

ASSOCIATED INDUSTRIES OF FLORIDA
**LEGISLATIVE
DAILY BRIEF**



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

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The Legislature passed the 2007 budget today, the only bill legislators are required by law to pass. The \$72 billion dollar budget received final passage from the House of Representatives and is now on the way to the Governor's desk for his signature. Members from both parties acknowledged that the end result was much better than anticipated given the tough financial year. Highlights of the budget include: \$22 billion for education, \$24 billion for health and human services, \$391 million for affordable housing projects, \$7.5 billion for the transportation work program, \$250 million for the Innovation Incentive Fund, and \$23.9 million for various economic incentive programs.

AIF's Information Technology (IT) Council achieved a major victory today with the passage of SB 1974, a bill that establishes a much needed governance structure for the state's IT policies. The final day of session promises to be as hectic as usual, although we expect session to come to a close much earlier than usual (6:00 pm). Some of the outstanding business issues not yet passed include: legislation dealing property insurance reform and transportation issues. We expect these issues to be some of the very last to be resolved before the close of session.

Property Insurance Reform

The House passed HB 7057 Relating to Hurricane Damage Mitigation by the House Jobs & Entrepreneurship Council after concurring with a number of amendments adopted by the Senate. The bill's general intent is to make modifications to strengthen the existing "My Safe Florida Home" program, which was passed two years ago. The program provides grants to homeowners to harden their homes in order to reduce losses as a result of hurricane damage.

Debate began with Representative Trey Traviesa (R-Tampa) explaining the differences between what the House initially passed more than two weeks ago and what the Senate passed during yesterday's session. As originally filed, HB 7057 would provide grants and loans for mitigation to homeowners across the state. A significant change was made in the Senate to only offer grants to homes built before 2001, valued at \$300,000 or less, and located within the state's high-risk zones – mainly coastal regions of the state. Representative Traviesa explained that this was done in order for the state to get the "most bang for its bucks" since these homes are the ones that need mitigation the most. Several Representatives from inland districts expressed their frustration over this change in the bill, which does not allow homeowners outside the high-risk areas to apply for these grants.

In addition, the Senate added language that stipulates that homes in these high-risk areas that are valued at more than \$750,000 must install protective window coverings (shutters or other coverings approved by the Florida Building Code) in order to be eligible for coverage under Citizens Insurance Company, the government-run insurer of last resort. These same homes must also install shutters if they apply for any building permit for construction work estimated to cost more than \$50,000.

The bill specifies that 400,000 home inspections must take place within a two-year window. According to the Department of Financial Services, the state agency responsible for the “My Safe Florida Home” program, nearly 50,000 homeowners are currently on the program’s waiting list.

In the end, the bill was passed 90-21 and is now on its way to the Governor for his signature. One of the surest ways to minimize Florida’s exposure to hurricane losses is by making sure our housing stock is hardened to withstand the dangers of windstorm debris.

AIF supports legislation aimed at strengthening, expanding, and fully funding Florida’s home hardening efforts established by the “My Safe Florida Home” program. 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 piece of legislation.

Government Accountability Act

The Senate took up SB 1152 Relating to the Florida Government Accountability Act by Senator Lisa Carlton (R-Osprey) today and substituted it for the bill’s House companion, HB 7177 by the Policy & Budget Council. HB 7177 was then amended to include the Senate language. The bill makes modifications and strengthens the existing Florida Government Accountability, which was passed last session. The Act provides for a periodic review process for the continuation, modification, or abolition of many of the state agencies currently in existence. The Act also establishes an eight-year review schedule under which each state agency is given a termination date. The Act also attempts to address the issue of redundancy and red-tape by reviewing an agency’s service delivery so that duplicitous rules and procedures are done away with. This is important to the business community because employers interact with state agencies on a daily basis through the application of permits or through enforcement of licensure.

This year’s legislation makes changes to the agency review schedule by grouping agencies according to subject matter so that the review commission can consider the agencies across a common policy arena. Since the Senate amended the House bill with its language HB 7177 must be sent back to the House for consideration.

AIF supports the strengthening and continuation of the Florida Government Accountability Act. Curbing unnecessary government expansion is wise public policy. Businesses and employers in Florida must be lean and efficient. Holding state agencies to this standard is not only appropriate, but also necessary for Florida’s economy to continue to prosper.

Economic Development

The House of Representatives unanimously passed HB 1325 Relating to Entertainment Industry Economic Development. The bill's sponsor, Representative Don Davis (R-Jacksonville Beach) was present for the final passage of the bill that is now named in his honor. Representative Davis has been out for much of this year's session due to illness and received a special and warm welcome upon his return to the House floor. Representative Davis entered the chamber to the tune of Rocky, and said the past few weeks have been life-changing. Representative Davis introduced his family, and thanked the House for their support. He joked that he was back with a solution to the property tax issue and stated he has a few more treatments to go, but hopes to be back for special session. HB 1325 carries \$25 million dollar appropriation for a cash incentive program to enhance the entertainment industry in Florida.

Governor Charlie Crist (R) and Lt. Gov. Kottkamp (R) were in the House chamber and Gov. Crist signed the bill immediately upon its passage by a vote of 120-0, the first 120 vote all session since Representative Davis' absence.

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.

Ethics & Elections

The House unanimously passed HB 537 Relating to Presidential Preference Primary/Date by Representative David Rivera (R-Miami) after a motion by the bill's sponsor to concur with a series of amendments adopted by the Senate. The bill establishes January 29th as the new date for Florida's presidential primary starting in 2008. The idea behind this proposal was to make Florida more relevant in the national political picture. Florida now bypasses a number of states that hold their primaries on February 5th. In addition, the bill contains language which requires all voting machines to have a paper trail, thus fulfilling one of Governor Crist's campaign promises. HB 537 also contains a number of changes to Florida's election law, mainly a new provision which allows elected officials to run for federal office without having to resign from their current offices.

HB 537 will now be sent to the Governor for his signature.

AIF supports moving up Florida's presidential primary date in order to make Florida and its voters more relevant in the national selection of presidential candidates. Few other states can match Florida's diversity of population and geography, therefore, Florida is much better equipped to serve as cross-section of the entire country.

The Senate also refused to accept changes made by the House on SB 900 Relating to Initiative Petitions by Senator Bill Posey (R-Rockledge) today. As amended by the House, the bill would establish a number of provisions to regulate petition gatherers and the process by which they obtain signatures for placing constitutional amendments on the ballot.

Senator Posey, the bill's sponsor, asked the Senate not to accept these changes and now the bill will be sent back to the House for their consideration. Before it was amended, SB 900 only contained a signature revocation process, by which voters could ask their Supervisor of Elections to remove their signature on any petition.

AIF supports legislation that establishes a transparent and structured signature gathering process that is accountable to the voters of Florida. We especially appreciate the efforts of the bill sponsors to develop a signature revocation process and their efforts to ensure that private property owners have the right to regulate what political activity takes place on their premises.

Energy

A comprehensive energy package passed both chambers today and is now on the way to the Governor for his signature. HB 7123 Relating to Energy by the Environment & Natural Resource Council picks up where the Legislature left off with the passage of SB 888, last year's energy policy legislation, and establishes a number of new provisions that should make Florida one of the nation's leaders in renewable energy policy. Originally, the bill would have appropriated around \$80 million dollars in incentives for energy efficient products and renewable energy grants. This amount was reduced to \$62 million after negotiations with the Senate. As amended by the Senate, the bill now contains less consumer-oriented provisions (sales tax holidays on energy efficient products for example) and focuses more on ways to jump start the production of alternative energy in Florida. Some of the funding will go towards the construction of a cellulosic ethanol demonstration plant at the University of Florida.

Representative Thad Altman (R-Melbourne), one of the bill's co-sponsors, congratulated House Energy Committee Bob Allen (R-Merritt Island) for his leadership on this bill and spoke in support of the bill by highlighting one of the provisions of the bill which provides property tax relief to homeowners and businesses who install solar panels on their businesses or homes. Representative Curtis Richardson (D-Tallahassee) also praised the legislation and thanked the sponsors for including a pilot program that would encourage school boards to use energy efficient building practices when constructing new schools.

AIF recognizes the importance energy plays in keeping Florida's economy healthy and vibrant. Any legislation aimed at providing incentives for the development of new energy and efficiency technologies should be supported. Every effort should be made to undertake a balanced approach that avoids mandates and unrealistic requirements on energy suppliers and producers.

Transportation

Omnibus legislative measures addressing transportation issues crept closer to passage today. Two major bills are very much in play. Yet to be determined is which vehicle has the best chance for success.

Today, the Senate passed HB 985 by Representative Rich Glorioso (R-Plant City). It was the House train for a number of other transportation bills that were amended onto it. The Senate added even more language and returned it to the House.

SB 2804 by Senator Carey Baker (R-Eustis) currently sits on Third Reading in the Senate. It has been there for some time and has been consistently postponed. The bill's availability is likely to insure that if HB 985, as amended by the Senate, is not accepted by the House; the Senate will then send SB 2804 over as the final chance for compromise.

Provisions in the two bills deal with many transportation issues, the most important of which include:

- expanding the cap on bonds for use on the turnpike system from \$4.5 billion to \$10 billion, which potentially could raise \$900 million each year over the next five years;
- addressing the impending crisis on the continued availability of aggregate used in the production of road construction materials;
- establishing guidelines for public-private partnerships to increase the state's capacity road building capacity;
- expanding the mission of the state's metropolitan planning organizations (MPO) to include fostering economic development;
- increasing the percentage of available state matching dollars on various transportation projects;
- providing for emergency state loans for public entities like ports and airports within an area that is part of an official state declaration of emergency;
- establishing a study on the impacts of legalized gambling and other activities on Indian reservation lands on public roads and other transportation facilities; and
- allowing local governments the option of establishing transportation backlog authorities that will focus on addressing infrastructure backlog issues.

AIF supports many of the provisions found in these comprehensive bills, especially the concept of P3s as an alternative for dealing with Florida's huge backlog of transportation infrastructure projects. This legislation provides increased flexibility for the private sector to partner with local and state government to create a model transportation system that will benefit all Floridians. In addition, we support the inclusion of the aggregate issue in his omnibus transportation package. Florida's businesses and contractors depend on this raw material for building and road projects.

Information Technology

The House unanimously passed SB 1974 Relating to State Information Technology by the Governmental Operations Committee today. The bill creates a new agency called the Agency on Enterprise Information Technology located in the Executive Office of the Governor but headed by Governor and Cabinet. It is controlled by an extraordinary vote of the Cabinet, with Governor on prevailing side. The focus of the agency is on enterprise issues, not day-to-day management and operations, which will be left to the agencies and their secretaries/executive directors as is

currently the case. Establishing a concise and streamlined governance structure will ensure that the private sector will have one set of rules to adhere to.

SB 1974 will now be sent to the Governor for his signature.

AIF and its Information Technology (IT) Council support this major overhaul of how IT systems are managed by the State. SB 1974 represents a real improvement in enterprise IT governance and a real improvement in agency chief information officer training and responsibilities.

Business Regulation

The Senate unanimously passed (38-0) SB 2234 Relating to Regulation of Building Inspection Professionals by Senator Steve Wise (R-Jacksonville). This pro-consumer bill establishes a licensure process administered by the Department of Business and Professional Regulation for home inspectors, mold assessors, and mold remediators in Florida.

Currently, any person or business can operate as a home inspector or mold assessor without having to uphold any uniform standards or educational requirements. The bill provides uniformity and peace of mind for the thousands of homeowners that trust their largest investments to these individuals. The bill gives current home inspectors and mold assessors/remediators until 2010 to comply with the bill's requirements.

SB 2234 will now be sent to the Governor for his signature.

AIF supports this measure since it would provide accountability to home inspectors and mold remediators and would assist insurance companies to better assess the risks of certain homes that are affected by mold, thereby, potentially reducing the amount of litigation associated with this problem.

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://fbnet.com>
- Send us your E-mail address and we will begin to send this report to you automatically via E-mail.