

ASSOCIATED INDUSTRIES OF FLORIDA
**LEGISLATIVE
WEEKLY UPDATE**



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FROM THE WEEK OF MARCH 12 – MARCH 16, 2006

The second week of the 2007 session came to an end with the inaugural meeting of the Taxation and Budget Reform Commission (TBRC) on Friday, March 16th. This constitutionally created commission is tasked with examining Florida's current tax system and making recommendations for ways to improve upon existing policies. The Commission has the constitutional power to directly place amendments on the ballot for approval by Florida's citizens. The Commission is composed of 25 members from diverse backgrounds, including elected officials.

On Friday, the Commission members unanimously elected former Speaker of the House Allan Bense as Chairman and former Senate President Jim Scott as Vice-Chair. The Commission also established an "organizational" committee that will establish the Commission's rules of procedure as well as select a staff.

Chairman Bense also announced the Commission will remain in an organizational posture until after the current legislative session is over in order for the Commission to react to any of the Legislature's actions. The next meeting of the TBRC will be Friday, April 13th at 10:00 am.

In this week's report you will find the latest on the property tax debate as well as an important report on HB 733. This bad bill promises to undermine the repeal of Joint and Several Liability.

Legal Reform

In 2006, Florida's business community reaped the rewards of over 30 years of legislative battles, in successfully and completely abolishing the doctrine of Joint and Several liability from Florida's comparative fault system, which governs all negligence cases. Unfortunately, that victory is already being threatened by the trial bar and on Wednesday, March 14th, some House members voted favorably for legislation that would effectively place the judiciary back in a posture of unfairness, similar to what existed before last year's victory.

The House Constitutional and Civil Law Committee, led by Chairman Marcello Llorente (R-Miami), passed HB 733 by Representative Mitch Needleman (R-Melbourne) on a 5-3 vote. HB 733 would prohibit defendants to a lawsuit from allocating any portion of liability or fault to any person or entity who is not a formal defendant to the lawsuit,

whether or not the other entity actually caused the harm involved in the case. Current law was originally developed in 1993 by the Florida Supreme Court and was codified by the Florida Legislature in 1999. Last year's legislation to abolish joint and several liability only complimented that established course of jurisprudence.

If HB 733 were to become law, it would completely alter the way individuals and businesses, particularly those who are not fully responsible for harm but have perceived deep pockets, defend themselves in negligence cases. If current law is changed, defendants rather than plaintiffs would now bear the burden of proving that they were not responsible or only partially responsible. Current law places the burden on the plaintiff to prove their cases to the jury. This bill, however, places an onerous and unfair burden on businesses. The business community does not support any changes to current law. The business community is united in its opposition to this bill and to any amendments that are offered as its compromise. Current law does not need to be changed and this bill should be opposed.

There were 3 members of the committee who stood out as heroes for AIF and the business community. They are Vice Chair Representative Dorothy Hukill (R-Daytona Beach Shores), Representative Dave Meador (R-Lake Mary) and Representative Anitere Flores (R-Miami). AIF salutes Representatives Hukill, Flores and Meador for their NO vote on HB 733. Please contact these legislators and let them know how much you appreciate their courage and commitment to preserving and protecting fairness in Florida's judicial system for all individuals and businesses.

Wednesday's meeting was only the first committee of reference for this bill. So the fight will continue and AIF will continue to lead the charge to protect our current law. Please contact the members of the House Safety and Security Council, the bill's next stop, and urge those legislators to oppose this bill.

AIF opposes HB 733 and its undoing of the "Fabre" decision. Fair distribution of fault cannot be achieved if a jury cannot consider the actions of all parties involved. We urge all AIF members to contact the Committee and express their opposition to this bill.

Property Insurance Reform

On Wednesday, March 14th the Senate Banking and Insurance Committee heard a presentation from Garrett Walton, Chair of the Windstorm Mitigation Study Committee today. The Windstorm Mitigation Study Committee was commissioned by the Legislature during the recent 2007 Special Session on Property Insurance Reform. The study committee was asked to analyze short and long term solutions and programs that addressed Florida's need to harden homes throughout the state. The committee specifically looked at ways to improve the "My Safe Florida Home Program" (the state's mitigation grant program) and for ways to enhance funding for mitigation through public and private methods. Chief among the study committee's recommendations was for the Legislature to fund additional research on mitigation techniques. This additional research

would help determine what techniques produce the most bang for the buck and it would help private insurance companies to apply the appropriate discount credits for homeowners that applied these techniques when hardening their homes. Currently, the data available is from a 2001 study and is now outdated since it does not include the loss data from the unprecedented 2004-2005 hurricane season.

Following Mr. Walton's presentation, Chairman Bill Posey (R-Rockledge) emphasized that the focus "needs to be on 'best bang for the buck' items." Senator Posey will ask committee staff for recommendations, which can be moved quickly, and put into a proposed committee bill. Senator Posey also said the Committee should consider requiring Citizens Insurance Company to require homeowners to undertake certain mitigation additions, such as storm shutters, in order to be eligible for insurance coverage through Citizens. According to Senator Posey, the costs of mitigation will be recovered over time and he encouraged personal responsibility to harden one's home.

On Thursday, March 15th the House Insurance Committee considered and approved proposed council bill JEC3 Relating to Mitigation this morning. The 2006 Legislature created the "My Safe Florida Home" Program to promote home hardening and to administer a \$250 million home inspection and mitigation grant program. One of AIF's top priorities is the improvement of this program to better meet the goal of reducing potential damage from hurricanes. AIF strongly believes that mitigation is the ultimate long-term solution for the property insurance crisis.

The bill includes several of AIF's recommendations, which will streamline and partially privatize the program, resulting in a substantial increase in the number of homes inspected. Furthermore, the bill should help get the grant monies into the hands of homeowners to help pay for recommended home improvements. Home-hardening improvements, such as installation of shutters and roof tie downs, will substantially increase a home's ability to withstand hurricanes. The program to date has only completed 14,000 of a projected 66,000 annual inspections in the past year and has only provided 960 grants of a possible 50,000 which could be funded by the \$250 million.

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 as well as the Windstorm Mitigation Study Committee's report. We look forward to working with the Legislature on finding ways to encourage commercial mitigation as well.

Property Tax Reform

On Friday, March 16th the House Policy & Budget Council debated one of the two major components of its property tax reform plan. HB 7001 Relating to Ad Valorem Tax Millage by the House Government Efficiency & Accountability Council was passed on a 25-7 vote (three Democrats sided with the Republicans) after nearly 7 hours of debate and public testimony. Essentially, HB 7001 proposes a property tax rate roll-back to

2000-2001 levels. The rates would then be adjusted forward by accounting for population growth and inflation. The bill was presented by House State Affairs Committee Chairman Frank Attkisson (R-Kissimmee) and was amended at the beginning of the meeting to address three major exemptions to the original bill. Representative Bill Galvano (R-Bradenton) offered the amendment, which was adopted, that exempts all fiscally constrained counties (currently there are 30 fiscally constrained counties), all children services special districts, and all hospital districts from being affected by the rate roll-back.

Democratic members offered a long series of amendments, which were all defeated, that would have carved out specific line items from the proposed rate roll-back. One of the amendments that caused the most debate was offered by Representatives Jack Seiler (D-Pompano Beach) and Curtis Richardson (D-Tallahassee). Their amendment would have carved out any budget line items dealing with law enforcement from being affected by the rate roll-back. Republican members answered back by accusing the amendment sponsors of wanting to micro-manage the budgets of local governments, stating that they trusted local government officials to be able to prioritize their budget cuts.

Several representatives from county and city organizations as well as local elected officials were on hand to voice their opposition of HB 7001, warning the committee members that the lack of any discussion of “replacement” dollars to make up for these cuts was troublesome. Testimony was also heard from Floridians struggling with the rise in property taxes as well as business owners who fear having to pass down the cost of increased property taxes to their customers.

HB 7001 is now ready to be heard on the floor of the House, and we expect that it will be on the calendar sometime this week. In addition, the House Policy & Budget Council will debate the second component of the House’s property tax reform plan, a constitutional amendment that would eliminate property taxes all together in exchange for a 2.5% increase in sales tax, at its next meeting on Friday, March 23rd.

At this time, AIF is reviewing all the property tax reform proposals being considered by the Legislature and we are working on developing alternative solutions in order to find the right combination of policy decisions that will reduce property taxes for businesses and citizens and at the same time protect the vital services provided by local governments.

On Wednesday, March 14th the Senate Committee on Community Affairs held a workshop on three bills relating to property taxes, more specifically how property should be valued. According to Chairman Rudy Garcia (R-Miami), SB 722 by Senator Jeff Atwater (R-North Palm Beach); SB 508 by Senator Mike Fasano (R-New Port Richey) and SB 786 by Senator Garcia will be combined into one bill to address “just valuation.” As the Senators traveled around the state holding a series of hearings on property tax reform earlier this year, the one common concern expressed by the public was that property appraisers were using “highest and best use” when appraising property and therefore, their property taxes escalated at a very rapid pace. An example of “highest and

best use” would be appraising a small duplex located on waterfront property as though it was a high rise condo. This practice results in extremely high property tax bills for individuals and business owners that may have no intention of turning their property into a high rise apartment or large commercial storefront.

Some of the issues addressed by this “just valuation” legislation are:

- Removing the constitutional requirement that an appraiser use “highest and best” use when arriving at just valuation.
- Requiring property appraisers to appraise income-producing properties based solely on the income generated from that property – this would help low-income housing rentals and small businesses owners.

Also on Wednesday, the House State Affairs Committee considered a very similar proposal, HB 261 Relating to Just Valuation/Factors to Consider by Representative Carlos Lopez-Cantera (R-Miami). HB 261 sets out to accomplish many of the same goals as the Senate proposals arriving at a “just valuation.” During his presentation Representative Lopez-Cantera shared some startling figures. In 2000, the amount of gross property value in the state of Florida hit \$1 trillion dollars for the first time. This figure was calculated going back to 1893 when data on this figure was first recorded. In 2006, that figure was calculated at \$2.5 trillion. In only six years the amount of gross property value in Florida more than doubled. This is evidence of the astronomical increase Florida has seen in property value. According to Representative Lopez-Cantera these increases are a result of how property is assessed in Florida.

HB 261 also addresses the membership composition of Value Adjustment Boards. Under previous law, local government officials had the power to appoint elected officials or other government employees to these boards. HB 261 would require that average citizens be appointed to these boards as well in order to provide balance to the proceedings.

For the business community a change in the way property is assessed would provide much needed relief from high taxes. Redefining what constitutes “highest and best” use and appraising property based on the income it generates would significantly reduce the value of assessed property.

AIF supports the concept of appraising property based on its “current” use and not its “highest and best” use. Furthermore, if a property generates income it should be assessed based on the amount of income it generates at the present time.

Taxation

On Thursday, March 15th the House Jobs & Entrepreneurship Council heard HB 567 Relating to the Communications Service Tax (CST) by Representative Ron Regan (R-Sarasota). This bill is one of AIF’s top priorities for the 2007 session because it lowers the tax on communications services by 1.17%. This includes business land line telephone service, all wireless service, cable TV service and Satellite TV service. Reducing this tax

is critical to the business community because Florida's CST (currently at 9.17%) is among the highest in the country. Econometric models have shown that lowering this regressive tax will help stimulate additional investment in Florida's communications infrastructure. As prices go down, spending on communications services goes up.

An amendment by Representative Reagan was adopted that decreased the reduction from 1.17% to 0.25%. This was done in order to match Governor Charlie Crist's (R) budget proposal. With budget projections falling way shorter than anticipated, even achieving this small reduction will be a challenge. Chairman Reagan and House Speaker Marco Rubio (R-Miami) are showing their strong support of this tax cut by moving the bill forward regardless of the project budget shortfalls.

On Friday, March 16th the House Policy & Budget Council approved HB 567. Committee members were anxious to finish their long agenda, as such very little debate took place and no questions were asked of the bill sponsor.

HB 567 is now ready to be considered for final passage by the full House of Representatives.

AIF supports reducing the Communications Services Tax. Reducing this regressive tax will save the businesses and taxpayers of Florida valuable money and help stimulate additional investments in Florida's communications infrastructure.

On Thursday, March 15th the House Economic Expansion & Infrastructure Council unanimously approved HB 211 by Representative Peter Nehr (R-Tarpon Tower). This legislation creates a sales tax holiday from June 1 – 12, 2007 on items needed during a hurricane season. Some of the items included in the sales tax holiday are: portable self-powered lights; portable self-powered radios, two-way radios, weather band radios; tarps; tie down anchors; gas or diesel fuel tanks; batteries; non-electric food storage coolers; portable generators; storm shutters and re-usable ice. There are limits on the price of each product that range from \$20 maximum on portable self-powered lights to \$1,000 maximum for a generator.

AIF supported the original hurricane preparedness legislation that passed last year and we continue our support for this sales tax holiday. Having our employees and our businesses better prepared for a hurricane is beneficial in so many ways. Employees can return to work quicker and businesses can open their doors sooner when everyone is prepared.

The bill now goes to the House Policy & Budget Council.

On Tuesday, March 13th the House Committee on K-12 approved HB 215 by Representative Marti Coley (R-Marianna). This is the sales tax holiday bill for school clothing and supplies. For a 10 day period, books, clothing, footwear, wallets, and bags that cost \$50 or less, and school supplies that cost \$10 or less, will be exempted from sales tax. Items found in theme parks, entertainment complexes, public lodging

establishments or airports do not qualify for the sales tax exemption. The original bill set the threshold for items at \$100 or less, but with state revenues projected to fall shorter than expected, an amendment was offered that set the threshold at \$50.

HB 215 will now be heard by the House Policy and Budget Council.

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

On Wednesday, March 14th the Senate Agriculture Committee approved SB 1416 Relating to Agricultural Sales Tax Exemptions by Senator Jeff Atwater (R-North Palm Beach). The bill establishes a sales tax exemption for electricity that is being used directly or indirectly for production or processing of agricultural products on Florida's farms. Florida's farmers are looking at approximately \$1.7 million dollars in savings from this proposal.

The bill will now be heard by the Senate Finance and Tax Committee.

The Committee also unanimously passed SB 1968 by Senator Atwater. SB 1968 establishes a sales tax exemption for low volume irrigation and micro-irrigation systems as well as components of these systems. SB 1968's House companion, HB 245 by Representative Baxter Troutman (R-Winter Haven), has already passed its first committee of reference.

The bill will now be heard by the Senate Finance and Tax Committee.

AIF supports legislation that establishes sales tax exemptions that benefit our state's farmers. Agriculture is one of Florida's largest industries employing more than 388,000 people and producing an excess of \$50 billion dollars in total sales.

Legal & Judicial

On Wednesday, March 14th the House Courts Committee unanimously passed HB 1167 by Representative David Simmons (R-Altamonte Springs). The bill sponsor intends to establish legislatively-funded business court divisions in the Ninth, Eleventh and Thirteenth Judicial Circuits of Florida. These court divisions have already been established by administrative orders by the chief judge of each circuit. The business courts will be authorized to decide complex business cases on a judicially enforced docketing schedule.

AIF has worked with Representative Simmons and the state's circuit judges to draft and refine this legislation. This bill is important to the business community because it will provide more predictable and quicker resolution of complex business cases, ultimately lowering the cost of doing business in Florida.

HB 1167 will now be heard by the House Policy and Budget Council.

AIF strongly encourages the Florida Legislature to adopt and fund the Ninth, Eleventh and Thirteenth Circuits' business courts as a pilot program to begin establishing a uniform business court system throughout the metropolitan areas of the state. Florida employers will benefit greatly from these specialized courts. Their cases will settle quicker and costly litigation will be avoided.

On Tuesday, March 13th the Senate Transportation Committee reconsidered SB 320 by Senator Jim King (R-Jacksonville) relating to trespassing on railroad property. The committee had heard this bill last week, but the vote was tied and held over for reconsideration on Tuesday's meeting. Under current law, a person who enters onto railroad property cannot be found guilty of trespassing unless they have been given prior verbal notice, the land is fenced or cultivated, or the owner of the railroad tracks has posted signs every 500 feet on each side of the tracks. Such strict signage requirements are onerous and burdensome on Florida's rail companies who privately own over 2,700 of Florida's 2,788 miles of railroad tracks.

This bill provides that a person can be convicted of misdemeanor trespassing on the railroad property, even if signs are not posted every 500 feet, the land is not fenced and the perpetrator has not been given prior verbal warnings.

Following some additional debate over the bill, the committee voted 4-3 in favor of the bill. The bill will next be heard in the Senate Criminal Justice Committee.

AIF supports SB 320 because it decreases unnecessary regulation and over-burdensome costs on Florida's businesses and promotes personal responsibility for individuals trespassing on private property.

State-Issued Cable Franchises

On Friday, March 16th the House Policy & Budget Council passed HB 529 Relating to Cable TV/Vide Service Franchises by Representative Trey Traviesa (R-Tampa). This is one of AIF's top priorities for the 2007 session and we congratulate Rep. Traviesa for his ability to work with all interested parties in making HB 529 one of the most pro-consumer bills of this year's session. The bill establishes the authority to issue statewide cable and video franchises within the Department of State (DOS) and designates DOS as the state franchising authority. The bill removes local government authority to negotiate cable service franchises.

During his presentation, Representative Traviesa stated that his bill "acknowledges the primacy of consumers" to be able to have a choice in the cable television market. In addition, he stated that Floridians should see "between 15 - 41% reductions in their cable TV bills." These reductions would average between \$400 to \$600 million dollars in savings statewide. According to the bill sponsor, increasing competition in the cable TV market would also increase and provide for new investments in infrastructure that would benefit all Floridians and bring the newest and best technology to all citizens regardless

of race or socioeconomic status. Several amendments were adopted that strengthened the non-discrimination language and improved sections of the bill dealing with impairment of contracts. In addition, the bill was amended to provide for automatic enrollment for the state's "Lifeline" program. "Lifeline" is a program whereby the state provides economic assistance for Floridians who cannot afford basic telephone service. This amendment was a priority of AARP and the Governor's Office.

There was some concern on whether this new franchise process unfairly benefited the non-incumbent providers who were looking to get new franchises and whether the new providers would still provide the same number of public, educational, and government (PEG) channels. Representative Traviesa explained that those providers currently holding franchise agreements would be able to take advantage of the same benefits created in the bill as those who were looking to enter the market. In addition, he assured committee members that under the bill, new providers would have to offer the same number of PEG channels as those who are currently providing cable TV service.

HB 529 is now ready for final passage and will be considered on the House floor.

AIF supports legislation that allows for state-wide cable franchises because it opens up the cable market to increased competition. Passage of HB 529 will ensure better customer service, a better product, and more importantly lower prices for businesses and individuals.

Economic Development

On Thursday, March 15th the House Economic Expansion & Infrastructure Council unanimously approved HB 1325 Relating to Entertainment Industry Economic Development by Representative Don Davis (R-Jacksonville Beach). The bill provides economic development incentives for the entertainment industry, and was presented by Representative Dean Cannon (R-Winter Park) since Representative Davis is recovering from surgery.

The bill substantially amends the Entertainment Industry Financial Incentive Program from a cash reimbursement to a transferable tax credit that can be applied against corporate income tax and sales and use tax liability effective July 1, 2007 through June 30, 2010. The bill provides a minimum of \$75 million in tax credits for each fiscal year. A tax credit can be sold at no less than 75 percent of its worth and may be carried forward for a maximum of five years.

HB 1325 will now be considered by the House Policy and Budget Council.

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.

Transportation

On Thursday, March 15th the House Economic Expansion & Infrastructure Council agreed to submit proposed committee bill EEIC3 Relating to Improving Florida's Roadways Through Private-Public Partnerships as a council bill. This proposal comes out of the 100 Innovative Ideas for Florida's Future and combines idea #47 and #48. Private-Public Partnerships (also known as P3s) come in two basic formats, the first is where a private entity contracts to design, build, maintain and operate a toll facility with future collected tolls as repayment over a predetermined time frame. The second is when the private entity agrees to advance a project prioritized by the Florida Department of Transportation (FDOT) or the local Metropolitan Planning Organization in their long-range plans. FDOT then repays the contractor when funds become available according to the project's original anticipated start date. Both types of P3s provide market-based solutions for dealing with Florida's current backlog of transportation projects.

The proposed council bill also allows FDOT to use new financing techniques and exempts P3s from some of the traditional contract requirements that can sometimes bog down the process. This legislation does not exempt, however, P3s from all of the environmental standards and requirements currently in place for road building projects.

AIF supports 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.

Health Care

On Tuesday, March 13th the House Health Quality Committee unanimously passed HB 1121 Relating to the Florida Health Information Network by Representative Denise Grimsley (R-Sebring). HB 1121 creates the Florida Health Information Network Corporation as a public/private partnership that will establish a secure, privacy-protected, and integrated statewide network for the communication of electronic health information. The not-for-profit corporation will be managed by a board of directors that will consist of 15 members.

One of the few concerns with this bill is the issue of privacy. Committee members want to be reassured that a patient's privacy is well protected. This bill is very important to the Speaker, as it is one of his 100 ideas. Full implementation of the network will likely reduce the cost, and increase the quality, of health care by promoting continuity of care among providers and potentially reducing unnecessary treatments. In addition, successful implementation of this proposal would encourage the adoption of electronic medical records throughout the state, thereby ensuring that a patient's medical history will remain safe in the event of a hurricane or other natural disaster.

HB 1121 will now be heard by the House Policy and Budget Council.

AIF supports the creation of Health Information Network, which will increase efficiency and reduce the number of unnecessary treatments. The creation of a statewide network for the exchange of electronic medical records may result in substantial savings, therefore reducing the cost of health insurance for employers and their employees

SB 1172 Relating to Breast Cancer Treatment by Senator Arthenia Joyner (D-Tampa) was heard in the Senate Committee on Banking and Insurance on Tuesday, March 13th. The bill requires that if an insurance policy or HMO contract provides coverage for breast cancer treatment, the length of stay for lymph node dissections and for follow-up care outside of the hospital must be for the time period determined to be medically necessary by the treating physician. This bill will be known as the Mary B. Hook Act. SB 1172 passed unanimously out of the committee and will now be sent to the Senate Health Policy Committee.

On Wednesday, March 14th the Senate Health Policy Committee passed SB 274 Relating to Cystic Fibrosis Treatment by Senator Gwen Margolis (D-Miami Beach). The bill requires group health insurance policies and group health maintenance organization (HMO) contracts to provide coverage for all medically necessary chest physiotherapy provided by a licensed respiratory therapist. In addition, any medical supplies/equipment or home health care would be covered under this bill. According to the staff analysis on this bill, requiring health insurance policies and HMOs to provide this additional coverage would result in a 1.1 percent increase in health insurance premiums.

SB 274 will now be heard by the Senate Health and Human Services Appropriations Committee.

SB 366 Relating to Infant Eye Care by Senator Frederica Wilson (R-Miami Gardens) was also passed by the Senate Health Policy Committee on Wednesday. This bill requires a certain type of eye examination for all infants born in Florida hospitals. SB 366 also requires health insurance policies and health maintenance contracts to provide coverage for an eye examination performed using an ophthalmoscope and dilation of the pupils at birth, at 6 to 8 weeks of age, and at 6 to 9 months of age to detect pediatric congenital and ocular abnormalities and developmental abnormalities.

The bill requires follow-up visits that may not be medically necessary and may also increase health insurance costs. These costs would ultimately be passed on to consumers in the forms of higher premiums.

SB 366 will now be heard by the Senate Banking and Insurance Committee.

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.

Information Technology

On Wednesday, March 14th the Senate Governmental Operations Committee considered SB 1976 Relating to Competitive Solicitation of Contracts by the Senate Governmental Operations Committee. This bill is of some importance to AIF's IT Council since it relates to the way government enters into contracts with vendors. IT companies depend on a stable and predictable contracting environment for the success of their businesses. The bill provides that an agency must procure a contract by competitive solicitation if the contract authorizes a contractor to use government authority to provide a service. The bill passed unanimously without any questions and will be heard next by the Senate General Government Appropriations Committee.

AIF and its IT Council will be closely monitoring SB 1976. A competitive bidding process that is fair and predictable is good for competition and good for the tax payers of Florida.

Identity Theft

On Wednesday, March 14th the House Homeland Security & Public Safety Committee held a workshop on HB 1117 Relating to Personal Identification Information by Representative John Legg (R-Port Richey). The bill amends current law dealing with identity theft by enhancing the penalties for those individuals who willfully and without authorization fraudulently use personal identification information concerning an individual who is 65 years of age or older. In addition, the bill provides that any person who willfully possesses "sensitive personal information" concerning an individual without first obtaining that individual's consent commits a third degree felony. The term "sensitive personal information" is defined to mean any name or number that may be used, alone or in conjunction with any other information, to identify a specific individual including bank account numbers, credit or debit card numbers, etc.

Nick Iarossi testified on behalf of several business groups and AIF and informed the committee that the business community would be working with the bill's sponsor to find some compromise. One suggestion presented by Mr. Iarossi was that the sponsor considers adding the term "fraudulently" in order to distinguish between an entity that uses this personal information legally and those who possess this information for illegal purposes. In addition, Mr. Iarossi pointed out that the Legislature had passed legislation last year, which allows citizens to place a credit freeze on their accounts if they suspected they were victims of identity theft. This ability to freeze your credit is one of the strongest ways to counteract identity theft.

HB 1117 was temporarily passed and Chairwoman Sandy Adams (R-Oviedo) urged all interested parties to work with the sponsor to come up with a consensus product.

AIF is unable to support HB 1117 as it is currently written. We look forward to working with Representative Legg to develop language that appropriately addresses the issue of identity theft, but that also ensures that business and financial institutions can continue to provide the same level of service Floridians are accustomed to.

- 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.