

ASSOCIATED INDUSTRIES OF FLORIDA
**LEGISLATIVE
DAILY BRIEF**



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Representative Mitch Needelman (R-Melbourne) and Senator Jeremy Ring (D-Margate) are sponsoring bills (HB 733 and SB 1558) that would undermine and essentially eliminate the 2006 legal reform laws that AIF and Florida's business community fought so long and hard to achieve.

Already, the men and women that make up our business community are raising a ferocious outcry on this issue. Former Speaker of the Florida House of Representatives, John Thrasher, is once again leading AIF's lobbying efforts on this issue, which is of the utmost importance for your company's bottom line.

Today John Thrasher recorded a special message to the members of Florida's business community outlining the dangers of this proposed legislation.

View a special message from John Thrasher to the business community at http://link4.streamhoster.com/?u=aif&p=/aif+week+3_NEW.wmv&aodaid=1099

Read the AIF Special Notice: "Why are some Legislators trying to undo the Legal Reform Legislation Passed just Last Year?" at <http://aif.com/2007/articles/sn070315.htm>

Property Insurance Reform

The House Job and Entrepreneurship Council approved proposed council bill (PCB) JEC 07-03 Relating to Hurricane Damage Mitigation. The PCB seeks to streamline and make improvements on the existing "My Safe Florida Home Program," which was established during the 2006 legislative session. The "My Safe Florida Home Program" appropriated \$250 million to provide financial incentives for Floridians to retrofit their properties, thus making them less vulnerable to hurricane damage. The program also provides for free home inspections and creates a process whereby the state offers matching grants to homeowners that meet the criteria established by the program.

Specifically, this year's PCB creates a new no-interest loan program to be administered by the Department of Financial Services (DFS). The program will provide loans in the amount up to \$5,000 for homeowners to use for mitigation. In addition, the PCB also increases the amount of funding for mitigation efforts for manufactured homes and streamlines the inspection process by allowing inspectors to take online continuing education courses.

Representative Trey Traviesa (R-Tampa), a member of the Windstorm Mitigation Study Committee, was asked to present the PCB by council Chairman Ron Reagan (R-Sarasota). According to Representative Traviesa this PCB reflects some of the best recommendations from the Mitigation Study Committee and those made by the private sector. Several amendments were adopted during the Committee meeting. The first amendment increased the number of home inspections that should be completed by 2009 from 350,000 to 400,000. The second amendment increased the amount of funding for Volunteer Florida Foundation (VFF) from \$20 million to \$40 million. Currently, the state has entered into a partnership with VFF to provide mitigation measures for primarily low-income Floridians. Another amendment, which was adopted, created a Center of Excellence at FSU tasked with coordinating all the research being done on mitigation by all institutions of higher learning throughout the state.

During public testimony, Mike Carlson from the CFO's office addressed the committee members and asked them to make sure they considered providing their office with as much flexibility as possible to administer this program. He also asked committee members to be aware that DFS would require additional resources and employees to run the "My Safe Florida Home Program."

AIF supports legislation aimed at strengthening, expanding, and fully funding Florida's home hardening efforts. We are encouraged to see that many of AIF's and its Florida Hurricane Crisis Coalition's (FHCC) recommendations have found their way into this proposed council bill and we look forward to working with the Legislature on finding ways to encourage commercial mitigation as well.

Workforce Development

The House 21st Century Competitiveness Committee unanimously approved HB 1161 by Representative Kevin Ambler (R-Tampa) Relating to the High School to Business Career Enhancement Program. The program is established to offer high school students in each school district the opportunity to participate in an internship program with a local business that has partnered with the district to offer such opportunity. As an incentive to participate in this program, the businesses that partner with a school district to provide paid internships will receive a credit for fifty percent of the total wages paid to each student during the internship. Students are not authorized to work more than twenty hours a week and businesses may claim up to four internships each year.

A "strike-everything" amendment was adopted by the Committee, which requires the school board to verify wages paid to the student by the corporation as part of the internship and prohibits businesses from conveying, assigning or transferring the tax credit to another entity unless under certain circumstances. As amended the bill states that a student can participate in the ninth, tenth, or eleventh grade and must have a minimum GPA of 2.0 and not be required to work more than 20 hours per week.

HB 1161 will now be heard by the House Schools & Learning Council.

AIF supports legislation that encourages schools boards to establish partnerships with the private sector aimed at making easier for our students to gain valuable on-the-job experience. Better prepared students equal a better trained workforce; one that will be able to meet the demands of the global economy.

Economic Development

The Senate Commerce Committee passed a series of bills sponsored by Senator Jeremy Ring (D-Margate) creating the SURE Venture Capital Act (SB 2420), a SURE Venture Capital Trust Fund (SB 2426), and an Institute for Commercialization of Public Research (SB 2424). These priority bills for AIF would create a SURE Board of Trustees who would manage \$50 million in state tax credits intended to promote investment in seed capital and early stage venture capital equity for emerging Florida companies. To compliment the SURE Act, Senator Ring has also sponsored the Institute for Commercialization of Public Research with the express purpose of assisting in the commercialization of products being developed by universities and colleges, research institutes, and other publicly supported organizations within the State.

AIF supports legislation that creates the Sure Ventures Commercialization Program. Florida must begin to get in the proper posture to be able to compete with other states for these valuable venture capital dollars. This type of investment is critical for the growth of high-paying, high-skill, companies and for the diversification of Florida's economy. The jobs created by these emerging technologies are typically much higher-paying than others and attract the very best workers to our state.

The Senate Commerce Committee also passed Senate Bill 96 by Senator Burt Saunders (R-Naples). SB 96 converts the current entertainment industry incentive program from a cash reimbursement of qualified expenditures to a refund against paid sales and use taxes or a credit against corporate income tax. The legislation also sets a cap of \$25 million per year over the course of three years for a total \$75 million investment.

AIF supports legislation that encourages growth in Florida's emerging film industry. The unequivocal success of this program is hard to ignore. Attracting large-scale film and entertainment productions to Florida is a boon to our economy.

Health Care

The Senate Banking and Insurance Committee unanimously approved SB 110 Relating to Health Insurance/Prostate Cancer Coverage by Senator Anthony Hill (R-Jacksonville). The bill mandates all health benefit plans offered by an insurance provider to include annual early prostate cancer screenings for men forty years and older in accordance to the guidelines of the National Comprehensive Cancer Network. The bill also recommends that the screenings not be subject to any deductibles and that this plan be put in effect by all health plans offered, issued or renewed in the state of Florida as coverage provided or offered to the individual as optional coverage.

Currently, insurance coverage issued in the state of Florida covers testing done as medically necessary preventative services for the screening of prostate cancer. However, there is a discrepancy as to what ages should be covered in such testing. Most testing covered by insurance plans limits them to age fifty and over. The current plans do not include younger men who are of a higher risk of contracting prostate cancer.

Gerald Wester testified on behalf of AIF in opposition to SB 110. In addition, he warned committee members of the danger of not subjecting these prostate screenings to any deductible requirements. Mr. Wester warned committee members that they were setting a dangerous precedent by allowing these screenings to go without any deductible requirements. Thanks to Mr. Wester's testimony, the committee deleted this troublesome provision from the bill.

AIF consistently opposes additional mandated coverages because the resultant cost increases could force some insurers out of the market and price health care insurance out of the reach of many employers and businesses.

With little debate, the House Health Innovation Committee passed HB 1401 Relating to Health Flex Plan/Small Businesses by Representative Jimmy Patronis (R-Panama City). The bill expands the health flex plan eligibility from 200 to 250 percent of the federal poverty level. It also permits employers with low income employees to have access to health flex plans and creates a small business health insurance grant program to be administered by the Agency for Workforce Innovation.

The Committee also approved two bills by Representative Denise Grimsley (R-Sebring) that provide funding assistance for indigent care clinics. HB 201 would create a Health Care Clinic Indigent Care Trust Fund where corporate taxpayers can make disbursements to qualified clinics that provide health care to indigent persons. HB 203 would provide an income tax credit for corporate tax payers who contribute to this trust fund. The intent of the bill is to encourage corporate taxpayers to make monetary contributions to provide relief to health care clinics who provide a disproportionate share of medical care for indigent persons. Representatives from the business community, health care providers, and the unions spoke in favor of the bills.

AIF supports market-based solutions to the problem of Florida's uninsured. According to a study by the Agency for Healthcare Administration (AHCA), approximately 19% of all Floridians do not have health insurance. These individuals typically rely on emergency rooms for their primary care. Typically, this kind of care is the most expensive option. Expanding access to health flex plans and encouraging businesses to help fund indigent care clinics is sound public policy.

Taxation

The Senate Finance & Tax Committee approved three sales tax exemption bills strongly supported by AIF. The first was SB 90 Relating to Motor Fuel Taxes/Commercial Aviation by Senator Jim King (R-Jacksonville). This bill provides a refund of the motor fuel sales tax to companies that purchase and use motor fuel to operate aviation ground support vehicles. The only stipulation is that these vehicles not operate on public roads. In his brief presentation,

Senator King explained that while this refund was pretty miniscule in the grand scheme of things (approximately \$200,000) it was a good way to provide the airline industry with an “olive branch.”

AIF supports providing refunds on motor fuel taxes to the airline industry as an incentive for these companies to perhaps expand their services in the future.

Also approved was SB 92 Relating to Hurricane Preparedness/Sales Tax by Senator Carey Baker (R-Eustis). This is the third year in a row that the Legislature has sought to pass a sales tax holiday for hurricane supplies. The bill establishes a sales tax holiday starting on June 1, 2007 on items such as weather band radios, coolers, flashlights, tie-down kits, batteries, portable generators, etc. The sales tax holiday would be in affect for twelve days. Senator Baker described his bill as “good government policy disguised as a tax break.”

Finally, the Committee approved SB 1456 Relating to Sales Tax/School Supplies & Clothing by Senator Dan Webster (R-Winter Garden). SB 1456 provides that no sales tax will be collected on sales of books, clothing, wallets, or certain bags having a selling price of \$100 or less during the period from July 21 through July 30, 2007. The bill also exempts school supplies costing \$10 or less from sales tax during the same period.

The bill was amended to push back the sales tax holiday’s start date to August 4, 2007 in order to accommodate for the new school start date that was established last year.

During debate, Senator Steve Geller (D-Hallandale Beach) expressed concerns with implementing this tax holiday in a year where state revenues are projected to be much lower than anticipated, but eventually ended up voting for the bill out of respect for Senator Webster.

AIF supports increasing business activity by allowing Floridians to purchase essential hurricane and school supplies without having to pay sales tax.

Information Technology

The House Education K-12 Committee passed draft language to recommend as a proposed council bill (no bill number available as of this printing) related to education. Representative Anitere Flores (R-Miami) presented the proposed language, which updates education standards for K-12 education. The bill also contains three provisions that support 21st century learning by infusing technology into teaching and learning.

Specifically, the bill would create a "world class education standards" advisory council, which would among other duties, recommend ways to integrate technology into K-12 education. The bill would also allow 10% of instructional material categorical funds to be used to purchase digital content and hardware to support learning world languages, and would prioritize professional development funding to programs with measurable outcomes and delivered through the use of technology. The proposed bill will be sent to the House Schools and Learning Council for consideration.

AIF supports legislation that brings information technology (IT) into the classroom. Increasing accessibility to IT in our educational system will pay great dividends for the future of Florida's workforce and will ensure that our students are better prepared to compete in the global economy.

Workers' Compensation

Today the Senate Banking and Insurance Committee approved SB 746 by Senator JD Alexander (R-Lake Wales) Relating to Workers' Compensation for First Responders. This bill would create a unique benefits delivery system for firefighters, police officers and other specified emergency personnel. These benefits would be higher than what other workers' in any other field would receive. However, the increased costs to the cities and counties would likely be passed onto Florida's employers.

The biggest problem with SB 746 is that its supporters are stating that the bill reinstates benefits that were taken away from workers' as a result of the 2003 workers' compensation reforms. In reality, though, most of the benefits provided in this bill were not the subject of the 2003 reforms and would actually provide greater benefits than what was available prior to the 2003 law. Because of the possible increased costs to businesses that this bill could create, AIF opposes this bill in its current form. We will continue to follow this issue and keep our members aware of its progress throughout the session.

AIF strongly opposes legislation that would create a separate workers' compensation system for first responders. AIF recognizes the great job performed by our state's first responders but is opposed to re-opening chapter 440 of Florida's statutes – the chapter which deals with Workers' Compensation. The workers' compensation reforms of 2003 have produced significant rate decreases and should be left as is.

General Business

The Senate Commerce Committee unanimously approved SB 1644 Relating to Retail Theft by Senator Don Gaetz (R-Niceville). This bill provides an enhanced penalty (second degree felony) for retail theft exceeding a specified amount for persons who individually, or in concert with others, coordinate the activities of one or more persons in committing the offense. During his presentation, Senator Gaetz cited a University of Florida study, which shows a recent rise in retail theft. This legislation is aimed at curbing this practice.

The bill now goes before the Senate Criminal Justice Committee.

AIF supports legislation that helps retailers protect their merchandise and their bottom line from the effects of criminal activity.

Transportation

Major transportation packages were heard and passed by the House Infrastructure Committee and the Senate Transportation Committee this week. There are many similarities between SB 2804 by Senator Carey Baker (R-Eustis) and HB 985 by Representative Rich Glorioso (R-Plant City). The two versions include a key provision that would raise Turnpike Enterprise's current bonding cap of \$4.5 billion to \$9 billion. That move could provide an additional \$900 million in the next fiscal year for turnpike projects.

Other similar aspects of the bills include creating greater revenue sharing flexibility and encouraging public-private partnerships (P3s) for building and maintaining toll facilities. There is also language to allow the Florida Department of Transportation's State Infrastructure Bank to issue short-term loans for emergency repairs to transportation infrastructure, like ports and airports, damaged by natural disasters. The bills also similarly expand the uses for transponders to encourage more Floridians to purchase the units and to generate more non-toll revenues. Under the bill they could also be used to buy fuel & other products or services at all service plazas along the turnpike.

The Senate amended their bill to include the creation of a, "Strategic Aggregate Review Task Force," to investigate the reliability of the supply of aggregate in Florida, used in the production of concrete and other road construction products. The amendment also puts limits on local zoning restrictions on mining aggregate.

SB 2804 will now be heard by the Senate Community Affairs Committee.

HB 985 will be heard next by the House Economic Expansion & Infrastructure Council.

In the House, the Infrastructure Committee also unanimously approved two measures that would strengthen the regional approach to transportation addressed by HB 959 and HB 961. The bills improve revenues and operational procedures for the South Florida Regional Transportation Authority.

HB 959 increases the investment from Broward, Miami-Dade and Palm Beach counties for authority operating expenses, from \$1.56 million to \$2.74 million. The bill also strengthens existing language requiring another 2.67 million from the counties for capital investment.

Another important provision of the measure allows the authority to receive up to \$45 million should the three counties all pass any type of local option tax for transportation infrastructure. The most often considered local revenue source would be a rental car surcharge, which was passed by the legislature last year but vetoed by Governor Jeb Bush (R).

HB 961 provides a public records exemption for certain appraisal reports, offers, and counteroffers regarding land acquisitions by the South Florida Regional Transportation Authority. The exemption will provide confidentiality to improve the authority's ability to negotiate real estate deals. Exempted materials are made public once the negotiation process is completed.

Both bills passed the Infrastructure Committee unanimously. They will also make stops at the House Economic Expansion and Infrastructure Council and the House Policy and Budget Council before they can be scheduled for the House floor.

Please send your comments or suggestions to us at 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.