

ASSOCIATED INDUSTRIES OF FLORIDA

LEGISLATIVE WEEKLY UPDATE



P.O. Box 784 • Tallahassee, FL 32302 • Phone: (850) 224-7173 • Fax: (850) 224-6532 • Internet: <http://aif.com> • fbnnet.com

FROM THE WEEK OF APRIL 10 – APRIL 14, 2006

This was a short week in Tallahassee due to the Passover and Easter Holidays. The Senate went home for the week and the House only conducted business on Monday and Tuesday. Therefore, we have decided to provide our members with a quick update and status of the major bills we are following this session.

Also of note, on Wednesday, April 12th the Revenue Estimating Conference announced that an additional \$960 million in tax revenue has been collected. Projected collections for fiscal year 2005-06 were adjusted upward by \$427.6 million or 1.6 % over the last estimate. For fiscal year 2006-07, expected revenues were increased by \$532.6 million or 2% over the earlier forecast. Part of the windfall can be attributed to documentary stamp tax collections as a result of continuing house price appreciation. In addition, sales tax collections have also increased over the last year due in part to business investments returning to more normal patterns. Although it is impossible to predict how the legislature will respond to this increase in general revenue, it is expected that some of these new monies will be carried forward into the state reserves, thereby allowing for the potential paying off of debt.

LEGAL REFORM

Joint and Several Liability

Abolishing the long-standing doctrine of joint and several liability was the Speaker's top priority this session. Members of the business community have been working on this issue for more than 20 years. The first reforms in this arena began in 1986 and continued in 1999. This year the legislature passed HB 145 by Representative Don Brown (R-Defuniak Springs) within the first four weeks of session. Senator Dan Webster (R-Winter Garden) championed the cause in the Senate by filing SB 2006, the companion to Representative Brown's bill. HB 145 establishes that each defendant in a claim is liable only for its proportionate share of the plaintiff's loss. The bill creates a fair and level playing field in the legal system for all Florida citizens, whether they are individuals or businesses.

↑HB 145	3/16/06	Passed House 93-27
	3/30/06	Passed Senate 27-13
	4/5/06	Ordered Enrolled and on the way to the Governor for Signature

↑SB 2006	3/29/06	Placed on Calendar; retained on Calendar see HB 145
----------	---------	---

Class Action

Since 1997, studies have reported that corporations have seen class action suits filed against them increase anywhere from 300% to 1,000%. These lawsuits are frequently used to force companies to pay money (most of which goes to attorneys and not to the plaintiffs). To make matters worse, these class action suits sometimes take place under circumstance in which no wrong has occurred. The House Judiciary Committee has filed HB 7259, which requires claimants in a class action suit to be Florida residents. The bill also requires that claimants must prove actual damages before a class action suit can continue. Senate Carey Baker (R-Eustis) has filed the companion bill, SB 2304, in the Senate.

↑HB 7259	4/12	Placed on Calendar
↑SB 2304	3/10	Referred to Judiciary

Sovereign Immunity for Law Enforcement

Throughout the United States, civil cases against law enforcement officers and agencies have arisen due to injuries suffered by third parties caused during high-speed chases of criminal suspects. Early Florida cases recognized the societal benefit in providing immunity from liability for a law enforcement officer's decision to engage in a high-speed pursuit despite the inherent risk of harm to innocent persons. However, in recent years, the Supreme Court has held that the actions of police officers engaging in high-speed pursuit are operational functions, which are not subject to sovereign immunity. SB 124 by Senator Bill Posey (R-Rockledge) and HB 199 by Representative Pat Patterson (R-DeLand) would extend sovereign immunity to law enforcement officer involved in high-speed chases as long as these agencies adopt a standard policy for high-speed chase. The bills' protection would only apply in forcible felony cases.

↑HB 199	2/7	Now in Justice Appropriations Committee
↑SB 124	4/6	Passed by Senate 39-0

Premises Liability

Florida employers who own or manage property face inequitable exposure to liability for intentional criminal acts of third parties. Comparative fault should be applied to all intentional torts so that property owners and managers would only be liable for damages arising from their own negligence. Additionally, statutory affirmative defenses should be created to allow a defendant employer to demonstrate to the jury that the practiced security conscious methods of operation. Senator Cary Baker (R-Eustis) has filed SB 2318 in order to address this issue. Currently, there is no House companion being considered.

↑SB 2318 3/10 **Referred to Commerce and Consumer Services and
Judiciary Committee (has not been heard)**

Expert Witness

Legislation is moving this session that requires out of state expert witnesses in medical malpractice cases to obtain an expert witness certificate from the Florida Board of Medicine before they can testify as an expert witness. The bills also require that once certified, expert witnesses may be subject to discipline by the State Board for false, fraudulent or misleading testimony. This type of legislation is needed so that “paid” experts are not able to sway juries to make incorrect decisions. The medical community in Florida is a strong supporter of this legislation. House bill 1561 has been filed by Representative Fred Brummer (R-Apopka); its Senate companion is SB 2686 by Senator Dan Webster (R-Winter Garden).

↑HB 1561 4/10 **Placed on Calendar**
↑SB 2686 3/30 **Now in Judiciary**

Supersedes Bonds

When a business or individual is sued successfully and wants to appeal a ruling, they are frequently required to post a bond to ensure that there is no economic waste of assets during the course of the appeal. Currently, in most cases, the bond amount must equal the amount of the judgment plus 2 years of interest at the statutory rate. Legislation being proposed by Representative Frank Attkisson (R-Kissimmee) and Senator Dan Webster (R-Winter Garden) would limit the bond amount for large employers with over 400 employees to \$25 million. The bond limit for smaller companies and individuals would be the lesser of \$1 million or 5% of the appellant's net worth.

Representative Attkisson filed this bill because he believes that the unlimited bond amounts create an access to courts problem for many businesses and individuals at the appellate level who are not able to secure a bond that large.

↑HB 841 3/17 **Now in Justice Council**
↑SB 2250 3/03 **Referred to Judiciary**

Statute of Repose

As a general rule, statutes of repose protect businesses from claims brought against businesses years after a product is sold. Without a statute of repose, businesses are put in a difficult position because through the years, witnesses become unavailable, records are lost, and staff is replaced. This issue is of particular importance to the construction industry. HB 1089 by Representative Bill Galvano (R-Bradenton) and SB 1940 by Senator Charlie Clary (R-Destin) reduce the statute of repose for actions founded on the design, planning, or construction of an improvement to real property from 15 years to 10 years with the time running from the latest occurrence of specified events. Condominium contractors, subcontractors, and suppliers give condominium developers and unit owners' warranties of fitness for the work done and supplies used. These bills provide that the warranty of fitness will only apply to work or materials specified in the construction contract, and to buildings designated as a condominium in the construction contract.

↑HB 1089	4/6	Passed House 116-0
↑SB 1940	4/5	Now In Judiciary

Sovereign Immunity/Local Government

Local governments and municipalities currently negotiate contracts with businesses to handle certain functions or operations better performed by the private sector. They sometimes include provisions to indemnify companies in the event they are sued while performing operations for local governments. The Supreme Court recently issued an opinion, which held that local governments could not limit their indemnification liability to their sovereign immunity because the contracts did not so specify. Legislation has been filed by the House Judiciary Committee (HB 7219), as a result of the Supreme Court case, that would limit a local government's liability in contracts made with private business, therefore, potentially opening up businesses to be completely liable in lawsuits. In addition, the bill has the potential to impair contracts between local governments and private businesses and would create an un-level playing field in our state's legal system.

↓HB 7219	4/5	Referred to State Administration Council; Justice Council
----------	-----	--

GUNS IN THE WORKPLACE

Legislators are considering legislation that would prohibit businesses from establishing or enforcing policies that ban guns in the workplace. This legislation would also grant employers immunity from liability in lawsuits involving the injury or death of an employee resulting from a workplace shooting. The original bills (as filed) would expose an employer to third-degree felony charges and fines of up to \$5000 if they had policies in place barring employees from having guns in their vehicles. These onerous provisions were removed after much negotiation between representatives of the National Rifle Association and the business community. A strike-everything amendment was adopted last week, which removed the criminal penalties and narrowed the scope of the bill. House Bill 129 sponsored by Representative Dennis Baxley (R-Ocala) was temporarily postponed six times before it was finally voted out of the Judiciary Committee – its first committee of reference. The Senate companion is SB 206 by Senator Durell Peaden (R-Crestview); it has been held up in the Senate Criminal Justice Committee since the begging of session.

The need to maintain a safe workplace environment is critical for the success of any business, no matter the size. How to maintain this safe environment should remain the choice of the business owner. This legislation creates more problems than it solves for businesses in Florida. Although the right to bear arms is a fundamental right for all citizens, so is the right to control the use of one's private property.

↓HB 129	4/7	Now in Agriculture Committee
↓SB 206	3/8	Temporarily postponed by Criminal Justice

FAIR SHARE HEALTH CARE ACT

Florida is one of 30 states targeted by the AFL-CIO as a battleground over the passage of legislation that would force large corporations to choose between increased spending on employee health insurance or payment of a health care tax. The legislation is modeled on the Fair Share Health Care Act, which was enacted in Maryland after legislators overrode the governor's veto. It is a small-scale version of pay-or-play proposals that are generally considered backdoor attempts to implement a universal health care system.

Two bills, HB 813 by Representative Susan Bucher (D-West Palm Beach) and SB 1618 by Senator Skip Campbell (D-Tamarac), have been filed which would require private employers with 10,000 or more employees to devote 9 percent of their payroll to a health insurance fund controlled by the state. Although, the bills have seen no action in either chamber, AIF is closely monitoring any amendments that would require similar mandatory payroll taxes. In addition, there is a strong possibility that this terrible proposal for the business community could be advanced through a constitutional amendment.

↓HB 813	2/10	Referred to Health Care Regulation; Insurance; Health Care Appropriations; Health & Families Council
↓SB 1618	2/13	Referred to Health Care; Banking and Insurance; Commerce and Consumer Services; Health and Human Services Appropriations; Ways and Means

ENERGY

Oil Drilling

Florida's economy thrives on the energy that businesses need to produce goods and provide services to consumers. And that's why AIF was the state's first major business association to sign on as a supporter of national and state efforts to expand our state's energy supplies. It is time that Florida recognizes that it must play a larger role in the exploration for oil and natural gas. AIF supports plans that allow exploration and drilling for oil and natural gas supplies, as long as it occurs at least 125 miles off of Florida's coast. Several bills and joint resolutions have been filed this session that would prohibit exploration of oil and natural off of Florida's coasts. Sponsors of these bills are quick to point out the potential effects of oil and natural gas drilling on the state's tourism industry. Although we agree that Florida's tourism industry must be protected, we cannot bury our heads in the sand and continue our dependency on foreign sources of oil.

↓HB 653 Representative Ken Gottlieb (D)	1/26	Referred to Water & Natural Resources; Judiciary; Economic Development; Trading & Banking; State Resources Council
↓SB 1558 Senator Skip Campbell (D)	2/13	Referred to Environmental Preservations; Judiciary; Rules and Calendar
↓SB 406 Senator Ron Klein (D)	11/10	Memorial, Referred to Rules and Calendar
↓HB 7245 Eco. Dev. & Trade	4/10	Temporarily postponed by Communications and Public Utilities

Mandatory Generators for Gas Stations

Both the House and Senate are currently considering bills dealing with the issue of retail gas stations and generators. This issue has become a hot topic around the legislature because of the recent string of strong hurricanes, which affected large portions of the state. Legislators from South Florida have teamed together to address the issue of gas availability after a storm. Several bills have been filed requiring gas stations to be equipped with generators to provide fuel to consumers. What seemed like a good idea initially, turned out to somewhat unrealistic because of many complex issues including safety and cost.

AIF opposes government mandates that require gas station owners and operators to have generators at gas stations and believes that the free market place will find solutions to the problem of power outages resulting from hurricanes or other natural disasters.

- ↓ **SB 528 Senator Steve Geller (D)** 4/4 **Temporarily postponed by Community Affairs (this bill combines SB 528, 530, and 858)**
- ↓ **HB 603 Representative Anitere Flores (R)** 3/24 **Now in Domestic Security**
- ↓ **HB 965 Representative Carl Domino (R)** 3/08 **Work shopped by Agriculture**
- ↓ **HB 7121 Domestic Security** 4/10 **Now in Fiscal Council**

Energy Act

The last review of Florida's energy needs was in 2000 by the Florida Energy 2020 Study Commission. Since that time there has been the blackout in the Northeast in 2003. Oil prices have been on a roller coaster ride. The 2004 and 2005 hurricane seasons reminded all of us that Florida is vulnerable to supply interruptions and price shocks. Recognizing the threat posed to our state's prosperity by inadequate energy supplies, Gov. Jeb Bush ordered the Florida Department of Environmental Protection (DEP) to analyze current and future energy supply and demand needs. In February, Gov. Jeb Bush released his proposed 2006 Florida Energy Act, a four-year, \$75-million comprehensive plan that relies on incentives to create a more balanced energy portfolio. The act would fund grants for research and development of technologies associated with the development of alternative fuel vehicles, renewable energy systems, and other next-generation energy technology.

The legislature has proposed its own version of the Governor's Energy Act. SB 888 by Senator Lee Constantine (R-Altamonte Springs) 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 "Food to Fuel" program to provide grants to promote use of Florida grown and produced biomass to produce energy. Its House companion, HB 1473, is sponsored by Representative Adam Hasner (R-Delray Beach).

- ↑ **HB 1473** 4/5 **Now in Fiscal Council**
- ↑ **SB 888** 4/6 **Now in Ways and Means**

TAXATION

Florida's tax code is not only the source of revenue for state government – it is also an important economic development tool. There are times when exempting an item from taxes will bring more money into the state than would collected if it were taxed.

Drink Tax

HB 7105 by the Finance & Tax Committee and SB 1292 by Senator Mike Fasano (R-New Port Richey) would eliminate the surcharge on alcoholic beverages sold on a vendor's premises. Back in 1990, Florida enacted a law that taxed the retail sale of alcoholic beverages. A move to eliminate this "drink" tax has taken some time. The tax was reduced by one-third in 1999 and again by one-half in 2000. This proposal is part of the Governor Bush's budget recommendations for 2006.

↑HB 7105	4/10	Placed on Calendar
↑SB 1292	4/6	Now in Ways and Means

Intangible Tax

Florida is at a disadvantage by having an intangible tax since only three other states have a similar tax. HB 209 by Representative Fred Brummer (R-Apopka) and SB 714 by Senator Jeff Atwater (R-North Palm Beach) repeal the 0.5 mill annual (recurring) tax imposed on stocks, bonds, notes, and other intangible property. No change is made to the 2 mills non-recurring tax imposed upon obligations secured by liens on Florida property.

↑HB 209	3/29	In Senate Messages
↑SB 714	4/12	Now in Ways and Means

Sales Tax Holidays

The Legislature is considering several bills that would enact sales tax holidays on certain items during a specific amount of time, usually one week. HB 47 by Representative Ron Greenstein (D-Coconut Creek) and SB 24 by Senator Carey Baker (R-Eustis) give a sales tax holiday on a specific list of items used to prepare for hurricanes such as batteries, flashlights, portable radios, coolers and generators. The sales tax holiday will take place the week leading up to the first day of hurricane season. An amendment was adopted to include "blue ice" as one of the items to be included in the sales tax holiday.

↑HB 47	3/30	Placed on Calendar
↑SB 24	3/27	Placed on Calendar

HB 29 by Representative Ray Sansom (R-Ft. Walton Beach) and SB 692 by Senator Dan Webster (R-Winter Garden) establish the popular sales tax holiday for school supplies and clothing. If passed by the legislature the holiday would take place during the last nine days of July 2006. Certain school supplies with a price of \$10 or less and clothing, books, backpacks and other specified items with a price of \$50 or less would not be charged sales tax under this law.

↑HB 29	4/4	Passed Fiscal Council
↑SB 692	3/23	Placed on Calendar

HB 691 by Representative Joe Negron (R-Stuart) and SB 1404 by Senator Jeff Atwater (R-North Palm Beach) would give a one week holiday from sales tax for any personal item costing \$5,000 or less. If passed, this would be the largest tax break in Florida's history. The sponsors of this legislation view this proposal as a way to give back to the state's taxpayers

↑HB 691	3/28	Now in Fiscal Council
↑SB 1404	3/21	Temporarily postponed by Commerce and Consumer Services

Sales Tax Exemption for Machinery and Equipment

Senator Jeff Atwater (R-North Palm Beach) and Representative Matt Meadows (D-Lauderhill) have filed the "Florida Manufacturing Global Competitiveness Act." It expands the sales tax exemption from a partial to a full exemption for machinery and equipment used by expanding facilities as long as they increase input by 10%. Currently, the machinery and equipment is exempt from sales tax in excess of \$50,000. It also expands the sales tax exemption to machinery and equipment used by expanding businesses that manufacture tangible personal property pursuant to federal procurement contract.

AIF supports eliminating the requirement that companies pay the first \$50,000 in sales taxes per calendar year on manufacturing inputs. Eliminating this requirement would level the playing field for Florida manufacturers and would improve Florida's ability to compete for higher paying jobs, which would lead to an overall net increase in state revenues.

↑HB 69	3/30	Now in Fiscal Council
↑SB 1206	4/4	Now in General Government Appropriations

Sales Tax Exemption for Research Equipment

SB 962 by Senator Mike Fasano (R-New Port Richey) and HB 415 by Representative John Quinones (R-Kissimmee) would give a sales tax exemption for machinery and equipment predominately use for research and development. One of the main reasons behind this legislation is the need to keep Florida in the forefront of space research and exploration. Many neighboring states have begun competing to host this country's top space research firms. We must level the playing field by making these incentives available for research firms to relocate to Florida.

↑HB 415	4/5	Placed on Calendar
↑SB 962	4/5	Now in Transportation and Economic Development Appropriations

PRIVATE PROPERTY RIGHTS

Eminent domain is the power of government to condemn private property and convert it for public use, as long as the owner receives reasonable compensation for losing the property. The power is limited by the federal and state constitutions. In *Kelo v. City of New London*, a decision handed down by the U.S. Supreme Court last June, the justices ruled 5-4 that economic development is a “public purpose” that legitimates the use of the government’s power of eminent domain. In *Kelo*’s wake, virtually every state is evaluating its eminent domain laws. In Florida, the scrutiny has focused primarily on safeguards against takings designed to remedy slum or blighted areas under the Community Redevelopment Act or the home rule authority of certain cities and counties. Those concerns have been focused primarily on the establishment of community redevelopment agencies (CRAs) to carry out activities within the redeveloping area.

Three bills were filed in the House to deal with the issues of private property rights and eminent domain. HB 1567, HJR 1569 and HJR 1571 by Representative Marco Rubio (R-Miami) are the work product of the House Select Committee to Protect Private Property Rights, which was formed over six months ago to deal with the aftermath of the *Kelo* decision.

HB 1567 essentially prohibits the transfer of property taken under the power of eminent domain unless the property is transferred for use by a common carrier; for transportation purposes; for public utilities and infrastructure; or for the provision of services and goods to the public. HB 1567 allows taken property to be transferred to a private entity after the governmental entity has held the property for 5 years and public notice and competitive bidding has occurred. The bill also restricts the power of eminent domain in community redevelopment areas. Additionally the bill enhances notice requirements for takings and raises the burden of proof to demonstrate that a taking is to eliminate a threat to the public health or safety. HJR 1569 and HJR 1571 are proposed Constitutional amendments to be submitted to the citizens for approval. HJR 1569 contains essentially the same sustentative language contained in HB 1567. HJR 1571 allows for the portability of the “Save Our Homes” constitutional amendment, which provides property tax protections when a person’s homestead property is taken by eminent domain.

Senator Jim King is leading the charge on the Senate side. He has filed SB 2168, which contains some of the provisions found in the House bills.

↑HB 1567	4/6	Passed House 116-0
↑HJR 1569	4/6	Passed House 92-23
↑HJR 1571	4/6	Passed House 116-0
↑SB 2168	4/6	Now in Community Affairs

CONSTITUTIONAL AMENDMENT REFORM

Florida has one of the easiest Constitutions to amend in the nation. This troubling trend has led members of the Legislature to examine ways of reforming the process. In 2006, three major constitutional reform efforts are underway. The first is a SB 26 by Senator Jim King (R-Jacksonville). This joint resolution would institute a filter limiting the subjects that citizen initiative can address. In essence citizen's initiatives would be limited to those that change the basic structure of government. The second joint resolution (HB 7037) is a product of the House Judiciary Committee, known as "no hidden tax," it will prevent the imposition of onerous, costly, and unnecessary programs through constitutional mandates. Recent amendments such as class-size limits, the net-ban, and the ill-conceived high-speed rail would have fallen under this provision, which would have required them to be enacted by a much higher margin. Senator Jeff Atwater (R-North Palm Beach) is sponsoring its companion, SB 1436, in the Senate.

Another proposal in the works is the streamlining or revision of Florida's Constitution. This legislation (SB 1918 and HB 7165) is being spearheaded by Senate Judiciary Chairman Dan Webster (R-Winter Garden) and supported by his counterpart in the House, Representative David Simmons (R-Altamonte Springs). If passed, the plan would ask voters to approve the removal of certain obsolete language and grammatical errors. In addition, it would transfer the pregnant pigs amendment to statute. The goal of the sponsors is to "purify" Florida's Constitution and submit a clean document that the state can be proud of.

If passed, all three resolutions would have to be approved by voters in the next general election.

↑SB 26	2/14	Favorable by Ethics and Elections; Now in Judiciary
↑HB 7037	4/6	Now in Justice Council
↑SB 1436	3/10	Now in Ways and Means
↑HB 7165	4/4	Passed Justice Council
↑SB 1918	2/23	Referred to Judiciary; Rules and Calendar

Also being considered by the Legislature is the process by which petition gatherers collect signatures for proposed constitutional amendments. Legislation has been filed which would establish much needed provisions and guidelines for these individuals. The bills, SB 720 by Senator Bill Posey (R-Rockledge) and HB 773 by Representative Dudley Goodlette (R-Naples), set forth standards for the petition signature gathering process, codify many existing rules, and provide safeguards for protecting the petition initiative process.

↑HB 773	4/11	Placed on the Calendar
↑SB 720	3/30	Now in Judiciary

INSURANCE

Property Insurance

Florida is on the verge of a property insurance meltdown. Hurricane and sinkhole losses have seriously strained the resources of both the voluntary market and the public-sector mechanisms of Citizens Property Insurance Company (Citizens) and the Florida Hurricane Catastrophe Fund. Additionally, a very busy hurricane season forecast for 2006 creates an urgent need for property insurance to be addressed by this legislative session.

On Wednesday, April 5th another of Florida's biggest home insurers announced it is canceling all of its 142,000 policies leaving homeowners throughout the state scrambling to find coverage less than two months before the start of hurricane season. On the same day Jack Nicholson, the Florida Hurricane Catastrophic Fund (CAT Fund) Director told the Senate Banking and Insurance Committee that the Fund is now projecting a deficit of approximately \$1.35 billion resulting from the 2005 hurricanes.

The projected cash shortfall will require the Fund to issue revenue bonds backed by multiple year assessments against most property and casualty insurance companies. The cost of these assessments will fall on individuals, businesses and nonprofit entities that have property and casualty insurance policies of almost. Only medical malpractice and workers compensation policies are exempt from assessments imposed by the Fund. Just two weeks ago, the CAT Fund was estimating a \$264 million deficit.

Both the House (HB 7225 by Insurance Committee) and Senate (SB 1980 by Senator Rudy Garcia (R-Miami) have unveiled committee bills designed to address some of the problems in Florida's property insurance market. The bills differ in their proposals but in general they establish strict operating procedures for Citizens Insurance, Florida's insurer of last resort.

NOTE: AIF has not taken an official position on these bills because they are still being worked out as we speak. We are closely monitoring their progress. AIF is in favor of market-based efforts to revitalize the private property insurance market.

HB 7225	4/5	Referred to Fiscal Council; Commerce Council
SB 1980	4/12	Now in Ways and Means

No-Fault/PIP

In 2003, legislation was passed which provided that effective October 1, 2007, the Motor Vehicle No-Fault Law is to be repealed, unless reenacted by the Legislature during the 2006 regular session. This law was enacted 34 years ago and has provided valuable benefits over the years to consumers in Florida. This law is also known as the Personal Injury Protection (PIP) insurance program. It provides payment of medical and wage loss benefits, regardless of fault, in return for a limitation on the right to sue for non-economic damages for non-permanent injuries. Over the years, the legislature has enacted some reforms to the PIP system, but not to the degree many automobile insurers would like. Both the Senate and House are considering reforms to Florida's No-Fault Law.

The House version, HB 7263 by the Insurance Committee, would increase the death benefit from \$5,000 to \$6,000, it would increase lost wage benefits from 60 to 70 percent of an individual's income, it increases benefits for trauma care to \$10,000, tightens verbal threshold for tort actions, requires motor cycle drivers under the age of 21 to wear helmets and pay for increase insurance coverage, organizes the chapter in Florida statutes so that it is easier to work with, and eliminates the application of a contingency risk multiplier to attorney's fees. The Senate version, SB 2214 by Senator Banking and Insurance, has similar provisions, but at the last committee stop the attorney fee reforms were stripped out. Governor Bush has warned that he would let the no-fault automobile system expire if the legislature did not pass substantive reform.

NOTE: *AIF has not taken an official position on these bills because they are still being worked out as we speak. We are closely monitoring their progress as they move through the process.*

HB 7263	3/30	Referred to Commerce Council
SB 2214	4/6	Now in Judiciary

JESSICA LUNSFORD ACT

The Jessica Lunsford Act, enacted by the 2005 Legislature, is helping to help protect children from assault by high-risk sexual offenders, mostly by increased monitoring of sexual offenders and predators once they re-enter the community. The law has come to the attention of the business community because it also requires background screens for non-instructional or contractual personnel who provide services to traditional public schools, charter schools, and alternative schools. It has proven a costly mandate that some school districts may be abusing. Any employee of a private contractor with access to school grounds or funds must now undergo a Level 2 background screen, which is a check of the person's fingerprints against the state and national databases.

Several “glitch bills” have been filed this year to fix some of the more problematic features of the original Act. SB 2280 by Senator Nancy Argenziano (R-Crystal River) and HB 7117 by the Criminal Justice Committee establish provisions, which make it easier for contractors to file background screenings with multiple school districts. The bills also establish a system for school districts to share results of Level 2 background checks.

↑HB 7117	3/22	Referred to Education Appropriations; Justice Council
↑SB 2280	4/6	Now in Education Appropriations

INFORMATION TECHNOLOGY

To an ever-increasing degree, information technology — or IT for short — is the backbone of the business world. Many corporations have discovered, to their dismay, that saving money on information technology (IT) funding is penny wise, but pound foolish. The state of Florida may be on the verge of learning that same lesson the hard way. Some segments of the Florida’s governmental IT systems are so bad and outdated that services to citizens and business are suffering.

Health Care is one area where IT has the potential to really benefit the citizens of Florida. HB 7073 by the Healthcare Regulation Committee and SB 1332 by Senator Mike Fasano (R-New Port Richey) create the Florida Health Information Network. This network would collect and monitor data related to innovations in healthcare technology as well as integrate all health care data currently being collected by the various health care agencies.

Increasing state government’s IT capacity is also vital to economic development. Businesses activity often is dependent on government. When government operates inefficiently, it weighs down the ability of a business owner to move forward on economically productive activities. Part of operating efficiently has to do with how bids and contracts with the private sector are handled. It is important to establish “best practices” when awarding bids and handling contracts. Currently the Legislature is considering two bills related to this subject (HB 7185 by the Governmental Operations Committee and SB 2518 by Senator Nancy Argenziano (R-Crystal River). The bills create a governor appointed seven-member Council on Efficient Government within the Department of Management Services (DMS). The Council reviews, establishes policy and consults on outsourcing projects initiated by state agencies. Cabinet agencies are expressly included in these requirements.

↑HB 7073	4/4	Now in Health and Families Council
↑SB 1332	4/5	Placed on Calendar
↑HB 7185	4/4	Now in State Administration Council
↑SB 2518	4/5	Placed on Calendar

STATEWIDE CABLE FRANCHISES

In 1984, Congress passed the Cable Communications Policy Act. This law established policies for franchise provisions and renewals as well as subscriber rates. The law prohibited cable operators from providing service without obtaining a franchise from local governments. [HB 1199](#) by Representative Trey Traviesa (R-Tampa) would transfer the authority to grant cable franchises from local governments or municipalities to a unified statewide entity, in this case the DOS. The bill also establishes a number of provisions for the operating of statewide cable franchises such as customer service standards, buildout provisions, franchise fees, and right-of-way use.

The bill establishes within the Department of State (DOS) the authority to issue statewide cable franchises, and the bill also designates DOS as the state franchising authority. The bill preempts local government authority to negotiate cable service franchises. According to Representative Traviesa the cost of cable services has increase 86% percent since 1995 and that 98% of markets in Florida do not offer multiple choices for cable providers. It is no surprise that increased competition will only ensure better service, a better product, and more importantly lower prices for the citizens of our state.

↑ **HB 1199** 4/11 Now in Commerce Council

NOTE: Senate companion sponsored by Communications and Public Utilities Committee; no official bill number has been assigned as of this printing

WORKFORCE DEVELOPMENT

In order to keep Florida's economy growing policy makers must address the issue of workforce development in order to prepare future workers for the demands set by high tech companies and manufacturers. Studies show that these employers typically pay much higher starting salaries when compared to other fields such as the service industry or other "mainstream" careers. In fact, the average salary for high-tech and manufacturing job is approximately \$41,000.

One aspect of workforce development that must be addressed by the legislature is affordable or better yet "workforce" housing. One of the troubling unintended consequences of Florida's rapid economic growth is the increase in housing costs. This coupled with modest rises in income has made it very difficult for Floridians to afford single-family homes in many of the areas in our state, which are experiencing the greatest economic growth. The state has committed significant amounts of money over the last decade in order to address the housing needs of it citizens. Unfortunately, federal, state and local efforts have not been able to keep up with current needs.

For the 2006 session, several workforce development proposals are being considered. Some of these proposals tackle the issue of affordable housing, while others concentrate on preparing Florida's workforce to be the very best it can be.

Career and Professional Academies:

↑HB 513 Representative Gus Bilirakis (R) 4/11 Now in Education Council
↑SB 1480 Senator Steve Wise (R) 3/22 Now in Commerce and Consumer Services

Ready to Work Certification Program:

↑HB 801 Representative Pat Patterson (R) 4/10 Placed on Calendar
↑SB 2048 Education 4/6 Now in Education Appropriations

Science and Technology Research:

↑HB 1237 Representative David Mealor (R) 4/13 Placed on Calendar
↑SB 2084 Senator JD Alexander (R) 4/13 Now in Education Appropriations

Affordable Housing:

↑HB 1363 Representative Mike Davis (R) 4/13 Now in Fiscal Council
↑SB 1048 Senator Jim Sebesta (R) 3/24 Placed on Calendar

Local Housing Assistance:

↑HB 1309 Representative Ed Jennings (D) 3/21 Now in Local Government Council
↑SB 2408 Senator Al Lawson (D) 3/10 Referred to Community Affairs; Regulated Industries; Transportation and Economic Development Appropriations; Ways and Means

- 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.