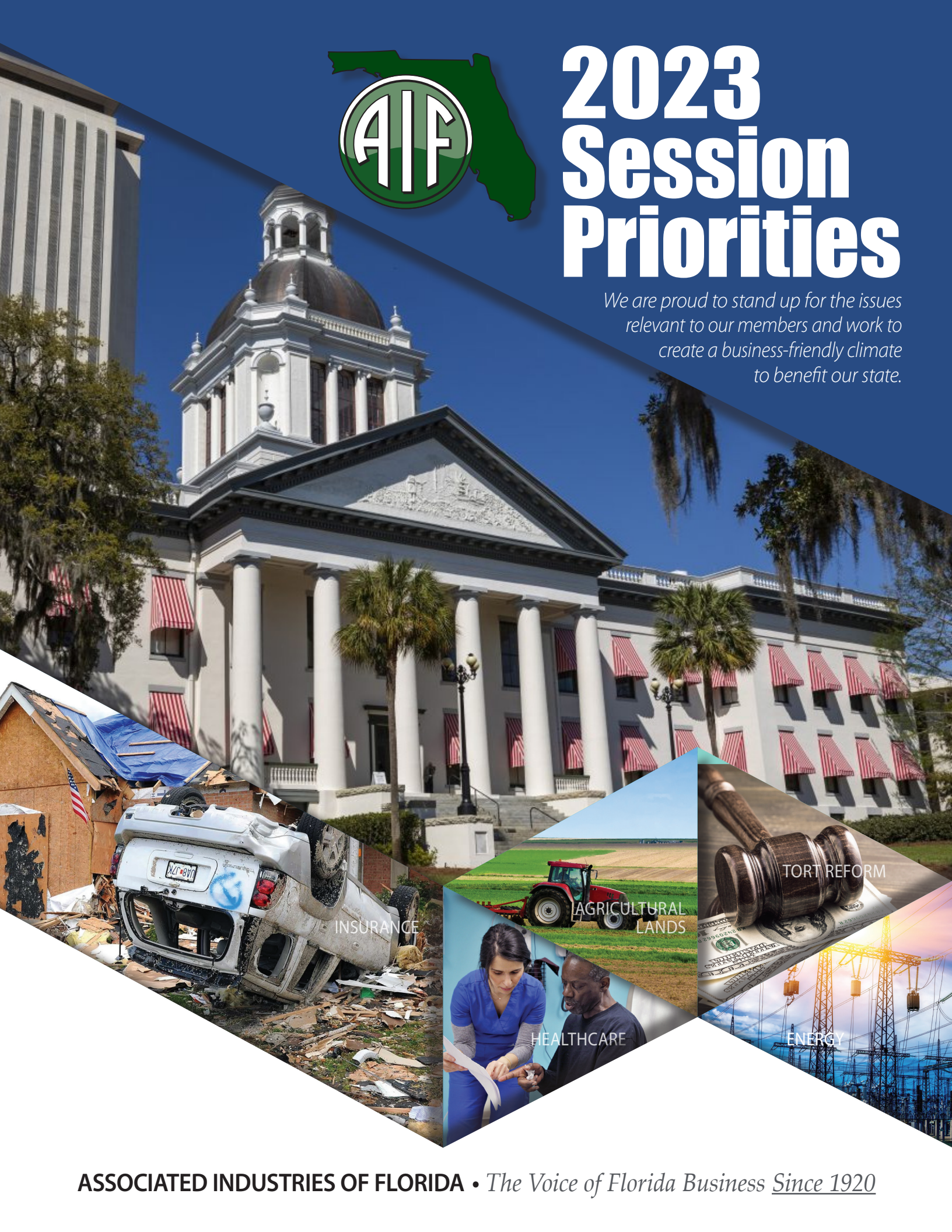




# 2023 Session Priorities

*We are proud to stand up for the issues relevant to our members and work to create a business-friendly climate to benefit our state.*



INSURANCE

AGRICULTURAL  
LANDS

TORT REFORM

HEALTHCARE

ENERGY



## a message from the CEO

**F**or over 100 years, AIF has represented the principles of prosperity and free enterprise before the three branches of state government. AIF has proudly advocated on behalf of Florida’s employers, and thankfully, Florida’s leaders have made our state an example for the rest of the nation. However, we know that difficult issues will continue to arise that will challenge the business community in a variety of ways. Just as we have since 1920, AIF will continue to fight for those who build businesses, employ our citizens, and generate a strong economic engine for this great state.

The *2023 Session Priorities* are a collaborative effort of the AIF staff, our member-driven policy councils, and AIF members. These priorities are reviewed and approved by our Board of Directors. This publication is designed to provide detailed information on AIF’s priorities and to summarize the guiding principles that shape our legislative positions. AIF’s advocacy team will work diligently to support these positions in collaboration with AIF staff and the AIF Board of Directors. While this publication is a lengthy one, we hope you will take some time to read through it as the issues outlined in these pages represent major issues for Florida employers.

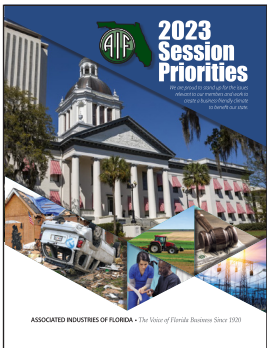
We are proud of our long history of legislative success on behalf of Florida’s businesses, and we look forward to the privilege of standing up for them once again in 2023. The *2023 Session Priorities* will be made available to all 160 members of the Florida Legislature, as well as the Florida Cabinet, State Agency Department heads, and AIF membership.



A handwritten signature in black ink, which appears to read 'Brewster B. Bevis'. The signature is stylized and fluid.

Brewster B. Bevis  
President & Chief Executive Officer

## CONTENT



- 5 Economic Development
- 5 Education, Workforce & Employers
- 7 Energy
- 9 Environment & Agriculture
- 12 Health Care
- 14 Insurance
- 17 Manufacturing, Aerospace & Defense
- 18 Taxation
- 20 Transportation & Maritime

Published by  
Associated Industries  
of Florida  
© 2023

All rights reserved.

516 North Adams Street  
Tallahassee, FL 32301  
850.224.7173  
E-mail: [aif@aif.com](mailto:aif@aif.com)  
[AIF.com](http://AIF.com)

# Building a Strong Foundation for the Future of Florida Business



For more,  
please visit  
[FAIF.org](http://FAIF.org)

FAIF is a 501 (c)(3) organization. Registration Number: CH28665. A COPY OF THE OFFICIAL REGISTRATION AND FINANCIAL INFORMATION MAY BE OBTAINED FROM THE DIVISION OF CONSUMER SERVICES BY CALLING TOLL-FREE (800.435.7352) WITHIN THE STATE.



For over 100 years, it has been AIF's mission to create and foster an economic climate in Florida that is conducive to the growth, development and welfare of Florida's industry and business community.

We will continue to fight for the advancement of economic prosperity in Florida through education, lobbying, political activity and other means to have a positive affect on state public policy.

*The Voice of Florida Business  
Since 1920.*

## The Internet's Home for Florida Business

[AIF.com](http://AIF.com)  
[FAIF.org](http://FAIF.org)



Follow Us on Twitter @VoiceofFLBiz



# 2023 Top Tier Issue: Tort Reform

For years, Florida has been identified as an outlier on civil justice, often referred to as a **“judicial hellhole.”**

**A**IF takes on a wide array of issues impacting the business community every year. Although each of those issues are important, some rise to the level of being considered an AIF “top-tier issue” due to the broad impact to Florida businesses.

For the 2023 Regular Session, the Florida Legislature is uniquely positioned to take on civil justice reform. The Governor and both presiding officers have stated their desire for significant changes in this area, and AIF has been unwavering in its support. With an opportunity now on the table, tort reform is a “top-tier issue” for AIF during the 2023 Legislative Session.

This past December, Governor DeSantis called a special session on

property insurance. The legislature passed bills that removed the one-way attorney fee statute and eliminated assignment of benefits in the property market. As these excellent reforms are critical to the business community, they should continue to be built upon during the 2023 Regular Session.

Frivolous lawsuits, inflated damages, and a pervasive litigious climate have impacted costs for both businesses and consumers. Pages 14-17 of the *2023 AIF Session Priorities* outline specific ways the Legislature can enact significant tort reform that is beneficial for Florida’s vast business community, their employees, and the areas they support.

# Economic Development

## Economic Opportunity Grants

In its first year, the Florida Job Growth Grant Fund, within the Department of Economic Opportunity (DEO), provided \$85 million for public infrastructure and job training projects that support growth and employment in Florida's diverse industries. In 2021-2022, \$74 million was available for public infrastructure and job training projects in Florida. The Florida Job Growth Grant Fund is authorized to award grant funds to projects that "promote economic opportunity by improving public infrastructure and enhancing workforce training." DEO and Enterprise Florida are responsible for soliciting proposals and making funding recommendations to the Governor.

The following types of projects are eligible for approval:

- State or local public infrastructure projects that promote economic recovery in specific regions of the state, economic diversification, or economic enhancement in a targeted industry, and
- Workforce training grants to support programs at state colleges and state technical centers that provide participants with transferable, sustainable workforce skills applicable to more than a single employer, and grants for equipment associated with these programs.

**AIF SUPPORTS** targeted infrastructure investments to catalyze certain regions and/or sectors. For example, we support the rapid growth of the emerging Florida commercial aerospace industry by focusing on projects such as the rebuilding of decaying bridges along State Road 401 entering Canaveral Air Force Station.

## VISIT FLORIDA Funding

**AIF SUPPORTS** investment in building a world-class marketing engine with top talent, analytics, and funding that develops and executes data-driven branding strategies. Tourism is our state's leading industry. Not only does our state revenue rely on tourism, but many other businesses in our state also rely heavily on out-of-state visitors for revenue. We must ensure that VISIT FLORIDA is fully funded so it can continue to assist in bringing visitors to our state.

## Enterprise Florida

**AIF SUPPORTS** Enterprise Florida's mission to pursue a more focused mandate to grow existing Florida companies and attract new ones in enticing job fields for the 21st century.

## Florida Film Industry

**AIF SUPPORTS** legislative efforts to help Florida compete for high wage jobs in film, television, and the digital media industry. Our great state has much to offer and a sound, fiscally responsible program will help us attract the high wage jobs we have lost to Georgia, North Carolina, Louisiana and California in recent years.



AIF's President & CEO Brewster Bevis welcomes members to the Annual Conference.

## Capital Investment Projects

**AIF SUPPORTS** legislative efforts to modernize the capital investment tax credit program to help Florida compete for sustainable high wage jobs for the development of leading-edge intellectual property projects.

# Education, Workforce & Employers

Florida's economic competitiveness is based largely on creating and continuing to promote the most skilled workforce in the nation. AIF has been at the forefront of education reform efforts for many years. A world-class workforce is a major component of job creation, and creating more jobs in the state has been, and will continue to be, a major focus for AIF and the business community. Improving our workforce through education reforms is a key ingredient to job creation and to ensure businesses continue to establish themselves in Florida.

## Early Learning

Early learning is facilitated by a vibrant industry filled with dedicated individuals who recognize its significance in the continuum of education. There is a direct correlation between the quality of early learning programs, third grade reading proficiency, and higher graduation rates—all of which lead to a well-educated workforce. If Florida can enroll more children into quality



Representative Joel Rudman (R-Navarre) and Senator Corey Simon (R-Tallahassee) at AIF's New Legislators' Reception in Tallahassee.

educational programs at a younger age, our state will see a measurable benefit. **AIF SUPPORTS** a uniform system of regulation for health and safety standards for all early learning providers accepting taxpayer dollars. A uniform system of regulation should also apply to the allocation of additional resources necessary to support providers who are committed to improving education quality.

### Access to Technology and Innovative Learning

To fulfill the promises of virtual and online learning, **AIF SUPPORTS** investing and expanding the use of technology and other methods of school instruction that provide for the unique learning needs of the child. Online learning is growing at over 30% per year and will continue to grow as a result of the COVID-19 pandemic. Our schools must innovate, or they will suffocate. Remaining the same means falling behind.

#### AIF SUPPORTS:

- Eliminating artificial enrollment caps that prevent access to high-quality virtual and online education opportunities for all students.
- Allowing open enrollment policies for students to have access to the best and most appropriate individual learning environments, regardless of where they live.
- Removing barriers that inhibit high-performing online schools—both public and private—from expanding.
- Flexibility in funding for instructional materials and tighter alignment with virtual and blended learning models.
- A Digital Learning Initiative to provide a technology plan that maximizes existing and encourages new infrastructure investments in bandwidth; and technology equipment to enable and empower all Florida students with access to quality, digital learning opportunities.

### Talent Pipeline and Economic Development

Creating the talent pipeline should be a major focus of the Florida Legislature. Promoting the talent pipeline will help ensure the competitiveness of Florida.

#### AIF SUPPORTS:

- Leveraging the existing university and college system to increase the output of high-caliber talent.
- Identifying labor market mismatches (especially in middle skills occupations) by region, sector, and/or time horizon; placing long-term sector focus on increasing targeted degree programs and certifications.
- Allowing private institutions to compete for state funding for dual enrollment, as current law only allows state universities and colleges to be eligible for state reimbursement per Full Time Enrollment (FTE).
- Providing funding and access to public and vocational charter schools offering skills-based classes to further enhance Florida's talent pool and skilled workforce.

### Funding

**AIF SUPPORTS** adopting the PreK-to-Job model of the future to improve the organic talent pipeline and create a strategy that addresses these gaps, including training the talent required for the future in our PreK-to-Job system today. The legislature should focus state resources on the development of a skilled workforce for Florida businesses, employers, and entrepreneurs. Florida's nonprofit institutions within the Independent Colleges and Universities of Florida (ICUF) produce 22-25% of all baccalaureate degrees annually in Florida, most of which help meet critical employment needs of Florida.

**AIF SUPPORTS** encouraging more state investment into this system by increasing the amount of funding necessary to adjust for program growth and keeping the per student amount at \$3,500, as it demonstrates one of the strongest returns on investment for the state's higher education system.

**AIF SUPPORTS** the creation of the EASE+ program to incentivize students in ICUF schools to pursue high-demand workforce degrees like nursing, teaching and computer programming.

### Effective Access to Student Education

AIF urges the Florida Legislature to fully fund the Effective Access to Student Education (EASE) voucher. This voucher provides Florida students with greater access and choice when it comes to higher education opportunities. Additionally, it provides Florida students with assistance on their tuition payments to nonprofit, independent colleges and universities. These institutions have proven to be engines of opportunities for students, giving them the chance to start a career, earn more and provide for their families. Importantly, because these institutions are market-driven,



Representatives Taylor Yarkosky (R-Clermont) and Dean Black (R-Jacksonville) at AIF's New Legislators' Reception in Tallahassee.

they are extremely flexible and effective in responding to our state's workforce needs. Nearly every sector of Florida's economy is currently experiencing a labor shortage. We need more nurses, teachers, engineers and workers, in general. The nonprofit, independent colleges and universities of Florida strengthen our workforce, and the EASE voucher gives students the ability to attend and graduate from these Florida schools. **AIF SUPPORTS** maintaining or increasing the state's investment in the EASE voucher program to help increase access to higher education and strengthen Florida's workforce.

### Science, Technology, Engineering, Mathematics and Medicine (STEMM)

Emerging industries are important to Florida's economy. To continue the building, development, and relocation of businesses employing such high-technology workers, we must produce the workforce that fills the needs at every level, from national third-party certifications to undergraduate and graduate degrees.

**AIF SUPPORTS:**

- Defining STEMM degrees to include medical professionals seeking high-technology degrees such as nurse practitioners, physician assistants, biotechnologists and others. This should result in high-wage salaries for thousands of new entrants into the workforce in these areas.
- Encouraging the production of workforce in STEMM program degree graduates.
- Identifying matching grant programs to encourage and incentivize our private institutions of higher education to increase the degree production in STEMM careers—another smart investment by the state.

- Promoting the employment pathway for non-degree seeking students/employees with national third-party certification attainment, affirming competencies needed for the STEMM industries.

### Accountability

**AIF SUPPORTS** accountability in higher education and promoting student outcomes. The legislature should:

- Consider student population and demographics when identifying the appropriate measurement of student outcomes and performance.
- Focus on degree production as a critical outcome so that Florida increases the percentage of our population with some form of accredited post-secondary attainments.

## Energy

### Energy Efficiency and Conservation

**AIF SUPPORTS** efforts by the legislature to promote energy efficiency and conservation through cost-effective incentives. Additionally, **AIF OPPOSES** any legislation that expands incentives for individuals that result in long-term higher energy prices for all other customers.

### Onshore Exploration and Production

Onshore exploration and production in Florida are valuable contributors to Florida's economy and tax base. **AIF SUPPORTS** maintaining appropriate permitting laws to protect the environment, to enhance efficiency between industry and the state, and that ensure appropriate standards are clearly communicated.

**AIF SUPPORTS** the regulatory, permitting, and zoning authority associated with the exploration and production of oil and natural gas being maintained solely by the state. Onshore oil and gas production in Florida can be performed safely while fully protecting water resources and the environment.

**AIF OPPOSES** bills or regulations that prohibit well stimulation techniques and hydraulic fracturing, limit technological advances, and infringe on private property rights.

### Expansion and Protection of All Energy Infrastructure

**AIF SUPPORTS** the building of future pipelines that provide safe, cost-effective energy infrastructure across the country. Further, **AIF SUPPORTS** any legislation that facilitates environmentally responsible construction of natural gas, liquid fuel, hydrogen and carbon pipelines to enhance energy reliability and affordability for Floridians. AIF also recognizes the importance of delivering energy products to the state during hurricane season through the supply channel pipelines. The U.S. has been a net exporter of oil and natural gas because of the tremendous success of hydraulic fracturing. Liquid Natural Gas (LNG) exports offer new opportunities for ports and shippers.



Representative Bobby Payne (R-Palatka) and Senator Jason Brodeur (R-Lake Mary) present at the AIF Water Forum in Orlando.

**AIF SUPPORTS** development of infrastructure for small and large-scale LNG and hydrogen ventures.

**AIF SUPPORTS** legislation that enhances state prosecution for attempts to “damage or shut down” critical infrastructure, such as pipelines, that can deprive communities of services, put lives at risk, cost taxpayers millions of dollars, and threaten the environment.

Sunshine 811 was developed to identify underground infrastructure before digging. However, poor construction practices still lead to damaged infrastructure that causes unnecessary service interruptions, safety issues, and increasing repair costs. **AIF SUPPORTS** concepts that enhance the 811 program and penalties.

### Opposition to Proposed Expansion of U.S. EPA Air Regulations

Florida Department of Environmental Protection (FDEP) data indicates Florida’s ambient air quality has improved dramatically over the past twenty-five years. Ozone and fine particulate matter, two of the major air quality indexes monitored by the FDEP and the U.S. Environmental Protection Agency (EPA), have been comfortably within limits of the already tight standards. The downward trends of these two indices are expected to continue as companies adopt new technologies that enhance efficiency while reducing emissions.

**AIF OPPOSES** further reductions by the U.S. EPA in the National

Ambient Air Quality Standards ozone levels and further reductions in methane emissions. These proposals will add unnecessary costs to the industry while offering nominal health benefits.

### Expansion of Natural Gas Fleet and Alternate Fueling for Transportation

Hydraulic fracturing has provided ample domestic supplies of natural gas and an alternative to diesel and gasoline for fleet transportation fuel. **AIF SUPPORTS** funding that has been successful in converting fleets to natural gas while ensuring the Transportation Trust Fund remains funded at adequate levels for road construction and maintenance. Emphasis should be placed on fully supporting policies that lead to the continued success of natural gas as an alternative fuel—an alternative that does not require mandates for success. **AIF SUPPORTS** the continued market development expansion of natural gas fleets including ships and barges, as well as the continued expansion of infrastructure for electric vehicles, both for public and private use.

### Offshore Exploration and Production of Oil and Natural Gas

**AIF SUPPORTS** seismic testing in the Atlantic Ocean and Eastern Gulf of Mexico to ascertain the volume and location of future sources of oil and natural gas.

**AIF SUPPORTS** the passage of legislation that establishes a process by which the State of Florida can begin considering proposals for safe, offshore drilling in federal waters. Florida’s economic recovery is heavily dependent on reasonably priced and reliable sources of petroleum. Florida typically consumes more than 30 million gallons of gasoline and diesel each day for transportation and generates more than half of its electricity from clean-burning natural gas. Allowing safe and environmentally sensitive access to these resources in federal waters while ensuring that our oceanic military ranges and areas remain intact, is in our best interest as a means of improving national security, energy security, diversifying supply and enhancing economic development. Additionally, it can also serve as an important and much needed method for generating new revenues and jobs for Florida.

### Renewable Energy

**AIF SUPPORTS** energy policies that allow for the research, development, and distribution of alternative energy fuels without mandates by the government as these lead to market distortion, uncertainty, and upward price pressures. Domestically produced alternative fuels are key elements to America’s future energy security. However, state and federal mandates, such as the federal 2007 Energy Independence and Security Act (EISA), have distorted transportation fuel markets and annually introduces fuel uncertainty. **AIF SUPPORTS** investment in university research and development into promising renewable and clean energy technologies. Also, **AIF SUPPORTS** memorials repealing alternative fuel mandates, such as EISA.



**AIF SUPPORTS** legislation that will enable interested electric utilities to develop renewable energy resources using the technology (solar, wind, biomass, battery, renewable natural gas, etc.) and scale (large, medium, small) that makes the most sense for those utilities and their customers. This would allow both the utilities and other suppliers in the renewable sector to make market-based decisions to deploy renewable and distributed energy resources to meet customer needs in a cost-effective manner.

### Automobile Industry Technology and Fuel Efficiency Incentives

**AIF SUPPORTS** neutrality as the powerful free-market solution to achieving the state's important goals of reduced carbon emissions, energy independence and overall environmental sustainability. These goals should allow the private sector the freedom to innovate without assigning unnecessary and unsustainable economic burdens on either manufacturer or consumer.

AIF believes the most productive partnership between the government and the private sector is when government recommends desired performance outcomes and industries compete to find the best technologies to achieve those outcomes. Sound environmental policy should be inclusive of a diverse blend of electrification technologies strategies, including hybrids, and should prioritize consumer adoption and market acceptance.

Additionally, monetary incentives by the government should not be used to alter consumer decisions or manufacturer investments. Nor should it use its considerable powers to push one technology ahead of other viable and proven technologies.

Technology-neutral policies will avoid picking winners and losers, prioritize public safety, and demonstrate consumer adoption/market acceptance, which will better reflect consumer driving habits and individual needs.

## Environment & Agriculture

Recognizing the economic impact of Florida's agricultural industry and the undeniable connection between environmental and agricultural laws to many of Florida's key industries, AIF formed its Environmental Sustainability and Agricultural Council. We must be good stewards of our land and water resources, and AIF and its members will lead the way in protecting those resources.

### Agriculture Best Management Practices

**AIF SUPPORTS** legislation which protects an agricultural producer's enrollment in the Best Management Practices program while providing the ability to specifically tailor nutrient rates based upon variables such as crop variety, site-specific conditions, meteorological events, or pest and disease pressures.

**AIF SUPPORTS** fully funding the appropriation request from the Office of Agricultural Water Policy (OAWP) within the Florida

Department of Agriculture and Consumer Services. This appropriation request will enable the OAWP to assist producers more efficiently with enrollment in appropriate Best Management Practices (BMPs) and to fully implement the provisions of the Clean Waterways Act. We believe the OAWP's role in the development and implementation of Agricultural BMPs and the continuation of cost-share programs is critical to assisting landowners with the adoption of new technologies and cost-prohibitive practices.

### Citrus Research Funding

**AIF SUPPORTS** robust funding for applied research which will allow growers to implement the suite of horticultural, mechanical and management strategies designed to mitigate citrus greening. The applied research approach is the next critical step in the long battle against the devastating impacts from citrus greening.

### Land Management and Acquisition

Florida continues a strong commitment to the preservation of natural lands through fee and less-than-fee land acquisitions and easement programs. Additionally, the state has long embraced the need for aggressive management of the state owned as well as private lands to protect the public, businesses, and the natural environment. One key tool in the management of both private and public lands is the use of prescribed and controlled fires to mitigate wildfire risks, control invasive species, and promote economic and environmental sustainability.

**AIF SUPPORTS** the state's continued investment and support of land management tools including burning on public and private lands to protect businesses, residents, visitors and our natural systems.

**AIF SUPPORTS** the Florida Department of Agriculture and Consumer Services' budgetary request for the Rural and Family Lands Protection Program. The Rural and Family Lands Protection Program establishes a less-than-fee acquisition of the property's development rights while the land remains on the local tax roll, is managed by the private landowner, and allows agricultural production activities to continue.

### Fresh From Florida

**AIF SUPPORTS** fully funding the Fresh From Florida marketing program within the Florida Department of Agriculture and Consumer Services. Fresh From Florida continues to open new markets for Florida's agricultural businesses with a consistent and reliable brand which consumers recognize and trust.

### Springs Recovery

**AIF SUPPORTS** funding sound science-based programs and projects to improve the water quality and water quantity of Florida's major first-magnitude springs. Florida has an outstanding water quality toolbox with the Total Maximum Daily Load (TMDL) program and the requirements for Minimum Flows and Levels (MFLs).

**AIF SUPPORTS** Governor DeSantis' proposed funding proposal



Commissioner Wilton Simpson, Florida Department of Agriculture, is presented with the 2022 Champions for Business award by AIF leadership Brewster Bevis (President & CEO), José Gonzalez (AIF Chairman), and Adam Basford (Vice President of Governmental Affairs).

for Springs Recovery efforts. AIF endorses efforts by farmers to use “Best Management Practices” developed by the Department of Agriculture and Consumer Services as a means of reducing any environmental impacts of their operations.

**Per-and Polyfluoroalkyl Substances (PFAS)**

PFAS are a complex family of chemistry which are critical in many of the products we use to power our lives. Not surprisingly, PFAS are not all created equal, and each chemistry has its own unique structure and use. Recently, legacy PFAS has shown up in locations such as airports, military bases and fire training centers, most likely due to PFAS use in many commonly used fire suppression foams. To this end, both the U.S. EPA and the state Department of Environmental Protection have contemplated new regulations and water quality standards which would include criteria for PFAS. Given the unique nature of PFAS, there is still much debate on the impacts of individual PFAS chemistry as well as the entire family compounds.

**AIF SUPPORTS** a measured and scientifically defensible approach to the creation and adoption of any PFAS standards. Further, any standards must take into consideration the technical and economical feasibility as well as the attainability of any proposed metrics or numeric criteria for PFAS.

**Water Supply and Shortage**

**AIF SUPPORTS** efforts to dedicate funding to meet Florida’s water supply needs through the utilization of public/private partnerships, and to dedicate state funding or other innovative approaches that can solve the problem without

creating new taxes on Florida businesses, residents and visitors.

**AIF SUPPORTS** policies which recognize the challenges associated with existing stormwater and other water storage projects to function and operate during natural disasters and provide practical solutions and alternatives to landowners when an emergency is declared.

**AIF OPPOSES** efforts to create or impose a severance tax, usage tax, or fee on specific legally permitted water uses in the state. Florida’s consumptive use process requires the proposed use to be reasonable and beneficial, be in the public interest, and to not compete with other existing legal users. These criteria underpin and support the longstanding legal doctrine of water being a resource of the state. Creating arbitrary fees or taxes undermines the “3-pronged test” and would open the door for disproportionate and unfair taxes or fees based on the type of proposed water use.

**Lake Okeechobee and Everglades Restoration**

**AIF SUPPORTS** and encourages the Army Corp of Engineers to optimize their proposed Lake Okeechobee System Operating Manual (LOSOM) to meet the needs of current legal existing users of water, while recognizing the flexibility necessary to account for future reasonable-beneficial water use applications.

**AIF OPPOSES** any efforts to diminish or eliminate the state’s sovereign legal authority to allocate water to meet the myriad of reasonable beneficial uses, including the environment, as prescribed under state law.

**AIF SUPPORTS** Governor DeSantis’ commitment to Everglades Restoration and to stopping harmful discharges from Lake

Okeechobee to the east and west coasts of Florida. In addition, **AIF SUPPORTS** the identification and funding for scientific research exploring causes and contributors to red tide and blue-green algae.

**AIF SUPPORTS** the following project and programmatic objectives below to achieve the restoration goals:

- Continued focus of resources north of Lake Okeechobee to capture, store and treat water before it enters the lake thus alleviating much of the excess nutrient loading.
- The completion of the Everglades Agricultural Area (EAA) reservoir as well as Comprehensive Everglades Restoration Plan (CERP) projects like the C-43 and C-44 reservoir projects to address local basin runoff.
- The implementation of the Aquifer Storage and Recovery Wells component of the CERP Lake Okeechobee Watershed Restoration Project which will alleviate up to 80% of the wet-weather discharges from Lake Okeechobee when combined with the currently authorized projects.
- Support continued implementation of the recommendations contained in the 2015 UF Water Institute study to find solutions which reduce harmful discharges including capture and storage north of Lake Okeechobee, underground storage options and completing the Lake Okeechobee Watershed Planning Project.

### Septic System Pollution Remediation

**AIF SUPPORTS** continued investment by the legislature to the Florida Department of Environmental Protection to administer a grant program enabling the transition of septic tanks to waste water treatment systems. Further, **AIF SUPPORTS** the allocations of resources specifically within areas discharging into Lake Okeechobee, the Indian River Lagoon, the St. Lucie or Caloosahatchee watersheds, or the Florida first and second order magnitude spring sheds.

### Alternative Water Supply and Reclaimed Water Legislation

**AIF SUPPORTS** legislation and funding which grows Florida's "water pie" including both support for alternative water supply projects and full implementation of the recommendations developed by the Potable Reuse Commission. **AIF SUPPORTS** policies which provide greater incentives to invest in these AWS projects including, but not limited to, long duration use permits—up to 50-years—which provide predictability and certainty for the capital investments; legislation which increases Florida's water supply by encouraging and providing incentives for greater utilization of reclaimed water; direct and indirect potable technology; as well as other alternative water supplies, where appropriate. As an example, **AIF SUPPORTS** the recommendations outlined in the Potable Reuse Commission's guidance document and report. **AIF** also **SUPPORTS** efforts to allow the owners of surface water storage projects providing

water resource benefits to be eligible for a consumptive use permit for 50 years.

### Fertilizer/Pesticides

**AIF SUPPORTS** legislation addressing the patchwork of inconsistent, unscientific, and arbitrary county and municipal ordinances related to fertilization of urban turf, lawns, and landscapes. AIF will continue to lead efforts to ensure sound science is the foundation of fertilizer use policies to protect Florida's environment and provide predictable guidelines for residential users and businesses without having to navigate through arbitrary and emotionally driven local government ordinances.

**AIF SUPPORTS** preserving the Florida Department of Agriculture and Consumer Services' exclusive authority to implement Florida Pesticide and Worker Safety Laws, including licensing, testing, and inspection activities designed to protect workers, the public, and our natural system.

**AIF OPPOSES** legislation which authorizes local jurisdictions to implement rules which require arbitrary pesticide or fertilizer formulations or application black-out periods.

**AIF SUPPORTS** the continued use of science-based, economically and technically feasible methods, including herbicide applications, for the management and control of aquatic weeds.

### Recycling

**AIF SUPPORTS** legislation to create increased access to recycling and collection systems which are efficient and financially sustainable for any recyclable material used for consumer goods, including plastic, aluminum, cardboard, paper, and glass.

**AIF OPPOSES** legislation that would impose bans or restrictions on materials defined as "recyclable" per *Florida Statute 403.706*.

### Rights of Nature

**AIF OPPOSES** efforts to create or recognize, directly or indirectly, standing for nature or natural systems. Such efforts are unneeded, would upend current regulatory frameworks, invite endless litigation, impose significant costs on both government and the private sector, and impede economic development as well as restoration projects.

### Pet Protections

Activists are working to shut down long-standing local businesses that provide Florida families with safe and healthy pets. They succeeded in California, banning the sale of pets in 2019. But their extreme actions resulted in a massive unregulated, scam-filled black market for pets. There is a better, more effective way to shut down "puppy mills" without closing down small businesses. There have been legislative proposals that would put bad breeders out of business in Florida and build on the federal protections already in place. Pet stores are required by federal law to purchase puppies from breeders that comply with the federal Animal Welfare Act and are licensed and inspected by the USDA. **AIF SUPPORTS** strengthening health, safety and welfare protections in Florida for



Representative Stan McClain (R-Ocala) moderates the Innovative Approaches to Water Resource Protection panel at the Florida Water Forum in Orlando.

dogs, cats and other animals sold through pet dealers or pet stores to keep good businesses in business and shut down bad breeders.

### Beach Renourishment

Florida's pristine beaches enhance our businesses, tourism and overall quality of life. Recently, severe storms and natural disasters have had a significant negative impact on our shorelines, communities, and businesses alike. **AIF SUPPORTS** continued investment by the legislature in beach renourishment and resiliency to restore, rebuild, and harden our beautiful coastline.

### Endangered Species

As development pressure increases in Florida, habitat for the state's wildlife species shrinks. This is especially critical for endangered species as identified by U.S. Fish and Wildlife Service and the Florida Wildlife Conservation Commission. Protection and conservation of listed species is important yet, the process for listing and delisting must be clear, predictable, and technically and economically feasible so as not to create regulatory chaos for the private sector to navigate. AIF appreciates the working relationships the regulatory agencies have fostered with the private sector historically, and **AIF SUPPORTS** the continued strengthening of the public-private partnerships in order to protect and conserve species.

### State Stormwater Rule

Creating consistency with rules and regulations provides direct benefits to the protection of our environmental resources while also providing regulatory certainty and predictability for regulated interest throughout the state. As Florida's population continues to grow, the need for updated stormwater rules is essential for businesses, communities, and residents. However, the need for updated rules cannot exceed the practical and technological capabilities which are currently available.

**AIF OPPOSES** proposed rules and policies which create confusion in their application or which are technologically and economically unfeasible to implement. Further, **AIF OPPOSES** any rules which fail to recognize and provide regulatory relief for the planning, design, engineering, construction, and operation of existing stormwater management systems.

### Fire Tax Assessment

In previous years, the legislature has attempted to provide clear direction to regulatory bodies for the development and implementation of fire tax assessments of agricultural lands. As a result, a patchwork of levied assessments have sprung up around the state which create an inequitable application of Fire Tax Assessments of agricultural lands as well as nonresidential farm buildings. This inequity has created an unlevel playing field for agricultural producers across the state and has unnecessarily created winners and losers throughout the industry.

**AIF SUPPORTS** legislation which increases the just value of non-residential farm buildings which are exempt from local fire assessments and also creates guidance which more fairly and equitably assesses agricultural land and nonresidential farm buildings for the purposes of Fire Tax Assessments.

## Health Care

A healthy and productive workforce is vital to Florida employers and the state's economy as a whole. To ensure a thriving Florida workforce, AIF will focus its efforts on proposals that seek to increase the accessibility and affordability of quality health care for Florida residents. Further, AIF will continue to encourage the legislature to leverage available federal funding that will deliver health care to more Floridians in a manner that best safeguards Florida's citizens and protects the state's financial health.



Representatives Jennifer Canady (R-Lakeland), Danny Alvarez (R-Riverview), Tiffany Esposito (R) and Brad Yeager (R-New Port Richey) at AIF's New Legislators' Reception in Tallahassee.

The following topics represent the types of inventive solutions for which AIF will advocate during the 2023 Legislative Session.

### Health Care Workforce

Florida is now the third most populous state in the nation. Our residents reflect diversity in age, income, talent and most importantly, needs. Almost one-fourth of the state's physicians are age 60 or older and will retire or cut back their practice within the next 10 years. These statistics illustrate the importance to increase our health care workforce.

**AIF SUPPORTS** increasing the number of graduate medical education slots available in Florida and urges consideration of other available workforce resources that are currently underutilized.

**AIF SUPPORTS** removing regulatory scope-of-practice obstacles for qualified health care professionals to ensure greater access to quality care for more Floridians at more affordable costs. Further, AIF will urge the legislature to encourage institutions of higher education to include technological advances in degree curriculum and recognize that private institutions of higher education contribute in a significant manner to those health care professionals who serve our residents.

### Health Care Staffing Shortage

Florida's health care practitioner shortfall is present and was well documented prior to the COVID-19 pandemic. The pandemic exacerbated the problem, and many health care facilities continue to struggle with staffing shortages as they work to meet the needs of the communities they serve. **AIF SUPPORTS** efforts to give Florida's health care facilities more flexibility related to staffing. Also, **AIF SUPPORTS** efforts to ensure Florida is training a robust and high-quality health care workforce for the future.

### Quality & Cost Protocols

Employers rely on insurers so that their employees receive access to the most clinically effective treatments. This allows employees to receive prompt, adequate care and be at work rather than at home or in the hospital. Currently, the many health insurance car-

riers in Florida employ robust policy product offerings containing medically proven prior-authorization and step-therapy programs. These policy product offerings are designed to reflect the protocols and standards of care, advanced and adopted by a vast array of specialty physicians, and founded on their latest evidence-based research. These procedures and protocols allow for the use of the safest, most appropriate cost-effective drugs, and permit the progression to other more costly drugs with more sophisticated interactions and side-effects, in accordance with FDA approvals. However, several legislative proposals have been initiated to dismantle this rational, cost-effective, and care-improving protocol, which would force insurers and consumers to purchase the most expensive drugs and treatments even when equally effective therapies are available at much lower costs. The use of specialty pharmacies, drug formularies, and cost-sharing incentives are examples of benefit designs that have helped and should be permitted to continue to help patients get the care they need while keeping their coverage affordable.

**AIF SUPPORTS** continued flexibility for health plans to ensure consumers receive high quality, high value, and affordable care, through continued use of innovative plan designs to achieve this balance.

**AIF SUPPORTS** modernizing the prior-authorization and step-therapy processes by automating them and requiring the use of electronic transmission of authorization requests.

**AIF SUPPORTS** requiring pharmacies to notify insurers when a drug coupon is used to process a claim as well as how much the coupon requires a consumer to pay for the drug.

**AIF OPPOSES** efforts to restrict health plans from using step-therapy and prior authorization to control costs and improve quality.

### Retroactive Claims Denials

Currently in Florida, insurers pay claims for members who have paid their premiums. **AIF OPPOSES** legislation requiring insurers to pay claims for all people, even those that have not paid their premiums, because it:

- TRIPLES the costly impact of the Obamacare grace period that allows people to use health insurance benefits they have not purchased.
- Raises costs on employers who would be required to pay health care expenses of people who are no longer employees.
- Forces consumers to pay the high costs of fraud, waste and abuse that would occur in the system.

### Pharmacy Benefit Managers

Florida businesses use pharmacy benefit managers (PBMs) to reduce the cost of drugs in their member health plans. **AIF OPPOSES** legislative attempts to lessen the effect of pharmacy benefit managers.



AIF's Vice President of Governmental Affairs, Adam Basford, updates AIF members at the Session Briefing in Tallahassee.

## Behavioral Health

Access to behavioral health care is critical for attracting new businesses to Florida, as well as for public safety. A robust behavioral health workforce is key. In an effort to ensure Florida has the behavioral health workforce necessary to meet the State's needs, **AIF SUPPORTS** interjurisdictional licensure compacts for behavioral health care practitioners. Additionally, Floridians in need of behavioral health care services deserve to be treated in the most appropriate settings. To that end, **AIF SUPPORTS** increasing access to community state hospital beds.

## Hospice Deregulation

Hospitals and emergency departments are overwhelmed with very sick patients suffering from chronic illnesses like lung and heart failure, many of whom are terminally ill. Most patients and families are unaware of palliative or hospice care services and that could be accessed earlier, and would save them undue financial burden and emotional distress. Twenty-five percent of all Medicare spending goes toward caring for people during their last year of life. These terminally ill patients are unaware of their treatment options and can spend up to \$57,000 annually in healthcare costs.

Allowing hospitals to provide hospice care to its patients will help keep care streamlined and will avoid unnecessary re-admissions. If all healthcare providers associated with the patient's care are aware of the options and history of the patient, care will flow better. Currently, only 13 states require a Certificate of Need (CON) for hospice services. Florida is also unique as no CON is required for home health but is for hospice.

**AIF SUPPORTS** removing Florida's Certificate of Need process for hospice. Florida's current Certificate of Need process is bureaucratic and out-of-date. If the patient or their family wishes to have the hospital provide hospice care, they shouldn't be stopped from doing what's best for the patient. 'Need' should be determined by the patient or their caregiver, not Tallahassee. **AIF SUPPORTS** deregulating the hospice industry so hospitals can provide hospice care to patients if they so choose to.

## Insurance

For years, Florida has been identified as an outlier on civil justice. Often referred to as a "judicial hellhole," the status of the state's tort climate is a troubling cohort to the disasters not of our making, like hurricanes. Governor DeSantis has appointed several textualists to the state's highest court, in addition to many other similar appointments to lower courts. With this return to the strict construction of the law, civil justice progress is being made, aligning Florida with federal courts on admissibility of expert evidence, availability of summary judgment, and in protecting employers from discovery fishing expeditions.

However, these jurists' commitment to the rule of law means that they will not engage in policymaking, reaffirming the importance of the legislature to intervene on significant civil justice matters.

In 2022, Gov. DeSantis called two special sessions to deal with the most persistent problem for the property market: the one-way attorney fee statute. The same reforms should be extended to other first party coverages with haste. Additionally, focus should be on the insurance drivers plaguing businesses, which are most commonly found in liability coverages. This includes the introduction of trumped-up medical damages in personal injury suits, rejecting any new causes of action, and addressing issues that plague the state's worsening housing affordability crisis.

Fortunately, the life and health markets are stable, and continue to promote sensible policies that increase access, promote affordability, and enhance competition.

**AIF** will continue to **SUPPORT** responsible measures that remove cost drivers, increase regulatory efficiency, and foster stability for the insurance-buying public.

## Civil Justice Reforms

### First-Party Reforms: Complete One-Way Fee Repeal and Eradicate Frivolous Assignment of Benefits (AOB) and Related Gamesmanship

First-party insurance disputes are enforced by a party to the contract. They include things such as property insurance, personal injury protection (PIP), and auto physical damage coverages.

While the legislature has done significant work to improve the property insurance market, from making the one-way attorney fee statutes non-assignable in May 2022, to extinguishing the one-way fee for property insurance contracts in December 2022, this same

amendment to the one-way fee statute should be extended to all first-party coverages.

Litigation continues to escalate on issues regarding manufactured price disputes, intended solely to access the one-way attorney fee statute, for auto physical damage (i.e., auto glass) as well as in personal injury protection policies. Many of these lawyers file thousands, sometimes tens of thousands, of first party AOB lawsuits over small dollar disputes that are often inflated simply to access lucrative attorney's fees. This has created a solicitous industry for certain glass repair shops, who have been found encouraging consumers to file insurance claims for the replacement of perfectly intact windshields. For PIP, it threatens to jeopardize Florida's ability to keep a first-party medical payments coverage in auto insurance, as PIP becomes increasingly expensive for a low dollar coverage. These abuses should be eliminated so that the abundantly unfair wealth transfer—from every single person who pays for auto insurance in Florida, to a few first-party plaintiff's attorneys—comes to a screeching halt.

**AIF SUPPORTS** consistent reforms to the one-way attorney fee statute.

## Other Reforms

The Florida Legislature has rightly focused on property insurance, but the litigation insurance tax persists in other coverages as well. Many of the reforms that are required involve third-party and liability coverages and are summarized below. The people and businesses who will be positively affected by these reforms include anyone who purchases liability insurance: be it for their car, their furniture store, their trucking fleet, their real estate project, or for protection in their professional endeavors. Many of these reforms will help address the problem of “nuclear verdicts,” meaning verdicts which are so high as to defy logic and require much imagination to achieve—for example, in the form of trumped-up medical damages. These reforms will also go a long way to stabilizing the cost of other insurance coverages, which have continued to increase, and in some cases, become unattainable.

## Inflated Damages Reform

Trial lawyers and a few doctors currently game judges and juries by entering into evidence fake medical bills under what is commonly referred to as letters of protection (LOPs). These LOPs are used to inflate medical expenses, driving up economic damages, and causing a domino effect on the amount of non-economic damages. Florida law should require that if medical expenses have already been paid, only evidence of the amount actually paid for medically necessary treatments is admissible. Florida law should also recognize common sense evidentiary principles, such as allowing a trier of fact to hear factors such as reasonableness, necessity, and customary charges for future treatment. The legislature should also reject the last Florida Supreme Court's wayward decision in *Worley* and allow evidence of an attorney or law firm's ongoing referral relationship with

treating physicians to create parity with the manner in which doctors called by the defense are treated.

**AIF SUPPORTS** policies to ensure that only real medical damages are used as evidence in personal injury cases. **AIF SUPPORTS** rules in liability cases that are clear, fair, and uniform. Unfortunately, Florida law allows third party claimants' lawyers to game the system, while first parties are governed by a statutory system that at least provides some minimal parameters of fair dealing.

## Fair Settlement

Another classic trial lawyer game manifests itself in liability cases in an effort to access extra-contractual damages. This game was made even easier by the departing Florida Supreme Court in *Harvey*, which essentially ruled that mere negligence by an employee of an insurer can transform a \$10,000 insurance policy into millions.

**AIF SUPPORTS** common sense rules for how extracontractual damages can be awarded in insurance cases. **AIF SUPPORTS** legislation that establishes a period during which an insurer may investigate a claim and, if warranted, tender policy limits to settle. An offer of policy limits should be legally sufficient to demonstrate a “good faith” effort by the insurer to settle in the interests of its policyholder. Further, lawyers for claimants should also be held to a good faith standard and evidence of gamesmanship on their part should preclude an award of extra-contractual damages.

## Litigation Financing

Injured parties are currently being preyed upon by speculators who provide up-front cash investments, then take a portion of litigation recoveries and charge exorbitant interest rates. These “investments” put undue incentive on plaintiffs to recover much more than what they are actually owed to make them whole, due to the fact that they have to repay a predatory loan.

**AIF SUPPORTS** requiring parties to disclose copies of these agreements to other parties so that these speculators cannot operate in the shadows.

## Construction Defects

Intended to allow parties to resolve disputes prior to litigation, the Chapter 558 pre-suit process has been diluted by the former Florida Supreme Court, hampering the ability of parties to resolve concerns about construction defects. **AIF SUPPORTS** a legislative solution in the form of a transparent, meaningful pre-suit process by which parties can attempt to remedy defect concerns, thereby avoiding unnecessary litigation and allowing for a positive impact on commercial insurance premiums. Further, **AIF SUPPORTS** alternative dispute resolution processes by which parties can attempt to avoid litigation and also receive a fair and comprehensive remedy.

## Premises Liability

Businesses and landowners offer valuable services to Floridians — from housing to groceries and everything in between. They

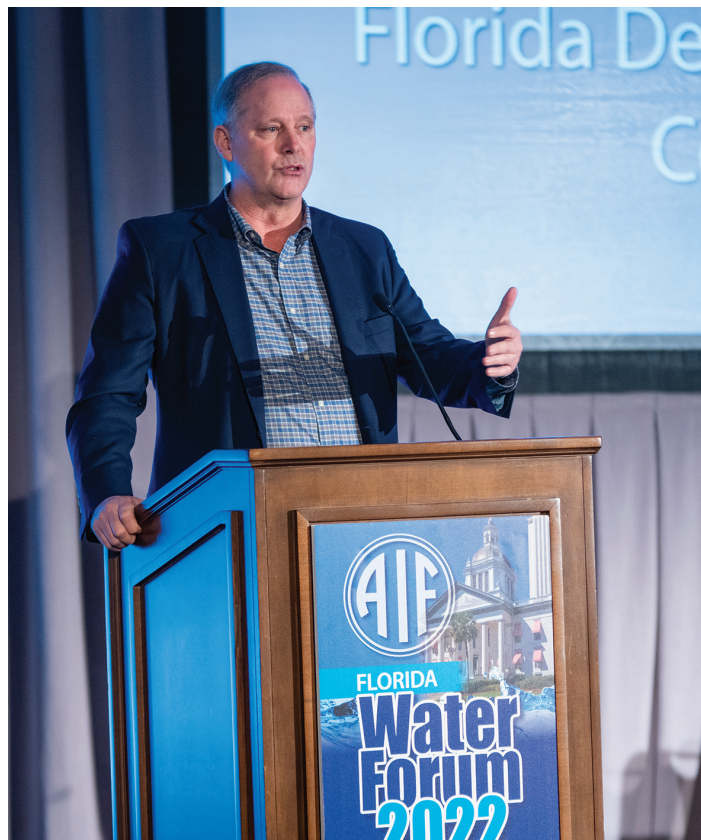
want to protect their customers and residents in order for their business to prosper and thrive. Unfortunately, sometimes bad things do happen. However, consideration should be given to creating a more balanced standard for proving liability on the part of a premises owner when such unfortunate incidents occur. Currently, Florida's comparative fault statute does not allow juries to consider the fault of a third-party actor in many cases, shifting liability for that person's actions completely onto a premises owner for failing to prevent the third party's actions. Juries should be able to hear all relevant evidence and appropriately assess the culpability of all parties involved. Similarly, a new standard of proof for such cases, akin to the one for slips and falls on transitory substances, should be explored.

**AIF SUPPORTS** a level playing field for premises liability, where-by owners are only charged with preventing the preventable.

### Liability Protection Parity

Those who provide the most critical services—from skilled nursing to affordable housing—should not be penalized for taking on the toughest tasks in our state. To this end, any liability protections should extend across the board to all industries. For example, much like necessary protections exist for hospitals and physicians, they should exist for other providers performing similar services, such as assisted living facilities and nursing homes. A patchwork civil justice system results in exploitative litigation conduct, driving costs for the end users of the good or service.

**AIF SUPPORTS** ensuring that industries receive consistent civil justice rules and regulations.



### Oppose New Causes of Action

Florida has seen a number of proposals over the years to expand civil liability, harming businesses while enriching trial lawyers. Any drive down I-75 will confirm that the trial bar is doing just fine. For this, and a multitude of other reasons, those who create products, offer necessary services, deliver desired goods, and improve the quality of life in Florida should not be taxed through additional litigation.

For example, the business community takes data privacy very seriously, and is supportive of enhancing protections for private information. However, creating a new private right of action will only shift expenses and costs to paying lawyers, instead of to the infrastructure and tools that aid the prevention of cyber-attacks and data breaches.

Common sense regulation can be accomplished without expanding causes of action. The business community welcomes conversations to address needs as they emerge to create a framework that protects consumers while not creating a cost shift.

**AIF OPPOSES** any new causes of action that enrich trial lawyers at the expense of businesses that produce goods and services on which all Floridians rely.

### Property Insurance Market

#### The Florida Hurricane Catastrophe Fund

The Florida Catastrophe Fund is a state-run program that provides reinsurance coverage. Over the last decade, its capable management has allowed Florida to benefit from this reinsurance backup without the need to resort to assessments on private insurance policies. Despite this, some seek to change the operation of the CAT Fund to include more coverage at lower levels.

Given the state of the market, the legislature has authorized two temporary programs—RAP and FORA—at levels of coverage for which the private reinsurance market, at present, has little capacity. AIF is grateful that the legislature chose to create these programs outside of the main structure of the CAT Fund, protecting its cash on hand and bonding abilities. We are hopeful that, upon the Florida market's return to a semblance of health after recent litigation reforms become fully effective, both RAP and FORA will have served their purpose as an effective bridge to a more stable and competitive market. Importantly, a market that the global reinsurance market can again support, shifting the stress of potential assessments off of Florida businesses.

#### Citizens Property Insurance Corporation

Much like the CAT Fund, Citizens Property Insurance Corporation's leadership has led to a dramatic, but positive, realignment of risk from the state to the private market. Citizens has, to the extent possible, attempted to return to its original goal of being an "insurer of last resort." The rate cap, in conjunction with unfortunate market developments such as the proliferation of litigation and the

Keynote speaker Commissioner Wilton Simpson, Florida Department of Agriculture & Consumer Services, at the Florida Water Forum in Orlando.



deterioration of the private market, took Citizens on an unsustainable trajectory relative to its significant policy count growth. In December 2022, the legislature enacted reforms to ameliorate some of Citizens' rate needs, which will inevitably minimize the potential of assessments. AIF is supportive of the legislature's work to return Citizens to a true residual market entity and fixing the litigation problems that created its quick expansion.

## Other Insurance

### Health Insurance

In recent years, proposals that seek to make health care more expensive have proliferated in the Florida Legislature. These include limitations on effective step-therapy protocols, restraints on mail order pharmacy fills, restrictions on necessary formulary updates, and reforms that would inappropriately incentivize unreimbursable care. **AIF OPPOSES** legislation that increases the cost of health care, or that discourages safe, effective, and proven methods that achieve cost savings without jeopardizing high quality health services or positive patient outcomes.

Further, consistent with the experience of many other states, Florida has experienced a severe opioid crisis. **AIF SUPPORTS** the efforts of our Governor and political leaders to provide common sense solutions to this public health epidemic. These include limiting the availability of addictive opioids, promoting nonaddictive alternatives, and expanding access to opioid antagonists that can save lives while promoting appropriate therapeutic care for victims.

### Life Insurance

Life insurance is a product purchased to protect family members and loved ones upon passing. Akin to every other type of insurance, risk is a factor in how premiums are calculated for life insurance. Therefore, medical documentation is routinely reviewed before a life insurance policy is bound to ensure the appropriateness of the premium.

Recently, with the advent of genetic testing, some are advocating that such information not be included as part of a medical review. This creates a tremendous cost shift in the marketplace and allows for adverse selection, which has the very real potential of creating significant rate distortions for premium payers. AIF believes that all insurers, due to their inherent business goal of covering risk, must be allowed to fully evaluate that risk before they then decide to risk its capital, which is supported by all other premium payers. Not doing so ignores the practical reality of insurance and creates market aberrations.

**AIF SUPPORTS** a strong and competitive life insurance market.

### Workers' Compensation

Although Florida's workers' compensation marketplace was dealt several curveballs from the Florida Supreme Court, which pose a great risk to the litigiousness of the system, rates have not yet borne out the full brunt of the associated costs. Positive loss experience has led to several rate decreases in the most recent

National Council on Compensation Insurance (NCCI) annual filings. However, the industry is bracing for the eventual impact of unchecked attorney's fees, which are likely to erode the moderating effects of the rate decreases. AIF and its Workers' Compensation Coalition are actively monitoring the trends in this system to ensure that action is taken, as appropriate, for the benefit of employers and employees.

## Manufacturing, Aerospace & Defense

As the state affiliate for the National Association of Manufacturers, AIF is committed to ushering in the next generation of manufacturing in Florida through educating both our current and future workforce, bolstering the state's supply chain, providing flexibility for the implementation of cutting-edge technology and creating new opportunities while capitalizing on those that currently exist.

Florida's manufacturing sector is the highest indirect job creator of any employment sector in the state—with three indirect jobs created for every manufacturing job. In other words, Florida's roughly 380,000 manufacturing jobs create one million additional jobs for Floridians. The state's manufacturing sector is also a significant provider of high wage and high value-added jobs. The intrinsic value of Florida's manufacturing sector is unquestionable as our leaders continue to work toward diversification of our state's economy.

For over a decade, AIF's Manufacturing, Aerospace and Defense Council (MAD) has established itself as a leading advocate for pro-manufacturing policies. The Council was instrumental in passing the "Manufacturing Competitiveness Act"—legislation that has given Florida manufacturers the ability to effectively respond to national and world market opportunities and move Florida into a more competitive recruiting position among states seeking to reinvigorate the manufacturing sector of their economy. Additionally, this Council played a key role in passing a permanent elimination of sales tax on manufacturing equipment—encouraging Florida's manufacturers to reinvest and grow their businesses.

In 2023, the MAD Council will look to build on its successes. To that end, **AIF SUPPORTS** continuing state efforts to enhance and grow the manufacturing workforce by:

- Expanding access to manufacturing career academies for middle and high school students by investing in career-tech programs for priority sectors that culminate in associate degrees (5-6 year programs).
- Expanding opportunities for pathways to earning stackable workforce national certifications that articulate college credit leading to high-skill, high-wage careers.
- Expanding the use of short-term and on the job training programs.
- Strengthening the resilience of Florida's manufacturing sector and economic development initiatives by investing in programs focused on accelerating the adoption and



Senate President Kathleen Passidomo (R-Naples) speaking to members at AIF's Session Briefing in Tallahassee.

use of advanced digital technologies.

- Continuing efforts to repeal the tax imposed on commercial leases.
- Continuing to create capital investment incentives and increase funding for the research and development tax credit.
- Encouraging increased industry participation in workforce apprenticeship programs by adopting measures to offset costs required to implement effective "earn-and-learn" programs that enable students to transition into longer-term career job opportunities.
- Reauthorizing and funding the Qualified Defense and Space Contractor Tax Refund in statute to attract defense contracts to the state of Florida.
- Reauthorizing the Qualified Target Industry (QTI) Tax Refund Program to create jobs in advanced manufacturing.
- Allowing local governments to consider jobs retained in the same manner they consider jobs created from capital investment to existing businesses when approving property tax abatement.
- Creating and expanding programs to ensure the deployment of competency-based training leading to National Third-Party Certifications and initiatives that help upskill the knowledge and skills of the Florida Workforce to create and maintain an exceptional talent base.
- Establishing a Florida supplier tax credit initiative to encourage use and development of local suppliers and contribute to developing a more robust and resilient supply chain.
- Appropriating recurring state matching funds to secure the federal investment by the National Institute of Standards and Technology (an agency of the U.S. Department of Commerce) in a statewide, manufacturing extension partnership (MEP) program for Florida to strengthen and

advance the manufacturing economy by improving the productivity and technological performance of Florida's manufacturers.

## Taxation

### Sales Tax on Energy

**AIF SUPPORTS** reducing the state sales tax on commercial electricity and gas consumption. Reducing this expense is a good way to make Florida more attractive for businesses to locate in the state.

### Corporate Income Tax

**AIF SUPPORTS** efforts to reduce or permanently eliminate corporate income tax on Florida businesses. The reduction or elimination of this tax will reduce the cost of doing business in Florida, attract more businesses to the state, and diversify Florida's economy by helping more businesses succeed. In addition, this effort to reduce or repeal the corporate income tax provides an excellent incentive for businesses to expand in Florida and for companies looking to relocate here.

**AIF OPPOSES** any structural changes to the corporate income tax which would increase taxes and/or increase compliance costs to Florida's businesses, such as combined reporting or "water's edge."

**AIF SUPPORTS** legislation that would decouple Florida's Corporate Income Tax from provisions enacted in late 2017 by the federal government. Florida should decouple from the Section 163(j) limitation on interest deductibility.

The Florida Department of Revenue issued its final report on the state impact of the Tax Cuts and Jobs Act (TCJA) on the Florida tax base. With respect to 965 income, the Department

confirms that 965 income is not included in the Florida tax base, therefore no legislative action is needed. With respect to Section 163(j), the Department confirms that the limitation will be included in the computation of the state tax base and provides that the Florida taxpayer would re-compute the Section 163(j) limitation on a separate company basis since Florida is a separate reporting state.

**AIF SUPPORTS** legislation that would correct the Florida Corporate Income Tax issue associated with Congress' repeal of like-kind exchange for personal property under the TCJA. At the federal level, the repeal in like-kind exchange was mitigated by the 100% bonus depreciation deduction. However, Florida requires bonus depreciation to be added back and deducted over seven years. As an example, for leasing car companies, a typical lease on a car is three years. For Florida income tax purposes, businesses may be required to depreciate assets long after those assets have been disposed of by the business.

**AIF SUPPORTS** federal conformity legislation that supports business growth and minimizes the taxpayer's compliance burden.

### Business Rent Tax

**AIF SUPPORTS** the continued incremental reduction of taxes imposed on rental or license fees charged for use of commercial real property. Florida is the only state that charges taxes on the lease of commercial property. While this is a major part of the state's tax revenues, we believe the reduction adopted in 2021 should be fully implemented and ultimately, this tax should be repealed to enhance the business-friendly climate in Florida.

### Sales Tax Holidays for School and Hurricane Supplies

**AIF SUPPORTS** sales tax holidays for school supplies, hurricane or disaster preparedness supplies, and purchases by veterans. We believe these tax holidays are a win-win for both consumers and the state as sales tend to increase more than they would without the tax holiday.

### Research and Development Tax Credit on Corporate Income Tax

**AIF SUPPORTS** the elimination of the \$9 million annual cap on research and development credits applied against state income tax. Additional credits would encourage an increase in research and development work in Florida as well as incentivize research and development enterprises to move to the state.

### Communications Service Tax—Land Line, Wireless, Cable TV and Satellite TV Services

**AIF SUPPORTS** continued reductions in the state portion of the communications service tax (CST) and supports reviewing and standardizing the local communications services tax rates.

Floridians pay the CST on their monthly wireless, wireline, and satellite communications services bills. The CST specifically applies to residential, business and wireless phone service, cable, and satellite television services. The tax rate on communications services is higher than on general sales of other goods and services by Floridians and makes the communications services expense a significant recurring monthly expense for consumers. Additionally, moving to standard local communications services tax rates brings more transparency to consumers who don't understand why their friends/family who live in a neighboring city or county pay a different tax rate and makes the tax more efficient for DOR to administer and for providers to comply. **AIF SUPPORTS** efforts to further streamline and improve the administration of this complicated tax structure to provide more efficiencies and transparency.

### Broadband Equipment Sales Tax Exemption

**AIF SUPPORTS** exempting network investment or business inputs used to provide broadband communications services from sales and use tax. Taxing network investments or business inputs creates an increase in costs for businesses that result in increased costs for the consumer and has the potential to delay the further deployment of broadband communication services in certain parts of the state. Further, as Florida prepares to award \$400 million in state broadband deployment grant dollars—and another \$367 million in federal pass through broadband funds—a tax on broadband equipment reduces the ability to maximize the use of these funds to deliver broadband communications services to Floridians who currently lack available broadband communications services.

### Services Tax

**AIF OPPOSES** any legislation, administrative rule or proposed constitutional amendment that would attempt to create a new tax on services. Any tax on services would put Florida businesses at a competitive disadvantage and would discourage new businesses from coming to the state.

### Production Industry Programs

**AIF SUPPORTS** the production industry tax credit/rebate program, including sales tax exemptions for motion picture, sound, and video equipment. This economic development program and tax exemption allows Florida to compete with other states and international locations for economic development generated by attracting feature films, high impact television, and digital media productions.

### Urban and Rural Jobs Tax Credit Programs

**AIF SUPPORTS** the Urban and Rural Jobs Tax Credit Programs. These programs encourage economic activity and job creation in areas designated as high crime areas as well as designated Qualified Rural Areas.



New Legislature members Senator Alexis Calatayud (R-Miami), Representatives Vicki Lopez (R-Miami), Katherine Waldron (D-Palm Beach) and Shane Abbott (R-DeFuniak Springs) at AIF's Annual Conference in Orlando.

### Salary Tax Credit

**AIF OPPOSES** legislation that would remove the insurance salary tax credit. Repeal of this credit would cause a nearly \$300 million tax increase on Florida's insurance industry, resulting in an increase in insurance premiums for Florida's business community. Florida is one of only a few states that have two separate taxes for insurers—a corporate income tax paid by all businesses and a second, punitive tax on the insurance premiums paid by Floridians. This premium tax credit was created in 1987 to lessen the burden on insurers while also allowing them to reinvest these funds back into their business. Repealing this insurance salary tax credit would remove the mechanism that helps keep insurance rates for everyday Floridians as low as possible.

### Water Extraction Tax

According to the International Bottled Water Association, bottled water usage represents only .004% of water usage in the U.S. Enacting a tax on bottled water would mark the first time a severance tax is imposed on a renewable resource. As such, **AIF OPPOSES** legislation imposing an excise tax on bottled water.

### Documentary Stamp Tax Exemption for No Interest Notes

**AIF SUPPORTS** legislation that would exempt promissory notes, nonnegotiable notes, and written obligations to pay money from the documentary stamp tax when such documents provide that no interest will be charged.

### Tourist Development Tax

**AIF OPPOSES** expanded uses of Tourist Development Tax (TDT) revenues unrelated to the promotion and marketing of

tourism. Providing local governments the authority to spend TDT revenues for new uses will hinder the effectiveness of these limited revenues and negatively impact the ability to promote Florida's tourism industry.

## Transportation & Maritime

### Transportation Trust Fund and Dedicated Funding

In a state as large and populous as the state of Florida, transportation and infrastructure funding must remain at the forefront of public policy and will always be one of the most important pieces of the state budget. Over the years, partnerships with local governments and alternative financing mechanisms have played a role in meeting the state's demands. Fundamentally, however, Florida still relies almost entirely on the State Transportation Trust Fund (STTF) as the primary source for funding state infrastructure. Necessary infrastructure needs such as bridges, ports, airports and roads all require complex, long-term planning to ensure maximum efficiency in serving Floridian's transportation needs. Any disruption to funding these projects would have significant effects on the state's ability to keep pace with the demands of growth. The fact remains that infrastructure projects produce important economic activity in Florida. For this to continue, policymakers must invest in this industry.

The Florida Legislature and the DeSantis Administration funded over \$12 billion in infrastructure projects in the 2022-2023 budget. **AIF SUPPORTS** this level of funding for the FY 2023-2024 budget for transportation. Additionally, **AIF SUPPORTS** the Florida Legislature and the DeSantis Administration to work with transportation leaders across the state in utilizing a por-



Congressman Neal Dunn speaking to members at AIF's Annual Conference in Orlando.

tion of state reserves for large, forward-thinking infrastructure projects that are currently outside the state's work program.

**AIF OPPOSES** redirecting financial resources and STTF commitments to any areas other than the STTF, or sweeping funds from the STTF to areas outside of transportation infrastructure.

### Alternatives for Funding Florida's Transportation Infrastructure

Funding mechanisms for the state's transportation needs vary with a number of funding sources dedicated to infrastructure projects, both at the state level and local level, with the heaviest reliance on the STTF. Gas tax revenues have long been the primary source of these funds, leveraging the state's robust tourism industry to help in this regard. Yet experts in infrastructure policy have long warned that with the emergence of fuel efficiency standards, vehicle technology and electric vehicle sales, Florida's dependence on gas tax revenues as a major source of infrastructure funding is not as sustainable as it appeared to have been a decade ago. Additionally, the pandemic caused a change in work environments as well as a decline in the commute of Florida's massive workforce in some areas of the state. To that end, public policy makers and state officials must continue to seek alternative funding mechanisms intended to compliment the gas tax as the primary source of funding. With the technological vehicle advancements siphoning tax dollars away from the gas tax, Florida must ensure the drivers of those vehicles are paying their share of transportation funding. Other states have advanced user fees for these type vehicles, and Florida should explore all options.

**AIF** continues to **SUPPORT** exploring alternative solutions to the state's current reliance on a declining gas tax revenue for state infrastructure needs.

### Autonomous Vehicles

Autonomous vehicles (AV) represent the most progressive of all innovations in the transportation industry today. Since 2012, Florida has tested and formed public policy to advance the use of AVs so that companies can have predictability as they enter the Florida marketplace. While comfort and convenience are important factors in Floridians choosing this innovation, a driving factor that is occasionally overlooked is the public safety aspect of AVs on the roadways. In 2016, 40,000 people died in vehicle-related crashes across America—a 6% increase from 2015. There were over two million crashes, many with serious injuries and property damage. Of these crashes, 94% were the result of human error. AVs should be part of the solution to save lives and prevent injuries and property damage. AVs also have tremendous potential to benefit underserved communities that do not have access to mass transit, and can provide independence to people who have not been able to drive a vehicle due to disabilities. In addition to the societal benefits, AVs will provide economic benefits such as reshaped and reduced land use and roadway infrastructure, reduced traffic congestion, saved time, and reduced energy consumption.

Although Florida already has broad authority for AV operation in the state, there are certain provisions within the existing motor vehicle laws that require or presume there is a human driver behind the wheel. Florida has multiple communications companies that have deployed both wireline and wireless broadband networks to support AV operation and further investments. Upgrades to these networks should not face delays by unnecessary and overly burdensome regulatory, operational, or financial barriers and costs imposed by local governments. **AIF SUPPORTS** modernizing state law to accommodate for self-driving technologies that open the door for safe, reliable modes of AVs in a competitive marketplace with clear, limited government regulations.

### Florida Seaport Transportation and Economic Development Program (FSTED)

Florida's unique geographic proximity to the Americas requires a certain level of commitment from local, state, and federal governments to maximize the effectiveness of the port system around the state and ensure a steady pace of economic growth. Florida has successfully advanced the maritime industry by appointing quality candidates to the port authority, reducing regulations, and by fostering strategic partnerships within the port system. The Florida Seaport Transportation and Economic Development Program (FSTED) is a notable example of a program that continues to support ports around the state. FSTED provides crucial funds which serve as an important mechanism for seaport capital improvement projects that will continue to grow the state's seaport footprint at home and abroad. In recent years, deep water ports have had a challenge acquiring the land necessary to grow the port system, making the continuation of this program even more necessary for the expansion of Florida's maritime activity.



Senator Jay Trumbull (R-Panama City) at AIF's Session Briefing in Tallahassee.

**AIF SUPPORTS** maintaining \$25 million in funding for the FSTED program to support Florida's ports. Also, **AIF SUPPORTS** the FDOT Business Development Program as a mechanism to help educate and provide expertise to small Florida businesses looking to work within the Department's often complex procurement process.

### Critical Infrastructure Safety

Critical infrastructure facilities are identified and defined in several sections of the Florida Statutes. Some examples of these facilities are electric power plants, mining facilities, gas pipelines, and local and state correctional detention facilities. These facilities serve various purposes such as emergency management, heightened security and oversight, and limiting access to enhance public safety. Increasingly however, Florida's deepwater ports are diversifying their services to a wider array of industries that often require a heightened level of security. Adding Florida's deepwater ports to all statutory lists or definitions of critical infrastructure will increase safety for the ports, their employees, their tenants, and industry stakeholders.

**AIF SUPPORTS** adding greater protection for Florida's deepwater ports by including them and their facilities as critical infrastructure in Florida law.

### Supply Chain and Logistical Issues

Supply chains are essential in providing critical supplies throughout the United States. Currently, the country is experiencing severe back-ups of supply chains due to the pandemic and an overall lack of employees physically present at ports across the nation. Though most imports brought into the U.S. come into California ports, Florida has an opportunity under the leadership of Governor DeSantis to utilize our port capacities to bring in cargo by way of welcoming the reroute of cargo ships. Florida

must curate a specific plan to bring cargo of all sizes to our ports. **AIF SUPPORTS** working with the Governor and FDOT to find key solutions that address the supply chain crisis and urge the use of Florida ports to alleviate the severe back-up of cargo into the U.S.

### Infrastructure Work Zone Safety

There has been an increase in the number of severe injuries and fatalities across Florida's infrastructure sector. Along roadway construction sites or projects in our ports, the men and women who play a vital role in the state's infrastructure industry are being subject to harm's way, often by distracted or impaired drivers. In the asphalt roadbuilding industry alone, there were a number of fatalities in 2019 all along Florida's roadways. AIF's position has always been that a single fatality is simply one too many. There have been various proposals over the years to reclaim safety in these working environments, and AIF will continue to support these measures. Additionally, both local and state governments should seek stiffer penalties for distracted or impaired drivers. Speed cameras in construction zones, and higher monetary fines should all be considered. The state should also consider increasing safety driving course requirements and a statewide educational campaign centered around safe driving measures.

**AIF SUPPORTS** promoting increased safety measures intended to curb distracted or impaired driving around Florida's infrastructure work zones and projects. Increasing enforcement, monetary fines and additional safe driving efforts should all be considered.

### Emergency Declarations

From hurricanes to pandemics, emergency situations have significant impacts on Florida's businesses. Working through these emergencies has helped Florida become a leader in emergency management.

As Florida is particularly susceptible to hurricanes, the state needs to continue to improve its response.

**AIF SUPPORTS** reasonably streamlining emergency functions during a State of Emergency.

**AIF SUPPORTS** automatic statutory extensions for the payment of state taxes upon the issuance of a State of Emergency by the Governor.

### Franchise Agreements

**AIF OPPOSES** legislation that would intervene in any contractual agreement voluntarily entered into by a franchise and a manufacturer. Additionally, **AIF OPPOSES** dictating new terms and conditions of such mutual agreement that favor one party over the other. Legislation enacted over the past twenty years has successfully given dealers extensive additional rights, continuously crippled manufacturers' contract rights, and increased costs to consumers.

For more, visit us at [AIF.com](http://AIF.com).



# ADVOCACY TEAM

Visit [AIF.com](http://AIF.com) for more information on AIF's Advocacy Team.

A powerful force for more than 100 years, AIF will continue to promote the issues vital to the state's business community while navigating the 21st century with visionary leadership and enterprising strategies to promote a prosperous future for Florida through unparalleled lobbying and political action.

## AIF TEAM



**Brewster B. Bevis**  
President & Chief Executive Officer



**Adam D. Basford**  
Vice President – Governmental Affairs



**J. Tanner Warwick**  
Legislative Assistant



**Slater Bayliss**  
The Advocacy Partners



**Jon Costello**  
Capitol Strategy Group



**Ashley Kalifeh**  
Capital City Consulting



**Melissa Joiner Ramba**  
Floridian Partners



**Sarah B. Suskey**  
The Advocacy Partners



**Jorge Chamizo**  
Floridian Partners



**Charles F. Dudley**  
Floridian Partners



**Andy Palmer**  
Metz, Husband & Daughton, PA

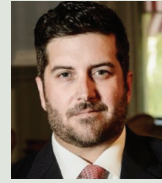


**Steve Schale**  
The Advocacy Partners



**Jeff Woodburn**  
The Advocacy Partners

## CONSULTANTS



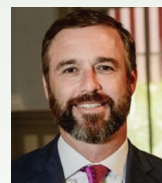
**Chris Chaney**  
The Advocacy Partners



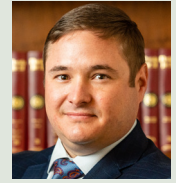
**Leslie Dughi**  
Metz, Husband & Daughton, PA



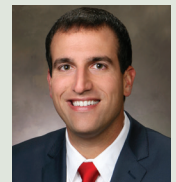
**Toby Philpot**  
Floridian Partners



**Stephen W. Shiver**  
The Advocacy Partners



**Chris Coker**  
Coker Consulting



**Cory Guzzo**  
Floridian Partners



**W. Mark Powell**  
Capitol Advisory Group



**Jim Spratt**  
Magnolia Strategies



Follow Us on Twitter  @VoiceofFLBiz

## ASSOCIATED INDUSTRIES OF FLORIDA

516 NORTH ADAMS STREET  
P.O. BOX 784 • TALLAHASSEE, FL 32302-0784

PRESORTED  
STANDARD  
US POSTAGE PAID  
TALLAHASSEE FL  
PERMIT NO 801

# Associated Industries of Florida



516 North Adams Street • Tallahassee, Florida 32301



850.224.7173



aif@aif.com



**AIF.com**



@VoiceofFLBiz