) which AIF strongly supports.

Today's committee vote is a positive outcome as we continue working on solutions to the PIP problems that Floridians face today.

SB 1860 has one final stop in the Senate Budget Committee. The House measure – HB 119 – awaits hearing in the House Economic Affairs Committee.

AIF SUPPORTS legislation to reduce Personal Injury Protection (PIP) claims costs. Furthermore, AIF commends Senator Negrón and Senator Richter for their leadership, and look forward to working policymakers to find ways to include additional cost saving and fraud reduction measures as the session continues.

Transportation

On Thursday, February 2nd the Senate Transportation Committee passed SB 1866 Relating to the Department of Transportation (DOT) by Senator Jack Latvala (R-St. Petersburg). This is the annual DOT legislative package, which includes many proposals supported by the DOT. Currently, Florida statutes require that a minimum of \$8 million per year be made available from the State Transportation Trust Fund (STTF) to fund the Florida Seaport Transportation and Economic Development (FSTED) Program. FSTED has been funded at a level of \$15 million since 2004 and in order to match current practice, SB 1866 increases the minimum FSTED funds available from \$8 million to \$15 million per year. SB 1866 also provides that the FSTED program may be used to finance port projects that retain or enhance the creation of jobs in all areas of the state. SB 1866 also removes the limit of a single port's distribution of funds to \$7 million during one calendar year or \$30 million during any five calendar year period.

Furthermore, SB 1866 will create the Strategic Port Investment Initiative within the Department of Transportation (DOT). Beginning in fiscal year 2012-13, a minimum of \$35 million will be available annually from the STTF for the initiative. DOT is required to work with the deepwater ports to develop and maintain a priority list of strategic projects that meet the state's economic development goal of becoming a hub for trade, logistics, and export oriented activities.

Finally, SB 1866 creates the Intermodal Logistics Center Infrastructure Support Program within DOT, to provide funds to local governments and seaports thereby enabling the state to respond to private sector market demands and meet the state's economic development goal of becoming a hub for trade, logistics, and export-oriented activities. Beginning in fiscal year 2012-2013, up to \$5 million per year shall be made available from the STTF for the program.

During Thursday's consideration of SB 1866, Senator Lizbeth Benacquisto (R-Wellington) offered an amendment addressing the expressway authorities throughout the state. Drawing from the recent recommendations from the Governor's Efficiency Task Force, Sen. Benacquisto's amendment includes the following:

- Provisions dealing with the expressway authorities' ability to request the issuance of bonds.
- Transfer of the Mid-Bay Transit Authority to the Florida Turnpike Enterprise
- Criteria for bonds issued by expressway authorities on or after a certain date.
- Consolidation of all tolling operations at each of the expressway authorities to the Florida Turnpike. However, each of the expressway authorities would maintain local control.

According to Sen. Benaquisto, there would be an estimated savings of \$10 million per year and this amendment would call for those dollars to stay in the counties where the expressway authorities reside. Sen. Latvala, the bill's sponsor, reminded the Committee that this amendment was much more accommodating to the expressways compared to last year's proposed consolidation plan. DOT Secretary Ananth Prasad spoke in favor of the amendment, and reiterated that it did not call for any consolidation of expressways outside of tolling operations into the Florida Turnpike Enterprise (FTE).

SB 1866 will now advance to the Senate Budget Committee.

AIF will continue to SUPPORT legislation that focuses on the development and expansion of Florida's 14 deepwater ports. We will continue to closely monitor the provision in the bill that deal with the operation of Florida's expressway authorities.

Education

On Friday, January 3rd the House Rulemaking & Regulation Subcommittee took up and passed HB1191 Relating to Parental Empowerment in Education by Representative Michael Bileca (R-Miami).

HB 1191 enables parents, by petition, to request that the school district implement a parent-selected turnaround option if a school in the lowest performing category does not improve performance in the initial year of implementing a turnaround option selected by the school district. The turnaround option requested by parents must be considered for implementation by the district school board at a publicly noticed meeting if the petition is signed and dated by a majority of the parents of eligible students, i.e., students enrolled in the school or students who are scheduled for assignment to the school in the following school year.

Within 30 days of receiving notice from the Department of Education (DOE) that the school did not improve performance under the preceding turnaround option, each school district must notify parents that they may submit a petition requesting that a parent-selected turnaround option be implemented for the school in the following school year.

The measure passed by a vote of 8-6. While supportive of the overall goal that this legislation is pursuing, some members expressed concern with unintended consequences that they wished to see addressed at future hearings. Representative Bileca acknowledged these concerns and agreed to work with parties on any issues moving forward.

HB 1191 has one final stop in the House Education Committee. The Senate companion – SB 1718 by Senator Lizbeth Benacquisto (R-Wellington) – is currently in the Senate Budget Subcommittee on Education Pre-K - 12 Appropriations.

AIF will continue to SUPPORT legislative changes that will increase digital learning and improve foundational skills and readiness for college and careers.

Destination Resorts

On Friday, January 3rd the House Business & Consumer Affairs Subcommittee temporarily postponed consideration of HB 487, otherwise known as the "Destination Resorts" Act. At the request of the bill's sponsor, Representative Erik Fresen (R-Miami), the bill did not receive a vote and is effectively dead for the 2012 lawmaking session.

Numerous business groups and industry representatives were in attendance to voice support for the bill. A number of them, small business owners from South Florida, spoke against the opposition's assertion that these resorts would "cannibalize" small businesses in the area. The businesses owners stated that in actuality, the resorts would help grow their businesses by bringing in new tourists. In addition, while remaining neutral on the legislation, the Nation Federation of Independent Business (NFIB) testified in support. NFIB President Bill Herrle stated that in a poll they conducted of their small businesses around the state, the vast majority believed that these resorts would not have a detrimental impact on small

businesses in the vicinity. Associated Industries of Florida spoke in support of the bill as well, stating that these resorts would create thousands of direct and in-direct jobs in the state.

Nonetheless, Rep. Fresen asked for the bill to be temporarily postponed mid-way through the public comment period of the hearing. Chairman Doug Holder (R-Sarasota) indicated that his committee would not be meeting again for the 2012 session and that by temporarily postponing HB 487, it meant that the legislation was likely dead for the remainder of this session. Rep. Fresen continued with his motion nonetheless.

The legislation would have allowed for the creation of up to three destination resort casinos in the Broward, Miami-Dade county area, only after a local referendum vote showed support. The bill would have also greatly constricted Florida's already flourishing gaming industry by doing the following: prohibiting so called Internet Cafes; prohibiting future pari-mutuel licenses from being granted; granting state authority to "buy back" four underperforming pari-mutuels; and the revocation of 18 dormant pari-mutuel licenses.

AIF SUPPORTS any proposal that will allow for free market bidding, ensuring that premier development companies come to Florida to build world-class destinations and bring all of these direct and indirect economic benefits including thousands of jobs to Florida. Furthermore, we would like to commend Rep. Fresen for his unparalleled leadership and commitment to this issue.