During the Legislative Session, 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.
For 100 years, Associated Industries of Florida (AIF) has been a proud advocate for Florida employers. Florida’s business community is consistently challenged with a variety of tough issues, and 2020 will be no exception. With a long history of fighting for those who build businesses, employ our citizens and generate a strong economic engine for this great state, we will remain steadfast and vigilant against legislation that seeks to harm Florida’s overall business climate.

The fight to lower costs in our tort system continues to be an ongoing battle with legislation being pushed by the Trial Bar each year. Florida currently has the highest tort system costs among U.S. states as a percentage of state GDP, at 3.6%. Additionally, AIF will support legislation that creates transparency and ensures accuracy in damages throughout the medical malpractice system, thereby reducing the cost of healthcare for all Floridians.

As the 2020 Session progresses, our members can count on AIF to provide support for the following issues:

- Strengthen efforts to increase economic development in Florida’s rural areas through job growth.
- Reduce taxes on businesses to allow further growth and employment opportunities.
- Allow Florida businesses to adhere to state or federal wage requirements, thus eliminating onerous regulations set by municipalities.
- Prevent interest groups’ circumvention of the legislature in revising Florida’s constitution.
- Address existing water quality issues as Florida’s businesses and citizens alike rely on access to clean, uncontaminated water.
- Lessen the burdensome, unfair and unnecessary regulations and taxes on Florida businesses.

The 2020 Session Priorities are a collaborative effort of the AIF staff, our member-driven policy councils and AIF members. These priorities are then reviewed and approved by our Board of Directors. Detailed information on the above issues and others is provided in this publication, which summarizes the guiding principles that shape our legislative positions. AIF’s lobby team will work diligently to support these positions, in collaboration with AIF staff and the AIF Board of Directors.

Since 1920, it has been our privilege to represent Florida businesses, and we look forward to continuing our history of success in 2020. The 2020 Session Priorities will be made available to all 160 members of the Florida Legislature, the Florida Cabinet and State Agency Department Heads, as well as the AIF membership.

Tom C. Feeney
President & Chief Executive Officer
For the past 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.
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 2019-2020, another $40 million will be provided 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 rebuild 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, many other businesses in our state rely heavily on out-of-state visitors for revenue. We must ensure that VISIT FLORIDA is fully funded to assist in keeping visitors coming 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 that offer desirable 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.

Public Notice

To promote greater transparency in government, protect due process rights and acknowledge the “digital divide,” AIF SUPPORTS requirements that public notices be printed in local newspapers as defined by Chapter 50, Florida Statutes, as well as displayed on the Internet.

Immigration Reform

AIF recognizes that immigration reform is an important issue for our state but contends it should be dealt with at the federal level. AIF OPPOSES efforts to mandate the use of the E-Verify system by employers.

Mandating E-Verify would have a negative effect on
employers, especially those small business owners who do not have full-fledged human resource departments. In addition, fears of racial profiling could make it harder for businesses to recruit employees and could harm Florida’s tourism industry.

### 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.

### Rural Jobs

Florida’s rural communities and the small businesses they rely upon have not recovered from the recession. This is largely due to the contraction of community banks and the lack of other sources of growth and expansion capital for entrepreneurs and small business in our rural communities. **AIF SUPPORTS** the Florida Rural Jobs and Business Recovery Act sponsored by Senator Bill Montford and Representative Jason Shoaf, that will help small businesses throughout rural Florida access private capital in order to create and retain good paying permanent jobs.

### Education & Workforce

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 will be 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 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 that 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 is projected to account for 50% of all high school classes by 2020. Our schools must innovate, or they will suffocate. Remaining the same means that we will fall 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 infrastructure, bandwidth and mobile devices to equip all Florida students with access to quality, digital learning opportunities.

Talent Pipeline and Economic Development
Creating and promoting the talent pipeline should be a major focus of the Florida Legislature and 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.
• 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 toward 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 funded 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.

Science, Technology, Engineering, Mathematics and Medical (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

**AIF SUPPORTS** efforts by the legislature to promote energy efficiency and conservation through cost-effective incentives. **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, enhance efficiency between industry and the state, and ensure appropriate standards are clearly communicated. Further, **AIF SUPPORTS** that the regulatory, permitting, and zoning authority associated with the exploration and production of oil and natural gas is 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 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 and liquid fuel pipelines to enhance energy reliability and affordability for Floridians. AIF also recognizes the supply channel offering that pipelines bring to Florida in delivering petroleum products to the state during hurricane season.

For the first time in decades, the U.S. is a net exporter of oil and natural gas because of the tremendous success from hydraulic fracturing. Liquid Natural Gas (LNG) exports offer new opportunities for ports and shippers.

Tom Feeney, AIF President & CEO, poses with Florida Department of Agriculture & Consumer Services’ Commissioner Nikki Fried at the 2019 AIF Annual Conference in Tallahassee.

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

The 811 Program has been developed to identify underground infrastructure before digging. However, poor construction practices still lead to damaged infrastructure that cause unnecessary service interruptions, safety issues, and increased 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 two decades. Ozone and fine particulate matter, two of the major air quality indexes monitored by the FDEP and the U.S. 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 new 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 continued support for policies leading 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 at the same time ensuring our oceanic military ranges and areas remain intact, is in our national 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 policy allowing for the research, development, and distribution of alternative energy fuels without mandates by government that 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 introduce 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, etc.) and scale (large, medium, small) that makes the most sense for those electric utilities and their customers. This would allow both the electric 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 an objective foundation of automotive technology 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 the manufacturer or consumer.

The most productive partnership between government and the private sector is when government recommends desired performance outcomes and industry competes to find the best technologies to achieve those outcomes. Sound environmental policy should be inclusive of a diverse blend of electrification technology 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 investment; nor should it use its considerable powers to push one technology ahead of other viable and proven technologies.

Technology neutral policies will help to avoid picking winners and losers and prioritize public safety and demonstrated consumer adoption-market acceptance which 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 Water Funding

AIF SUPPORTS the critical functions and mission of the Office of Agricultural Water Policy within the Florida Department of Agriculture and Consumer Services. The office is tasked with overseeing the development and implementation of economically and technically feasible Best Management Practices (BMPs) by Florida’s agricultural industry. As the state continues to address water quality challenges, the Office of Agricultural Water Policy must continue their role in the development and implementation of agricultural BMPs and, where appropriate, continue to offer cost-share programs which assist landowners with the adoption of new technologies and support cost-prohibitive practices.

Citrus Research Funding

AIF SUPPORTS $8 million in state 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.

Agricultural Sales Tax Exemptions

AIF SUPPORTS the expansion of sales tax exemptions to include all items used on a farm in the production of agricultural products. These include, but are not limited to, fence materials, trailers used by farmers, and those trailers specifically dedicated to moving agricultural products and other items integral to farm operations.
**Rural and Family Lands**

AIF SUPPORTS Commissioner of Agriculture Nikki Fried’s budgetary request for $32 million for the Rural and Family Lands Protection Program in our state. 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.

AIF SUPPORTS efforts to review and update Florida’s land acquisition funding formula to reflect a more proportional division of funds between the Florida Forever Program, Rural and Family Lands Program and Florida Communities Trust.

**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.

**Aquatic Weed Control**

Florida maintains one of the largest, longest running and most comprehensive aquatic weed management programs in the country. Due in large part to Florida’s warm climate, non-native aquatic weeds, when left uncontrolled or inefficiently controlled, have the potential to rapidly outcompete native aquatic plant species and cause significant degradation of a water body.

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

AIF SUPPORTS a science-based economically and technically feasible approach to address Florida’s water quality challenges. AIF is encouraged by Governor DeSantis’ plan which outlines needed focus and improvements to waste water and storm water systems continues the focus on septic to sewer conversions and codifies the Technical Advisory Committee’s (TAC) recommendations on the application of Biosolids.

**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 tool box with the Total Maximum Daily Load (TMDL) program and the requirements for Minimum Flows and Levels (MFLs). AIF SUPPORTS Governor DeSantis’ proposed $50 million funding 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.

**Water Supply**

It is estimated the demand for water resources is projected to grow by a minimum of 17% in the next 20 years to roughly 7.5 billion gallons per day. In a recent study, the Office of Economic and Demographic Research (EDR) determined the estimated costs to meet the increased demand to be between $1.6-2.2 billion over the same time frame. Absent the availability of a reliable water supply to meet the future demands, Florida’s economy will stagnate.

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 to solve the problem without creating new taxes for Florida business, residents and visitors.

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. Creat-
ing 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 Governor Desantis’ budget request of $647 million for Everglades Restoration and commitment to stopping the Lake Okeechobee discharges. In addition, AIF SUPPORTS the identification and funding for scientific research to explore causes and contributors to red tide and blue-green algae and encourage the Corps of Engineers to develop a Lake Okeechobee Regulation Schedule (LORS) that works for all water users around Lake Okeechobee.

AIF SUPPORTS these objectives to achieve the restoration goals:
- 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 the legislature and federal government’s efforts to expedite the completion of repairs to the Herbert Hoover Dike.
- Support continued implementation of the recommendations contained in the 2015 University of Florida 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.

**Hurricane Michael Recovery**

AIF SUPPORTS legislation, funding and other assistance from the federal and state governments to help Florida’s panhandle recover from the impacts of Hurricane Michael, including programs that provide a sales tax exemption for material used to rebuild or repair facilities that handle, process or package agricultural and timber products, provide tax exemptions for the material to rebuild agricultural and timber operations and encourage debris clean-up, reforestation, and invasive pest control. AIF SUPPORTS funding for the utilization of less than perpetual easements as contemplated in the Rural and Family Lands Protection Act to help ensure the we maintain strong working agriculture and forest lands in Florida’s panhandle.

**Septic System Pollution Remediation**

AIF SUPPORTS legislation which authorizes and funds the Florida Department of Environmental Protection to administer a grant program enabling the transition of septic tanks to waste water treatment systems, 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 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, that are both technologically and economically feasible as alternatives to traditional ground and surface water sources. 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.

AIF SUPPORTS the development, identification and commitment of dedicated funding to build, upgrade or replace water infrastructure which provides sufficient amounts of water to all users, otherwise Florida will not be

in a position to meet future demand. It takes seven years to plan, design, build and permit a major new water facility. Experts consistently opine that Florida’s best bet to achieving water security are alternative water supply projects including reclaimed water projects, desalination plants, aquifer storage and recovery, reservoirs, water conservation, and similar tools. States with an adequate water supply will have a head start on future economic development and jobs.

**Property Rights**

AIF SUPPORTS legislation which protects private property rights. Florida must improve the predictability of the regulatory processes related to capital investment. AIF will continue to lead efforts to protect and strengthen laws such as The Bert J. Harris Private Property Rights Act, which protects property owners from government “takings.” In addition, AIF will continue to lead efforts to protect property owners from government actions which unreasonably limit land use flexibility or unduly reduces the value of privately-owned lands.

**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 (FDACS) 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 SUPPORTS strengthening the FDACS leadership on the development and adoption of sound, science-based best management practices for fertilizer, nutrient and irrigation management in agricultural operations.

AIF OPPOSES legislation which requires arbitrary pesticide or fertilizer formulations, application black-out periods and authorizes local jurisdictions to implement rules based on emotional viewpoints as opposed to sound science.

**Recycling**

AIF OPPOSES legislation which creates new taxes on plastics, paper and other recyclable products to help pay for recycling efforts. This tax is unnecessary as a majority of Florida’s cities and counties have effective curbside recycling programs. Forcing Florida’s families to pay even more at stores with no substantive improvement to our environment does not make economic or environmental sense.

AIF SUPPORTS efforts to expand and improve curbside recycling programs in the state, including access to curbside collection for more residents, initiatives to improve the quality of recycled materials and programs, and incentives to encourage the use of recycling programs.

AIF OPPOSES legislation which would create a deposit tax on beverage containers. These costly programs undermine our existing recycling programs and add significant costs and burdens for Florida families who would have to bring empty containers to designated locations to get their deposit returned.
AIF OPPOSES legislation which would create new taxes or fees on the production or use of recyclable plastics. High-value recyclable plastics like PET and HDPE bottles represent an important source of revenue for Florida recyclers and are needed to fill strong demand for their use in new products. Fees on these materials would simply raise the cost of living for Florida consumers with no environmental benefit.

Emerging Agricultural Markets
As consumer preference, urbanization, and pests and diseases continue to challenge traditional crops, agricultural producers are constantly exploring new crops which can be grown in Florida. In recent years, Florida has seen a significant increase in the commercial production of blueberries and olive trees and, given the public demand and new programs within the U.S. Farm Bill, growers are exploring hemp as an alternative crop.

AIF SUPPORTS legislation which allows Florida’s farmers the ability to explore new and emerging agricultural markets and provides adequate research funding for the University of Florida Institute of Food and Agricultural Sciences and Florida A&M to explore cropping systems, pest and disease concerns, and potential markets for these new crops.

Rural Economic Development
AIF SUPPORTS legislation which updates and improves Florida’s Rural Economic Development programs including funding for the Rural Infrastructure Grant program which allows rural communities to get assistance for economic development projects designed to create jobs and improve those communities.

Rights of Nature
The state of Florida has a robust framework to protect the state’s unique natural resources and environment. Florida law provides a comprehensive and cohesive system of protections, procedures, and permits, of which much have been approved at the federal level. Florida law also provides opportunities to challenge land use and environmental decisions at the state and local level.

AIF OPPOSES efforts to create or recognize 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 and restoration projects.

Agricultural Buildings
Florida law creates a separate category for certain agricultural buildings to be classified for purposes on the fire code. While state law provides direction for pole barns, the law does not address enclosed structures located on a farm. To this end, several issues have arisen relating to the classification of these structures and the associated fees that can be charged for fire protection.

AIF SUPPORTS efforts to develop an equitable and fair classification for agricultural structures which are integral to the farm operation. This classification and associated fee structure should reflect the nature of intended use and recognize the difference in public safety concerns.

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 for delivering health care to more Floridians in a manner that best safeguards Florida’s citi-

AIF Political Strategist Ryan Tyson provides the AIF members with important trends and insight into Florida’s key political races and upcoming election.
zens and protects the state’s financial health. The following topics represent the kinds of inventive solutions for which AIF will advocate during the 2020 Legislative Session.

**Health Care Workforce**

Florida is now the third most populous state in the nation, and our residents reflect diversity in age, income, talent and health care 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 need 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 significantly contribute to those health care professionals who serve our residents.

**Quality and 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 carriers 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 based on their latest evidence-based research. These procedures and protocols allow for the use of the safest, most appropriate and most cost-effective drugs and permit progressing 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.

AIF SUPPORTS modernizing the prior-authorization and step-therapy processes by 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.

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. AIF has consistently championed reforms to ensure that manmade problems do not frustrate that mission. Unfortunately, significant tort reform has proven elusive until this point. However, the tides are changing, and legislative and executive branch leadership is actively looking at several measures that would make Florida better for business.

Natural disasters provide a clear and present danger to our property and casualty marketplace. AIF SUPPORTS responsible policies to safeguard the Florida Hurricane Catastrophe Fund, relieve stress from Citizens Property Insurance Corporation, and ensure that all policyholders can secure necessary protection for their homes and businesses.

Lastly, AIF recognizes that stability and affordability in the health insurance market is key for employers. As such, AIF has consistently supported responsible measures that remove cost drivers, increase regulatory efficiency, and foster stability for the insurance-buying public.

Workers’ Compensation

Although Florida’s workers’ compensation marketplace was dealt several curveballs from the Florida Supreme Court that 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 most recent NCCI annual filings, although 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. Consistent with our goal to inject predictability and common-sense litigation reform into all insurance markets, AIF SUPPORTS worker’s compensation proposals that further those objectives.

Also worthy of review is the current framework by which professional employer organization’s (PEO) report their employees, which can sometimes create a coverage gap, resulting in uninsured workers. AIF SUPPORTS ensuring that no workers’ comp coverage gaps exist in any employment arrangement, PEO or otherwise.

Assignment of Benefits (AOB)

The legislature resolved a 7+ year problem in the 2019 session by changing the laws regarding assignment of benefits in property insurance cases. This legislation is a victory for consumers whose rights were being stripped away by unscrupulous vendors, and who were having to pay for the costs associated with predatory AOB litigation. Because AOBs are found in first party property and casualty insurance contracts, they still persist in both the personal injury protection (PIP) and auto glass contexts. AIF SUPPORTS exploring how the legislature can similarly tackle AOB in those contexts. For example, curbing abusive solicitation and litigation over a few dollars in windshield cases will help to avoid driving up costs for all ratepayers.

Residual Property Insurance Market

AIF applauds the governance of our residual market entities and will OPPOSE anything that depletes their capital, expands their interference with the private market, or fails to address persistent cost-drivers.
Florida Hurricane Catastrophe Fund

The Florida Catastrophe Fund is a state-run program that provides reinsurance coverage. Its capable management over the last decade 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.

AIF OPPOSES expanding the size and scope of the CAT Fund because it sends an unfortunate signal to private reinsurance markets that their capital is unwelcome. Policy-makers should guard against efforts to adjust its coverages at the expense of depleting its cash build-up, making it more likely that Floridians and business owners could see another “hurricane tax.”

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.” While the 10% rate cap, in conjunction with unfortunate market developments such as the proliferation of AOBs, created a tremendous rate need in pockets of South Florida, Citizens has been creatively trying to minimize costs to the state and policyholders by implementing programs that provide necessary services without the propensity for fraud and inflation, such as instituting a program where policyholders are encouraged to use pre-approved contractors. While those who seek to profiteer off insurance claims have pushed back, AIF SUPPORTS the efforts of Citizens—as well as their private market counterparts—to address insurance cost drivers in the absence of legislative reforms.

Automobile Insurance

While most can agree that Florida’s no-fault automobile insurance, also known as Personal Injury Protection (PIP), has not operated as intended, consensus on how to fix the problem has been elusive. While bodily injury liability insurance has been embraced by a majority of states, Florida must be willing to embrace tort reform as part of any legislative solution promoted to Florida’s rate payers as a cost saving measure. AIF also recognizes the need to ensure that appropriate emergency medical care can be provided and reimbursed. AIF SUPPORTS solutions which provide for a simpler and more cost-effective system that also can provide necessary emergency medical care for Floridians; however, AIF OPPOSES bills that seek to simply “ditch PIP” without a more comprehensive and thoughtful replacement, particularly if that replacement does not include a fix to Florida’s out-of-check, common law, bad faith gamesmanship.

Rental Car Liability

Given AIF’s historic commitment to promoting Florida as the best state in which to live, work, and play, proposals that could hinder or impede services to tourists must be carefully scrutinized. Previously, legislation that subject rental car companies to higher minimum financial responsibility levels—essentially increasing liability for their customer’s actions—was appropriately rejected. This
legislation also sought to impose higher financial responsibility requirements on tourists who reside in other states or countries. Given the punitive effects on tourists and the rental car companies who support Florida’s tourism industry, AIF will continue to OPPOSE these higher financial requirements which are at the expense of tourism industry stakeholders.

Rental cars provide a great benefit to Florida’s tourism industry, but with the advent of alternatives, such as car sharing, the playing field has become unlevel. For example, rental cars are subject to a surcharge and sales tax, yet newer car sharing services avoid these fees while also avoiding other consumer protection controls, such as safety recalls. Tourism is critically important and having options for transportation is a good thing. However, they must play by the same rules, and also be subject to important protections for drivers and passengers, hence our support for parity across transportation options.

**Ensuring Equitable Treatment for the Facilitators of Vehicle Rentals**

The way Floridians access modes of transportation continue to change, and it is important that the state treat equitably established and emerging companies that provide the same service. Traditional rental car companies have operated for centuries and remit sales tax and other surcharges that help fund our state’s infrastructure. More than ten years ago, car sharing—another rental vehicle model—emerged and they too collect sales tax and remit other surcharges. Yet another model for renting vehicles, peer-to-peer car sharing, has recently occurred. Thus far, these companies do not remit sales tax and other surcharges. They are also not bound to the same vehicle safety recall measures and other consumer protection measures required of traditional rental and car sharing models.

**AIF SUPPORTS** ensuring our state’s infrastructure funding grows as new business models develop for existing industries. To that end, we support ensuring that companies that facilitate the rental of vehicles operate on a level playing field in order to guarantee appropriate competition through the free market.

**Liability Insurance**

Trial lawyers have devised a way to prevent juries from hearing the true cost of medical services by using what is called “Letters of Protection,” which allow trial-lawyer-backed doctors to inflate their “costs,” which then allows trial lawyers to inflate their attorney fees by inflating the overall award.

This trickery must be stopped, and it can be stopped in the most common sense of ways—provide juries with the actual cost. This can be done by applying the plaintiff’s insurance coverage, by using a nationally recognized medical pricing database, or through various other methods. This medical gamesmanship orchestrated by the trial bar must come to an end, and facts must be able to prevail in the courtroom. As a result, **AIF SUPPORTS** accuracy in damages, which can only happen if the wayward use of Letters of Protection is reformed.

**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 un-reimbursable 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.
The health insurer community has developed a number of measures to ensure the affordability of health insurance, and thus, the management of its costs. One of these important tools is the use of pharmacy benefits managers (PBMs), which are designed to manage prescription drug benefits, ensure delivery of appropriate medication, and operate to effectively control costs while also delivering necessary prescriptions. **AIF SUPPORTS** the important role that PBMs play in the delivery of quality care in the health insurance marketplace, and it is important that such tools continue.

**AIF OPPOSES** anything that would saddle the business community with unnecessary costs or burdensome tasks as it relates to securing employee health insurance. Unfortunately, some interest groups are pushing legislation to require employers to engage in extraordinarily rigorous, real-time reporting under the guise of “preventing retroactive denials,” when, in reality, health insurers are simply implementing the various components of the Affordable Care Act as it relates to patient eligibility and authorization. If passed, this legislation would significantly saddle the business community with needless reporting responsibilities and costs.

Lastly, consistent with the experience of many other states across the nation, 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 for 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. Due to their inherent business goal of covering risk, insurers must be allowed to evaluate that risk before they then decide to risk their capital, which is supported by all other premium payers. Not doing so ignores the practical reality of insurance and creates market aberrations.

**IT Governance**

**Cloud-First Strategy**

**AIF SUPPORTS** Florida’s “cloud-first” strategy for the State of Florida. Agencies should be encouraged to pursue cloud-based solutions unless there are justifiable reasons for different approaches. Cloud services would include software, infrastructure, platform, and security as a service as well as other cloud-based approaches. **AIF SUPPORTS** this approach with an understanding
that “cloud-first” does not necessarily mean “cloud-only.”

The state should continue to reduce its dependency on the state data center. It is essential to have a strong information technology agency. We applaud the legislature and the Office of the Governor for the creation of the Division of State Technology (DST) within the Department of Management Services. We believe that the DST should be an ally to all agencies and a conduit for a wide variety of cloud-based solutions—not just state data center solutions. The DST should be a resource to assist agencies in transitioning to the cloud and other modern approaches.

The DST and the new State CIO should provide vision and leadership to the State’s overall IT strategy without being encumbered by the way things have been done in the past.

### Modernization of Florida’s IT-Based Systems – Enterprise Approaches

**AIF SUPPORTS** stronger investments in IT and the modernization of Florida’s outdated systems and processes. We believe that IT should be viewed as an investment in the future of Florida. Many of our citizen-facing and business-facing systems, web portals and call centers, are stove-piped and woefully ineffective. Many of the state’s core systems are decades old and unsustainable.

Effective enterprise approaches to state processes that cross multiple agencies should be an integral component of Florida’s future strategy. This will require leadership commitments to enterprise data interoperability, modernized applications that function across agencies, and new approaches to constituent communications at an enterprise level. Florida’s citizens and businesses should have easy access to state government without the need to navigate many different agencies in order to exchange information and conduct business with our state government.

A single agency should be responsible for enterprise operational processes that are common to all agencies for processes that are not specific to the mission of the agencies. We believe that the DST is the logical agency to assume this operational responsibility and that a Chief Enterprise Officer should be appointed to reside in the DST.

**AIF SUPPORTS** an “investment-based” view of information technology rather than an “expense-based” view. The return on the state’s investment should include the value of having citizen and business-friendly systems, the positive impact to Florida’s economy and the mitigation of the failure of unsustainable systems.

### Investment in Cybersecurity

**AIF SUPPORTS** investment to protect state assets, systems and data. We commend the State for the creation of the Florida Cybersecurity Task Force.

A significant cyber-attack on our state could have devastating results far beyond a data breach. First responder systems, corrections systems, public assistance systems, food inspection systems, health care systems, and many others could be impacted with catastrophic results.

The legislature should continue to fund comprehensive and on-going security assessments and remediation. **AIF SUPPORTS** a strong enterprise approach to cybersecurity.

### Improvements in Contracting and Procurement

**AIF SUPPORTS** the need for open and transparent bid processes and for the modernization of state contracts for IT.

The Department of Management Services (DMS) should maintain state term contracts for information technology services including independent verification and validation (IV&V) services, IT staff augmentation services, management consulting services, cloud services, and IT consulting services. Alternate contract sources should only be used as “alternate” contracting vehicles to supplement state contracts when needed. We believe that it should require legislative approval for state contracts to be terminated or dropped in favor of “alternate contract sources” and that alternate contract sources should be “alternate”—not the primary contract source.

**AIF ENCOURAGES** the necessary statute changes to allow for the implementation of a vendor registration system for IT services in state term contracts. The current process of determining the vendor pool for state term contracts via a competitive bid process has not worked well and should be changed. Instead, vendors should be able to register at any time, rather than having to wait years for the state to issue a new state term contract. Under this approach, when vendors register, they would agree to abide by the terms of the state term contract, attest to legal requirements such as being registered with the Division of Corporations to do business in Florida, and provide references. This would allow for more qualified bidders, more modern solutions and more competitive pricing.

**AIF ENCOURAGES** a rule change so that all procurements would be noticed via the DMS Vendor Bid System (VBS). Under current rules and statutes, agencies do not have to notify all eligible bidders when an “alternate contract source” or state contract bid is released. This practice discourages open competition and opens the door for vendor favoritism.
Legal & Judicial

Florida’s low taxes, beautiful weather, and growing population make it a top place for businesses to grow and thrive. Unfortunately, those conditions must be footnoted by Florida’s litigious culture. Although steps have been taken to improve this, there are still several very significant looming tort threats that strangle Florida’s ability to surpass states like Texas in job growth and development.

For years, Florida has been named a “judicial hellhole.” We must provide businesses with a clear and level playing field in the courtroom. It is imperative that Florida cultivate a healthy and prosperous arena for commerce to thrive.

AIF SUPPORTS legal reform that will decrease the cost of litigation and remove unfair and unpredictable barriers for state growth by engaging in the specific issues below.

Tort Reform

There is a plethora of civil justice issues that affect the cost of doing business in Florida and are worthy of reform. Chief among them are accuracy in damages, fair settlement, and litigating financing reform, as they affect every single business—and consumer—that buys liability insurance. These issues transcend industries, and the games behind them defy logic. AIF SUPPORTS blowing the whistle on these trial lawyer tricks, which will benefit every single insurance premium payer in the state.

Accuracy in Damages

Trial lawyers and a handful of doctors currently “game” judges and juries by entering into evidence fake medical bills, under what’s commonly referred to as letters of protection (LOP). These LOPs are used to inflate medical expenses, drive up economic damages, and cause a domino effect on the amount of noneconomic damages.

AIF SUPPORTS legislation to address accuracy in medical 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 reject the last Florida Supreme Court’s wayward decision in Worley and allow evidence of an attorney or law firm’s ongoing referral relationship to treating physicians in order to create parity with the manner in which doctors that are called by the defense are considered.

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** 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.

**AIF SUPPORTS** legislation establishing 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 and then take a portion of litigation recoveries by charging exorbitant interest rates. These “investments” put undue incentive on plaintiffs to recover much more than what they’re actually owed to make them whole due to the fact that they have to repay a predatory loan. **AIF SUPPORTS** legislation that would require parties to disclose copies of these agreements to other parties so that these speculators cannot operate in the shadows.

**Other Issues**

There are a number of other truly worthy civil justice issues in need of reform. These often acutely affect one industry more than others, but are all the while important and deserving of legislative intervention.

**Contingency Risk Multipliers**

Contingency risk multipliers are a creature of common law, and they multiply attorney fee awards in an effort to incentivize attorneys to take cases that many are remiss to take. While these originated to ensure justice for litigants pursuing civil rights and other cases, they have been growing in prevalence, and have been awarded in cases such as property insurance litigation, where attorneys are far from scarce. Given this perversion of the common law, **AIF SUPPORTS** legislative intervention to restore the award of a contingency risk multiplier to its proper place.

**Construction Defect**

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

**Attorney Fee Reform**

**AIF SUPPORTS** all efforts to inject common sense into Florida’s litigation system through attorney fee reform. Attorney fees are lucrative in Florida, which adds fuel to the fire of the overly litigious environment confronting Florida’s businesses daily. Whether it is the one-way attorney fee designed for policyholders that is now being manipulated by third party vendors to drive up property and auto insurance costs, or the concerted effort by the trial bar to overturn statutes that require attorney fees to bear a rational relationship to the success garnered for a client, Florida’s businesses are plagued by a growing number of legal schemes that make life more costly for consumers. Much of this fire is directed toward the insurance marketplace, be it in workers’ compensation, auto or property, or medical malpractice. Of course, the cost of all of this is borne by Florida’s employers. **AIF** will remain vigilant in its legislative advocacy of fair legal and attorney costs.

**Asbestos Litigation Fairness**

Asbestos-related diseases are tragic, and injured persons deserve compensation. As a result, trust funds have been created to help compensate victims. Unfortunately, some trial lawyers have taken an approach that results in inconsistent claiming, resulting in a double dipping, which prejudices other victims who do not do so. In a nutshell, some lawyers are having plaintiffs file claims with all available trusts as well as filing a lawsuit and recovering monies separately, which lessens the amount available to others. To prevent this inconsistent claiming and ensure all victims are fairly compensated, **AIF SUPPORTS** legislation to require plaintiffs in asbestos litigation to provide trust claim documents to the defendants before the case can be tried, ensuring that defendants have the same information as bankruptcy trusts, and eliminating the practice of inconsistent claiming.

**Good Samaritan Act**

**AIF SUPPORTS** efforts to reform Florida’s Good Samaritan laws as a way to ensure that non-medical personnel and average Floridians are truly protected from lawsuits when offering assistance to fellow citizens. Several court opinions have found that current law provides very little protection to the average citizen. They have also found that there has been a recent onslaught of cases in which ordinary citizens rendering voluntary medical
assistance in emergencies have been found liable, notwithstanding the Good Samaritan Act.

Rights of Nature

AIF SUPPORTS responsible policies to ensure environmental stewardship. However, some trial lawyers have found a new avenue to sue the business community, and they do so by saying they are representing a natural element, such as a river or forest. AIF OPPOSES trial lawyers manufacturing litigation on behalf of a natural element, under the guise of environmental safeguarding when their real motivation is to extract dollars from hardworking employers and their employees.

Court Reforms and Judicial Activism

AIF SUPPORTS the foundational, constitutional principle that policy is made by the legislature, and procedure is the province of the courts. Unfortunately, activist judges have tried to erode that basic principle. For example, in the recent case of Diamond Aircraft Industries, Inc. v. Alan Horowitch, Florida’s Supreme Court found that an offer of judgment is not valid under Florida Rule of Civil Procedure 1.442 if it does not meet the strict requirements of that rule, even though the statute provides a broader interpretation. Activism on behalf of Florida’s courts to negate legislative action only ensures that our legal precedents will continue to negatively impact our business climate, and AIF SUPPORTS reinforcing the separation of policy and procedure to prevent legislating from the bench.

Claims Bills

AIF OPPOSES claims bills that attempt to expand current law to either create new or modify existing legal precedents and causes of action for the benefit of trial lawyers. In recent years, claims bills have been brought forward in an attempt to sidestep the legislative process and allow for the pursuit of claims against businesses instead of governmental entities. AIF has led the charge to ensure these bills are not passed, the parties at fault are culpable, and the claims are not simply aimed at the “deep pockets.”

Ethics and Elections

AIF will monitor all proposals related to public ethics and elections and will advocate as necessary to protect the rights of individuals and businesses to redress legislative and executive branch policy makers.

Prejudgment Interest

AIF OPPOSES legislation that will increase the already daunting costs of litigation on Florida’s businesses. Mandating that prejudgment interest be awarded on economic and noneconomic damages recovered in all personal injury cases would drive up the cost of litigation and force defendants to pay greater damage amounts due to delays within the court process that could be unattributable to their actions. Prejudgment interest is already awardable in any personal injury case at the discretion of the judge. Therefore, statutory proposals that seek to create a complicated framework for calculating prejudgment interest will add costs, prolong cases straining judicial resources, and incentivize litigious behavior. Creating a standard prejudgment interest calculation on personal injury judgments will further solidify Florida’s reputation as a “judicial hellhole.”

Auto Dealer Franchise

AIF OPPOSES legislation that would intervene in any contractual agreement between a dealer franchise and an auto manufacturer, voluntarily entered into by each party, and dictate 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 auto dealers extensive additional rights, continuously crippled automobile manufacturers’ contract rights, and increased costs to consumers.
Manufacturing, Aerospace & Defense

As the state affiliate for the National Association of Manufacturers, AIF is committed to providing a member venue to discuss and advance the interests of Florida’s manufacturing community in all sectors. 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 325,000 manufacturing jobs create nearly one million additional jobs for Floridians. The state’s manufacturing sector is also a significant provider of high wage and high value-added jobs. Florida’s need to grow manufacturing jobs is unquestionable as our state continues to diversify its economy.

Now in its ninth session, AIF’s Manufacturing, Aerospace & Defense Council (MAD) has established itself as an effective advocate for pro-manufacturing policies. In 2013, 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 during the 2016 Legislative Session—a change that has benefited Florida’s manufacturers as they have reinvested to grow their businesses. In 2020, the MAD Council will look to build on its successes by supporting the following actions:

• 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.
• Continuing state efforts to enhance 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).
• Reauthorizing and funding the Qualified Defense & Space Contractor Tax Refund in statute to attract defense contracts to the state of Florida.
• 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 growing programs, training and initiatives that help upskill the knowledge and skills of the Florida workforce to create and maintain an exceptional talent base.

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 permanently eliminate corporate income tax on manufacturing and retail businesses. The elimination of this tax will reduce the cost for businesses in Florida by about $770 million annually, attract more businesses to the state, and diversify Florida’s economy by helping more businesses succeed. In addition, this effort to repeal the corporate income tax provides an excellent incentive for businesses to expand in Florida and for companies looking to relocate here. AIF continues to OPPOSE any structural changes to the corporate income tax such as combined reporting or the “throwback” rule or any other “loophole” issues.

Commercial Lease Tax (Business Rent Tax)

AIF SUPPORTS an 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; and while this is a major part of the state’s tax revenues, it needs to be gradually reduced and eventually eliminated to make Florida more attractive to business.

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. This tax holiday is a win-win for customers 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. This credit 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 (CST) — Land Line, Wireless, Cable TV and Satellite TV Services

AIF SUPPORTS continuing reductions in the state portion of the communications service tax and supports reviewing and standardizing the local communications services tax rates. The CST 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 and makes the communications services expense a significant deterrent for businesses to locate here. The reduction of the state portion is good for Florida businesses and makes Florida more attractive to companies looking to relocate. Moving to standard local rates will be more fair for technology companies and others trying to comply with the tax and create a uniform and consistent statewide taxation scheme that will improve transparency for consumers and compliance among providers. AIF SUPPORTS efforts to further streamline and improve the administration of this complicated tax structure to provide more efficiencies and transparency. Also, AIF SUPPORTS exempting network investment or busi-
ness inputs used to provide 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.

Services Tax

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

Entertainment Industry Tax Credit Program

AIF SUPPORTS the entertainment industry tax credit 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 Jobs Tax Credit Program

AIF SUPPORTS the Urban Jobs Tax Credit Program. This program encourages economic activity and job creation in areas designated as high crime areas.

Salary Tax Credit

AIF OPPOSES legislation that will 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 30-year insurance salary tax credit removes the mechanism that helps keep insurance rates for everyday Floridians as low as possible.

Federal Decoupling

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

To summarize, the Florida Department of Revenue issued its final report on the state impact of the Federal Tax Cuts and Jobs Act on the Florida tax base. With respect to 965 income, the Department confirms that 965 income is not included in the Florida tax base, and therefore 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 its Section 163(j) limitation on a separate company basis since Florida is a separate reporting state.

Transportation & Maritime

Transportation Trust Fund and Dedicated Funding

Transportation and infrastructure funding have evolved into one of the most important pieces of the state budget. While partnerships with local governments and alternative financing mechanisms have proven helpful in meeting the state’s demands, Florida still relies almost entirely on the State Transportation Trust Fund being robustly funded each year. Nowhere in the state budget is there a greater need for consistent, sustainable funding than transportation and infrastructure. Roads, bridges, ports, and other infrastructure projects all require long-term planning and funding necessary for completion. Any disruption to funding these projects would have significant effects on the state’s ability to keep pace with the demands of growth. Additionally, the projects produce jobs and economic activity. In fact, for every $1 invested in the Department of Transportation Work Plan, nearly $6 is returned to the state’s economy; and for every $1 billion invested in road construction and improvements, more than 28,000 new jobs are created for Floridians.

Under the leadership of Governor Ron DeSantis, investment into the state’s seaports has grown, returning $1.76 for every $1 invested, with that number expected to increase to $2.71 for every $1 spent on seaports by 2020. Florida Department of Transportation’s (FDOT) investment in airports has brought the state $1.37 for every $1 spent, with that number growing to $1.72 for every $1 spent in 2020.

The positive economic impacts of investing in Florida’s infrastructure industry is directly dependent on the sanctity of the State Transportation Trust Fund.

AIF OPPOSES redirecting financial resources and State Transportation Trust Fund commitments to any areas other than the State Transportation Trust Fund or sweeping funds from the State Transportation Trust Fund to areas outside of transportation infrastructure.
Future Funding of Transportation Infrastructure

Experts in infrastructure policy and elected officials alike can all agree that state dependence on gas tax revenues as a major source of infrastructure funding is growing more untenable each year. With the advancement of technology and the push for fuel efficiency measures, infrastructure industry leaders and the FDOT have asked Florida policymakers to consider new and inventive ways to fund transportation infrastructure projects in the face of declining gas tax revenues for Florida. There is no question that with these trends, Florida may experience decreases to sustainable levels of funding for the Five-Year Work Plan.

AIF SUPPORTS “smart infrastructure” by connecting cities through incentives to leverage resources and also believes the state should incentivize strategic deregulation by local governments to encourage public/private partnerships and investment, including focusing on opportunities presented by new policies of the U.S. Department of Transportation and the Federal Communications Commission.

AIF SUPPORTS creating an alternative solution to the state’s current exclusive reliance on gas tax revenues to obtain sustainable funds for state infrastructure needs. This should include a fair and equitable way for both the federal government and Floridians alike to support and provide financial stability across the transportation and infrastructure spectrum.

Florida Seaport Transportation and Economic Development Program

Florida’s geographic proximity to the Americas requires a certain level of commitment from local, state and the federal governments to resource the state’s ports in order to maximize the economic opportunities available through ports in Florida. In recent years, the state of Florida and its seaports have successfully partnered to advance the maritime industry’s role in growing Florida’s economy, both domestically and internationally. Through the reduction of regulations, quality appointments to port authorities and in conjunction with individual port authority directors, never before has the state utilized its port system in a way that can make Florida as competitive in the hemisphere as it is today.

One example of this is the Florida Seaport Transportation and Economic Development (FSTED) program. The FSTED program serves as an important mechanism for seaport capital improvement projects, which is crucial to the growth of the state’s port systems. Preserving this program and increasing its value to Florida’s seaport partners is critical.

AIF SUPPORTS maintaining funding levels for FSTED at $25 million, an important provision for Florida’s ports. Also, AIF SUPPORTS creating the FDOT Business Development Program as a mechanism to help educate and provide expertise to Florida small businesses looking to do work in the Department’s often complex procurement process.

Natural Gas Rebate Program

During the past several years, exploration has uncovered a supply of natural gas in the United States, resulting in a reduction in the price of natural gas and an increased interest in natural gas-powered vehicles, fuel plants, and refueling infrastructure. In 2013, the Florida Legislature took the lead in encouraging public and private sector organizations to convert their gas and diesel-powered fleets to compressed natural gas (CNG) or liquified natural gas (LNG) through the Natural Gas Fuel Fleet Vehicle Rebate Program within the Department of Agriculture and Consumer Services (DACS). The purpose of the program is to help reduce transportation costs and encourage freight mobility investments that contribute to the economic growth of the state by incentivizing organizations to convert their fleets through rebates.

AIF SUPPORTS the continued funding of the Natural Gas Fuel Fleet Vehicle Rebate Program and allowing both public and private entities to reapply for additional rebates when converting their fleets to CNG or LNG when there are outstanding funds for the program at DACS.

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 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—and 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 who do not have access to mass transit, and to 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 a number of 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 who have deployed both wireline and wireless broadband networks to support AV operation and further investments. Upgrades to these networks should not face delay 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 up the door for safe, reliable modes of AVs in a competitive marketplace with clear, limited government regulations.

AIF ENCOURAGES the FDEP to adopt an equitable approach to funding the category eligibilities. This approach will leverage the use of the settlement funds across a broad spectrum of industries, which is necessary for an industry-diverse state such as Florida. Additionally, AIF ENCOURAGES Florida to use this opportunity to maximize the use of the Diesel Emission Reduction Act (DERA) by the use of trust funds that would draw down additional matching funds to the state.

Ensuring Safe Access for Florida’s Major Seaports

Predictable and safe access for Florida’s major seaports including Jacksonville, Canaveral, Palm Beach, Everglades, Manatee, Tampa, and Panama City is key to ensuring port activities are run both effectively and timely. For the last several years, AIF has advocated for both increasing investment into Florida’s seaports and reducing burdensome regulatory blocks that stymie daily port activities. While this investment has resulted in significant growth for the port industry in recent years, AIF is also focused on the safety and wellbeing of the ports, their employees and partner industries alike. Thus, implementing thoughtful guidelines for our ports can be helpful in their overall success and safety.

After a disaster, reopening Florida seaports within 24 hours is critical for providing fuel for Florida, servicing the cruise industry, and for exports and imports contributing to Florida’s significant foreign trade. It is worth noting that the Caribbean and Central America depend heavily on Florida for many of their imports and critical supplies as these regions are generally impacted first by storms and hurricanes. They are heavily dependent upon the support and assistance that Florida provides after a disaster.

Seaport openings can be obstructed by wayward vessels blocking docks or channels as a result of storms, tornados and hurricanes. Quickly resuming port operations and productivity while maintaining safety and infrastructure security is paramount. AIF ENCOURAGES the State of Florida to advance policies and correct current legislation that would expedite the timeline for pre- and post-disaster removal of vessels considered to be a danger to commercial traffic for the ports. These measures may include requirements for proper personnel to be on-site and pre-event contracts are in place to expedite a post-event assessment and opening of a seaport within a maximum of 24 hours after the event.

These measures must also include provisions that ensure safety and protect the port, its environment, tenants, and its employees. Therefore, AIF SUPPORTS legislation increasing enforcement to promptly remove any vessel, prior to or after a disaster, within one mile of the port or its channel to ensure the vessel does not pose any environmental hazards or potential danger for access to the port or its facilities. This will ensure that port operations are not adversely impacted by stranded or abandoned vessels that the port authority deems a potential, present or future hazard.

Freight Rail Crew Mandates

Major U.S. freight trains on mainline tracks generally operate with two crew members in the locomotive cab—a conductor and an engineer. There are current legislative efforts to require at least two people in the crew on all freight railroads. Rail operators, which maintain a distinguished safety record, must continue to have the ability to innovate in the future to remain safe and efficient—including allowing operations with fewer than two people. Single-person crews have long been used on passenger, short line and foreign freight rail systems.

AIF OPPOSES mandates on Florida businesses, including crew size mandates on freight rails operating in our state. A legislative crew size mandate lacks justification, disregards the freight rail industry’s strong safety record, would impede the sector’s ability to compete and interferes with decades of collective bargaining between rail management and rail labor. There is no data showing two-person crews are safer than one-person crews.

For more information, please visit AIF.com
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Environmental Sustainability & Agriculture Council (ESAC)
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Florida Transportation & Maritime Council (FTMC)
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Information Technology Council (ITC)
Promoting Florida’s move to the cutting edge of technology—to meet the demands of a diverse, fast-growing population, while balancing the needs of the state and private sector.

Manufacturing, Aerospace & Defense Council (MAD)
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