



DAILY BRIEF

From March 11, 2009

AIF was once again actively advocating on behalf of Florida's business community on Wednesday as a number of priority issues were considered by the House and Senate. First and foremost, Majority Leader Adam Hasner (R-Delray Beach) presented his House Joint Resolution which if passed would place a proposed constitutional amendment on the November 2010 general election ballot that would protect Floridian's right to a secret ballot. This proposal is strongly supported by AIF in light of the current debate in Washington regarding "CardCheck" a proposal that would end the practice of using secret ballots to determine whether employees are unionized.

In addition, a number of property tax bills were considered by the House today. Please check the "Taxation" section of this report for a complete recap of these important bills for the business community.

Card Check

The House Governmental Affairs Policy Committee approved HJR 1013 Relating to Guaranteeing the Right to Vote by a Secret Ballot by House Majority Leader Adam Hasner (R-Delray Beach) on a strict party line vote of 8 to 4. HJR 1013 proposes the creation of Section 28 of Article I of the Florida Constitution to provide that voting by secret ballot is a fundamental right of all individuals. The amendment provides that the right of individuals to vote by secret ballot is guaranteed where local, state, or federal law requires elections for public office, requires public votes on initiatives or referenda, or requires designations or authorizations of employee representation.

Currently, the U.S. Congress is debating the Employer Free Choice Act or EFCA, which if signed into law by President Obama would virtually eliminate the secret-ballot election as the primary means to determine whether employees want to union representation. Under the EFCA, a union would be established for a work group without any election when it succeeded in securing a simple majority of employee signatures on authorization cards designating the union as the collective bargaining representative. This proposal is strongly opposed by all sectors of the business community.

Representative Hasner's bill would put before the voters of Florida a proposed constitutional amendment during the next general election in November of 2010, which would allow Floridians to vote in favor of adding a protection of the secret ballot process in our state's constitution. HJR 1013 would have to receive a 3/5th vote of each chamber before being placed on the ballot.

Debate on this proposal was spirited and passionate as members of the Democratic Party argued that this proposal was just a way to thwart the intentions of EFCA. A number of committee members shared their own personal experiences with the union process. Representative Bill Heller (D-St. Petersburg) described how in his early years he was a janitor and at that time he had worked to get his fellow workers to establish union representation. His efforts led to his firing at the company he was working for; therefore, he was very supportive of EFCA. Representative Clay Ford (R-Pensacola) also shared his experience as a union worker. Representative Ford climbed telephone poles for a living and although he and his fellow co-workers belonged to a union – Representative Ford felt very strongly about the need for a secret ballot.

Members of the business community were on hand to lend support of this proposal. Jose Gonzalez, AIF's Vice President of Governmental Affairs, testified in support of HJR 1013 because of its ability to give the citizens of Florida an option for dealing with this federal issue. Up until this point, all businesses and citizens could do to influence this process was contact their congressman or woman. Under this proposal, the citizens of Florida can vote to protect their secret ballot.

In his closing remarks, Representative Hasner explained that the main goal of his bill was to shield workers from the intimidation and harassment at the hands of union bosses or management as well. Without a secret ballot, employees in Florida are more susceptible to this kind of pressure.

HJR 1013 will now be considered by the House Policy Council.

AIF supports HJR 1013 and its efforts to protect the secret ballot process in Florida. Passage of this proposed constitutional amendment will allow voters in Florida to decide whether they want to enshrine the use of secret ballots in elections in our state's top document.

Taxation

Today, the House Military and Local Affairs Policy Committee unanimously passed HB 701 Relating to Notices of Proposed Property Taxes by Representative Matt Hudson (R-Naples). The bill simply changes the current Truth in Millage notice (TRIM) to include the last year's millage rate; the current year's millage rate if a proposed budget change is made; and the current year's millage rate if no budget change is made.

Representative Hudson said it seemed almost comical that the TRIM notice today does not even include the millage. He also stated that "it is almost like we should not let it out that we are doing a bill to require the millage rate to be included in the truth in millage notice."

Representative Ron Schultz (R-Homosassa) commended Representative Hudson for his good bill, but added that more work needed to be done on the TRIM notice issue and he would file a bill next year after seeking Representative Hudson's help.

HB 701 will next be considered by the House Economic Development & Community Affairs Policy Council.

AIF supports this bill because it informs taxpayers of what their elected officials are doing relative to the tax millage rates; which of course, are multiplied by the assessed value of your property to determine your total property tax bill.

The House Military and Local Affairs Policy Committee also passed HB 521 Relating to Just Valuation of Property by Representative Carlos Lopez-Cantera (R-Miami). The bill provides that the property appraiser must show that he has arrived at an assessment being challenged by complying with s. 193.011, F.S. and professionally accepted appraisal practices. If the appraiser meets this burden, then the assessment is presumed correct. This places the burden of presumption of correctness in the hands of the appraiser.

The bill also changes the burden of proof that applies to assessment challenges after the assessment is revised and remanded to the property appraiser by the value adjustment board or court.

AIF Consultant, Frank Meiners, was on hand and testified in favor to the bill. As for opponents, the Property Appraiser's Association and the Hillsborough County Property Appraiser testified against the legislation.

Representatives Eric Fresen (R-Miami), Rich Workman (R-Melbourne), and Charles Van Zant (R-Palatka) all spoke in favor of the bill and stated it was a good bill for taxpayers.

Last session, AIF was active in this arena and was a strong proponent of HB 909, which established increased fairness in the value adjustment process. HB 521 moves one step closer to achieving a level playing field in these types of challenges.

HB 521 will next be considered by the House Economic Development & Community Affairs Policy Council.

AIF supports legislation that addresses ad valorem assessment value challenges including revising the burden of proof and the presumption of correctness to level the playing field for tax payers.

Finally, the committee passed Proposed Committee Bill (PCB) MLA 09-02 Relating to Property Assessment Limitation. The bill adds changes to the state constitution that are very straight forward, changing 10 percent to 5 percent for the limitation on assessment increases applicable to non-homestead real property.

This proposed constitutional amendment will be submitted to the electors at the general election in November 2010.

AIF consultant, Frank Meiners, testified in support of the resolution but said that the 5 percent limit should apply to all non-homestead property, not just real property. The bill as is leaves out industrial property, machinery and equipment, and other tangible personal property such as agricultural equipment, electric power plants and telephone central offices. Representative Keith Fitzgerald (D-Sarasota) said he agreed with this and that tangible personal property was what created jobs and growth in the state.

The Florida League of Cities testified in opposition to the bill because the fiscal impact the 5 percent cap may have on the cities is unknown.

Representative Chris Dorworth (R-Heathrow) questioned the League of Cities about why they could not be satisfied with a 5 percent growth rate in their revenues, stating that he could not believe why they would want any more of an increase.

AIF supports lowering the current cap on non-homestead properties to 5 percent from 10 percent. However, this cap should apply to all non-homestead property, not just real property. This provision will help AIF members control their costs of doing business and will allow them to be more competitive in the market place.

Today, the House Finance and Tax Committee continued their review of sales tax exemptions. While wrapping up the meeting, Chair Ellyn Bogdanoff (R-Ft. Lauderdale) talked about the council's next meeting. It will take place next Monday, March 16 from noon to 4:00 p.m. The council has been reviewing sales tax exemptions flagged by its members as ones that needed more discussion. Representative Bogdanoff told the council that every member will be receiving a list of all of the exemptions and they are to mark which ones they believe should be repealed. At the next meeting they will vote on any sales tax exemptions that have been suggested by a member of the council to be eliminated.

She also said that during next Monday's meeting she would like to hold a workshop on the streamlined sales tax issue since there is so much misinformation floating around about it.

AIF SUPPORTS a careful review of Florida's sales tax exemptions, but not an automatic sunset of these important tax policies. Legislators should proceed under the impression that each exemption is worthy and serves a public purpose. Exemptions should be repealed only when no evidence of public purpose is found.

Business Regulation

Today, the House Government Affairs Policy Committee unanimously approved Proposed Committee Bill (PCB) GAP 09-04 Relating to Social Security Numbers. The PCB reenacts a public records exemption for agency employees and substantially amends the general public records exemption for access to social security numbers by the business community. Most specifically, the PCB amends the definition of "commercial purposes" to limit the ability for which a business may access social security numbers contained in a public record.

AIF lobby team members have worked with staff on this language and feel that it provides the access necessary for businesses to confirm identity of individuals and prevent fraud. At the same time, we feel it also addresses concerns expressed by local governments, agencies and legislators about businesses claiming a need for social security numbers without a legitimate purpose.

AIF is working on restoring language in current law that is stricken in the PCB that allows matching and retrieving records as a legitimate commercial purpose use. With that fix, we feel that the legislation will have little impact on the current uses of social security numbers by commercial entities.

Now that the PCB has been approved by the committee, it will be filed and referenced.

While we are pleased with the progress of this legislative proposal, AIF stands ready to oppose any effort to limit legitimate commercial access to personal information.

Economic Development

Today, the House Economic Development Policy Committee unanimously passed HB 485 Relating to Fast Track Economic Stimulus for Small Businesses by Representative Will Weatherford (R-Trinity). Both Republicans and Democrats alike lauded the measure in committee as Representative Weatherford explained what could be the session's most dynamic economic development bill.

HB 485 is an economic development tool that relies on a market based approach to expand credit, capital and financial services to our Low Income Communities across the state. By leveraging a \$26 billion federal program, the New Markets Tax Credit will provide a modest state-level tax credit to encourage capital investments to be made in Florida's low income communities by utilizing federal oversight and allowing Florida to implement the program with minimal state resources. The program could have a total economic impact of \$6.3 billion over the next ten years, and is expected to immediately incite some \$250 million in private sector investment. It is also expected to create almost 4000 jobs in its first year.

The bill was passed out of the House unanimously last year, but due to what Representative Weatherford characterized as a philosophical approach by the Senate against tax credits last year, the bill died. Committee members commended Representative Weatherford for bringing the issue forward once again.

AIF's Vice President for Governmental Affairs, Jose Gonzalez, testified in favor of the bill and urged committee members to support the legislation. Gonzalez noted that a recent AIF poll revealed that a majority of Floridians feel that the economy is the top issue and that government's roll this session should be to enact policies meant to create jobs.

Included in AIF's *Economic Stimulus Package 2.0*, this piece of legislation is a top priority for AIF and will continue to be for the duration of the session. The bill will next be considered by the House Economic Development and Community Affairs Policy Council.

AIF supports the New Markets Development Program. Florida must look for ways to stimulate business activity and we are happy that the Legislature is proposing ideas found within our economic stimulus package.

Seaport Security

The Senate Military Affairs and Domestic Security Committee continued its consideration of a Proposed Committee Bill Relating to Seaport Security. As reported by AIF previously both the House and Senate are looking at the issue of Florida's duplicitous security credentialing at its 14 public ports. The workshop began with a presentation by AIF's General Counsel and Florida Maritime Council (FMC) lobbyist, Tammy Perdue, who described for the committee members the current landscape of overregulation in our state's ports. Following this description of the problem, Ms. Perdue presented a number of recommendations on how to eliminate the costly (almost \$800 dollars per year on security checks) system of background checks which threatens the ability for our ports to compete with ports in neighboring states.

Representatives from the trucking industry and longshoremen testified in support of eliminating the existing Florida security requirements in favor of moving to the federal Transportation Worker Identification Credential or TWIC.

Randy Ball, representing the Governor's Office, testified that Governor Crist would be in favor of adopting the TWIC card but keeping the existing requirements for additional state background checks. Unfortunately, this position does not advance efforts to bring Florida in line with the rest of the country and thus cannot be supported by AIF or its Maritime Council.

We anticipate that a bill will be ready to be considered at the next meeting of the Committee.

AIF and its Florida Maritime Council support efforts to streamline security requirements and eliminate duplication of security credentialing at Florida's 14 deep water ports; thereby, reducing the expense and inconsistencies of Florida's seaport security regulations.

Education & Workforce

Today, the Senate Education PreK-12 Committee passed (6-1) SB 1828 Relating to Revision of Class Size Requirements/Public Schools by Senator Stephen Wise (R-Jacksonville). The bill proposes to change the constitutional requirements that limit class size. Beginning with the 2010-2011 school year, class size compliance would be calculated by the *school level* average number of students who can be assigned to each teacher in the following grade categories:

- Prekindergarten through the 3rd grade, 18 students;
- 4th grade through the 8th grade, 22 students; and
- 9th grade through the 12th grade, 25 students.

However, the joint resolution maintains an absolute maximum number of students who may be assigned to a teacher in an individual classroom as follows:

- 21 students in prekindergarten through grade 3; and
- 27 students in grades 4 through 8.

The joint resolution also:

- Retains the application of the class size amendment to core-curricula classes;
- Repeals the requirement for funding annual reductions to class size to achieve the maximum constitutional class size limits; and
- Provides that the constitutional class size requirements do not apply to virtual classes.

There was testimony in opposition from two teachers union representatives, but a large majority of came from proponents of the bill. Senator Don Gaetz (R-Ft. Walton Beach) pointed out that the bill keeps all of the good work that has been achieved in Florida to date due to the class size reduction mandate, and makes the implementation for the future more workable and cost effective.

SB 1828 will next be considered by the Senate Education PreK-12 Appropriations Committee.

AIF supports increased flexibility in the implementation of the class size reduction requirement due to the positive fiscal impact that would be created as a result of changing the compliance requirements. This proposal is part of AIF's Economic Stimulus Package 2.0 since greater flexibility will ensure money is spent where it is most needed at a time when school funding is facing drastic reductions as a result of the downturn in the economy.

Growth Management

Today, the House Military & Local Affairs Policy Committee unanimously passed HB 441 Relating to Coastal Management by Representative Ron Reagan (R-Sarasota). This bill would help port-related or commercial projects, which are located within or within 3 miles of a port master plan area, proceed more rapidly and with less government oversight by exempting them from the developments-of-regional-impact (DRI) process.

AIF supports HB 441 and applauds Representative Reagan for pursuing this important issue. Ports and its related businesses are important to Florida's overall economy and anything government can do to help them expand will help us in these trying times.

The House Military & Local Affairs Policy Committee also passed Proposed Committee Bill (PCB) MLA 09-01 Relating to Community Affairs. This is a growth management bill that transfers the functions of the Department of Community Affairs (DCA) to the Department of State (DOS) as well as the functions of the Department of Emergency Management (DEM) to the Governor's Office.

The growth portion of the bill picks up a number of issues in the Senate companion, SB 360 Relating to Growth Management by Senator Mike Bennett (R-Bradenton), including authority to create Transportation Concurrency Exception Areas in defined "dense urban areas", extends certain state and local permits for 3 years, and provides for a streamlined review process for certain comprehensive plan amendments. The measures included in this proposal would undo the practice of requiring developers to pay for the existing infrastructure backlog, rather than their own projects. Such charges can and have made projects financially unfeasible.

Now that the PCB has been approved by the committee, it will be filed and referenced.

AIF supports SB 360 and its House companion as a way to stimulate Florida's economy through low cost regulatory measures that seek to reduce unnecessary government oversight.

Health Care

Today, the Senate Children, Families, and Elder Affairs Committee unanimously passed SB 242 Relating to Autism Spectrum Disorder Screening/Minors by Senator Jeremy Ring (D-Margate). The legislation requires that a physician refer a minor to an appropriate specialist when screening for autism spectrum disorder under certain circumstances.

The main concern with the bill is that it is yet another health insurance mandate. The bill also contains some problematic definitions and does not provide for a specified time frame for this newly mandated coverage.

Senator Ring and opponents of the bill promised to work together to try to come up with a mutual agreement. Senator Charlie Justice (D-St. Petersburg) told the HMO's and the Florida Association of Health Plans that he would like solutions to help with the rising cost of health insurance due to some of these mandates.

SB 242 will next be considered by the Senate Health Regulation Committee.

AIF OPPOSES any health insurance mandate that makes coverage less affordable and accessible without greatly contributing to the increased well-being of all Floridians.

Space

Today, the House Economic Development Policy Committee unanimously passed HB 69 Relating to Space Industry by Representative Dorothy Hukill (R-Port Orange). A priority for AIF, the bill creates a multi-university Space Technology and Research Development Institute (STRDI) within the Governor's Office of Tourism, Trade and Economic Development and is supported by Space Florida. The STRDI will be a university-based program, led by Embry-Riddle Aeronautical University, to provide research and development and policy analysis to improve the competitiveness of the space transportation industry in Florida. Research to be supported by the institute includes, but is not limited to:

- Range and airspace management systems;
- Spaceflight human factors;
- Launch vehicle safety;
- Materials science; and
- Spaceport instrumentation, technologies, and processes.

HB 69 will next be considered by the House Economic Development & Community Affairs Policy Council.

As mentioned in ESP 2.0, AIF fully supports diversification of the space industry through university-based and applied technology programs across the state.

Transportation

Today, the Senate Judiciary Committee passed (6-3) SB 1212 Relating to Public Transit by Senator Lee Constantine (R-Altamonte Springs). Passage of this bill is essential for the enactment of the Central Florida Commuter Rail Project or "SunRail" as it is more commonly known. The bill provides the Florida Department of Transportation with the authority to contractually indemnify freight rail operators when using a rail corridor with commuter rail operations.

It was a packed and heated committee hearing, as a significant contingent of local leaders from Central Florida addressed the committee in favor of the SunRail proposal. Most notably, Orlando Mayor Buddy Dyer, Charles Lee from Audubon of Florida, and President John Hitt from the University of Central Florida were joined by elected officials from Seminole, Orange, Osceola, and Polk counties as well as numerous business leaders to show their support for the legislation. These distinguished leaders were joined by local citizens and 14-year-old Jason Smith who also addressed the committee in support of the legislation as smart growth for Florida.

State approval of the "SunRail" project is top priority for Associated Industries of Florida. This project will bring immediate economic activity and jobs to the Central Florida region and other parts of the state at a time when our state's economy is reeling from the effects of the current national recession. In fact, approval of Central Florida Commuter Rail project is one of the recommendations found in AIF's **Economic Stimulus Package 2.0**.

SB 1212 will next be considered by the Senate Transportation and Economic Development Appropriations Committee.

AIF SUPPORTS efforts to approve the Central Florida Commuter Rail Project. This project will not only create jobs in the Orlando area, but throughout the state of Florida while injecting over \$1.2 billion into the economy over the next 18-24 months. This project will lay the foundation for improved passenger transportation and freight distribution in Florida, thus ensuring our state's ability to remain competitive and meet the challenges of expanded global trade.