



DAILY BRIEF

From March 14, 2013

Thursday, March 14th was a full day for both the House and the Senate. Workforce, pension reform and insurance legislation proved to be the most imperative issues to the business community while taxation also proved important. However, Associated Industries of Florida (AIF) was present in multiple committees to lend a voice to Florida's business leaders.

Workforce

During the Senate Community Affairs Committee, **AIF's Senior Vice President of State and Federal Affairs, Brewster Bevis**, spoke in support of SB 726, *Relating to the Regulation of Family or Medical Leave Benefits for Employees*, by Senator David Simmons (R-Altamonte Springs). The legislation prohibits local governments from passing any mandatory sick leave ordinances, ensuring that we will avoid a scenario where businesses could face 67 different rules and mandates in 67 different counties. A friendly amendment, which AIF supports, was offered by Senator Jack Latvala (R-Clearwater) that would remove language from the bill that would require employers provide a minimum sick leave policy. The amendment would also create a study task force to look at the issue. The amendment passed committee by voice vote.



The legislation passed committee by a vote of 6-2 and now moves to Health Policy Committee, next scheduled to meet Wednesday, March 20th.

AIF supports the bill as amended and will continue to monitor its progress through the process.

Pension Reform

In the House State Affairs Committee, HB 7011 by Representative Jason Brodeur (R -Sanford), *Relating to the State Retirement System*, was amended and passed on a party line vote. AIF stood in support of this good bill which will reform the state's retirement system by making a number of changes. The most important of these changes is closing the pension program to future employees of the state. The bill will go a long way in reducing the state's budget risk and in doing so; provide more certainty to the business community.

AIF stood in support of another retirement bill in the Senate Government Oversight and Accountability Committee, SB 1392 by Senator Wilton Simpson (R-Trilby), *Relating to Retirement*. The bill, which doesn't go as far as the house bill relating to retirement, reduces state budget risk relative to the state retirement system. The bill passed unanimously and now moves to the Senate Committee on Community Affairs, scheduled to meet Wednesday, March 20th.

AIF supports legislation reducing the burden Florida's taxpayers are shouldering, due to these state and local government pension plans, by closing the current pension program.

Insurance

In the Senate Banking and Insurance Committee, AIF testified in support of SB 1262, *Relating to Florida Hurricane Catastrophe Fund*, by Senator Alan Hays (R-Umatilla). Senator Hays' bill would represent a small first step to "right size" the Cat Fund and reduce the likelihood of post catastrophe assessments (hurricane taxes).

The bill was considered in a workshop session and no formal vote was taken. There were two amendments to SB 1262 discussed. One amendment by Senator Hays represented a compromise and was supported by AIF in an effort to advance the bill. Another amendment which would have significantly weakened the Cat Fund was offered by Senator Jeremy Ring (D-Margate) and opposed by AIF. The bill and both amendments are expected to be taken up next week with a formal vote following committee debate.

AIF supports legislation to restore the Florida Hurricane Catastrophe Fund (Cat Fund) to a safety buffer for Andrew-sized storms, thereby ensuring it can meet its obligations in the event of a storm and reducing the hurricane taxes funding its operations, as well as its possible deficits. Additionally, AIF supports legislation to return Citizens to an insurer of last resort.

In the same committee, AIF stood in support of SB 810, *Relating to Wrap-Up Insurance Policies*, by Senator David Simmons (R-Altamonte Springs), which the Committee passed by a vote of 10-0. The bill allows insurance companies to offer a deductible feature for a workers' compensation policy which covers all parties performing work on a major construction site. Florida businesses will have the option to substantially reduce insurance costs for new facilities' construction by purchasing a wrap-up policy with a deductible. In addition, a deductible creates a direct monetary incentive for a construction project owner or general contractor to maintain a safe work site for employees.

The bill's next stop is the Commerce & Tourism Committee, scheduled to meet Monday, March 18th.

AIF stood in support of another bill in the Senate Banking and Insurance Committee, SB 706, *Relating to Uninsured Motorist Insurance Coverage*, by Senator Bill Montford (D-Tallahassee), which was also approved unanimously. The bill reverses a recent court decision which deleted the option for the purchaser of an automobile insurance policy to sign a waiver of rights to combine policy limits from multiple vehicles for uninsured motorists (UM) coverage. By restoring this option, the bill allows businesses and other purchasers of UM coverage who exercise this option to save 20% or more in premiums.

The bill's next stop is the Judiciary Committee, scheduled to meet Monday, March 18th. The House Regulatory Affairs Committee approved the bill's companion bill, HB 341 by Representative Clay Ingram (R-Pensacola) unanimously. The House bill will be placed on the House Calendar for action by the full House.

The House Regulatory Affairs Committee unanimously approved CS/HB 335, *Relating to Property and Casualty Insurance Rates and Forms*, by Representative Jim Boyd (R-Bradenton). Supported in committee by AIF, the bill allows a property and casualty insurer to file a new policy or changes to an existing policy as an informational filing with the Office of Insurance Regulation (OIR) in lieu of filing for approval prior to use. The bill will substantially reduce a backlog of form filings awaiting approval by the OIR. Thus, the bill will allow insurers to react timely to the insurance needs of the business community and will enhance competition among insurers.

The bill will be placed on the House Calendar for action by the full House.

AIF supports the passage of legislation improving the regulatory environment for insurers and reducing the cost of insurance to businesses.

Environment & Agriculture

During the House Appropriations Committee meeting, **AIF's Senior Vice President of State and Federal Affairs, Brewster Bevis** spoke in support of HB 7065, *Relating to Everglades Improvement and Management*, by Representative Matt Caldwell (R-Lehigh Acres). Among other things, the legislation provides legislative finding that implementation of best management practices (BMPs), funded by the owners and users of land in the Everglades Agricultural Area (EAA), effectively reduces nutrients in waters flowing into the Everglades Protection Area. AIF agrees fully with this position. To date, in their continued commitment to the Everglades, farmers and landowners in the region have spent \$200 million on BMPs. The legislation also does not raise the current \$25 per acre Agricultural Privilege Tax that farmers and landowners pay the state. The legislation also moves towards completing the Everglades Restoration plan, which AIF supports.



AIF supports legislation necessary to authorize funding, to begin implementing the revised \$880 million State Everglades Restoration Plan that Florida has already committed to complete. AIF opposes any increases in the Agricultural Privilege Tax and supports the inclusion of provisions in the legislation that requires the appropriate state agency to conduct a Use Attainability Analysis at the completion of construction projects to determine if the nutrient limits are attainable.

The Senate Environmental Preservation and Conservation Committee considered SB 554, *Relating to Brownfield Areas*, by Senator Thad Altman (R-Melbourne). The bill specifies that redeveloping Brownfield areas can be a significant element in other revitalization areas, such as community redevelopment areas, enterprise zones, and closed military bases. SB 554 requires a local government to comply with certain provisions when designating a Brownfields area. Of these provisions, it allows for a public hearing when an area is going to be classified as a Brownfield. AIF waived in support and the bill passed without opposition.

The bill now moves to the Senate Committee on Community Affairs, scheduled to meet Wednesday, March 20th.

AIF supports any legislation promoting Florida's Brownfield Program as it provides a variety of financial and regulatory incentives encouraging parties to voluntarily clean up and redevelop Brownfield sites. By restoring Brownfield sites, the properties get back on the tax rolls quicker and become useful to the community.

Taxation

The House Finance & Tax Subcommittee was very busy today passing out nine very complex bills, several of which are important to AIF.

First, HB 4013 Tax refund programs by Representative David Santiago (R-Deltona) passed after many questions regarding the accountability of the incentive. The maximum refund cap was removed by the bill, the reason is because the overall cap has never been reached due to qualifying companies reaching their life time maximum. AIF testified in support of the bill and the bill passed unanimously. It will now go to the Economic Affairs Committee before it is heard on the House floor.

AIF supports the bill because the incentive has produced 19,694 high paying jobs in the defense and space sector and this change will help create more such jobs.

The corporate income tax "piggy back" proposed committee bill (**PCB FTSC 13-04**) also passed after staff explained that the bill did not couple all the federal code changes. As Florida usually does, the bill did not include the bonus depreciation and the expensing of certain asset purchases. The bill allows the same expense just over five years. Most companies expect this treatment and accept it. The bill passed with no debate. It now will get a bill number and go to the House Appropriations Committee.

AIF understands the uncoupling of the federal stimulus programs that would have a \$150 million fiscal impact on the state this year. Our members support the method the bill uses to uncouple preventing a separate set of books for Florida.

Committee Chairman Rich Workman (R-Melbourne) called on Representative Matt Caldwell (R-Lehigh Acres) to explain the Department of Revenue's general tax administration bill (**PCB FTSC 13-06**). The bill contains the Department of Revenue's recommendations for general tax administration improvements. The bill includes numerous statutory changes that may reduce the burden on taxpayers, reduce the Department's costs, increase efficiency in tax administration, and improve enforcement of tax laws. AIF testified that some of its members had concerns with the specific language of the bill in some provisions and would work with the staff to clarify the meaning.

The bill passed unanimously and will now go to the House Appropriations Committee, scheduled to meet Wednesday, March 20th.

AIF will continue to monitor this bill as it is amended and moves through the process.

Finally, the last bill heard was the E-Fairness bill **PCB FTSC 13-02**. The bill amends the mail order section of law to provide the ability of the state to require out of state retailers to collect the sales tax on purchases by Florida consumers. To be revenue neutral, the bill also provides for a sales tax holiday. AIF testified in support of the bill as did several other entities including the Florida Retail Federation.

The bill passed by a vote of 13-3. The bill now will get a number and be heard in the House Appropriations committee.

AIF supports E – Fairness for our in state retailers who have a large disadvantage with out of state internet sales that do not collect the sales tax.

Education

The House Appropriations Committee passed HB 7009, *Relating to Charter Schools*, by Representative George Moraitis (R-Ft. Lauderdale), after nearly an hour of debate on amendments and the bill. Committee Chairman Seth McKeel (R-Lakeland) asked only parents testify in response to the bill. The bill removes caps on charter schools, creates a standard model contract, improves collaboration with school district during the application process and encourages school districts to allow charter schools to use district schools that are no longer in use.

The bill passed along party lines and will next be heard in the House Education Committee Friday, March 22nd.

AIF supports removing artificial enrollment caps that prevent charter schools from meeting the demand of students on waiting lists.

The House Education Committee continued to hear reports by committee members regarding their visits to various early learning coalitions, boards and providers. Following the presentations Committee Chair Marlene O'Toole (R-Lady Lake) reminded everyone that a Proposed Committee Bill would be out soon, and would be carried by both her and her Vice Chair, Elizabeth Porter (R-Lake City).

The PCB will be comprised of 3 categories: governance, accountability and transparency. Under the governance category Chair O'Toole stated that her goal is to create a Division of Early Learning, which will be managed by the Department of Education. The governance aspect of the bill will also create a restructuring plan. The accountability portion of the bill is to focus on child eligibility, health and safety, pre and post assessments and monitoring tools. Finally, the transparency portion of the bill will center on transparency in spending and uniformity in insurance requirements.

The Chair concluded the meeting by taking questions from members. During this time there was some concern surrounding the Gold Seal program versus the QRIS program. In response, Chair O'Toole said that she's not sure the committee is ready to make a determination between the two, and it is something we need to continue to look at. Finally, Chair O'Toole said there would be no consolidation or growth of Early Learning Centers this year.

AIF supports early learning as it is imperative to developing a productive future Florida workforce.

Business Regulation

SB 84, *Relating to Public Private Partnerships (PPPs)*, by Senator Alex Diaz de la Portilla (R-Miami) passed the Senate Committee on Government Oversight and Accountability today with unanimous support. AIF waived in support of this bill, which, in its current form, allows local governments to utilize PPPs in a similar manner as state government. Essentially meaning, local governments will be able to accept unsolicited bids for infrastructure projects, etc. The current form of the bill is due to work done between Senator Diaz de la Portilla and AIF.

AIF supports SB 84 and the sponsor's intention to encourage private sector investment into local infrastructure projects across the state. Public Private Partnerships have proven successful in aiding government needs for infrastructure project advancement utilizing private contractors, financiers and related industries.

Ethics & Elections

The House version of campaign finance reform, CS/HB 569, *Relating to Florida Election Code*, by Representative Rob Schenck (R-Spring Hill), was passed by the House Committee on State Affairs with an 11-5 party-line vote. The bill now heads for the House floor where consideration is expected in the next week or so.

The bill is very similar to the Senate version, CS/SB 1382 by Senator Jack Latvala (R-Clearwater) except in the area of changing the limits on campaign contributions to candidates. An amendment in the House committee today revised the caps downward from \$10,000 for all candidates to \$5,000 for statewide candidates and \$3,000 for legislative and local candidates. The current Senate bill sets the caps at \$3,000 for statewide candidates but leaves them at the current \$500 per election for all other candidates. Both the Senate and House versions of the bill contain virtually identical provisions that require much more frequent reporting of contributions and expenditures by candidates, committees, and political parties during the sixty days preceding an election. Both versions of the bill also abolish committees of continuous existence (CCEs) as of September 30, 2013. It is expected that the two chambers will work out their differences on this legislation as their respective bills wind their ways through the process.

AIF will monitor all proposals related to public ethics and elections and advocate as necessary to protect the rights of individuals and businesses.