

ASSOCIATED INDUSTRIES OF FLORIDA  
**LEGISLATIVE  
DAILY BRIEF**



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### LEGAL REFORM

The Florida Senate today delivered another important legal reform victory to Florida's business community by passing HB 1089 Relating to Construction Contracting. In a nutshell, this bill changes the statute of repose from 15 to 10 years, in which a person can bring suit against various construction professionals following the completion of the project. This legislation is a part of the global tort reform package advocated by AIF and the Florida Coalition for Legal Reform.

The bill passed the Senate today by a vote of 37-0 and will be sent to the Governor for final approval.

**AIF supports HB 1089 because it will bring Florida in line with most other states and create a more inviting and competitive business environment which will enhance economic growth and success.**

### HEALTH CARE

The House passed (117-1) HB 805 Relating to Health Care Services by Representative Holly Benson (R-Pensacola). The bill requires Medicaid ID cards and provides health care beneficiaries with greater access to health care information. The House adopted an amendment by Representative John Legg (R-Port Richey) to establish a program that creates incentives for individuals to purchase private long term care insurance policies. These policies will cover nursing home or home based services when the Medicare nursing facility benefit is exhausted after 100 days of care.

Prior to passage, the House rejected an amendment by Representative Anne Gannon (D-Delray Beach) to mandate parity for mental health services by insurers. AIF was instrumental in blocking a similar proposal that surfaced earlier in the session.

HB 805 is now in Senate messages.

**AIF supports HB 805 because it will provide greater transparency of health care information in the future, thereby potentially empowering consumers to make better decisions when it comes to their medical treatment.**

## ENERGY

SB 888 by Senator Lee Constantine (R-Altamonte Springs), the Florida Energy Plan, unanimously passed (39-0) the Senate. The bill creates a Florida Energy Commission and establishes membership and duties. It also provides grants to promote renewable energy technologies and rebates for certain appliances and solar installations. SB 888 also streamlines and shortens time frames for the siting of power plants, nuclear plants and transmission lines. Finally it creates the "Farm to Fuel" program to provide grants to promote use of Florida grown and produced biomass to produce energy

One amendment was adopted which changed the due date of the commission's final report to December 31<sup>st</sup>, 2007. SB 888 will now be sent to the House for consideration.

**AIF is closely monitoring this landmark piece of legislation. Most of the bill's provisions offer great incentives for the development of alternative energy sources. One area of concern continues to be the Energy Commission's duties and powers. AIF believes that the best way to deal with the state's energy needs is through the use of incentives and the removal of regulatory barriers, rather than using new taxes and mandates.**

## REGULATED INDUSTRIES

The House passed HB 161 Relating to Mold Assessment and Remediation by Representative Carl Domino (R-Palm Beach Gardens). Currently, there are numerous companies in Florida that hold themselves out to be mold assessors or mold remediators or conduct mold related services. There is no licensure or regulatory requirements to be a mold assessor or mold remediator.

This bill provides education guidelines and certification for those who engage in business as a mold assessor or mold remediator. By January 1, 2007, the bill requires an assessor "to maintain general liability and errors and omissions insurance coverage of not less than \$250,000." It requires a remediator "to maintain a general liability insurance policy of not less than \$500,000 with specific coverage for mold related claims." The bill does not require disclosure to the customer of compliance with the statutorily specified credentials to become a mold assessor or mold remediator.

The bill requires that a contract to perform mold assessment or mold remediation must be signed or otherwise authenticated by the parties. The bill provides various exemptions from the guidelines and operating requirements. Civil and criminal penalties are provided for violations. The bill has a "grandfather clause" to allow current operators to continue until July 1, 2008, without complying with the guidelines and operating requirements.

On Friday, April 28<sup>th</sup> an amendment by the bill's sponsor was adopted, which removed all provisions dealing with home inspectors and inspections. As amended the bill only deals with the mold industry.

HB 161 is now in Senate messages.

**AIF supports HB 161 because it establishes guidelines for businesses that practice in the field mold assessment and remediation as well as home inspectors. These guidelines will protect both consumers and businesses from those who practice fraudulently.**

## **AFFORDABLE HOUSING**

Today was a very successful day for affordable housing in the House of Representatives as several bills were passed which address this issue.

The House unanimously passed (118-0) HB 1363 Relating to Affordable Housing by Representative Mike Davis (R-Naples). This is the comprehensive affordable housing product that has been in the works for many months. The bill has broad bi-partisan support and is designed to stimulate workforce and affordable housing in high cost areas of the state, particularly for essential service personnel. This includes teachers, nurses, firefighters, emergency medical personnel, construction trades and areas of critical state concern. The bill includes provisions for moderate priced housing and rental units as well as increasing funding for the Florida Housing Finance Corporation. The bill also improves on workforce housing in the state by modifying the Developments of Regional Impact (DRI) procedures to encourage developers to increase affordable housing units.

Representative Joe Pickens (R-Palatka) offered an amendment, which was adopted, that establishes guidelines for school district boards to donate portions of unused school sites for affordable housing. This had been the bill's one point of contention.

HB 1363 is now in Senate messages.

The Senate passed HB 821 Relating to Community Contributions Tax Credits by Representative Dudley Goodlette (R-Naples). This program currently provides tax credits of up to \$200,000 (per donor) to corporations and insurance companies that collect and remit sales and use taxes. To qualify donors must make contributions to certain low-income housing and community development projects. The bill increases the total amount of credits allocated to the Community Contribution Tax Credit Program from \$12 million to \$13 million annually and provides new allocations of the available \$13 million in tax credits. It also requires that \$10 million of the tax credits be reserved for donations made to projects that provide homeownership opportunities for low income or very-low-income households.

HB 821 passed the Senate today by a vote of 39-0 and will be sent to the Governor for final approval.

HB 1589 Relating to Specialty License Plates by Representative Chris Smith (D-Ft. Lauderdale) was passed (114-3) by the House. This bill is designed to generate revenue for Homeownership For All, Inc. through a \$25.00 annual usage fee for a specialty license plate. The corporation is a not for profit organization located in Orlando, Florida. The organization's specific purpose is to fund programs that promote, provide, or otherwise support affordable housing in Florida.

HB 1589 is now in Senate messages.

**AIF supports HB 1363, 821, and 1589. The issue of affordable or “workforce” housing is a priority for our state. AIF applauds the bi-partisan efforts of the legislature to finding a solution. We look forward to working with all bill sponsors on finding common sense approaches to this complex issue.**

#### **CONSTITUTIONAL AMENDMENT REFORM**

The House passed HB 7037 Relating to Tax of Fee Limitations by the Judiciary Committee by a vote of 90-27. This proposed Constitutional Amendment establishes a threshold of two-thirds of the voters voting in an election for approval of constitutional amendments that:

- Increase an existing state tax or fee; or
- Impose a “significant financial impact” on state government of greater than two-tenths of one percent of the portion of the state budget appropriated from the General Revenue Fund for the prior fiscal year (currently this sum would be approximately \$63 million)

HB 7037 is now in Senate messages. The House version differs from its Senate companion, SB 1436 by Senator Jeff Atwater (R-North Palm Beach); in that the Senate version includes language which states that the higher voter threshold also applies to any amendment which decreases or eliminates an existing state tax or fee. The House version only applies to amendments which increase or impose a state tax or fee.

**AIF supports HB 7037, which increases the threshold by which constitutional amendments with significant fiscal impacts are approved. Floridians and businesses owners usually left with having to pay for these unfunded and many times ill-conceived mandates.**

#### **WORKFORCE DEVELOPMENT**

The House unanimously passed (119-0) HB 801 Relating to Work Certification Program by Representative Pat Patterson (R-DeLand). This bill focuses on the development of a skilled workforce in Florida by providing for certification of knowledge based workers critical to Florida’s economic development. This is particularly important to Florida’s Innovation Economy. Florida Ready to Work Certification Programs may be conducted at public high schools, community colleges, technical centers, one-stop career centers, vocational rehabilitation centers and Department of Juvenile Justice educational facilities.

HB 801 is now in Senate messages.

**AIF supports HB 801 as a way to meet the future workforce needs of Florida. Rapid technological change and increased international competition make training our workforce one of the top priorities for this state.**

## ENVIRONMENT

HB 261 Relating to the Florida Incentive Based Permitting Act by Representative Dwight Stansel (D-Live Oak) passed the House on a vote of 116 to 1 with Representative Susan Bucher (D-West Palm) was the only no vote. This bill will provide the Department of Environmental Protection (DEP) the authority to consider a history of regulatory compliance by an applicant when considering whether to issue or reissue a permit to the applicant. The applicant would have to request incentives as part of the permit application. This would allow businesses in the state who are good stewards of Florida natural resources to have longer permits; expedited permitting and less inspections therefore saving time and money.

HB 261 is now in Senate messages.

**AIF supports HB 261 because it takes into account a company's past performance in the DEP permitting process. AIF believes that regulated entities should receive some benefit for good behavior and should not be subject to arbitrary or uncertain punishment.**

## GROWTH MANAGEMENT

The Senate considered SB 1196 Relating to the Florida Impact Fee Act by Senator Lee Constantine (R-Altamonte Springs) on second reading. This bill codifies certain provisions relating to the imposition of impact fees by local governments. In addition to providing legislative findings and intent relating to the adoption of a local ordinance levying an impact fee, the bill stipulates that such an ordinance must, at a minimum:

- Require that the calculation of the impact fee be based on the most recent and localized data;
- Significantly address affordable housing through waiver, exemption, or payment of impact fees, or the establishment of an affordable housing program;
- Provide for accounting and reporting of impact fee collections and expenditures;
- Limit administrative charges for the collection of impact fees to actual costs;
- Require that notice be provided at least 90 days before the effective date of a new or amended impact fee; and
- Address whether credits should be granted for future tax payments and other funding sources.

There was an amendment by Senator Constantine that requires inclusion of an affidavit certifying compliance with the act in certain audit of financial statements of a local government entity or a school board provided to the auditor general. There was a late filed technical amendment that was adopted. Both amendments passed, the bill was ordered engrossed and rolled over to third reading, meaning that it is ready to be voted on for final passage must likely during Tuesday's session.

**AIF supports SB 1196 which is aimed at codifying the many confusing aspects of Florida's impact fee process. Currently, impact fees are governed by case law instead of in statute. Establishing one location for these regulations makes sense.**

### **OTHER BILLS OF INTEREST:**

#### **Insurance**

The House passed (79-40) HB 7225 Relating to Property and Casualty Insurance by the Insurance Committee. This is the House's version of how to deal with the \$1.7 billion deficit in Citizen's Insurance Company, Florida's insurer of last resort. The bill contains \$900 million in appropriations, half of which will go to mitigation programs and grants designed to help Floridians retrofit their homes for hurricane protection. The bill also raises Citizen's rates in an effort to depopulate the company's book of business, especially for those homes that are valued at more than \$1 million.

HB 7225 will now be sent to the Senate for consideration. The Senate has its own property insurance proposal, SB 1980 by Senator Rudy Garcia (R-Miami) – Chairman of the Senate Banking and Insurance Committee.

#### **Seaport Security**

The Senate passed HB 7145 Relating to Seaport Security by the Domestic Security Committee. The bill fundamentally changes the focal point of developing seaport security plans, shifting the responsibility for plan development from the Florida Department of Law Enforcement (FDLE) to the port directors of Florida's fourteen deep water ports.

The business community will benefit from having security plans reviewed from the perspective of port directors, who better understand the commerce side of port operations. Importantly, the bill provides that for the first time, plan review will not just consider security issues but also "promote the flow of legitimate trade and travel."

The role of FDLE will be to inspect ports following the review of security plans to insure compliance of those plans with existing law and issue a report of their findings. If a seaport disputes any specific findings they can appeal to the Domestic Security Oversight Council. The Council will review disagreements and make recommendations.

The bill also creates the Seaport Security Standards Advisory Council (SSSAC) to review statewide minimum standards. The Council will consult with area maritime security committees to assess possible impacts to commerce and trade.

Members of the SSSAC will be appointed by the Governor. Those serving will be port directors and port security directors, plus others from state governmental entities including the Department of Transportation, the Attorney General's Office, the Department of Agriculture and Consumer Services, the Office of Tourism, Trade & Economic Development and the Office of Drug Control.

The bill passed the Senate today by a vote of 37-0 and will be sent to the Governor for final approval.

**Please send your comments or suggestions to us at [aif@aif.com](mailto:aif@aif.com) or call the Governmental Affairs department at (850)224-7173.**

- For more information on all of the important legislative information concerning the business community, go to our "members only" Florida Business Network web site at <http://fbnnet.com>
- Send us your E-mail address and we will begin to send this report to you automatically via E-mail.