



DAILY BRIEF

From March 5, 2013

Today, March 5th, saw the official start 2013 Legislative Session begin here in Tallahassee, which is slated to run for 60 days. The health care discussion is far from the only buzz at the Florida Capital as Associated Industries of Florida has been working closely with policymakers to continue Florida's return to economic prosperity.

On Monday, March 4th, the Republican Caucus held a ceremony to formally nominate Representative Steve Crisafulli (R-Merritt Island) to serve as Speaker of the Florida House for the 2014-2016 legislative term. AIF congratulates Speaker Designate Crisafulli and looks forward to working with him in the future.

Also on Monday, Governor Rick Scott addressed AIF's Manufacturing Aerospace and Defense (MAD) Council meeting in Tallahassee. As the state affiliate for the National Association of Manufacturers, AIF is committed to providing a member venue to discuss and advance the interests of Florida's manufacturing community. In addition to Governor Scott's discussion on manufacturing in the state, council members were briefed on simulation, space and defense by General Tom Baptiste, President of the National Center for Simulation, Frank DiBello, President of Space Florida, and Tom Feeney, President & CEO of AIF.

Medicaid

Last week Governor Rick Scott announced that he supports accepting Federal funding to expand Medicaid to help cover uninsured Floridians. Governor Scott stated that he will expand coverage for the three years that Federal funding is available to Florida. Gov. Scott would then want a full evaluation of the program to determine if it was good policy for Florida.

AIF will encourage the Legislature to best utilize available federal funding to provide coverage to more Floridians in a manner that best safeguards Florida's citizens and protects the State's financial health.

Today, AIF CEO, Tom Feeney, stated "Governor Scott has proposed an option to relieve the double taxation on Florida's employers, while also providing coverage for more of our state's uninsured. AIF stands ready to work with the Florida Legislature and the Governor to accomplish these critical objectives for the benefit of all Floridians."

Health Care & PPACA

On Monday, March 4th, the House and Senate Select Committees on PPACA met jointly to receive more data on the effect of expanding the state's Medicaid Program. Amy Baker, coordinator of the Legislative Office of Economic and Demographic Research, gave updated cost projections that generally noted that taking the federal funds that come with expanding the program would be helpful to the State of Florida and Florida employers. Specifically, Baker noted that the state would forfeit between \$6 and \$12 billion a year for the next ten years if the Legislature chooses not to expand eligibility in the program.

AIF told members the cost of treating the uninsured is a \$1.3 billion "hidden tax" on Florida's employers. "The business community is already paying for the uninsured, in the most costly setting possible, in the emergency rooms," said AIF. As a result, AIF is encouraging legislators to "best leverage available federal funding to ensure that we provide coverage to Floridians in a manner that protects the state's financial health."

Following the cost discussions, Sen. Joe Negron (R-Palm City), Chair of the Senate Select PPACA Committee took the suggestion by a his fellow Senate committee members and postponed the Senate Committee's afternoon meeting. However, he indicated that he may support expansion. "Medicaid expansion may or may not be a good idea, but it would be better to have 7 percent of Floridians uninsured than 21 percent", said Sen. Negron.

The postponement of the Senate Committee's meeting set the stage for the House Select PPACA Committee to take the first stand on this issue. Following the joint meeting, the House Committee convened to discuss the Medicaid expansion issue. Following a rigorous discussion, the committee voted 10 to 5 in favor of a motion made by Rep. Matt Hudson (R-Naples), Chair of the House Health and Human Services Appropriations Subcommittee. The motion was to "not instruct committee staff to prepare a proposal to expand Medicaid". The committee is next scheduled to meet March 15th.

Business & Economic Development

On Monday, March 4th, SB 446 by Senator Dorothy Hukill (R-Port Orange) was amended and passed Senate Commerce and Tourism Committee today by a vote of 10 to 1, with Senator Margolis as the only no vote. The bill requires an applicant to provide a surety bond (or alternative form of collateral) to the Department of Economic Opportunity before the applicant receives incentive awards through the Quick Action Closing Fund or the Innovation Incentive Program. The bill has two remaining committee stops before it is ready to be heard on the floor.

Also on Monday, March 4th, SB 140 by Senator Oscar Braynon (D-Miami Gardens) passed the Senate Commerce and Tourism Committee unanimously today. The bill defines the term "car-sharing service" and exempts the provision of vehicles to individuals by entities meeting the definition from the rental car surcharge. Senators Aaron Bean (R-Jacksonville) and Alan Hays (R-Umatilla) both expressed a concern that this change could create an uneven playing field with traditional rental car companies and result in a loss of revenue to the state. Sen. Braynon committed to working with the Senators to ensure their concerns are addressed. The bill has two remaining committee stops.

Today, the House Transportation Economic Development Appropriations Subcommittee (TED) chaired by Rep. Ed Hooper (R-St. Petersburg) passed HB 7007 which will serve as the House of Representatives' 2013 economic development package. Presented by Rep. Jimmy Patronis (R-Panama City), HB 7007 would set in place regular reporting mechanisms of state economic incentive activities, and require reports be given to the Legislature throughout the year. This would enable legislative policy makers to assess the effectiveness of state incentives and ensure state resources are being appropriately utilized for economic growth and activities. The legislation will also grant rulemaking authority to the

Department of Economic Opportunity (DEO) that would help the state with more flexible procedures related to the administration of the Florida Small Cities Community Development Block Grant, a federally funded program administered by the state since 1983. HB 7007 also extends the penalties for individuals collecting reemployment benefits fraudulently and assigns the Governor as a non-voting ex-officio member of Visit Florida Board of Directors.

Associated Industries of Florida (AIF) supports the state's economic development agency, DEO, in its mission to extend economic opportunity and activity across Florida. Member companies of AIF have served as a voice and resource for Florida in recent years as the state has redefined its economic incentive activities. Leading the nation in sustainable job growth is the goal Governor Scott and AIF.

Energy

Today, AIF stood in support of HB 579 by Rep. Lake Ray (R-Jacksonville) dealing with natural gas motor fuel, in the House Subcommittee on Energy & Utilities and the bill was unanimously passed. HB 579 would replace the annual decal and fee system with a motor fuel equivalent gallon form of taxation beginning January 1, 2019. The bill would further require anyone selling natural gas fuel in Florida to obtain a natural gas retailer license from the Department of Revenue. There are currently 32 natural gas fueling stations in Florida and with the development in the United States of proved reserves of natural gas, the potential for a less expensive and cleaner alternative to other motor fuels is expanded in this legislation. AIF supports any efforts by the Legislature to provide Florida's businesses with a less expensive and cleaner alternative motor fuel and will continue to monitor this legislation.

Ethics & Elections

Today, during the first vote of the 2013 Legislative Session, Senate passed CS/SB 2 by Committee on Ethics and Elections with a vote of 40-0. This bill was described by committee chairman Jack Latvala (R-Clearwater) as "...the most comprehensive ethics package since the Sunshine Amendment was adopted in 1976." The bill is also a major priority of Senate President Don Gaetz (R-Niceville).

Key provisions of the bill accomplish the following:

- Closes the "revolving door" for elected officials who leave office then immediately take lucrative lobbying jobs,
- Prevents elected officials from accepting dual employment with public entities unless the job at issue is filled by an application/competitive hiring process,
- Gives the Ethics Commission broader authority to collect fines from those who violate the ethics laws, and;
- Prevents elected officials from accepting gifts from committees of continuous existence.

The bill now goes to the House for further deliberations. However, its passage in some form is virtually assured given Speaker Weatherford's commitment to passage of ethics legislation this year.