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2006 AIF Lobby Team

They were victories 16, 33, even 75 years in the making.

In 1931, amid the economic and social turmoil of the Great Depression, the Florida Legislature enacted a tax on intangible personal property that represented money saved and invested.

In 1973, the Florida Supreme Court rendered a decision that left any economically successful company or individual at the mercy of an unfair legal system.

In 1990, confronted by an economic downturn and declining state revenues, state lawmakers enacted a temporary per-drink tax on alcoholic beverages sold in bars, restaurants, and lounges.

In 2006, efforts led by AIF to repeal each of these destructive policies finally met with success.

In the following pages we outline these and other victories won on behalf of Florida's employers. None of these accomplishments would have been possible without the leadership and support of Gov. Jeb Bush, Senate President Tom Lee (R-Brandon), and House Speaker Allan Bense (R-Panama City).

Those three gentlemen share something in common besides their pursuit of economically wise public policies. For Gov. Bush, Sen. Lee, and Rep. Bense, the 2006 Session was the last they would spend in their respective seats of power. Sen. Lee wants to become the state's next chief financial officer. The political horizons for the governor and House speaker remain unclear.

Their departure means that next year the

business community will have to work with a new governor, Cabinet, Senate president, and House speaker, along with at least 40 new lawmakers. Their performance during the 2006 Legislative Session proves the value of the last eight years of political efforts by AIF.

It also shows that the battle must begin anew. Eight-year term limits mean constant turnover in top elected offices, which can translate to eternal life for disastrous policy choices and failed solutions.

Every law, regulation, and court decision made by Florida's various branches and arms of government, no matter how negative, creates some group devoted to protecting the status quo. They are the groups AIF must battle every time it lobbies for changes that will promote the prosperity of Florida's business owners and managers, the workers they employ, and the citizens they serve.

As new lawmakers enter the public fray, they lack institutional memory and experience and must be educated anew about why something that seems like a good idea to one of these interest groups has already been tried and failed.

The 2006 Legislative Session may have been the best in AIF's 80 years of advocacy, but there's no time to bask in the glow of our success. It's time to get back to the hard work of ensuring Florida's future prosperity. ■

Jacquelyn Horkan is a freelance writer who has covered business and politics for more than 20 years (e-mail: jqhorkan@comcast.net).



What's Next?

By Barney T. Bishop III

The 2006 legislative session may have been our best session ever, but at AIF we're already asking ourselves, what's next?

Our state's economy is dynamic and ever-changing, somewhat like a man-made force of nature. And like our environment, our economy can be helped along or it can be destroyed by the actions of the people who try to control it. But one thing is for certain, it never stays the same.

Florida's economy has surprised everyone lately. It's zipping along at a record pace, outperforming pretty much every other state in the nation. Nevertheless our business climate has fundamental weaknesses, some of which were fixed in the last session but some of which remain.

One of our greatest strengths and weaknesses lately has been our hurricane-prone geography. Recovery from the last two storm seasons is fueling our economy, but building an economy on destruction is not a sure path to prosperity. Those storms have exposed the perils in our seriously underfunded property and casualty insurance market. A collapse there would swamp all of the positive effects of the rebuilding effort. In the 2006 Session, legislators took significant action to address that weakness, but whether or not the solution they offered will be enough or will come in time remains to be seen.

Lawmakers took a number of other steps that will help boost continued economic growth by removing anti-prosperity laws and taxes while creating incentives for business expansion.

In the pages of this newsletter, you'll read all about those victories. They are the answer to the question, "What has AIF done for me lately?" But at AIF we're not satisfied with resting on our laurels. We always keep asking, "What's next?"

Right now, the answer to that is elections. Our priorities are clear. We must protect those legislators who fought on the front lines in the fight to repeal joint and several liability. We must also begin the process of educating up-and-coming legislators about the complex needs and positive contributions of Florida's business community.

As I am writing this, we are in the midst of our candidate interviews, which allow FBU members the opportunity to meet candidates for legislative office and find out their views on business issues. In every election year since 1992, AIF members have toured the state during the campaign season to evaluate prospective office-holders and determine which will receive their support.

It's all part of our commitment to ensuring a positive business climate because, now more than ever, a good economy begins with politics, and politics begin with campaigns. If we don't get the right folks elected, we'll get the wrong policies enacted.

We're also knee-deep in planning for the next legislative session, so if you've got any ideas or comments you'd like to make, let us know. It'll help us answer the question, "What's next?" ■

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Lawmakers Make Fairness Legal

By Jacquelyn Horkan

Every business owner who has ever been sued, paid liability insurance premiums, or watched as lawsuits caused prices to climb, knew that Florida's civil justice system needed a fix.

At the heart of the problem was something called the doctrine of joint and several liability, which made each defendant in a lawsuit responsible for making sure the plaintiff received the entire damage award. If one or more defendants couldn't pay, the others had to make up the difference.

Joint and several liability was originally intended to apply only to sets of defendants who worked together to harm a plaintiff. Only later was it expanded to apply to all defendants even if they didn't know each other.

Since 1973, Associated Industries of Florida has fought to restore balance and equality to Florida's system of lawsuits. In 1986 and 1999, those efforts resulted in landmark laws that were attacked by trial lawyers and erased from the lawbooks by Supreme Court justices.

This year, however, thanks to the leadership of Gov. Jeb Bush, House Speaker Allan Bense (R-Panama City), and Senate President Tom Lee (R-Brandon), joint and several liability is no longer the law of the land in Florida. Also deserving recognition are Sen. Dan Webster (R-Winter Garden) and Rep. Don Brown (R-DeFuniak Springs), the sponsors of the bills that repealed the doctrine of joint and several liability.

Credit for victory on this front must also go to a pair of senators who normally would not be considered stalwart supporters of business. Nevertheless, in the face of heavy-handed lobbying by the trial bar and pressure from their party leaders, Sens. Larcenia Bullard (D-Miami) and Mandy Dawson (D-Fort Lauderdale) followed the dictates of conscience and



From left to right: Gov. Jeb Bush, House Speaker Allan Bense, and Senate President Tom Lee, listen to remarks by Rep. Don Brown at the April 26th signing of HB 145.

voted to abolish joint and several liability. Both women also helped stave off efforts to gut the bill by defeating an amendment, cloaked as a compromise, which was actually proposed by opponents of lawsuit reform who wanted to retain this unfair doctrine.

At the ceremonial signing of HB 145 into law, Barney Bishop, AIF's president and CEO, best described the impact of this groundbreaking legislation.

"The judicial process will now assign damages fairly," he said, "based on the degree of fault, instead of allowing for lawsuits targeting the wealthiest defendants, even if they were least at fault."

Effective Date: Upon becoming law

Senate Vote: 27-13

House Vote: 93-27

Final Action: Approved by governor;
Chapter No. 2006-6

A Joint & Several Effort

Members of the Florida Coalition for Legal Reform, the group founded by AIF to pursue improvements to the state's civil justice system, found plenty of other reasons to

Persuaded by the argument that American companies should spend more on research than lawyers, the Florida Legislature also enacted three other lawsuit reform bills.

celebrate during the 2006 Session.

While the business community had been divided over strategies for lawsuit reform, 2006 marked the year when other leading business associations were persuaded by the coalition and AIF to make repeal of joint and several liability the focus of the reform efforts.

During the debate over joint and several liability, Sen. Mike Haridopolos (R-Melbourne) gave the best justification for lawsuit reform when he cited a recent *U.S. News and World Report* study. The magazine found that American companies spend approximately \$195 billion a year on research and development costs, which helps improve lives. At the same time, those businesses spend more money — \$205 billion a year — on litigation expenses, which line the pocket of the privileged few.

Persuaded by the argument that American companies should spend more on research than lawyers, the Florida Legislature also enacted three other lawsuit reform bills.

Construction Contracting

HB 1089 changes the statute of repose for suits against construction professionals from 15 years following the completion of the project to 10 years. This measure was part of the global tort reform package advocated by AIF and the Florida Coalition for Legal Reform.

This brings Florida's statute of repose in line with the laws of most other states. Shortening the statute of repose from 15 to 10 years should help developers find affordable liability insurance and will, in the long run, lower construction costs.

Effective Date: July 1, 2006

Senate Vote: 37-0

House Vote: 116-0

Final Action: Approved by governor; chapter No. 2006-6

Class Action Reform

Studies of court records indicate that since 1997, class action lawsuits filed against U.S. companies have increased anywhere from 300 percent to 1,000 percent. These lawsuits are typically a strong-arm attempt to collect

money from corporations, most of which ends up lining the pockets of attorneys rather than their clients. To make matters worse, these class action suits sometimes occur when plaintiffs have suffered no injury.

Lawmakers took steps to cure this injustice by enacting HB 7259, which was filed by Rep. David Simmons (R-Altamonte Springs). The bill limits class-action membership to Florida residents in most instances and requires each class member to allege and prove actual damages. It applies to four areas of the law: motor vehicle licenses, unfair and deceptive trade practices, consumer protections, and motor vehicle leases.

More than any other person, except the lawmakers who voted in favor of it, AIF lobbyist Ron Book deserves the credit for passage of HB 7259. Without his long hours of hard work and persuasive skill, Florida businesses would still be prey to many of these abusive class action lawsuits.

Effective Date: July 1, 2006

Senate Vote: 40-0

House Vote: 115-0

Final Action: Approved by governor; Chapter No. 2006-117

Supersedeas Bonds

HB 841, filed by Rep. Frank Attkisson (R-Kissimmee), levels the playing field and provides greater access to appellate courts for deep-pocket defendants. The bill places a \$50-million cap on supersedeas bonds, which defendants must file when they appeal a judgment against them.

The new law allows judicial discretion on the application of the bond and amount, up to the cap. It also allows for discovery in the event of suspected dissipation of assets.

Effective Date: July 1, 2006

Senate Vote: 40-0

House Vote: 119-0

Final Action: Approved by governor

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Lawmakers Say Good Riddance to Pernicious Taxes

By Keyna Cory

Taxes come and taxes go, but this year they mostly went.

Several of AIF's top-priority tax exemptions were granted during the 2006 Session. The first victory was the repeal of the intangibles tax. For the past few years, lawmakers have whittled away at the tax on savings, which was imposed during the Great Depression on the value of stocks, bonds, notes, and other items of intangible personal property.

Thanks to the perseverance of Rep. Fred Brummer (R-Apopka) and Sen. Jeff Atwater (R-North Palm Beach) in getting HB 209 enacted, the remaining vestiges of this tax are gone. The citizens and businesses in the state of Florida will no longer have to pay what Gov. Jeb Bush has called an "insidious" tax.

AIF members also scored success on another of their long-term priorities. For years AIF has led the effort to eliminate the sales tax on machinery and equipment used in manufacturing, which has placed our state's manufacturers at a competitive disadvantage. Neighboring states do not levy this surcharge on products produced there, resulting in lower costs of production for them.

Over the last decade, lawmakers have made some revisions to the manufacturing-machinery-and-equipment tax. This year, thanks to HB 69, sponsored by Rep. Matt Meadows (D-Lauderhill) and Sen. Atwater, the sales tax has been eliminated, as long as the purchase increases output by at least 10 percent. Also exempted from sales tax will be machinery and equipment used by businesses that produce tangible personal property pursuant to federal procurement rules.

Rep. John Quinones (R-Kissimmee) joined Sen. Mike Fasano (R-New Port Richey) to give Florida's manufacturing sector another boost when he filed HB 415. That bill gives a



sales tax exemption to machinery and equipment used predominately for research and development activities. It also expands that exemption to include the design or assembly of space or defense technology products. That latter category now includes space-flight vehicles and components of any of the items covered in the new definition. The space industry is an important sector of Florida's economy and AIF has always supported legislation that would help keep this industry alive and well.

SB 1198 by Sen. Atwater, commonly known as the piggy-back bill, also passed, pegging the provisions of Florida's income tax code to those in the federal tax code. This piece of legislation, though typically non-controversial, is vital to Florida corporations because it frees them from the burden of having to keep one set of books for the state and another set for the IRS.

And let's not forget the "drink tax." Back in 1990, the Florida Legislature responded to a dramatic drop in revenues by enacting a number of short-term tax fixes, including

SB 1198 is vital to Florida corporations because it frees them from the burden of having to keep one set of books for the state and another set for the IRS.

this sin tax on the sale of alcoholic beverages purchased for consumption on the premises of the vendor. This short-term fix survived for 16 years, although the rate was reduced by one-third in 1999, and again in 2000.

As of 2006, the drink tax was levied at a rate of 3.34 cents per 1 ounce of spirits or 4 ounces of wine, 1.34 cents per 12 ounces of beer; and 2 cents per 12 ounces of cider. The amount of the cost to collect the tax is greater than the amount of tax collected. Rep. Brummer again came to the rescue of Florida businesses by filing HB 7105, which finally gets rid of this mess. While the Senate agreed to eliminate the tax, the upper chamber also extended the effective date to July 1, 2007, which means that Florida restaurants and bars will have to collect the tax for one more year.

Florida lawmakers also added a tax — well not really. The Legislature simply changed the name of the Local Occupational License Tax Act to the Local Business Tax Act. HB 1269 by Rep. Joyce Cusack (D-Deland) implemented the name change to reflect that the license tax is really a tax on business. Under the new law a person who pays occupational business taxes will receive a receipt for payment rather than a certificate. The legislation specifies that “changing the name of the item issued by local governments from occupational license tax to local business tax may eliminate some fraudulent misrepresentations.”

HB 209 (intangible tax)

Effective Date: January 1, 2007, unless otherwise noted

Senate Vote: 31-9

House Vote: 100-20

Final Action: Awaiting action by governor

HB 69 (manufacturing machinery & equipment)

Effective Date: July 1, 2006

Senate Vote: 38-0

House Vote: 118-0

Final Action: Approved by governor;

Chapter No. 2006-56

HB 415 (R&D tax break)

Effective Date: July 1, 2006

Senate Vote: 36-1

House Vote: 115-0

Final Action: Approved by governor; Chapter No. 2006-57

SB 1198 (income tax piggyback)

Effective Date: Upon becoming law

Senate Vote: 40-0

House Vote: 120-0

Final Action: Approved by governor; Chapter No. 2006-46

HB 7105 (per-drink tax)

Effective Date: July 1, 2007

Senate Vote: 38-0

House Vote: 117-2

Final Action: Approved by governor; Chapter No. 2006-162

HB 1269 (local business tax)

Effective Date: January 1, 2007

Senate Vote: 40-0

House Vote: 119-0

Final Action: Approved by governor; Chapter No. 2006-152

New Approach to Agency Fees

Over the years, the Florida Legislature has authorized programs to regulate various professions, businesses, and products “to promote public health, safety, and welfare for our citizens.” These programs set standards, license providers, conduct inspections, and enforce compliance. Funding for regulatory programs ranges in amount and comes from three major sources: user fees, federal funds, and general revenue.

Last December, the Office of Program Policy Analysis and Government Accountability (OPPAGA) issued a report suggesting that the Florida Legislature should consider a uniform process to determine appropriate funding levels for the 190 regulatory programs administered by the state. In the 2004-05 fiscal year, these programs received \$677 million in funding with general revenue providing \$29 million.

In other words, most regulatory programs in Florida are not currently self-supporting. In fact, fewer than half of the state’s regulatory programs are statutorily required to be supported solely by user fees and federal funds.

The OPPAGA report found that in some cases the programs that are required to be self-supporting received general revenue anyway.

CS/CS/SB 1678 by Sen. Atwater changes that. The bill provides legislative intent stating that regulatory costs should be borne solely by the regulated. Fees must be reasonable and take into account the differences in the types of regulated professions and businesses. Starting next year, each state agency must examine its fee structure and oversight to ensure that it is operating efficiently. Regulatory fees must be examined to ensure that they adequately cover both direct and indirect costs.

Agencies will include this information in their legislative budget requests and will review regulatory fee structures at least every five years.

For those of you who are regulated by a state agency, this will be good news for certain businesses and professions and bad news for others. Some fees will decrease while others will increase. The Legislature wants the agencies to live within their means, just as you must do in your business.

Agencies with inadequate fee structures will need to offer alternatives to make their regulatory programs totally self-sufficient or demonstrate that a program provides substantial benefit to the general public to justify a partial subsidy from other state funds. The cosmetology board actually backed legislation this year to increase its fees because of a predicted shortfall arising from an inadequate fee structure.

AIF will be watching the legislative budget process next year to determine how this new system will affect the business and professional community.

Effective Date: July 1, 2006

Senate Vote: 37-0

House Vote: 118-1

Final Action: Approved by governor;
Chapter No. 2006-93

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DISASTER PREPAREDNESS

Nearly 40 percent of the small businesses that close after a disaster never reopen.

The last two hurricane seasons acted as strict teachers to many Florida businesses, large and small, that had to learn the lessons of disaster preparedness the hard way.

A disaster preparedness plan helps ensure your business continuity. Since your employees are an essential part of your operations, you should also do what you can to help them return to work as quickly as possible.

When you develop your plan, take your employees' needs into consideration.

Urge them to make their own preparedness plans.

Think about staggering work schedules before a storm hits so that your employees can make their homes disaster-ready.

Make sure you know evacuation routes and other emergency information so that you can pass it along to your employees if need be.

Some low-income families cannot afford to stockpile baby formula, diapers, water, and non-perishable food items. Some employers keep a supply of these items on hand to dole out according to employee needs.

Even if a storm doesn't hit your area, remember that some employees may have family members in hard-hit locations. Keep in mind that they may be distracted by concern about relatives and might need to take time off.

Resources

Family Preparedness Guide, available for download from the Department of Health (doh.state.fl.us).

To prepare a customized business or family disaster plan, visit the Florida Division of Emergency Management Web site (floridadisaster.org).

State Debt v. Private Capital

By Gerald Wester

By keeping rates artificially low, regulators steadily shifted hurricane risk to the taxpayers of Florida.

The 2004 and 2005 hurricane seasons forced Florida's property and casualty insurance policyholders to confront the threat of billions of dollars in special premium assessments.

The funds were needed to meet the cash needs of the three state-run insurance entities: Citizens Property Insurance Company; the Florida Hurricane Catastrophe Fund (CAT Fund); and the Florida Insurance Guaranty Association.

This proposed multi-billion dollar assessment couldn't simply be blamed on bad luck. Rather, it was the result of years of rate suppression and micro-management by regulators. Insufficient rates resulted in an unacceptable return for investors, which left property insurance companies unable to raise sufficient capital for their Florida operations.

By keeping rates artificially low, regulators steadily shifted hurricane risk to the taxpayers of Florida. Inadequate rates forced insurers to decline renewals of more than 500,000 policies. Other companies pulled out of Florida. Recently, three major insurers, which provided coverage for more than 350,000 homeowners, were declared insolvent. Meanwhile Citizens, the state-run insurer of last resort, is now Florida's largest residential property insurance company.

Sen. J.D. Alexander (R-Lake Wales) offered the best summary of Florida's dilemma.

"Our options are clear," he said. "The state can continue its failed policy of funding hurricane property damages after the fact with state debt, which will require new taxes to pay off the debt, or we can take bold steps to pre-fund Florida's hurricane exposure with private capital."

Sen. Alexander's argument helped win passage of SB 1980, which attempts to strike a middle ground between the obvious need for increased rates and the need to temper the effect of those increases on policyholders.

SB 1980, sponsored by Sen. Rudy Garcia

(R-Hialeah), provides \$715 million in state monies to reduce Citizens' \$1.7 billion deficit resulting from the 2005 hurricanes. The remaining \$1 billion will be paid by proceeds from the sale of state bonds, which will be retired with funds from assessments against all property and casualty policyholders (with the exception of workers' compensation) for up to 10 years. The CAT Fund and the guaranty fund also intend to cover their deficits by issuing assessment-backed bonds.

Many lawmakers, including the House sponsors of the measure, fear that SB 1980's rating deregulation provisions do not go far enough to attract the new capital needed to revive the market. Critics of the bill also believe that Citizens' rates will not increase quickly enough to minimize deficits this year. Although dissatisfied with some provisions of the bill, they chose to support it because SB 1980 will, over time, make Citizens' rates self-sustaining.

The provisions will also temper the regulatory environment and provide \$250 million for low-cost state loans to entice private insurers to write more property insurance in Florida. Furthermore, the bill will provide \$250 million in state matching grants for homeowners to install storm shutters and otherwise harden their homes against damage from future storms.

In the final analysis, the bill represents a good first step in weaning the state away from funding Florida's hurricane exposure with state debt and taxes.

Effective Date: Upon becoming law, except as otherwise noted

Senate Vote: 22-16

House Vote: 77-39

Final Action: Approved by governor; Chapter No. 2006-12

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More Than a Glitch

By Monique Cheek

The 2006 Legislative Session was supposed to be all quiet on the growth management front. Instead, lawmakers enacted a bill that will help Florida's economy continue its stellar performance.

In 2005 the Legislature had recreated the state's growth management system in a landmark package that created a pay-as-you-grow structure. It was the first growth management reform in two decades. The legislation made significant changes in the process of planning for future growth, while also providing billions of dollars for road building, school construction, and water supplies to meet the demands of growing communities.

Since that time, some weaknesses and technical problems in the bill were identified, including issues involving school and transportation concurrency. As the experts began to address those glitches, momentum built for more substantive work on the statutes that regulate development of new communities. In the end, the glitch fixes got tangled up in end-of-session politics, but a couple of significant bills did pass legislative muster.

HB 683 by Rep. Trey Traviesa (R-Brandon) makes much-needed adjustments to the process for approving a development of regional impact (DRI). HB 683 streamlines the DRI process by giving businesses an increased share of flexibility. Under the leadership of Rep. Traviesa and Sen. Mike Bennett (R-Bradenton), lawmakers reduced unwarranted government oversight by exempting many projects from DRI review. Many other projects will qualify for partial exemptions. Developers were also given incentives for providing additional affordable housing.

The DRI process still contains sufficient safeguards to protect Florida's natural resources and environment, while shedding burdensome costs associated with DRI review for many projects that will provide much-needed home and commercial space.

Effective Date: July 1, 2006

Senate Vote: 38-0

House Vote: 111-6

Final Action: Approved by governor; Chapter No. 2006-220

Impact Fees

Sen. Lee Constantine (R-Altamonte Springs) and Rep. Larry Cretul (R-Ocala) took the lead in passing legislation that will lessen problems associated with inconsistent application of and continuous increases in impact fees. These fees are levied by local governments to allay the costs of meeting infrastructure demands imposed by new developments. A study by the Legislative Committee on Intergovernmental Relations shows that in the past ten years impact-fee revenues have increased by over 500 percent.

Sen. Constantine and Rep. Cretul filed bills that will bring fairness to the impact-fee process by imposing regulations that local governments will have to follow when levying impact fees.

Sen. Constantine's impact-fee bill passed through the Senate but the House companion was not heard on the floor. In an effort to revive these important provisions, the impact-fee-regulation provisions were amended onto SB 1194, another bill sponsored by Sen. Constantine. SB 1194, which subsequently was enacted by both chambers, provides an alternative process for annexation negotiations between cities and counties.

Effective Date: Upon becoming law

Senate Vote: 38-0

House Vote: 117-0

Final Action: Approved by governor; Chapter No. 2006-218

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In the past ten years impact-fee revenues have increased by over 500 percent.

Florida's IT Past, Present, and Future

By Frank Meiners

Although the technology office continues to function, assisting the governor's office on various IT issues, it has not been allowed to fulfill the role assigned to it by the 2001 Legislature.

In 1999, when Gov. Jeb Bush took office, he established himself as the state's first Information Age governor. A savvy user of communications technology, the governor quickly realized that Florida was using an outdated model for procuring and using information technology (IT).

Despite the governor's best efforts to eliminate our IT deficit, however, Florida has yet to make good on a promising start. In 2000, the Legislature created a state chief information officer and a centralized state technology office to provide direction to agencies on information technology matters.

In 2001, lawmakers expanded the authority and responsibility of the technology office and consolidated agency IT resources, such as staff and hardware, under its direction in the executive branch. Agency heads were required to complete all technology transactions in consultation with the technology office.

One provision in the 2001 budget subjected that consolidation to the approval of the Legislative Budget Commission, which never voted on the technology office's proposals to begin the transformation to a centralized IT agency. Despite that failure, the law remained unchanged and only partially implemented. Although the technology office continues to function, assisting the governor's office on various IT issues, it has not been allowed to fulfill the role assigned to it by the 2001 Legislature.

Fast forward to 2005. Gov. Bush proposed the transfer of certain duties from the technology office back to the Department of Management Services (DMS). Since the duties of the technology office are defined in statute, the Legislature would have to take action to fulfill that plan.

The governor would end up vetoing the legislation enacted to carry through on the

transfer, criticizing it as a step backward in IT procurement.

During the 2006 Session a bill to implement much of the 2001 plan for the technology office never made it out of committee in the House and was not even introduced in the Senate.

In passing SB 2518, sponsored by Sen. Nancy Argenziano (R-Crystal River), lawmakers did make some significant changes to the state's process for procuring contractual services that result in outsourcing. While the changes do not affect the statutory governance of information technology, the bill does create a completely different process for an agency to procure IT services or activities.

The guts of the bill require that a business case to outsource be analyzed by state agencies prior to outsourcing. There is a tiered approach governing the level of detail required in the process depending upon the monetary value of the contract. The bill details 16 specific business case requirements and delineates 13 specific terms that must be included in contracts resulting from outsourcing.

The impact of these changes on the future procurement of information technology by the state is unclear at this point. AIF's IT Council will be observing the implementation of SB 2518 closely and will be ready to pursue any necessary changes through the legislative process.

Effective Date: Upon becoming law

Senate Vote: 33-0

House Vote: 116-0

Final Action: Approved by governor; Chapter No. 2006-224

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Outsourcing & Client-Service Contracts

By Peter Harris

Why should government do what private agencies can do better and more cheaply?

Privatization or outsourcing of some government functions has long been viewed as a way to improve efficiency and effectiveness. The growth of the outsourcing industry and its importance to Florida's government and taxpayer communities is proof of the success of the effort to transfer certain government functions to private companies.

AIF formed the Governmental Outsourcing Council (GOC) to promote the ability of the private sector to meet the contracting needs of government. GOC members include entities that provide client services to the departments of Health, Children and Families, and Juvenile Justice. Mission critical objectives of the council include:

- Educating legislators about the importance of governmental outsourcing and the realities of operating a governmental outsourcing entity just as any other business, from the composition of the board to executive recruitment and retention, and the economics of providing client services to Florida's most dependent population.
- Advising the state on how to provide needed services from the minute the procurement decision is made through to contracting, oversight and accountability, rule promulgation, and administration.

A significant piece of legislation dealing with the latter objective passed during the 2006 Session. SB 2518, sponsored by Sen. Nancy Argenziano (R-Crystal River), creates the Florida Efficient Government Act. Among



other things, this bill creates a procurement council that will review private-sector recommendations for outsourcing, implement standards, and set baseline contract requirements.

AIF lobbyists and council members worked with Senate and House sponsors to resolve differences of opinion between lawyers for the two chambers over whether the new procurement council's authority included contracts that dealt with intangible services, including those related to health and law enforcement.

Members of AIF's Governmental Outsourcing Council argued that service contracts are already subject to a different set of rules designed to protect the taxpayers' interest. Including these public health and safety projects under the umbrella of the new procurement council would adversely impact the delivery of services to Florida's children, juveniles, families, and our mentally impaired or addicted citizens.

Resolution of the dispute was inconclusive. Council members will continue working with the new procurement council over the summer months to resolve many of the outstanding issues relating to client-service contracts that were raised by the passage of SB 2518. ■

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To learn more about AIF's IT and Governmental Outsourcing councils, contact Jose Gonzalez at (850) 224-7173.

The Innovation Economy

By Peter Harris

Quality affordable housing must be available to the talented and skilled workforce as well as to the essential service personnel on whom Florida's communities rely.

Enhancing Florida's economy and developing the state's workforce is critical to Florida's long-term prosperity and overall quality of life.

Throughout his term, which comes to an end next January, Gov. Jeb Bush has committed his administration to diversifying the state's tax base. This year he announced his own economic development plan to build what he dubbed the Innovation Economy.

This plan includes three main components, the first of which is education. The role of education in the Innovation Economy is to develop a skilled workforce and bridge the gap between academic research and marketable technologies. Significant research is being conducted by Florida's 11 state universities, four major medical schools, and numerous independent colleges and universities.

The second component is commercialization which seeks to harness the innovations produced by the universities and bring them to market through existing business entities and entrepreneurship. This can only occur in a supportive business climate.

The final element of the plan addresses the growing need for affordable housing. Quality affordable housing must be available to the talented and skilled workforce as well as to the essential service personnel that Florida's communities rely on.

The Legislature supported this ambitious agenda by adopting projects in the three component areas, starting with a \$400 million appropriation to fund education initiatives through various programs.

AIF devoted substantial resources in support of legislation aimed at providing affordable housing for Floridians and developing a workforce and business environment to meet the challenges of the Innovation Economy. Our high priority bills were passed and are expected to be signed by Gov. Bush. We look forward to working with the various

public and private sector organizations that will implement these legislative acts that are significant to Florida's future.

Education

The 21st Century Technology, Research, and Scholarship Act creates the World Class Scholars Program and expands the Centers of Excellence Program. The World Class Scholars program provides to Florida universities the financial resources to attract researchers from all over the world.

The Centers of Excellence Program will stimulate the relationships among academia and industry by creating research centers focused on key sectors of Florida's economy. The centers will include the University of Florida Center of Excellence in Regenerative Health Biotechnology, the University of Central Florida Photonics Center of Excellence, and Florida Atlantic University Center of Excellence in Biomedical and Marine Biotechnology.

Commercialization

Entrepreneurship is the foundation of a free market and that's why the Legislature supported the extension of eligibility for Capital Investments Tax Credits to businesses establishing a new or expanded headquarters facility in one of the many enterprise zones or brownfield areas located throughout the state. The Florida Quick Action Closing Fund, which allows the state to offer cash incentives to companies looking to establish facilities in Florida, was also strengthened by allowing more businesses to participate. In addition, the Innovation Incentive Program was created in order to attract and provide resources for large-scale research and development projects that are expected to yield a high return on investment.

(please see page 20)

2006 Legislature Acts to Protect Consumer Privacy

By Nick Iarossi

Lawmakers responded to concerns about identity theft and privacy breaches by enacting HB 37, filed by Rep. Sandra Adams (R-Oviedo). That bill and its Senate companion, sponsored by Sen. Durell Peaden (R-Crestview), were informally known as the “security freeze bills.” They allow consumers to freeze their credit report information to prevent unauthorized use of credit or unauthorized viewing without permission from the consumer. Although this legislation initially raised serious concerns among the business community, HB 37 was later amended to allow certain entities with existing business relationships to obtain credit information regardless of the freeze.

Another bill passed this session dealt with “phishing” scams. These are e-mail messages that fraudulently claim to originate with a financial institution, credit-card issuer, the IRS, or some other legitimate entity. The sender promises that if you submit personal information such as an account number or Social Security number, the sender will fix some alleged problem.

Phishing e-mails are designed to look legitimate, but are a deceitful way for criminals to obtain your personal information and then commit identity theft. SB 80 by Sen. Dave Aronberg (D-Greenacres) creates the Florida Anti-Phishing Act. This legislation fixes certain jurisdictional issues that prevented enforcement of laws designed to punish this activity.

On the public-records front, HB 1563, sponsored by Rep. Will Kendrick (D-Carrabelle) deals with an exemption for Social Security numbers and other personal financial information held in documents kept by circuit court clerks. County recorders and court clerks originally had been given a January 2007 deadline for automatically redacting that information. Currently an individual must

request redaction. HB 1563 extends that deadline to January 2008, in recognition of the vast amount of material that the court clerks and county recorders must process.

Overall, this was a very successful session for the business community on privacy and identity theft issues. In addition to the bills that passed above, AIF prevented passage of several flawed proposals, including the following:

- prohibiting customer information from being sent overseas without express written consent
- creating a public-records exemption for Social Security numbers
- prohibiting marketing calls to cellular telephones without consent

These issues and others are sure to resurface during upcoming sessions. AIF will continue to represent the business community’s interests to ensure that Florida is a friendly place to do business.

HB 37 (security freeze)

Effective Date: July 1, 2006

Senate Vote: 37-0

House Vote: 117-0

Final Action: Approved by governor; Chapter No. 2006-124

SB 80 (anti-phishing)

Effective Date: July 1, 2006

Senate Vote: 36-0

House Vote: 120-0

Final Action: Approved by governor; Chapter No. 2006-232

HB 1563 (redacting personal information)

Effective Date: July 1, 2006

Senate Vote: 40-0

House Vote: 113-3

Final Action: Approved by governor

Nick Iarossi is an attorney with Capital City Consulting, LLC, a Tallahassee-based lobbying firm and an AIF consultant (e-mail: niarossi@capcityconsult.com).



Phishing e-mails are designed to look legitimate, but are a deceitful way for criminals to obtain your personal information and then commit identity theft.

Fair Share

by Jacquelyn Horkan

At one point, union representatives surrounded the pair with bullhorns and yelled, "AIF, shame on you! AIF, shame on you!"

Two bills that never even got a hearing during session provided one of the most ludicrous moments for business lobbyists.

The AFL-CIO made no secret of the fact that it was targeting Florida for passage of a so-called Fair Share Health Care Act. This proposed legislation would have required private employers with 10,000 or more full-time and part-time workers to devote nine percent of their payroll to health insurance. Those who did not pay that amount for health insurance were required to pay a fee to the state to help with the costs of covering the insured.

During the session, the unions held a rally in the Capitol Courtyard. Barney Bishop, AIF's president and CEO, and Keyna Cory, the association's chief lobbyist, attended the rally to hear what the unions had to say on the Fair Share Health Care Act.

Bishop and Cory were the only business lobbyists who dared to venture onto the scene. At one point, union representatives surrounded the pair with bullhorns and yelled, "AIF, shame on you! AIF, shame on you!"

It was a meaningless show of bravado by the union faithful. Sen. Skip Campbell (D-Tamarac) and Rep. Susan Bucher (D-West Palm Beach) had agreed to file Fair Share bills, even though they knew the measures had no chance. Passage of these bills was not the point, however. Rather, they were intended to boost the credibility of the flagging unions, plagued by falling membership and relegated to political obscurity.

Some Fair Share supporters allege that the proposals will only affect large corporations. The State of Maryland offers proof to that lie. The authors of the nation's first Fair Share bill, Maryland lawmakers now want to expand its scope from those with 10,000 or more employees to companies with fewer than 10,000 employees, although the smaller companies will have to devote a slightly

lower percentage of their payroll to health insurance to escape the health-care tax.

Union leaders and Maryland lawmakers have misdiagnosed both the problem of uninsurance and the solution. Large corporations are more likely to offer health care insurance than a small company, largely because it is cheaper to insure a large group of people.

Companies that don't provide health insurance to their employees usually wish they could do so, but they can't afford the cost of premiums. Health insurance costs too much in Florida because of the large number of health-insurance mandates, which are provisions in the law that require insurance companies to include coverage of certain diseases, conditions, and treatments.

Health-insurance mandates force people to pay for coverage they don't want or to go without. Florida has more mandated coverage laws than all but five other states.

Fair Share is an attempt to ration health care dollars. Not only would it force companies to provide coverage they couldn't afford, it would require them to spend a set amount of money on a benefit. Doing so would eliminate the incentive to make health care spending more efficient.

This union-backed boondoggle is unlikely to ever make its way into the Florida statutes via the Legislature, so look for Fair Share's backers to fund a constitutional amendment drive for the 2008 elections.

AIF will continue to work through our Health Care Task Force to confront this issue and other trends across the country. If you are interested in participating, please contact Jose Gonzalez at (850) 224-7173. ■

Jacquelyn Horkan is a freelance writer who has written about business and politics for more than 20 years (e-mail: jqhorkan@comcast.net).

The 2006 Session

Economic Development

By Mark Flynn

When it comes to economic development programs, unprecedented best describes the work of the 2006 Legislature.

The Office of Tourism, Trade & Economic Development (OTTED), which traditionally houses those programs, has a budget that typically fluctuates between \$80 and \$120 million annually. This year's budget was pumped up to \$142 million.

In addition to those programs, lawmakers increased funding for the Quick Action Closing Fund by \$35 million, for a total of \$45 million. The Legislature also devoted \$200 million on a new program to entice companies that conduct research or other innovative activities.

The \$95 million appropriation for the new 21st Century World Class Scholars Program and expanded Florida's Centers of Excellence will help make sure Florida's future workforce is ready to take on the challenges of a high-tech tomorrow.

HB 1489 ensures that Florida will continue as a world leader in the exploration of space as the shuttle is retired and replaced by the CEV (Crew Exploration Vehicle). It provides \$42 million, which will finance a start on building the infrastructure necessary to make sure Florida remains the premier launch site for space flights.

The programs just described add up to \$524 million. Compare that to the last few years when state spending on economic development averaged around \$100 million, and you'll realize how seriously this year's Legislature was about investing in Florida's future prosperity.

HB 1489

Effective Date: Upon becoming law

Senate Vote: 39-0

House Vote: 113-1

Final Action: Approved by governor;
Chapter No. 2006-60



Who stood up for your business during the 2006 Session?

Check out AIF's *Champions for Business*, online at aif.com

Energy

By Keyna Cory

Last fall Gov. Jeb Bush initiated the process to ensure the long-term availability of adequate energy supplies for Florida. Sufficient resources of fuel and electricity are a matter of public health and safety, as well as a fundamental concern for continued economic prosperity.

AIF became the first statewide business association to recognize the importance of this crucial issue and we applaud Rep. Adam Hasner (R-Delray Beach) and Sen. Lee Constantine (R-Altamonte Springs) for their work in passing SB 888, which encompasses many of the recommendations contained in the governor's energy proposal.

The new law removes many impediments to updating the state's energy infrastructure and provides incentives for research into alternative and renewable sources of energy.

AIF recognizes that diversity in our energy supply is of vital economic importance and will continue to explore innovative ways to meet Florida's demands for fuel and energy. To that end, the association also supports proposals before the U.S. Congress to explore and drill for oil and natural gas supplies in the Gulf of Mexico, as long as it occurs at least 125 miles off of Florida's coast.

Effective Date: Upon becoming law except as otherwise noted

Senate Vote: 39-0

House Vote: 119-1

Final Action: Approved by governor;
Chapter No. 2006-230

The guns-in-the-workplace legislation inspired an invigorating debate on constitutional rights

Transportation

By Mark Flynn

Lawmakers gave the 2006 budget for the Florida Department of Transportation an 11-percent boost, increasing the agency's budget to \$9.1 billion. That includes \$8.2 billion for the Transportation Work Program. The Legislature also raised the statewide bond cap for turnpike projects from \$4.5 billion to \$6 billion. A \$2 rental car surcharge was also made available to local governments if approved by referendum. The potential of the funding source, if passed in all counties, is estimated at more than \$137 million in the first year.

Rules & Regulations

by Keyna Cory

What a novel approach: Let's make local governments explain their reasons for denying applications for development permits.

You might think that this would be common practice, but before the 2006 Session, local governments were not required to provide the applicant with written notice of their decision to issue or deny a license or permit application. Nor were they required to cite the specific ordinance or other legal authority they relied on in determining whether to issue or deny the permit.

CS/CS/SB 1112 by Sen. Mike Bennett (R-Bradenton) requires local governments to provide notice of denial of a permit along with a citation of their authority to do so. This should provide a cost savings to those seeking streamlined permitting for various activities since the local government must now specify the legal basis for its intended action. With this information, applicants should also be able to expedite correction of any compliance issues in their permits.

Effective Date: Oct. 1, 2006

Senate Vote: 39-0

House Vote: 118-0

Final Action: Approved by governor; Chapter No. 2006-88

Private Property Rights

By Jacquelyn Horkan

Lawmakers acted to protect Florida property owners against unjust seizure of their property by enacting HB 1567, sponsored by Rep. Marco Rubio (R-Miami).

Last year the U.S. Supreme Court rendered a decision in *Kelo v. London* that gave governmental entities the authority to take a private citizen's property through the power of eminent domain and transfer it to another private party involved in economic development.

HB 1567 places several restrictions on the power of government agencies to use eminent domain to bolster economic development projects of private entities. Property can be seized if it presents a threat to public health or safety. The bill also provides greater protection to citizens who challenge eminent domain proceedings under the state's redevelopment statutes.

Effective Date: July 1, 2006

Senate Vote: 37-3

House Vote: 113-0

Final Action: Approved by governor; Chapter No. 2006-11

Guns in the Workplace

By Keyna Cory

If nothing else, the so-called guns-in-the-workplace legislation inspired an invigorating debate on constitutional rights during the 2006 Session.

The bills, filed by Sen. Durell Peaden (R-Crestview) and Rep. Dennis Baxley (R-Ocala) would have allowed a person to store a firearm in a parked vehicle even if the vehicle was on the property of another person who objected to the gun's presence.

The bill's supporters argued that a vehicle is an extension of a person's home and therefore qualifies as that person's private property. Therefore, a person's constitutional right to bear arms could not be abridged by another's right to control what happens on their property.

So who should decide if a firearm should be allowed on someone else's private property? Which constitutional right trumps the other? These were questions that the Florida Legislature had to decide.

Jon Shebel, AIF's former president and CEO began his campaign against the guns-in-the-workplace legislation late last summer with letters to the editor around the state. His opposition was echoed by many in the business community. Most AIF members told us that they had policies forbidding possession of a firearm anywhere in the workplace, including the parking lot. The Peaden-Baxley proposal would have forced those employers to revoke those workplace policies designed to protect other employees.

Although some AIF members do allow their employees to possess firearms at the workplace, AIF chose to oppose this legislation because of members' safety concerns for both employees and customers. Association lobbyists worked closely with Marion Hammer, lobbyist and board member for the National Rifle Association, to craft a compromise that would satisfy both sides. Although Hammer was accommodating, both sides realized that there was no middle ground.

Although the bill did provide some immunity in the event of firearm-related violence in the workplace, the ability to control and protect the safety of those on business premises was of utmost importance. The legislation made some progress in committee but ultimately failed to pass. Similar bills are sure to be filed again in 2007, and we will continue to follow our members' request to oppose.

There is nothing in Florida law to prevent a gun owner from storing firearms in a vehicle, provided he has the proper permit. AIF chose to oppose this bill because it forced some private property owners, a.k.a. businesses, to revoke policies against gun possession in the workplace, policies that had been adopted through careful consideration of the need to protect the safety of employees and customers. ■

Your Right. Your Duty.

Do you vote? How about your family members? Your employees?

Political cynics might say that they stay out of the polling place because their vote doesn't count.

But consider this: In 1988, Rep. Carlos Valdes (R-Miami) won his House race by one vote. Just three years ago, Rep. Ellen Bogdanoff (R-Fort Lauderdale) squeaked into her seat by just 12 votes.

And few of us are likely to forget the 2000 Presidential Election when 537 Florida voters decided the outcome of the presidential election.

Even if an election is a landslide, taking the time to vote is a measure of our devotion to our the principle of self-government. As an employer you can foster those virtues by sponsoring a voter registration drive at your work place. It's easier than it sounds.

Voter registration forms are available from local supervisors of elections or online at the Department of Elections Web site (election.dos.state.fl.us/). That Web site also contains contact information for offices of the elections supervisors around the state.

Some supervisors of elections will send a member of their staff to your office to help register employees. Or you could distribute copies of the registration forms to your staff by interoffice mail or at an employee function.

You can't force your employees to vote, or tell them which candidates to support, but you can let them know how specific policy choices will affect the continued prosperity of their company. An employee registration drive can help them participate in electing candidates who support their ability to continue working at the job of their choice.

KEY DATES

Primary Election • September 5

(must register by August 7 to vote in this election)

General Election • November 7

(must register by October 10 to vote in this election)

Source: Jack Cory, PA Consultants

Associated Industries of Florida

AIF lobbyists, representing centuries of accumulated experience in politics and government, spent more than

DEAR FLORIDA EMPLOYER:

By standing up for your right to succeed, free from government intrusion and interference, Associated Industries of Florida helps companies like yours grow.

For most of this century, wherever and whenever governmental officials have met, Associated Industries has made sure they listen to the voice of the state's employers.

We champion the value of hard work and productive endeavor and the incentive offered by the ability to make a profit. We make sure government officials understand the consequences of their actions on the ability to succeed in Florida.

Like it or not, the decisions made in Tallahassee can make the difference between success and failure in commerce. When those decisions are made, Associated Industries speaks out on the side of success.

If your company does not belong to Associated Industries, please consider the benefits of joining. With your support, we can grow in our mission to promote a vigorous economy, filled with the promise of abundance for every person who calls Florida home.

Barney T. Bishop III
PRESIDENT & CEO

OFFICERS



Barney T. Bishop III

President & CEO of Associated Industries of Florida ... former aide to state Treasurer Bill Gunter ... former executive director of the Florida Democratic Party ... more than 27 years of experience in legislative and political affairs ... areas of expertise include appropriations, criminal justice, and behavioral health care issues ... B.S. in political & judicial communication from Emerson College in Boston.



Mary Ann Stiles, Esq.

General Counsel Emeritus of Associated Industries of Florida ... managing partner in the law firm of Stiles, Taylor, & Grace, P.A. ... more than 33 years of legislative and lobbying expertise before the Legislature and other branches of government ... graduate of Hillsborough Community College, Florida State University, and Antioch Law School.



Tamela Ivey Perdue, Esq.

General Counsel and Shareholder with the law firm of Stiles, Taylor & Grace, P.A. ... more than 14 years legislative and legal experience, representing insurers and the business community on workers' compensation and other legal issues ... established legal practice specializing in workers' compensation defense ... formerly worked in the Florida Senate ... B.S. from Lee University and J.D. from Stetson University.



Chris Verlander

Senior vice president — corporate development of Associated Industries of Florida ... more than 26 years of expertise in insurance lobbying activities ... former president (1994-1997) and vice chairman (1997-1999) of American Heritage Life Insurance Company ... B.S. from Georgia Tech and M.B.A. from the University of Florida.

DIRECTOR OF GOVERNMENTAL AFFAIRS



Jose L. Gonzalez

Coordinates AIF's lobbying team and all research and advocacy efforts for the association ... Master's degree in Public Administration with a specialization in Public Policy and a Bachelor's degree in Political Science from the University of Florida.

"The AIF staff is extremely competent and highly respected as one of the best lobbying groups in Tallahassee, and is, as a result, very effective in representing business."

Lance Ringhaver, President – RINGHAVER EQUIPMENT COMPANY

2006 Lobbying Team



over 10,000 hours in the Capitol during the 2006 Legislative Session *advocating for your business interests.*

CONSULTANTS



Keyna Cory (*Chief Lobbyist*)

President, Public Affairs Consultants, a public affairs and governmental relations consulting firm ... more than 21 years of experience representing a variety of clients, from small entrepreneurs to Fortune 500 companies, before the Florida Legislature ... majored in political science at the University of Florida.



Robert P. Asztalos

Partner with the Buigas, Asztalos & Associates and the Director of Governmental Affairs for Delta Health Group ... directed the Nursing Home profession's litigation reform campaign in 2000-01 and served as the Director of the Heal Healthcare in Florida Coalition ... Master's degree in Legislative Affairs and a Bachelor's degree in Political Science from George Washington University.



Ronald L. Book, Esq.

Principal shareholder of Ronald L. Book, P.A. ... former special counsel in Cabinet and legislative affairs for Gov. Bob Graham ... formerly worked for the Florida House of Representatives ... 34 years of experience in government and legislative activities ... areas of expertise include legislative & governmental affairs ... graduate of the University of Florida, Florida International University and Tulane Law School.



Mark Flynn

Vice president of J. Keith Arnold & Associates ... former economic development executive with extensive experience representing business on a broad range of issues including growth management and transportation ... has also worked for both a member of Congress and a member of the Florida House of Representatives ... graduate from the University of South Dakota with a B.S. in mass communications.



Peter Harris, Esq.

President and CEO of ADG Business & Governmental Consultants ... more than 15 years of experience successfully designing and implementing substantive legislative, governmental and management programs for business and government ... effectively worked with key policy makers in all branches of government ... graduate of the University of Miami and Florida State University College of Law.



Nick Iarossi, Esq.

Founding partner of Capital City Consulting, L.L.C. ... formerly worked in the Florida Senate, the Florida House of Representatives and the Office of Insurance Regulation ... expertise in banking and insurance, privacy and public records, health-care, procurement, pari mutuels, technology, and education ... graduate from the Florida State University College of Law.



H. Frank Meiners

President, Frank Meiners Governmental Consultants, LLC ... formerly with BellSouth as their Executive Director in Tallahassee where he lobbied communications issues ... graduate of the University of South Florida in Mathematics and of the Fuqua School of Business at Duke University ... will be covering information technology issues for AIF.



Jim Rathbun

President of Rathbun & Associates ... more than 17 years of experience representing individuals and entities before the Legislature, state agencies, and the governor and Cabinet ... formerly worked with the Florida House of Representatives and served as staff director of the House Republican Office ... B.S. from Florida State University.



Guy Spearman, Esq.

President, Spearman Management, Inc., government relations consulting firm ... 32 years of experience representing a variety of clients from small business owners to Fortune 500 companies ... graduate of Auburn University and Florida State University College of Law.



John Thrasher, Esq.

Florida's Speaker of the House from 1999-2000 ... While leading the House, helped to pass some of the landmark reforms advanced by Gov. Bush, including an overhaul of the state's entire system of education ... the new medical school at FSU, John's alma mater, honors his name... John was elected to his first term as a state representative and was re-elected without opposition in 1994, 1996, and 1998.



Gerald Wester

Managing Partner, Capital City Consulting, LLC ... former chief deputy over Florida Department of Insurance's regulatory staff ... more than 30 years of lobbying experience ... expertise in insurance, banking, and health care issues ... Bachelor's and master's degrees from Florida State University.



Mike Zagorac

Former senior vice president, public affairs for Hill & Knowlton, Inc. ... former vice president of public affairs for the Jack Eckerd Corporation and vice president of the National Association of Chain Drug Stores ... more than 37 years of experience in media and public relations, community affairs, and environmental issues ... Bachelor's degree from Purdue University and M.B.A. degree from American University.

(continued from page 12)

Affordable Housing

Getting the ideas to market and then bringing the business to Florida is only the beginning of fostering an Innovation Economy. Along with the growth of new business comes the expansion of Florida's workforce, and this will require the development of affordable housing to ensure a high quality of life in the Sunshine State.

The Legislature approved a wide-ranging affordable housing bill that includes the creation of the Community Workforce Housing Innovation Program. This program provides grants and incentives to developers of affordable home ownership and rental projects. Eligible projects must target counties where housing costs are high or counties that face significant population growth. They must provide workforce housing as well as housing for essential service personnel such as firefighters, nurses and teachers.

The bill also establishes a requirement that local governments identify surplus lands and, where appropriate, make these lands available for purposes of affordable housing.

The Legislature also approved a housing initiative to expand the Community Contri-

bution Tax Credit Program. This program promotes private sector participation in revitalization by offering tax credits for projects that promote homeownership for low-income Floridians.

Another measure adopted by the Legislature involved the Florida Land Trust Act which will now provide a flexible method for the acquisition and disposition of real estate and additional financing options.

The process for creating a Community Redevelopment Agency was also modified during this year's session. These agencies are now authorized to contract with nonprofits, faith-based organizations, or other eligible groups to provide affordable housing for Florida's expanding workforce in targeted areas of the state.

Each of these programs addresses the state's increasing need for affordable workforce housing by increasing the number of providers and by making incentives available to developers. ■

Peter Harris is president & CEO of ADG Business & Governmental Consultants and an AIF consultant (e-mail: pharris@adgonline.com).

For up-to-date information on business issues, visit <http://aif.com>



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