



## DAILY LEGISLATIVE BRIEF FROM MARCH 26, 2008

### Guns in the Workplace

The House of Representatives passed HB 503 by Representative Greg Evers (R-Milton) by a 72 to 42 vote. The House version would prohibit employers from preventing employees who lawfully possess a concealed weapon permit from parking on employer property. The bill was amended on the floor with the adoption of a strike-everything amendment sponsored by Representative Stan Mayfield (R-Vero Beach). As amended the bill also prevents an employer from searching an employee's vehicle (unless a law enforcement officer is present) and firing an employee on the grounds that he or she possesses a firearm in their vehicle. As amended, HB 503 now includes a greater list of properties that are exempt from this law including nuclear power facilities, school property, and locations where combustible materials are present. The strike-everything amendment also pushed back the effective date of the bill to July 1, 2008.

As anticipated, there was very little debate on the bill today. Most of the questions came from Democratic members of the Legislature who asked the bill sponsor and legislative leaders to describe what the perceived problem was that necessitated this legislation. Representative Jack Seiler (R-Pompano Beach) asked several questions pertaining to the definitions found in the bill, mainly taking exception on how "employee" was defined. Representative Janet Long (D-St. Petersburg) asked Representative Evers to describe why this legislation was needed, citing that she had asked her son – law enforcement officer – about the bill and he had shared with her that he didn't see the need for it. Representative Evers responded that he had filed the bill to "alleviate the fear a concealed weapon permit carrier has of termination by employer for carrying a firearm."

The Senate will be taking up their version of the bill, which does not include the concealed weapon permit language, on the floor in the near future.

**AIF opposes legislation that prohibits businesses from enforcing or maintaining policies that ban guns in the workplace. Employers should be allowed to establish these types of policies and exert their rights as property owners. Maintaining a safe work environment is paramount for the longevity of any employer in Florida.**

### Health Care

The Senate Health Regulation Committee approved SB 1012 Relating to Health Insurance Claims Payments by Senator Don Gaetz (R-Ft. Walton Beach), on a 7-1 vote, despite strong objections by insurers and the business community. AIF General Counsel, Tamela Perdue, testified that this bill will increase health insurance premiums for their members. Those in support of the legislation were mostly comprised of health care provider groups who stand to gain through increased reimbursement from insurers being allowed to "balance bill" patients for rest of their charges.

Senator Gaetz previously stated that he would withdraw the bill if it was proven that it would have a fiscal impact. Today, Senator Gaetz changed that promise and said he would withdraw the bill if there would be a "significant impact". Interestingly enough, both the Office of Insurance Regulation and the Division of State Group Insurance (DSGI) expressed their concerns about the cost increases in the bill's staff analysis. An actuarial study performed for DSGI found that the impact on just Blue Cross Blue Shield of Florida's plan rates (several other plans provide services for state employees) would be as high as 11.3%.

Senator Al Lawson (D-Tallahassee) continued his strong opposition to the bill and, once again, was the lone "no" vote against this bill. Senator Dave Aronberg (D-Fort Myers) and Senator Gary Siplin (D-Orlando) expressed concerns about the cost impact to public and private employees and employers.

SB 1012 will next be considered by the Senate Health Policy Committee. The House companion, HB 405 by Representative Bill Galvano (R-Bradenton), was approved by the House Health Innovation Committee several weeks ago, but has not yet been heard by the House Healthcare Council.

**AIF opposes legislation that prohibits silent PPOs. The search for ways to expand the availability of health care coverage to Floridians is an important endeavor. But almost as important is ensuring that Floridians who currently have health care coverage are not threatened by proposals that ultimately drive up the cost of coverage. Placing additional requirements on health insurers and HMOs, such as "Any Willing Provider", inhibit their ability to provide the most cost-efficient, quality care. As a result, insurance premiums will increase; thereby, affecting the number of Floridians who can continue to purchase coverage.**

## **TBRC**

The Taxation and Budget Reform Commission (TBRC) passed an important constitutional proposal today, which AIF has been working on for over one year. CP 6/8/34 is a combination of three proposals, which have been combined into one, that creates a special use category within the Constitution that protects certain marine industries located on coastal property from being assessed at the "highest and best use" level. Instead, these vital industries to our state would be taxed using "just valuation." Currently, marine industries such as marinas, boat manufacturers, and commercial fishing facilities are being taxed out of existence because their properties are being assessed as if they were high-rise condos or hotels.

AIF has been working on creating a special exemption for working waterfronts with a number of other associations and business groups. CP 6/8/34 received only one "no" vote today, and will now go to the Style and Drafting Committee for the ballot language to be drafted. The voters of Florida will now have the chance to provide some much needed relief for these industries, who collectively employ about 220,000 Floridians.

**AIF supports providing much needed property tax relief for Florida's marine industries and thanks Commissioners Ken Wilkinson, Carlos Lacasa, and Jim Scott for filing these very important constitutional proposals.**

The TBRC also approved SR 36 by Commissioner Randy Miller. This statutory recommendation encourages the Florida legislature to look at some innovative options for transportation funding. SR 36 proposes changes to Florida Statutes to modify and adjust fees and taxes that support transportation funding. The proposal:

- Indexes the 9th cent Fuel Tax and 6 cents of Local Fuel Tax on diesel fuel to the CPI.
- Creates the "National System Tax" a new state tax on diesel fuel, similar to the "National System Tax" on motor fuels.
- Incrementally increases tag fees over a three year period and indexes the rates to the Consumer Price Index (CPI)
- Increases Vehicle License Taxes by specified amounts for 2009, 2010, and 2011, and indexes them to CPI beginning in 2012. Applies to all categories of vehicles except motorcycles, certain trailers, and mobile homes.

All revenues generated by these increases would be deposited into the State Transportation Trust Fund and could be used for future transportation projects in Florida. An economic analysis of SR 36, performed by TBRC economist Tony Villamil, found that if implemented the proposal would have a very strong positive impact on Florida's economy, mainly in the creation of jobs and stimulus to the economy.

Representatives from a broad spectrum of business groups, including AIF, testified in support of the proposal. SR 36 will now be transmitted to the Florida legislature for their consideration.

**As evidenced in AIF's Economic Stimulus Package, we are supportive of any proposal that puts additional dollars into the transportation trust fund. A sure way to stimulate the economy of our state is by building more roads. This is the single greatest way to attract new investment and help existing companies flourish.**

The TBRC was also scheduled to vote on CP 45 by Commissioner Mike Hogan. This is the TABOR (Tax Payer Bill of Rights)-like revenue cap for state and local governments, which has caused quite a bit of debate in recent days. The proposal seeks to implement a system under which any new tax would require voter approval. Instead of voting on the proposal, the Commission held a workshop to flesh out all of the concerns and issues with the proposal.

**AIF will continue to monitor this important proposal, which has the potential to drastically impact the amount of taxes collected by our state and local governments.**

## Taxation

The House State Affairs Committee passed HB 715 Relating to Local Government Revenue Sources by Representative Anitere Flores (R-Miami) on an 8-3 vote.

Under current law, non-ad valorem taxes may not be levied by any local government entity without specific statutory authorization, and must be levied in accordance with procedures required by statute. Counties and municipalities have constitutional home rule power to levy special assessments and impact fees without statutory authorization; however, the Legislature may limit that power.

Representative Flores explained that the bill requires a three-fifths vote or a majority plus one of the governing board's memberships to increase taxes, fees, expand a tax base, levy a new tax or special assessment.

Representative Kelly Skidmore (D-Boca Raton) offered an amendment that would exempt annexations from the provisions of the bill, but it was voted down after explanation, questions, and the sponsor of the bill stating she was not in support of the amendment.

Representatives from the Florida League of Cities testified in opposition to the bill and all remaining speakers waved their time in support of the bill.

In debate, Representative Ed Hooper (R-Clearwater) said he would support the bill because Representative Flores had worked so hard, but he wanted her to continue to work with him to improve the bill.

Representative Skidmore said she strongly opposed the bill and that she would be voting against it because the state should not require what local governments do not require of themselves. She further elaborated that the state does not know how to better govern than local governments do.

Representative Charles McBurney (R-Jacksonville) said he would vote for the bill, but he really thinks the government closest to the people is best at determining their needs.

Representative Ron Schultz (R-Homosassa) said he did not like the three-fifths requirement because he has a special district with only three board members, and that would require all of them to vote for any proposal covered by the bill. He said he would support the bill today, but wanted the sponsor to work with him further on this issue.

HB 715 will now be considered by the House Government Efficiency & Accountability Council.

**AIF supports the bill because it makes it more difficult for the local governments to raise taxes or fee, particularly impact fees which have increased faster in Florida than any other state.**

The House Governmental Efficiency Accountability Council unanimously passed proposed council bill GEAC 29 Relating to Corporate Income Tax by Representative Frank Attkisson (R-Kissimmee). He explained that Florida's Corporate Income Tax Code follows the Federal Internal Revenue Code by using federal rules and starting with federal taxable income as the tax base for the Florida Income Tax. This bill is the "piggybacking" of the congressional changes made during 2007 to the IRS Code, except for certain temporary increases in depreciation expenses and bonus depreciation expenses.

**AIF supports the passage of this bill so that Florida businesses do not have to endure the burdensome task of filing duplicative tax records.**

## Education & Workforce Development

Two bills that AIF supports were heard on 2<sup>nd</sup> reading in the Senate today; both are now available for a final debate and vote in the Senate.

SB 1906 Relating to Alternative Credit High School Courses by Senator Don Gaetz (R-Ft. Walton Beach) creates a pilot project for career academies to earn core course credit for career education courses provided the appropriate course content matches Florida's state standards, and the student demonstrates mastery of those concepts on an end of course exam.

The bill was amended, but the amendment did not change the intent of the bill. It simply clarified that core math courses for the pilot program were Algebra and Geometry.

SB 1906 is now ready for a final vote on the Senate Floor.

**AIF supports career education that is linked the same academic standards as traditional education (reading, writing, math) as well as to industry standards so that students are prepared for both higher education and immediate employment in a high wage high skill job that is in demand in today's economy.**

SB 1908, Relating to Designation of High School Grades by Senator Gaetz, enhances Florida's school grading system by revising the high school grading system beginning with the 2009-2010 school year. The current grading system for high schools is based on the 9<sup>th</sup> and 10<sup>th</sup> grade FCAT performance. The new high school grades will include the FCAT performance for 50% of the grade, and the other half will be based on factors such as graduation rates, performance and participation in certain courses, college readiness and end of course exams. As valid data becomes available, the criteria will include performance and participation of students in Advanced Placement (AP) courses; International Baccalaureate (IB) courses; dual enrollment courses; Advanced International Certificate of Education (AICE) courses; and the achievement of industry certification in a career and professional academy.

SB 1908 is now ready for a final voted on the Senate floor.

**AIF believes it is important to continue to build on the K-12 accountability system with particular focus on improving the value of a high school diploma. Employers must be able to trust that a high school diploma ensures that a graduate can communicate and operate effectively in the workplace.**

The Senate also passed Senate Joint Resolution 1446 Relating to Aerospace Education by Senator Stephen Wise (R-Jacksonville). It is a resolution recognizing the importance of Aerospace Education and urging Florida business leaders, researchers, educational institutions, and residents to focus on the upcoming challenges, and work to make Florida an even greater contributor in the development of the aerospace industry.

**AIF strongly supports efforts to retain Florida's leadership position in the Space industry.**

The Senate also heard SB 2308 Relating to Commissioner of Education by Senator Lisa Carlton (R-Osprey). It is a joint resolution that would amend the Constitution to restore education governance to an elected Commissioner of Education, an elected State Board of Education (made of up Florida's cabinet), and revises the authority of the Board of Governors to administer the State University System.

The bill effectively takes a debate that is in the hands of the court system about university governance and puts it before the voters of the state. The bill effectively puts community colleges in the constitution and renames the 28 community colleges as the Florida College System (comprised of two-year and four-year public postsecondary educational institutions) that grant academic degrees at the undergraduate level as provided by law, but may not offer graduate degrees; creates a system of governance for the Florida College System consisting of a Florida College Board to oversee and coordinate the system, and Local Boards of Trustees for each institution.

There were numerous questions about the impact of the bill on the current Commissioner of Education, the current Board of Governors, who sets university tuition, how this impacts the current lawsuits, and how such a transition at the Department of Education would impact staff. Senator Carlton was adamant that the Legislature set tuition and that the Board of Governors does not have, nor ever did have, the authority to set tuition. She also stated that department staff were professionals who have previously weathered numerous transitions, as have many other agency staff, and would do so in this transition. She declined to address questions about pending law suits.

SB 2308 is now available for a final debate and floor vote.

**AIF will continue to monitor this very important change in education policy. Education governance is an issue that has a direct impact on the quality of our students, their academic success, and the quality of our future workforce.**

The Senate Higher Education Committee unanimously passed SB 346 Relating to Sure Futures Postgraduate Scholarship Program by Senator Jeremy Ring (D-Margate). The bill creates a Sure Futures post graduate scholarship program to match private-sector businesses with students who are seeking advanced degrees and employment.

The bill was amended to remove the fiscal impact. It has three more committee stops in the Senate but could be withdrawn from its next stop, Finance and Taxation, since the tax credit was removed from the bill.

SB 346 will now be considered by the Senate Commerce Committee.

**AIF believes that university research is an economic driver for Florida's future and supports efforts that will encourage our graduates who are pursuing advanced degrees to stay in Florida and provide them with links to employment in targeted economic growth sectors of the economy.**

## Energy

The House Environment & Natural Resource Council considered and temporarily passed proposed committee bill ENRC 01 Relating to Energy by the House Environment & Natural Resources Council. The proposed bill would implement a series of new energy policies for state government as well as the private sector. Among the multiple provisions in this legislation, the bill creates a new renewable portfolio standard for utilities, a new renewable fuel standard that relies on ethanol, a proposed cap-and-trade system for reducing greenhouse gas emissions, a new energy governance structured within the Office of the Governor.

The council proposed a total of nine amendments to the bill before running short on time. Six of these proposed amendments were technical changes and were adopted with out any debate and two others, by Representative Scott Randolph (D-Orlando) and Representative Will Kendrick (R-Carrabelle), were withdrawn due to their fiscal impact on the budget.

Although the bill was temporarily passed, it still faces a few changes before being passed by the Council. The members of the council seemed very cooperative in beginning these steps.

Proposed committee bill ENRC 01 will once again be revisited by the Environment & Natural Resource Council at their next scheduled meeting.

**AIF and its Florida Energy Council recognize the importance energy plays in keeping Florida's economy healthy and vibrant. Any recommendations considered in the formation of Florida's energy policy should allow for reasonable implementation, should support efficiencies and should ensure that undue mandates and costs are not placed on Florida's businesses and consumers, thereby creating a unilateral economic disparity. Florida should ensure that every effort is made to undertake a balanced approach that avoids unrealistic requirements on energy producers and suppliers. AIF is especially troubled and opposes any effort to restructure Florida's energy policy governance. In an era of shrinking state revenues, increasing the size and scope of government does not make sense.**

## Ports

On Tuesday, March 25th SB 470 Relating to Seaport Security Standards by Senator Tony Hill (D-Jacksonville) unanimously passed the Senate Military Affairs and Domestic Security Committee. Senator Hill offered a strike-everything amendment that included AIF suggestions and other changes. Our suggestions obviously made the bill better, but with the good there also came some bad.

The bill expands membership on the Florida Seaport Security Standards Advisory Council (FSSSA) to include two tenants and two employees of tenants. For the first time since security standards were created, tenants would finally have "official standing" in reviewing those standards. AIF also recommended that the council be charged with meeting at least once annually to consult with port tenants and other affected parties, in order to assess actual and possible impacts of seaport security on commerce and trade. Instead of the FSSSA taking on this task, it was ultimately decided that it was better left to the Florida Seaport Transportation and Economic Development Council (FSTED).

The FSTED Council represents the state's 14 deep-water ports. Their primary mission is to work with port directors on improving infrastructure and developing economic development opportunities. That is already a full time job. Plus, their priority security issues are from the viewpoint of port directors. By contrast, the FSSA council is comprised of a significant number of security experts and AIF believes they should be a part of the impact of security evaluation.

Nonetheless, the bottom-line is that the first piece of legislation, since 9/11, addressing the serious concerns of the maritime industry on the impact of security regulations, has passed a committee of the Florida Senate.

**AIF and its Florida Maritime Council support legislation that begins the process of examine the impacts of security regulation on the competitiveness of Florida's 14 deep water ports. Florida's security requirements are much more stringent than federal requirements, and consequently we are beginning to lose business to other ports in the region because Florida's security costs are significantly higher.**