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Regular Session  
**W**rap-up

Sixty-Day Regular Session

**Coming Soon!**  
AIF's 2012 Vote Records  
— and —  
Champions for Business  
Announcement



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**ASSOCIATED INDUSTRIES OF FLORIDA**

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*The Voice of Florida Business Since 1920*

516 North Adams Street • Post Office Box 784 • Tallahassee, Florida 32302-0784  
Phone: 850.224.7173 • Fax: 850.224.6532 • E-mail: aif@aif.com • www.aif.com

# The 2012 Session At-A-Glance

As the Voice of Florida's Business, AIF Successfully **ADVOCATED THE PASSAGE** of the Following Bills:

## ECONOMIC DEVELOPMENT

Economic Development Incentives	<b>HB 7087</b> by Rep. Precourt	Reauthorizes the New Markets Tax Credit program, expands the state's corporate income tax exemption, and provides sales tax exemptions that will help grow the state's manufacturing industry and incentives for the film, agriculture and aerospace industries	<b>PASSED</b>
Seaport Development	<b>HB 599</b> by Rep. Pilon	Requires minimum \$15 million to fund seaport development	<b>PASSED</b>

## EDUCATION

Digital Learning	<b>HB 7063</b> by Rep. Stargel	Expands digital learning options for public school students in grades K-5	<b>PASSED</b>
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## ENVIRONMENTAL

Metal Theft	<b>HB 1323</b> by Rep. Drake <b>HB 885</b> by Rep. Ford	Enacts precautionary methods to help deter the removal of metal from private property	<b>PASSED</b>
Numeric Nutrient Criteria	<b>HB 7051</b> by Rep. Caldwell	Ratifies proposed numeric nutrient criteria rules developed by the Florida Department of Environmental Protection	<b>PASSED</b> Apprv'd by Gov.
Environmental Permitting	<b>HB 503</b> by Rep. Patronis	Streamlines permitting across Florida's 5 water management districts	<b>PASSED</b>

## GROWTH MANAGEMENT

Developments of Regional Impact	<b>HB 979</b> by Rep. Diaz	Provides an exemption from DRI review for specified developments	<b>PASSED</b>
Residential Construction Warranties	<b>HB 1013</b> by Rep. Artiles	Provides that the implied warranty for a home does not include off-site improvements or infrastructure	<b>PASSED</b>
Growth Management	<b>HB 7081</b> by Rep. Workman	Provides for a number of modifications and clarifications to last year's "Community Planning Act"	<b>PASSED</b>

## HEALTH CARE

Sale or Lease of Public Hospitals	<b>HB 711</b> by Rep. Hooper	Provides greater public oversight in the sale or lease of a county, district or municipal hospital	<b>PASSED</b>
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## INSURANCE

Personal Injury Protection	<b>HB 119</b> by Rep. Boyd	Reforms Florida's broken automobile insurance system by addressing a number of premium cost-drivers	<b>PASSED</b>
Citizens Property Insurance Corporation	<b>HB 1127</b> by Rep. Albritton	Reduces Citizens' maximum regular assessment which may be levied on most businesses' property and liability insurance premiums	<b>PASSED</b>
Workers' Compensation Excess Profits	<b>HB 941</b> by Rep. Holder	Repeals a provision of the workers' compensation regulatory framework to create a more fair and predictable regulatory environment for carriers	<b>PASSED</b>

## SPACE

Spaceport Territory	<b>HB 59</b> by Rep. Ray	Designates certain real property within the boundaries of Cecil Airport and the Cecil Commerce Center as spaceport territory	<b>PASSED</b>
Spaceport Facilities	<b>SB 634</b> by Sen. Benacquisto	Provides ability for greater funding of infrastructure upgrades and improvements to space-related facilities	<b>PASSED</b> Apprv'd by Gov.

## TAXATION

Tangible Personal Property Tax Exemptions	<b>HB 1003</b> by Rep. Eisnagle	Proposes constitutional amendment that would provide small businesses with an additional tax exemption on tangible personal property valued between \$25,000 and \$50,000	<b>PASSED</b>
Unemployment Compensation Tax Relief	<b>HB 7027</b> by Rep. Holder	Significantly reduces the unemployment compensation tax increase on Florida businesses for 2012	<b>PASSED</b>
Communication Services Tax	<b>HB 809</b> by Rep. Grant	Updates and modernizes a number of definitions related to the communications services tax	<b>PASSED</b>
Transfer of Tax Liability	<b>HB 103</b> by Rep. Wood	Provides certainty that a transferee does not have to assume any outstanding tax liabilities when purchasing a business	<b>PASSED</b>

AIF Successfully **DEFEATED** the Following Attempts to Damage Florida's Legal and Business Climate:

## BUSINESS REGULATION

E-Verify Mandates	<b>HB 1315</b> by Rep. Harrell	Would require Florida employers to verify employment eligibility using the Federal E-Verify system	Died in Committee
Public Benefits	<b>HB 1401</b> by Rep. Plakon <b>SB 1658</b> by Sen. Storms	Would require retailers to determine which items would be acceptable to purchase and which would not using public assistance funding	Died on Senate Calendar
Public Notice Requirements	<b>SB 292</b> by Sen. Mike Bennett	Would allow local governments to place public notices on their websites instead of in newspapers	Amended - No "Public Notice" Provision

## HEALTH CARE

Mandatory Contracting	<b>HB 1419</b> by Rep. Brodeur <b>SB 730</b> by Sen. Flores	Would have eliminated the competitive bid process by forcing hospitals to contract with certain health plans	Amended - No "Mandatory Contracting" Provision
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## TAXATION

Online Travel	<b>HB 1393</b> by Rep. Brodeur <b>SB 1888</b> by Sen. Gardiner	Would permanently provide online travel companies (OTCs) with an unfair tax advantage over Florida-based hotels and motels	Died in Committee
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# How the Success of Environmental Sustainability Initiatives are Vital to the Prosperity of Florida's Employers

It was often noted during the months leading up to the 2012 Legislative Session that the chances for passing good legislation were slim. Faced with an impending election cycle, continued budget shortfalls and the once-a-decade reapportionment process, legislators were already encumbered with a number of responsibilities before the start of this year's regular session. Nonetheless, AIF remained vigilant this year by emphasizing the need for tax relief, regulatory reform and incentives designed to promote economic growth. AIF's legislative victories (see p. 3) were numerous this year, but no area was as successful for AIF than environmental sustainability.

## Numeric Nutrient Criteria

In 2009, the federal Environmental Protection Agency (EPA) determined that Florida's regulation of nutrients is insufficient to protect water quality as required by the federal Clean Water Act. In 2010, the EPA finalized rules that would impose federal numeric nutrient criteria on Florida's lakes and springs, as well as flowing waters located outside of south Florida. The Clean Water Act, however, allows Florida to adopt its own rules imposing nutrient limits to replace the federal rules created by the EPA. With that in mind, the Florida Department of Environmental Protection (DEP) has proposed scientific, cost-efficient rules to replace the EPA's.

Why is this important to Florida business? If DEP's proposed numeric nutrient criteria rules are implemented and applied to all Florida waters, they would cost significantly less than the estimated cost to implement the final EPA rules. An independent cost analysis commissioned by Cardno ENTRIX estimates the cost of implementing EPA's final numeric nutrient criteria rules to be between \$298 million and \$4.7 billion annually! Under DEP's proposed rulemaking, which AIF strongly supports, costs associated with implementation would be significantly less — estimated between \$135.5 and \$206.1 million. As you can see, there are significant differences in cost, contingent upon who implements the rulemaking process (DEP v. EPA). These costs would ultimately be borne by you, Florida's business owners, through higher utility rates, cost of compliance, etc.

*This year, AIF's Environmental Sustainability Council (ESC) was successful in passing legislation allowing the Department of Environmental Protection to proceed with the implementation of sensible NNC rules. HB 7051 by Rep. Matt Caldwell (R-Ft. Myers) is critical to ensuring that the EPA does not impose burdensome rules that will add to the already increasing costs of doing business in Florida.*

## Additional Environmental Victories Include:

### Environmental Regulation

HB 503 by Rep. Jimmy Patronis (R-Panama City) provides a major step forward in streamlining permitting across state agencies. In essence, this legislation will help accelerate the approval or denial process and bring certainty to businesses dealing with state agencies. Time is money and Florida businesses are spending too much time on a permitting process that includes duplications and burdensome regulations.

### Metal Theft

AIF has worked with the Floridians for Copper & Metal Crime Prevention Coalition this year to pass two separate, yet equally important measures that will combat the pervasive issue of metal theft. HB 1323 by Rep. Brad Drake (R-DeFuniak Springs) and HB 885 by Rep. Clay Ford (R-Pensacola) will enact precautionary methods to help deter the removal of metal from private property, which is causing economic loss for business owners throughout the state.

### Water Quality Improvements

HB 1389 by Rep. Steve Perman (D-Boca Raton) encourages public-private partnerships to accomplish water storage and water quality improvements on private agricultural lands. Currently, if a landowner uses his/her property to store water, there is a fear that the property could be classified as a wetland if an attempt was made to revert it back to agricultural use. HB 1389 clarifies that the land would not be classified as a wetland. This legislation will allow the agricultural community to proceed with certainty and for landowners to store much needed water on their property.

### Environmental Resource Permitting

HB 7003 by Rep. Steve Crisafulli (R-Merritt Island) allows the Department of Environmental Protection (DEP) to create a state-wide Environmental Resource Permitting (ERP) system. Currently, permit seekers may experience different outcomes for similar projects across Florida's five water management districts. Employers will now be afforded consistent, predictable outcomes irrespective of their business' location in the state.

### Reclaimed Water

HB 639 by Rep. Dana Young (R-Tampa) encourages the reuse of reclaimed water and makes it eligible for alternative water supply funding. This legislation has a broad base of support from the business community, utilities, environmentalists, water management districts and the Florida Department of Environmental Protection. Without water there is no development, no growth, no environmental protection, and no economic rebound for the State of Florida.

# Economic Incentives to Improve Florida's Business Climate

With a continued drop in the State's unemployment rate, lawmakers are persistent in their push to incentivize business growth and economic expansion in Florida. AIF has lobbied successfully this year to pass meaningful incentives, including the reauthorization of the New Markets Tax Credit program, expansion of the state's corporate income tax exemption, sales tax exemptions that will help grow the state's manufacturing industry and incentives for the film, agriculture and aerospace industries. Legislative and executive leaders are to be commended for working closely with the business community to help produce an environment ripe for economic growth.

## Economic Development Incentives

As explained in brief detail above, **HB 7087 by Rep. Steve Precourt (R-Orlando)** incorporates many of AIF's top economic development initiatives for 2012. Many of these provisions, which were initially contained in separate legislative proposals, include:

- **New Markets Tax Credit Program**  
AIF is a continued proponent of expanding the New Markets program as a method of providing economic development capital in some of the state's most needy areas. This bill increases the total amount of tax credits available to be allocated for the **New Markets Tax Credit Program from \$97.5 million to \$163.8 million.**
- **Corporate Income Tax Exemption**  
This legislation increases the current corporate income tax exemption on net income from \$25,000 to \$50,000 for all Florida employers.
- **Sales Tax Holiday**  
The package includes the reenactment of a three-day "sales tax holiday" for specific clothing, footwear, and bags that cost \$75 or less, and school supplies that cost \$15 or less. The sales tax holiday is a one-time holiday, and is scheduled from August 3, 2012 through August 5, 2012.
- **Manufacturing & Aerospace Tax Incentives**  
Presently, industrial machinery and equipment purchased for exclusive use by an expanding facility engaged in spaceport activities is eligible for a sales tax exemption if productive output has expanded by no less than 10 percent. **This exemption is also available to manufacturers who wish to expand facilities or plant units that manufacture, process, compound, or produce for-sale items of tangible personal property. The bill reduces the required increase in productive output from 10 percent to 5 percent in order to qualify for such exemptions.**
- **Film Incentives**  
HB 7087 creates a requirement that a production wishing to claim credits for expenditures related to principal photography must have at least 50 percent of principal photography shooting days spent within Florida or must have spent at least \$10 million on qualified production expenditures within this state.

## The Bottom Line ...

- While a number of provisions contained within 2012's Economic Development package targeted specific industries including manufacturing and agriculture, Florida businesses across the spectrum stand to benefit. The Sales Tax Holiday & Corporate Income Tax Exemption will provide beneficial savings to all Florida employers.
- Policymakers have demonstrated continued support of Florida's ailing space industry by passing a number of key initiatives. AIF is strongly supportive of this year's success as a means of keeping high-tech, high-wage jobs in Florida.

## Legislation AIF Advocated ...

- HB 7087 (Economic Development) by Rep. Steve Precourt (R-Orlando) **PASSED**
- SB 1150 (New Markets Development Program) by Sen. Garrett Richter (R-Naples) **Incorporated in HB 7087**
- HB 939 (Exemptions from the Tax on Sales, Use, & Other Transactions) by Rep. Ritch Workman (R-Melbourne) **Incorporated in HB 7087**
- SB 1384 (Exemption on Equipment Used in Aircraft Repairs) by Sen. Mike Bennett (R-Bradenton) **Incorporated in HB 7087**
- HB 737 (Sales Tax Holiday) by Rep. Elizabeth Porter (R-Lakeland) **Incorporated in HB 7087**
- HB 59 (Spaceport Territory) by Rep. Lake Ray (R-Jacksonville) **PASSED**
- SB 643 (Spaceport Facilities) by Sen. Lizbeth Benacquisto (R-Wellington) **PASSED**
- SB 710 (Destination Resorts) by Sen. Ellyn Bogdanoff (R-Ft. Lauderdale) & HB 487 by Rep. Erik Fresen (R-Miami) **Died in Committee**

### • *Agriculture Incentives*

The current sales tax exemption on electricity used for production or processing of agricultural products on a farm has been expanded to provide that electricity used in a packinghouse, where fruits and vegetables are packed or otherwise prepared for market or shipment, is also exempt from the taxes imposed.

### • *Other Incentives*

The current minimum aircraft weight requirement for the sales tax exemptions on repair and maintenance parts and labor for aircraft is lowered from 15,000 pounds maximum certified takeoff weight to 2,000 pounds maximum certified takeoff weight. A new exemption is also created for the purchase of certain chemicals, machinery, parts, and equipment used and consumed in the manufacture or fabrication of aircraft engines and gas turbine engines.

## What was at Stake for Florida Employers...

Governor Scott continues to market Florida as the premier location for outside investment. Following last year's efforts to successfully reorganize Florida's economic development agencies under the Department of Economic Opportunity, coupled with numerous economic development incentives passed in 2012, Florida is on the fast track to attracting capital to Florida.

## The Issue ...

# Reducing Exposure to Insurance Fraud & Hidden Hurricane Taxes



Several components of Florida's insurance law experienced significant reform in 2012. On the workers' compensation front however, politics prevailed by thwarting legislation – **SB 668 by Sen. Alan Hays (R-Umatilla) & HB 511 by Rep. Matt Hudson (R-Naples)** – that would cap skyrocketing workers' compensation costs associated with repackaged drugs dispensed by physicians.

Without question, the contentious debate of reforming Florida's current Personal Injury Protection (PIP) system took center stage this year. Automobile premiums are on the rise and are the result of rampant fraud that is allowed to occur under the current structure. Thanks to the hard work and leadership of Governor Rick Scott, Chief Financial Officer Jeff Atwater and members of the Legislature, meaningful reform has been enacted to curb fraud and subsequently control the rising cost of automobile premiums on Florida business owners.

### Motor Vehicle Personal Injury Protection Insurance

**HB 119 by Rep. Jim Boyd (R-Bradenton)** was one of AIF's top insurance priorities for 2012. Hours before lawmakers concluded the 2012 Legislative Session, a compromise to HB 119 between the House & Senate was successfully passed. The bill is designed to crack down on fraud in Florida's auto insurance market by requiring patients to seek care within 14 days of an automobile accident. Furthermore, only \$2,500 of the \$10,000 in mandated coverage could be used to pay for non-emergency care. Despite major pushback, policymakers were also successful in exempting acupuncturists and massage therapists from being covered by PIP payments, eliminating attorney fee multipliers and instituting the right to "examination under oath" if fraud is suspected. Collectively, these provisions will tackle a number of cost-drivers prevalent in the current system.

### Workers' Compensation Excess Profits

AIF was the tip of the spear this year in repealing an arcane provision in Florida's workers' compensation regulatory framework relating to what is labeled "excess profits." Under current law, workers' compensation rates are set and carriers are told by the state what rates they must charge their policyholders. At the end of a reporting period, the state evaluates the company's performance and sometimes determines that, even with the mandated charges, the carrier should refund some of its profits; however, this process usually occurs a few years subsequent to the year in

## The Bottom Line ...

- While some concessions were made, this year's PIP reform package is much more than a modest leap forward in reducing fraud that will save Florida business owners much needed money.
- The insurance industry continues to face challenges as evidenced by the inability of legislators to pass common sense reforms dealing with third-party "bad faith" and the Florida Hurricane Catastrophe Fund.

## Legislation AIF Advocated ...

- **HB 941 (Commercial Lines)** by Rep. Doug Holder (R-Sarasota) **PASSED**
- **HB 1127 (Citizens Property Insurance Corporation)** by Rep. Ben Albritton (R-Bartow) **PASSED**
- **HB 511 (Drug Repackaging)** by Rep. Matt Hudson (R-Naples) & **SB 668** by Sen. Alan Hays (R-Umatilla) **Died on House Calendar**
- **HB 119 (Motor Vehicle Personal Injury Protection Insurance)** by Rep. Jim Boyd (R-Bradenton) **PASSED**
- **SB 1372 (Florida Hurricane Catastrophe Fund)** by Sen. JD Alexander (R-Lake Wales) & **HB 833** by Rep. Bill Hager (R-Boca Raton) **Died in Committee**
- **HB 427 (Bad Faith Insurance Reform)** by Rep. Kathleen Passidomo (R-Naples) & **SB 1224** by Sen. Steve Oelrich (R-Gainesville) **Died in Committee**

which the "excess" was experienced which creates both accounting and cash flow problems for these companies. **HB 941 by Rep. Doug Holder (R-Sarasota)** will alleviate these burdensome and confusing regulations, thus creating a more fair and predictable regulatory environment.

### Citizens Property Insurance Corporation

Despite unsuccessful efforts to reform Citizens in years past, **HB 1127 by Rep. Ben Albritton (R-Bartow)** is a significant step forward in diminishing the burden associated with hidden "hurricane taxes." This legislation will reduce the assessment rate of the state-run property insurer to give policyholders more time to settle deficits. Furthermore, this proposal will reduce the burden on the state's private insurance market. HB 1127 will allow insurers to pay hurricane-related assessments over time instead of up front, as is the current practice.

## What was at Stake for Employers ...

The vitality of Florida's insurance industry (a significant employer in Florida) is crucial to minimizing the cost of doing business in Florida. If the current PIP structure continued to operate under its current design, employers would have faced ever-increasing premiums resulting from the unscrupulous. In addition, reforms to Citizens and the CAT Fund remain a priority for AIF and there continues to be much work to be done in this arena.

The Issue ...

## Tax Relief for Florida's Businesses

Tax relief is the foundation for attracting business and stimulating job creation in Florida. As Florida employers face rising costs and fewer resources to expand, such relief has never been so vital. This year, AIF was successful in passing a number of incentive and relief measures that will help businesses keep their doors open and potentially draw new investment to the state. In addition, AIF advocated in favor of tax equity for “brick and mortar” companies who are at a disadvantage when facing online “virtual” companies like Amazon and Expedia.

### Unemployment Compensation

AIF worked at the forefront of negotiations this year to oversee the passage of meaningful unemployment compensation tax relief. **HB 7027 by Rep. Doug Holder (R-Sarasota)** will lower the wage base on which taxes are calculated from \$8,500 to \$8,000 per employee through 2014. Furthermore, the measure will spread out the payments employers make to replenish the Unemployment Compensation Trust Fund from 3 years to 5 years, until tax year 2018. HB 7027 does not require additional federal borrowing and still maintains Florida's repayment to the federal government by the end of 2013, as scheduled. **These changes will result in employers saving approximately \$50 per employee.**

### Tangible Personal Property Tax Exemptions

**HB 1003 by Rep. Eric Eisnaugle (R-Orlando)** is a considerable tax proposal that will not only relieve small and medium-sized businesses from paying tangible personal property (TPP) taxes, but alleviate the red tape associated with paying the tax. Currently, business owners are burdened with accounting for each piece of tangible personal property and paying taxes on that property — a nightmare of bureaucracy and paperwork for small businesses. HB 1003 proposes an amendment to the Florida Constitution that would provide an additional exemption from ad valorem taxes on tangible personal property valued between 25,000 and 50,000 dollars. Furthermore, this legislation gives local municipalities and counties the option of providing additional tangible personal property exemptions by ordinance.

### Online Travel Companies

AIF has remained consistent in its opposition to legislation that will provide online travel companies (OTCs) with favorable tax treatment over Florida-based hotels and motels. Fortunately, such an inequitable proposal — **HB 1393 by Rep. Jason Brodeur (R-Sanford)** — was thwarted in the committee process over strong concerns raised by AIF. In essence, HB 1393 would have allowed OTCs to legally continue remitting occupancy taxes based on the wholesale rate they pay hotels for rooms, instead of collecting and remitting occupancy taxes on the retail rates paid by consumers for hotel rooms — a practice

## The Bottom Line ...

- By working to reduce the upcoming unemployment compensation tax increase to a more manageable level, Florida businesses can keep people employed, and unemployed Floridians can continue to receive the benefits they need.
- Exemption from the tangible personal property (TPP) taxes will alleviate an administrative burden for thousands of Florida's small and medium-sized businesses who must deal with this “nuisance” tax.

## Legislation AIF Advocated ...

- HB 809 (Communications Services Tax) by Rep. Jamie Grant (R-Tampa) **PASSED**
- HB 7027 (Unemployment Compensation Tax Relief) by Rep. Doug Holder (R-Sarasota) **PASSED**
- HB 1003 (Tangible Personal Property Tax) by Rep. Eric Eisnaugle (R-Orlando) **PASSED**
- HB 103 (Transfer of Tax Liability) by Rep. John Wood (R-Haines City) **PASSED**
- HB 7125 (Local Business Taxes) by Rep. Ken Roberson (R-Port Charlotte) **PASSED**
- HB 5701 (Corporate Income Tax) by Rep. Steve Precourt (R-Orlando) **PASSED**
- HB 1393 (Online Travel Companies) by Rep. Jason Brodeur (R-Sanford) **Died In Committee**
- SB 1514 (E-Fairness) by Sen. Nancy Detert (R-Venice) & SB 2098 by Senate Budget Subcommittee on Finance & Tax **Died in Committee**

that Florida-based hotels must abide by statutorily.

## What was at Stake for Employers ...

AIF has worked tirelessly to address existing inequities in Florida's tax code. Governor Rick Scott's 2012 *Job Creation & Economic Growth Agenda* has facilitated the passage of a number of the business community's top initiatives. Simply put, employers will not be encouraged to expand their operations or workforce without tax relief. Fortunately, AIF's powerful lobbying presence this legislative session has secured numerous tax incentives that will promote growth and expansion in Florida.

## The Issue ...

# Incentivizing Growth & Development in Florida



Last year, the Florida Legislature passed comprehensive growth management reform that will return power back to local governments and stimulate concentrated growth in Florida. With such substantial changes enacted, it was anticipated that lawmakers would have little fervor for addressing any further changes in growth management for 2012. Nevertheless, legislators continued in their efforts this year by passing legislation that will clarify provisions contained within the 2011 reforms and further streamline growth management to incentivize development in Florida — a precursor to economic recovery. AIF is proud to report that many of these issues passed with bipartisan support from members of the House & Senate.

### Growth Management

Slated as this year's premier growth management legislation, **HB 7081 by Rep. Ritch Workman (R-Melbourne)** will provide a number of modifications and clarifications to last year's landmark growth management legislation, "The Community Planning Act." Modifications include fixing cross-references, updating outdated language, and removing provisions throughout the statutes that the act made obsolete. The successful passage of HB 7081 will allow Florida's developers to proceed with certainty following last year's monumental changes.

### Residential Construction Warranties

Florida courts have previously ruled that an implied warranty only applies to first purchasers of real estate in Florida and is extended only to the construction of a home or "other improvements" immediately supporting the residence. Until recently, this precedent was understood to be the law; however, a conflicting decision in the 5th District Court of Appeal (DCA) held that roads and drainage ditches of a subdivision were within the scope of a developer's common law implied warranty. **HB 1013 by Rep. Frank Artiles (R-Miami)** affirms the limits of such implied warranties by clearly defining "off-site improvements." This legislation is hailed as a major victory for Florida developers who may otherwise bear the financial burden associated with vague legal precedent.

### Developments of Regional Impact

As defined, a Development of Regional Impact (DRI) is any development that has a substantial effect upon the health, safety, or welfare of citizens of more than one county. **HB 979 by Rep. Jose Diaz (R-Miami)**, which was approved by the Legislature this session, provides an exemption from DRI review for proposed developments that meet specified criteria and are located

## The Bottom Line ...

- If approved by Governor Rick Scott, HB 1013 will provide clarity as it relates to a developer's financial responsibility for defects in certain community improvements.
- Allowing the applicant, local government, and the state land planning agency to enter into a written agreement and use the state coordinated review process *instead* of the DRI review process will provide significant cost and time savings for private developers.

## Legislation AIF Advocated ...

- HB 387 (Electronic Filing of Construction Plans) by Rep. Larry Ahern (R-St. Petersburg) **PASSED**
- HB 7081 (Growth Management) by Rep. Ritch Workman (R-Melbourne) **PASSED**
- HB 1013 (Residential Construction Warranties) by Rep. Frank Artiles (R-Miami) **PASSED**
- HB 979 (Developments of Regional Impact) by Rep. Jose Diaz (R-Miami) **PASSED**
- HB 673 (Preference in Award of State Contracts) by Rep. Jason Brodeur (R-Sanford) **Died in Committee**
- SB 1998 (Transportation) by Senate Budget Committee **PASSED**
- HB 1207 (Vehicles with Autonomous Technology) by Rep. Jeff Brandes (R-St. Petersburg) **PASSED**

in certain jurisdictions. HB 979 also limits the scope of certain recommendations and comments by reviewing agencies regarding proposed developments.

### Transportation

As always, AIF closely followed issues relating to the funding of the State's Transportation Trust Fund — an important tool for economic recovery and job creation. This year, policymakers agreed to redirect a portion of the revenue from the recent increases in tag and title fees to the Transportation Trust Fund. **This idea, championed by AIF as part of our Economic Stimulus Package 2.0 in 2009, will provide much needed dedicated revenue streams for road building and resurfacing.**

In addition, AIF was part of a broad coalition of automobile manufacturers and distributors who worked with legislators on establishing liability protections for manufacturers of cars which are fitted with autonomous driving devices. **HB 1207 by Rep. Jeff Brandes (R-St. Petersburg)** represents model legislation for dealing with this exciting technology, which is being tested in Florida.

## What was at Stake for Employers ...

Florida's development community experienced quite a successful year in the Florida Legislature, and with good purpose. Policymakers have demonstrated a keen understanding that providing clarity and meaningful incentive to Florida's development community is vital for economic recovery. Furthermore, the passage of this year's pro-growth legislation marks a giant leap forward in drawing out-of-state developers to relocate and build in Florida.

The Issue ...

# The Defeat of Health Care Mandates



It is certainly no secret that the cost of health care coverage is increasing — just ask Florida employers who pay these premiums. Employers are forced to mitigate cost increases by moving to consumer-driven plans and increasing co-payments and deductibles paid by their employees. AIF continued the good fight this year against provisions that would mandate coverage, restrict hospital-health plan contracts and generate additional cost-drivers for an already fragile health care system.

## Mandatory Contracting

Akin to a game of “whack-a-mole,” AIF successfully defeated a number of attempts this session to pass mandatory contracting provisions between hospitals and health plan providers. In essence, this legislation would obliterate the free-market process by which managed-care entities negotiate with their provider networks. If this language had been adopted — and health plans were forced to contract with certain hospitals — the results would:

- Compel hospitals to contract with *weaker* health plans;
- Artificially fix the reimbursement amount that would be paid to these hospitals; and
- Punish the plans that have built strong relationships with hospitals across the state.

**HB 1419 by Rep. Jason Brodeur (R-Sanford) and SB 730 by Sen. Anitere Flores (R-Miami)** were the primary vehicles for mandatory contracting amendments this session. While innocuous as originally drafted, the introduction of mandatory contracting language united health insurance plans, public hospitals and private health care providers in strong opposition. **AIF applauds members of the Florida Legislature for voting to keep this harmful provision from becoming law.**

## Public Hospitals

One of AIF's top health care priorities, both in 2011 and again this session, relates to the sale or lease of county, district, and municipal hospitals in Florida. **HB 711 by Rep. Ed Hooper (R-Clearwater)** adopted a “strike-all” provision in the final days of session that would increase the requirements that the governing board of a public hospital must adhere to in the sale or lease of a public hospital. The “strike all” approved maintained a number of provisions including a requirement that every county, district

## The Bottom Line ...

- Mandatory contracting provisions would have produced a major step backward for significant Medicaid reform efforts approved last session.
- HB 711 will ensure that the taxpayer and the community are protected by ensuring that full and fair market value is received in exchange for the sale and/or lease of public hospitals.

## Legislation AIF Advocated ...

- HB 711 (Sale or Lease of Public Hospitals) by Rep. Ed Hooper (R-Clearwater) **PASSED**
- SB 730 (Medicaid Managed Care Plans) by Sen. Anitere Flores (R-Miami) **PASSED** *Mandatory Contracting Provision Removed*
- SB 162 (Health Care Mandate) by Sen. Jeremy Ring (D-Margate) **DEFEATED**
- HB 623 (Health Care Mandate) by Rep. Jeanette Nuñez (R-Miami) **DEFEATED**

or municipal hospital evaluate the continued ownership of the hospital by December 31, 2012, even if a sale or lease is not being considered. HB 711 would further require any sale or lease of a public hospital or health care system to be approved by the Secretary of the Agency for Health Care Administration, unless a majority vote of the registered voters within that county, district, or municipality is required by law.

## Health Care Mandates

Proposed health care mandates are a perennial challenge for AIF and the business community. As health care costs continue to climb, health insurers are forced to pass those costs to Florida's employers. Fortunately, AIF was successful this session in defeating a number of mandates that would increase premiums and diminish the ability for employers to provide health care to their employees.

## What was at Stake for Florida Employers...

As detailed above, Florida business owners remain at risk of higher premiums and rising costs associated with health care. AIF's presence in the halls significantly diminishes that risk by communicating the importance of free-market, business-friendly principles.