

ASSOCIATED INDUSTRIES OF FLORIDA



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2023 Legislative WRAP-UP

Regular Session and
Special Session A
of the Florida
Legislature

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2023 Legislative Session Wrap-Up



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President & CEO

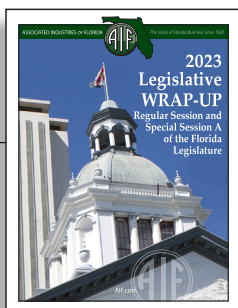


Adam Basford
Vice President –
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The annual legislative session has ended after nine weeks of hearings and debates on thousands of bills and hundreds of issues. With 159 legislators, more than 60 committees, 1,828 bills filed and close to 2,000 registered lobbyists and countless special interest groups all crammed in to nine weeks of work, it makes for a whirlwind of activity.

Florida’s business community saw some significant victories—from transformative tort reform legislation that will help end lawsuit abuse to a comprehensive workforce housing package that will help Floridians live where they work. But not every bill that passed will have a positive impact on our state’s job creators, so we will continue to work with our members and legislators to improve the business landscape in Florida.

At Associated Industries of Florida (AIF) our goal is simple—to support the efforts of the men and women who are the employers in our great state, so they can continue to build their business, employ people, and remain the driving force powering Florida’s economic engine. To do that, we are on the front lines in the legislative process—examining every bill, every amendment, and every debate—to advocate for those issues that help and support employers and to strongly oppose those pieces of legislation that will cause harm and weaken our business community.



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The Issues

The *2023 Legislative Session Wrap-Up* provides a summary of the top issues for the business community during the 2023 Regular Legislative Session and Special Session A. These represent a small portion of all the bills and issues we followed. For more information and to view reports on various other issues, please visit our website at AIF.com.

TORT REFORM



Moving Florida's Legal Climate from Hellhole to Point of Light

Florida has had a long history of being described as a “judicial hellhole.” However, after historic reforms during the 2023 Legislative Session, Florida has now been described as a “point of light” by the American Tort Reform Foundation. This significant reversal was due to the passage of several pieces of legislation that were strongly supported by AIF.

The work began during a Special Session held in December 2022 where the legislature focused its attention on legal reform in property insurance. The most significant reform was a sweeping tort reform package that was signed into law in only the third week of session. There were also other bills dealing with legal reforms that helped to make the 2023 Legislative Session an extraordinary one with regard to civil justice.

AIF commends Governor Ron DeSantis, Senate President Kathleen Passidomo and House Speaker Paul Renner for demonstrating significant leadership in shepherding these reforms through the process.

CIVIL REMEDIES

House Bill 837 by Representative Tommy Gregory (R-Lakewood Ranch) was signed into law on March 23 and went into effect immediately. Senator Travis Hutson (R-Palm Coast) sponsored the Senate companion bill, SB 236.

This bill is a transformative tort reform package designed to eliminate the cottage industry of trial lawyers and frivolous legal artists that has undermined the integrity of Florida's civil justice system for years. The bill

addressed several loopholes in law and court procedure. The bill had seven sections that addressed critical areas:

1. *Transparency in Damages* - The bill institutes true transparency in damages so that juries get a comprehensive view of actual costs of medical treatment. In the past, attorneys and doctors have been able to shield information about agreements between them which leads to inflating the cost of the treatment. This bill creates a transparent process that discloses these agreements and allows juries to get a clear picture of the actual cost of the medical treatment.
2. *One-Way Attorney Fees* - The bill reverses the system that incentivizes attorneys to bring frivolous lawsuits by limiting the recovery of one-way fees to only declaratory judgment actions seeking a determination of coverage against the insurer that denied coverage.
3. *Premises Liability* - The bill protects property owners from lawsuits stemming from criminal actions of others. It states that in a lawsuit against a property owner for “negligent security,” a jury may consider the fault of the person who actually committed the underlying criminal act. It also provides liability protection for multifamily residential properties that implement specific security requirements.
4. *Modified Comparative Liability* - The bill promotes personal responsibility by stating that a party that is more than 50 percent at fault for their own injuries may not recover damages from other minimally-at-fault parties. However, medical malpractice claims are exempted from this new threshold.
5. *Third-Party Bad Faith* - The bill encourages settlements and discourages litigation by requiring third parties to cooperate in good faith. It allows insurers to pay the lesser of policy limits or the demand within 120 days after receiving actual notice of a claim accompanied by sufficient evidence. It also reverses Florida Supreme Court rulings that have led

to ordinary negligence being deemed as bad faith.

6. *Contingency Risk Multiplier* - In 2017, the Florida Supreme Court rejected the federal standard that attorney fee multipliers should only be applied in “rare and exceptional” circumstances, ruling instead that multipliers could be applied in almost any case. This bill restores the award of contingency risk multipliers to only rare and exceptional circumstances for all litigation.
7. *Statute of Limitations* - The bill reduces the statute of limitations for negligence cases from four years to two years.

This bill faced strong opposition from the trial bar throughout the session. Yet, instead of being watered down throughout the session, the bill actually became stronger. The sections dealing with premises liability and the statute of limitations were added to the House bill after the first committee stop and were later incorporated into the Senate version.

AIF supported this legislation because it will help eliminate unnecessary legal costs and provide much needed stability for Florida businesses and consumers. Florida has been labeled a “judicial hellhole” for far too long. This important tort reform will go a long way to spur future investment and alleviate the concerns of those who fear the cost of doing business in Florida due to frivolous litigation.

MOTOR VEHICLE GLASS

Senate Bill 1002 by Senator Linda Stewart (D-Orlando) was signed into law on May 25 and went into effect at the time it was signed. Representative Griff Griffitts (R-Panama City) sponsored the House companion bill, HB 541.

The bill makes multiple changes around the process of windshield replacement. It prohibits the deceptive practice of motor vehicle glass repair shops offering a rebate, gift, gift card, coupon, or other items of value to a customer in exchange for making an insurance claim. It also prohibits consumers from entering an assignment of benefits (AOB) contract for the replacement and calibration of the windshield.

AIF supported the efforts by the legislature to bring more transparency and fairness in the auto repair market between insurance providers and policy holders. Litigation should not be auctioned off frivolously when the alternative is better for the policy holder in the long run.

TELEPHONE SOLICITATION

House bill 761 by Representative Tom Fabricio (R-Miami Lakes) was signed into law on May 25 and went into effect immediately. Senator Clay Yarborough (R-Jacksonville) sponsored the Senate companion bill, SB 1308.

This legislation closes a loophole created by a 2021 consumer protection bill that limited unsolicited telephone sales calls. While the 2021 bill increased consumer protection, it also allowed for increased litigation on businesses contacting their customers for legitimate reasons.

By creating a definition of “automatic telephone dialing system” and inserting some clarifying language, HB 761 will prevent crafty plaintiff’s bar attorneys from suing businesses attempting to legitimately contact customers. This bill does not remove any consumer protections originally passed in 2021.

AIF supports legislative efforts to remove loopholes that help to enrich trial lawyers at the expense of businesses that produce goods and services on which all Floridians rely.

PROPERTY INSURANCE

Senate Bill 2A by Senator Jim Boyd (R-Bradenton) was passed during a special session, signed into law on December 12, 2022, and went into effect immediately. Representative Tom Leek (R-Daytona Beach) sponsored the House companion bill, HB 1A.

A special session was called to deal with what is considered a property insurance crisis in Florida. There were several significant reforms in the bill with the primary one being the elimination of one-way attorney fees for property insurance claims.

One-way attorney fees currently allow a plaintiff who files litigation against an insurer to be protected from paying the legal fees of the insurer if the case is judged in favor of the defendant (the insurer). This policy has opened the door for thousands of frivolous lawsuits against insurers and has caused higher premiums. This bill ends this practice in Florida.

The bill also reformed Florida law regarding “Notice of Claims.” Until this bill passed, Florida law allowed residents up to three years after a natural disaster to file a claim. This bill shortens these timeframes and encourages home and business owners to file claims in a timely manner and will help reduce fraudulent claims.

Additionally, the bill added more protections to help ensure Citizens Property Insurance remains a residual market entity.

AIF supports legislation that helps keep property insurance affordable and transparent between consumers and providers by eliminating one-way attorney fees, eliminating assignment of benefits, and restoring the statute of limitations for filing claims after a natural disaster.

SUPPORTING AFFORDABLE WORKFORCE HOUSING

HOUSING

Senate Bill 102, by Senator Alexis Calatayud (R-Miami) was signed into law on March 29 and will go into effect on July 1, 2023. Representative Demi Busatta-Cabrera (R-Coral Gables) was the sponsor of HB 627, the House companion bill.

The lack of affordable workforce housing is an issue that has impacted Florida's business community for years. This year, Senate President Passidomo prioritized a comprehensive strategy designed to increase the availability of attainable housing options for Florida workers who seek to live in the communities they serve.

Senate Bill 102, named the "Live Local Act," is designed to take significant steps to address Florida's backlog of affordable workforce housing in the state.

The Live Local Act maintains the high level of funding for Florida's State Housing Initiatives Partnership (SHIP) and State Apartment Incentive Loan (SAIL) programs and provides additional funding for SAIL. It specifies local strategies to help increase attainable and affordable housing options throughout the state for Floridians of all income levels and all stages of life.

It also encourages private sector investment to accelerate new workforce housing construction through new partnerships, creates a new sales tax refund on building materials and provides additional incentives.

AIF has consistently supported legislation that allows for continued and more reliable access to affordable housing in underdeveloped communities. These proposals create jobs and help broaden the economic impact of communities with historically low economic returns.

EMPLOYMENT

IMMIGRATION

Senate Bill 1718 by Senator Blaise Ingoglia (R-Spring Hill) was signed into law on May 10 and will go into effect on July 1, 2023. However, there are certain penalties that will not be enforced until July 1, 2024. Representative Kiyon Michael (R-Jacksonville Beach) was the sponsor of HB 1617, the House companion bill.

In a press conference before session, Governor DeSantis proposed legislation focused on disincentivizing illegal immigration in Florida. Senator Blaise Ingoglia (R-Spring Hill) and Representative Kiyon Michael (R-Jacksonville Beach) introduced bills based largely on the Governor's proposal.

Federal law requires employers to verify the employment eligibility of their employees when they are hired. AIF fully supports this policy that helps ensure that employees are properly documented and legally authorized to work. In past years, AIF has worked to ensure that employers have discretion as to how workers were authorized and not mandated to use the E-Verify system.

The E-Verify system continues to be a pilot program at the federal level and has been known to be unreliable and inconsistent. AIF believes the current I-9 process for verification of employment eligibility is sufficient and an E-Verify mandate is unnecessary.

The Senate and House versions had several significant differences. While both were focused on increasing enforcement and discouraging illegal immigration, the original Senate version did not include an E-Verify mandate for private employers. Unfortunately, the bill would not stay in this form.

Ultimately, the bill was amended and passed in a way that has an E-Verify mandate for most employers.

- Beginning July 1, 2023, the bill requires private employers with 25 or more employees to use the E-Verify system for new employees.
- Beginning July 1, 2024, the bill amends the penalties for an employer's noncompliance to register and use the E-Verify system, including imposing a daily fine of \$1,000 and allowing for the suspension of employer licenses after multiple findings of non-compliance.
- The bill also creates substantial penalties for employers who knowingly employ unauthorized

aliens, effective July 1, 2024, including the suspension or revocation of employer licenses in certain circumstances.

The penalties for non-compliance are also significant and should be adjusted to be more proportionate. Although this law takes effect on July 1, 2023, the penalties for not using E-Verify will not be enforced until July 1, 2024.

AIF opposed this legislation because it creates a mandate for most employers to utilize an unreliable E-Verify system and could lead to confusion and instability in the workforce. Moreover, the penalties are excessive. The possibility of large employers having business licenses revoked because of a handful of clerical mistakes is not a good precedent.

TRANSPORTATION

USE OF PHOSPHOGYPSUM

House Bill 1191 by Representative Lawrence McClure (R-Plant City) passed on May 1 but has not yet been presented to the Governor as of this publication. If signed into law, the bill will go into effect July 1, 2023. Senator Jay Trumbull (R-Panama City) was the sponsor of SB 1258, the Senate companion bill.

Phosphogypsum (PG) is a byproduct of the phosphate manufacturing process. It has limited use in some agricul-

tural applications, but the vast majority is stored in large stacks. There are currently 24 stacks in the state containing approximately 1 billion tons of PG. The Environmental Protection Agency (EPA) has gone back and forth in allowing PG to be used as a road construction material.

This bill directs the Florida Department of Transportation (FDOT) to study the use of PG as a road construction aggregate material. If FDOT determines it is suitable for use in road construction, the bill allows PG to be used in accordance with EPA approval.

AIF supports efforts to utilize manufacturing byproducts for beneficial purposes. Expanding the use of PG will directly address critical infrastructure needs and create jobs.

MOTOR VEHICLE SALES

House Bill 637 by Representative Jason Shoaf (R-Port St. Joe) passed on May 2 but has not yet been signed by the Governor. If signed into law, the bill will go into effect July 1, 2023. Senator Bryan Avila (R-Miami) was the sponsor of SB 712, the Senate companion bill.

HB 637 amends the Florida Automobile Dealers Act, which primarily regulates the contractual business relationship between franchised motor vehicle dealers (dealers), and manufacturers, factory branches, distributors, and importers (manufacturers) and provides for the licensure of manufacturers.



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Many pieces of this bill were successfully worked out between the stakeholders involved. However, there was one provision of particular concern to AIF. The bill legislatively sets a profit-sharing arrangement for over-the-air updates that allows dealers to profit from these sales, regardless of their involvement.

AIF stood in opposition to the bill because arrangements like these should be negotiated between private entities, not the legislature.

UNMANNED AIRCRAFT SYSTEMS

House Bill 645 by Representative Robbie Brackett (R-Vero Beach) was signed into law on May 25 and will become effective on July 1, 2023. Senator Ana Maria Rodriguez (R-Doral) was the sponsor of SB 908, the Senate companion bill.

Florida law has restricted the use of drones around critical infrastructure facilities such as military bases, airports, refineries, and other facilities. These restrictions provide important protections, but Florida's deepwater ports and railyards were not included in the original list of protected facilities.

This bill simply amends the definition of "critical infrastructure facility" to include a deepwater port or a railroad switching yard, ensuring drones are restricted from flying in their area.

AIF supported adding greater protection for Florida's deepwater ports and railyards by including them and their facilities as critical infrastructure in Florida law.

FLORIDA'S AGRICULTURE INDUSTRY

DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES

House Bill 1279 by Representative Danny Alvarez (R-Fishhawk) was signed into law on May 25 and will go into effect July 1, 2023. Senator Jay Collins (R-Tampa) sponsored the Senate companion bill, SB 1164.

This bill primarily creates a program for sales tax exemptions on production materials used by agricultural producers. The program will allow farmers to apply for and use a Farm Tax Exempt Agricultural Materials (TEAM) card to receive the exemptions. This program works similarly in Georgia and is beneficial to the agriculture community there as well. The bill requires state agencies, universities, and colleges to give preference to

food commodities grown or produced in Florida under certain purchasing agreements.

The bill also makes technical changes and revises and eliminates several advisory councils under the Florida Department of Agriculture and Consumer Services.

AIF supports sales tax exemptions for Florida's agricultural producers and efforts to make these exemptions easier to access.

AGRICULTURAL LANDS

As originally written, HB 1343 and SB 1184 by Representative Kaylee Tuck (R-Sebring) and Senator Jay Collins (R-Tampa) were designed to help prevent excessive fire tax assessments on agricultural buildings as well as allow for housing for agricultural employees to be built on agricultural land.

As the bill made its way through the process, it was amended to prohibit counties from levying virtually any special assessments on agricultural buildings. Ultimately, this provision was included in the tax package, HB 7063. (See the Taxation section on page 11 for more information.)

With regard to the employee housing section, the House and Senate took different positions as to the size of the property necessary to build and the setbacks required. The bill passed both chambers but in different forms. Ultimately, a compromise was not able to be reached, and the bill died in messages after bouncing between the chambers during the last week of session.

AIF supports both legislation that prevents excessive taxes on business and measures that help them meet employee housing needs.

ENERGY

RENEWABLE ENERGY COST RECOVERY

Senate Bill 1162 by Senator Nick DiCeglie (R-St. Petersburg) passed the Senate but its House companion bill, HB 821 by Representative Brad Yeager (R-New Port Richey), died when it was not heard by the Commerce Committee.

The bill would allow electric and natural gas public utilities to be approved for cost recovery for renewable natural gas (RNG) and hydrogen infrastructure projects. RNG is biogas that has been upgraded to use in place of fossil fuel natural gas. This is a product that has great

potential to be a renewable source of energy used as a transportation fuel for electric generation.

Allowing for cost recovery would help encourage the production and use of RNG and provide for fuel diversification.

AIF supports legislation that will enable utilities to develop renewable energy resources using the technology and scale that makes most sense for those utilities and their customers, many of which are businesses.

NATURAL GAS FUEL TAXES

The language of Senate Bill 322 and House Bill 529 by Senator Joe Gruters (R-Sarasota) and Representative Jim Mooney (R-Key Largo) was included in the tax package, HB 7063. (See the Taxation section on page 11 for more information.)

In 2014, the Florida legislature passed a measure that provided for a sales tax exemption for natural gas fuels until January 1, 2024. This legislation would extend this tax exemption until January 1, 2026. Many logistical and industrial operators in Florida use natural gas fleets to service their customers. This relief has allowed Florida businesses to keep operating costs low, which trickles down to lower costs for consumers.

AIF supports legislation that reduces the state sales tax on natural gas. These cost-cutting measures keep Florida's business market competitive with other states, improve our energy independence, and retain jobs in the Sunshine State.

SALES TAX EXEMPTION FOR RNG MACHINERY AND EQUIPMENT

The language of Senate Bill 844 and House Bill 867 by Senator Clay Yarborough (R-Jacksonville) and Representative Griff Griffiths (R-Panama City) was included in the tax package, HB 7063. (See the Taxation section on page 11 for more information.)

This legislation exempts machinery and equipment used at a fixed location that produces, stores, transports, compresses, or blends renewable natural gas from the Florida standard 'sales and use' tax rate. This exemption helps encourage the production of RNG at landfills, livestock operations and wastewater treatment plants.

AIF supports energy policies that allow for the research, development, and distribution of alternative energy fuels.

INFORMATION TECHNOLOGY

TECHNOLOGY TRANSPARENCY

Senate Bill 262 by Senator Jennifer Bradley (R-Orange Park) passed on May 4 and was signed into law on June 6 and will become effective on July 1, 2024. Representative Fiona McFarland (R-Sarasota) sponsored the House companion, HB 1547.

For the third session in a row, legislation was filed for the stated goal of protecting consumer data privacy. The 2021 and 2022 versions were strongly opposed by AIF and ultimately failed because many Florida businesses would have been subject to regulations that were costly and burdensome, as well as a private cause of action that could have led to an onslaught of frivolous litigation.

This year's legislation was initially drafted with a much narrower scope, focusing on companies that make an excess of \$1 billion in annual revenue and either derive 50% of revenue from targeted advertising or operate a smart speaker device. It also did not contain a private cause of action.

While these were positive steps, the bill still had significant problems. Early versions of the bill continued to be based on a 2018 California law that has proven to be a problematic and unworkable model. All other states have addressed this issue and have used a different model with a more reasonable approach. Throughout the session, AIF worked to support changes that would more closely align Florida's bill with these states to promote consistency for businesses that operate in multiple states.

The bill would also have had a significant impact on Florida companies of all sizes who use large online platforms for targeted advertising. Online advertising is an important tool, and this bill would significantly impair a company's ability to effectively utilize targeted advertising, even if the consumer's data is not being sold or shared.

For these reasons, **AIF opposed** these bills throughout much of the session.

During the final weeks of the session there was a flurry of activity with the bill. The Senate adopted a strike all amendment in the Rules Committee that essentially adopted a model consistent with other business-friendly state legislation. Although the fine structure in the amendment was much higher than other states, AIF supported the amendment because it allowed businesses

to utilize targeted advertising in the proper context. It also largely aligned with other states, helping to ease concerns about compliance.

While this amendment put the bill in a significantly improved posture, the House made significant changes, including a section with language that would place significant regulations on any Florida business that uses tracking or monitoring technology. Additionally, a section regarding online child protection with confusing standards is included. AIF opposed both amendments.

During the final week of session, the bill bounced back and forth between the chambers and was amended eight times before final passage. Ultimately, these amendments largely reverted the bill back to a posture that will negatively impact a business' ability to utilize targeted advertising and will create additional confusing and ambiguous regulations surrounding online child protections.

AIF opposed the bill in its final form. But with an implementation date of July 1, 2024, we are hopeful that some positive changes can be made next session, if the Governor signs the bill and before the bill comes into effect.

AIF opposes legislation that places onerous regulatory burdens on Florida businesses and reduces the ability for businesses to effectively utilize online advertising.

CYBERSECURITY

Both SB 1708 and HB 1511 by Representative Mike Giallombardo (R- Cape Coral) and Senator Nick DiCeglie (R-St. Petersburg) died in committee after having one hearing each.

Cybersecurity is a significant and growing concern, and recent cyberattacks have continued to place a focus on the harm that they can cause to Florida businesses.

Among other things, this legislation was written to provide liability protection for businesses that have adopted a cybersecurity program that complies with industry-recognized cybersecurity standards. This would help to encourage businesses to take the proper cybersecurity safeguards while protecting them from liability if they have taken the proper precautions.

AIF supports measures that help aid the prevention of cyberattacks and data breaches on Florida's businesses and that provide liability protection.

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LEGAL & JUDICIAL

CRIMINAL HISTORY INFORMATION

Senate Bill 376 by Senator Danny Burgess (R-Zephyrhills) passed on May 4 was signed into law by the Governor on June 5 and will become effective on July 1, 2023. Representative Spencer Roach (R-Fort Myers) sponsored the House companion bill, HB 593.

Accurate criminal history reporting is important to both employers and their potential employees. There are situations where some criminal history records are automatically sealed by the Florida Department of Law Enforcement (FDLE) but are not sealed at the local level. This can create confusion in the background check process.

The bill revises the process for a court-ordered sealing of a criminal history record so that if it is properly sealed by FDLE, it will be sealed at the local level as well. This ensures that if a potential employee's not guilty verdict or judgment acquittal has been sealed by FDLE, that it is also sealed at the local level.

AIF supports legislation that helps create consistency in reporting of criminal history records.

GENERAL GOVERNMENT

LOCAL ORDINANCES

Senate Bill 170 by Senator Jay Trumbull (R-Panama City) passed on May 3 but has not yet been signed by the Governor. Representative Robbie Brackett (R-Vero Beach) was the sponsor of the House companion bill, HB 1515.

This bill deals with the passage and challenging of local ordinances and gives certain rights to those challenging local ordinances.

- It requires counties and cities to produce a "business impact estimate" prior to passing an ordinance.
- It requires local governments to suspend the enforcement of ordinances when they are challenged.
- It allows courts to award up to \$50,000 in attorney fees to a prevailing plaintiff who successfully challenges an ordinance as arbitrary or unreasonable.

AIF supports legislation which holds local governments accountable for the actions they take that can have a negative impact on businesses in their jurisdiction.

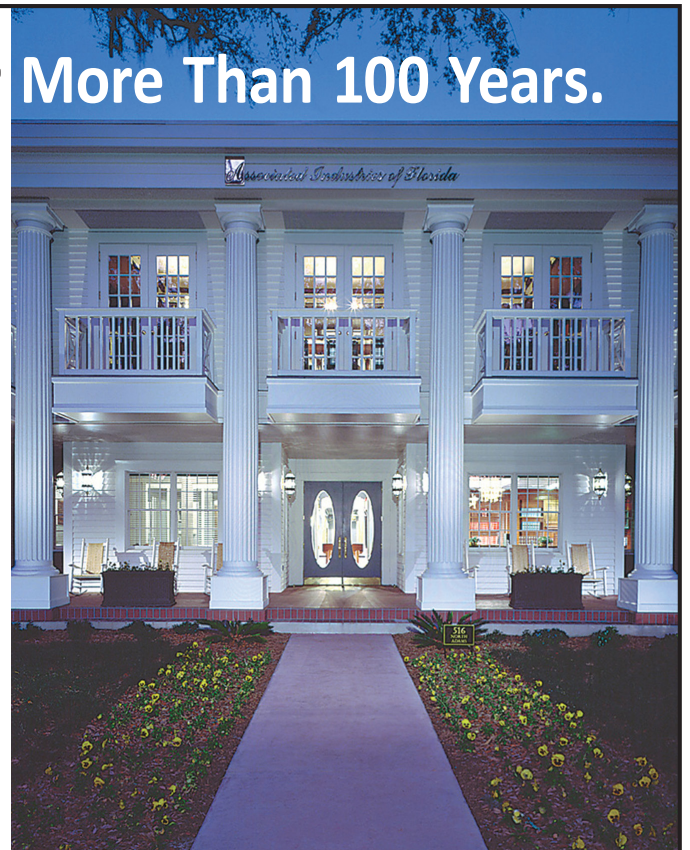
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AIF provides you with the support and the tools you need to defend yourself against attacks on your business' bottom line.

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tion. This is vital to securing a more free-market, business-friendly, environment so businesses are protected from unnecessary, burdensome regulations.

TAXATION

TAXATION

House Bill 7063 by Representative Stan McClain (R-Ocala) is a comprehensive tax overhaul that has a multifaceted approach and is friendly to Florida businesses. The bill was signed into law on May 25 and goes into effect on July 1, 2023. Senator Blaise Ingoglia (R-Spring Hill) sponsored the Senate companion bill, SB 7062.

This \$1.3 billion tax package is very broad and contains provisions that were pulled from several other bills relating to taxation. It also incorporated many consumer-friendly items contained in Governor DeSantis' tax cut proposal. It creates several sales tax holidays, including back-to-school, disaster preparedness and recreational holidays, as well as a one-year exemption for gas ranges and ENERGY STAR appliances.

Below is a list of some of the provisions of the bill that will impact Florida businesses:

- Provides a decrease in the tax rate on the retail sale of communication services and keeps the decreased rate until 2026. (HB 1153/SB 1432)
- Reduces the business rent tax from 5.5% to 4.5% beginning in December 2023.
- Provides for two 14-day "back-to-school" sales tax holidays.
- Provides for two 14-day "disaster preparedness" sales tax holidays.
- Prohibits local governments from applying special assessments on agricultural lands. (HB 1343/SB 1184)
- Provides a permanent sales tax exemption for machinery and equipment used in the production of renewable natural gas. (SB 844/HB 867)
- Extends sales tax exemptions on natural gas fuel taxes until January 1, 2026, rather than the current deadline in 2024. (SB 322/HB 529)
- Provides a permanent sales tax exemption for certain agricultural fencing.

AIF supports legislative efforts to provide tax relief on all businesses operating in Florida. These incentives drive future investment and foster a well-rounded, vibrant economy that creates jobs and lowers costs for consumers.

COMMUNICATIONS SERVICES TAX

The language of SB 1432 and HB 1153 by Senator Jay Trumbull (R-Panama City) and Representative Kevin Steele (R-Dade City) was included in the tax package, HB 7063.

This legislation provides a decrease in the tax rate on the retail sale of communication services and keeps the decreased rate until 2026. The term "communications services" means the transmission, conveyance, or routing of voice, data, audio, video, or any other information or signals, including video services, to a point, or between or among points, by or through any electronic, radio, satellite, cable, optical, microwave, or other medium or method, regardless of the protocol used for such transmission or conveyance.

AIF supports continued reductions in the state portion of the communications services tax and supports reviewing and standardizing the local communications services tax rates.

ECONOMIC DEVELOPMENT

ECONOMIC PROGRAMS

House Bill 5 by Tiffany Esposito (R-Fort Myers) was signed into law on May 31 and will go into effect July 1, 2023. Senator Ed Hooper (R-Palm Harbor) was the sponsor of the Senate companion bill, SB 1664.

This bill significantly reshapes Florida's approach to economic development by eliminating Enterprise Florida, a public-private partnership that has been in effect since 1996. As initially drafted, the bill would have eliminated essentially all programs and duties of Enterprise Florida, but in the end, many of the programs were preserved and the operations will be significantly restructured. The bill changes the name of the Department of Economic Opportunity to the Department of Commerce and the preserved programs will be maintained there.

AIF has been a supporter of Enterprise Florida and the programs focused on growing existing companies and attracting new business to the state.

Programs of interest to many AIF members that were in jeopardy, but were ultimately maintained, were the Urban-High Crime Tax Credit, the Capital Investment Tax Credit, the Brownfield Tax Credit and others.

AIF is concerned with the elimination of several key programs and with how the newly restructured department will be able to work to help grow Florida business.

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