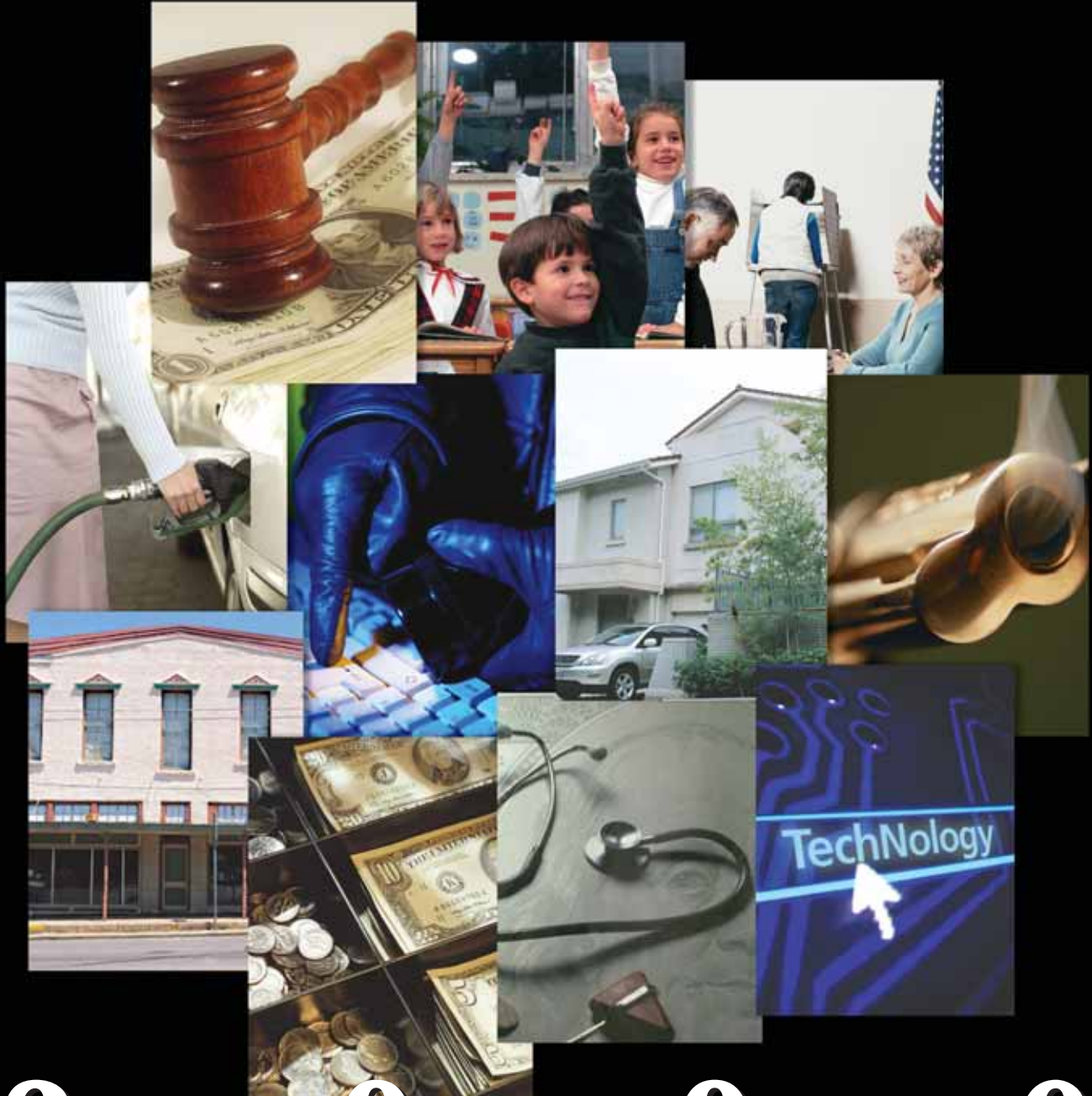




ASSOCIATED INDUSTRIES OF FLORIDA



2006 SESSION PRIORITIES



This publication presents the top issues for the business community in the 2006 session. Each piece of legislation discussed herein is a priority for Associated Industries of Florida.

Along with information on the issue, the current position of AIF is included so that legislators will know where we stand on the issues that could come before them for a vote. After the session ends, we will, as we have for over 20 years, release our annual publication *Voting Records* to inform member companies about how each legislator voted on those issues of importance to Florida employers.

Our position is carefully crafted through a process that includes a careful review of the issue by one of our legislative consultants (see list in this publication), each of whom is an considered expert in his or her respective fields. We then garner the opinions of member companies via meetings, member surveys, and various other forms of communication. Finally, the Board of Directors of AIF convenes and votes on whether or not to support our recommended positions. Those that receive full support from the board are included in this publication.

We realize that legislators deal with massive amounts of information from an endless stream of sources during any given session. Since we release a ranking of votes on business issues, we feel it critical that we communicate our position to each legislator as clearly and often as we can to ensure that there is no confusion as to where we stand. We do this with various electronic communication tools such as the widely acclaimed *Daily Brief* and *Weekly Update*, which are sent to companies all over the country, as well as lawmakers, to report about actions on business issues taken by the Legislature.

Along with the written information, we also count heavily on our 17-member lobby team to interact with legislators on a daily basis to both explain our stands on the issues and to provide any information they may require.

I encourage all legislators to call on us at any time that we may be of service to you when dealing with these important business issues. It is an honor to be part of this great system that we have where our elected officials gather together to handle the people's business.

Barney T. Bishop III

President & CEO

Table of Contents

ASSOCIATED INDUSTRIES OF FLORIDA 2006 SESSION PRIORITIES

Published by
Associated
Industries
of Florida.
© 2006.
All rights
reserved.



Associated
Industries
of Florida

516 N. Adams St.
P. O. Box 784
Tallahassee, Florida
32302-0784

Phone: (850) 224-7173

Fax: (850) 224-6532

E-mail: aif@aif.com

Visit us on the Web
at <http://aif.com>



4
Elimination of
Joint & Several
Liability

The Fair Share
Health Care Act
5

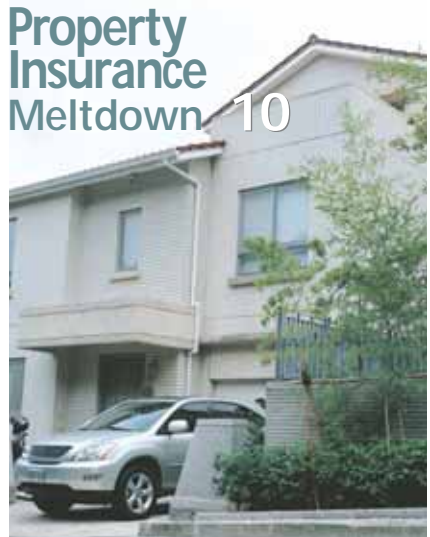
Planning for
Future
Energy
Needs
6

Keep
Florida's
Economy
Growing
7

Eminent Domain
& Redevelopment
8

Reforming the
Citizen
Initiative
Process
9

Property
Insurance
Meltdown
10



The Jessica
Lunsford
Act
11

Identity Theft
and Consumer
Privacy
12

Guns in the
Workplace
13

Expanding
Florida's
IT Capacity
14

2006 Legislative Issues 15

AIF 2006 Lobby Team 18

Elimination of Joint & Several Liability

The common law rule of joint and several liability makes each and every defendant in a lawsuit liable for the entire amount of the plaintiff's damages regardless of the degree of fault of any individual defendant.

This rule is problematic in cases where the defendant who is most at fault is bankrupt or otherwise judgment proof, as well as in cases where the plaintiff settles with one defendant but subsequently is awarded damages greater than the settlement amount. In such instances the settling defendant is still responsible for the difference between the settlement amount and the award.

Joint and several liability effectively converts lawsuits into quests for financially viable defendants. As a result those "deep-pocket" defendants settle out of court for fear of being on the hook for a substantial award, even if they are only minimally at fault for an injury.

Although the Legislature made several changes to the doctrine of joint and several liability in 1999, these have not proven sufficient. Florida businesses are still frequently faced with lawsuits that cost millions of dollars to defend and often result in juries finding any way possible to award the plaintiff a large sum of money simply because a "deep pocket" defendant exists.

There is only one solution that will fix the mangled mess joint and several liability has made of Florida's civil justice system: Enact legislation establishing that each defendant in a claim is liable only for its proportionate share of the plaintiff's loss. This will create a fair and level playing field in the legal system for all Florida citizens, whether they are individuals or businesses.

We must ensure that defendants in a tort action are only responsible for their share of the damages in question. A comparative system without any version of joint and several will protect businesses and individuals from lawsuits that subvert the notion of fairness.

Abolishing joint and several liability is the single most important lawsuit-reform objective for the upcoming legislative session. There will likely be other tort-reform measures filed and AIF will support any of them that provide better protection from lawsuit abuse.

The one reform proposal that is not negotiable is the repeal of joint and several liability. It is the cornerstone of the creation of a more fair and balanced approach to negligence cases. Florida's future economic growth and prosperity depends on this much needed reform.



Joint and several liability effectively converts lawsuits into quests for financially viable defendants.

Why Does it Matter?

Let the numbers speak for themselves.

- The cost of the U.S. tort system for 2003 was \$246 billion, or \$845 per citizen.
- U.S. tort costs increased 5.4 percent from 2002, continuing a decades-long trend.
- U.S. tort costs have risen to 2.23 percent of gross domestic product.
- The U.S. tort system is inefficient; it returns to claimants less than 50 cents on the dollar and less than 22 cents of actual economic loss.

Source: Tillinghast-Towers Perrin, U.S. Tort Costs: 2004 Update (www.towersperrin.com/tillinghast)

The doctrine of joint and several liability is the motor driving the machine of this unjust system of justice. Joint and several liability means that a plaintiff lawyer's first consideration is not the validity of the claim, but whether there is a deep pocket who can take some portion of the blame — no matter how small.



AIF Position

AIF supports the abolishment of joint and several liability in favor of a pure comparative fault system. While we will support other tort reform proposals, we will oppose any reform proposal offered as an alternative or a compromise to take joint and several off the table.

There are many worthy, valuable, and much-needed proposals to remedy lawsuit abuse, but without the elimination of joint and several liability, Florida will never achieve lasting and meaningful reform of our civil justice system.

The Fair Share Health Care Act

Florida is one of 30 states targeted by the AFL-CIO as a battleground over the passage of legislation that would force large corporations to choose between increased spending on employee health insurance or payment of a health care tax.

The legislation is modeled on the Fair Share Health Care Act, which was enacted in Maryland after legislators overrode the governor's veto. It is a small-scale version of pay-or-play proposals, that are generally considered backdoor attempts to implement a universal health care system.

The AFL-CIO-backed Fair Share bills require private employers with a certain number of employees to devote anywhere from 8 percent to 11 percent of their payroll to health insurance. Those that don't are compelled to pay a fee to the state.

While supporters say that they want to help workers who are forced to enroll in Medicaid or forgo coverage altogether, Fair Share does nothing to reduce the number of uninsured or control the soaring costs of health care.

During the final days of the last session, the Florida Senate, unbeknownst to most members, actually enacted a Fair Share program through an amendment offered on the floor. AIF's team of lobbyists realized what the Senate had just done and worked diligently to have the amendment reconsidered and voted down.

This year, Rep. Susan Bucher (D-West Palm Beach) and Sen. Skip Campbell (D-Tamarac) have filed Fair Share bills.

Although the legislation is limited employers with 10,000 or more employees, Fair Share's supporters are well aware that targeting large employers will not have a significant impact on the number of working uninsured.

The Fair Share game plan circulated by the AFL-CIO warns, "Although large firms have historically provided nearly universal coverage, a study by the Commonwealth Fund reports that more than one-quarter of workers in companies with 500 or more workers do not receive employer-based coverage."

Large employers, however, are probably just the vanguard of a long-term strategy to force all employers, no matter how small, either to pay a health-insurance premiums or health-insurance taxes.

In fact, the original version of Fair Share, was aimed at companies with 10,000 or more employees. Fair Share legislation filed in New Hampshire traps any businesses with at least 1,500 employees, while Vermont lowers the threshold to 1,000.

Fair Share is a false solution to a misidentified problem. The state won't help people by forcing their employers to buy health insurance they can't afford. Fair Share won't decrease the number of uninsured but it will increase the number of unemployed.



Fair Share's supporters are well aware that targeting large employers will not have a significant impact on the number of working uninsured.

Why Does it Matter?

The United States has the best health-care system in the world. Our medical professionals and facilities can bring about cures that were unimaginable just a few years ago.

Nevertheless, the number of uninsured in Florida and throughout the nation continues to grow. For many of the uninsured the lapse in coverage is either short-term or voluntary.

As a society, we need to concentrate our efforts on those who want coverage, but can't get it. Often, they work for owners of small businesses who would like to purchase group policies but can't because the cost of premiums is beyond their reach.

The inability to offer health insurance as a benefit puts small businesses at a disadvantage in the market for qualified, experienced employees. In addition, taxpayers and businesses that do have insurance end up paying for the care that is provided to the uninsured when they can't pay their bills.



AIF Position

AIF opposes Fair Share as a health-care mandate and an excessive new tax. Backers of universal health-care mandates and pay-or-play schemes, such as Fair Share, misdiagnose both the problem and the solution. If we want to expand access to health insurance, we have to make health insurance affordable. The first step would be to start removing some of the health insurance mandates that drive up policy costs. Florida has more mandated coverage laws than all but five other states.

Planning for Future Energy Needs

Florida's economy thrives on the energy that businesses need to produce goods and provide services to consumers. And that's why AIF was the state's first major business association to sign on as a supporter of national and state efforts to expand our state's energy supplies.

The last review of Florida's energy needs was in 2000 by the Florida Energy 2020 Study Commission. Since that time there has been the blackout in the Northeast in 2003. Oil prices have been on a roller coaster ride. The 2004 and 2005 hurricane seasons reminded all of us that Florida is vulnerable to supply interruptions and price shocks.

Recognizing the threat posed to our state's prosperity by inadequate energy supplies, Gov. Jeb Bush ordered the Florida Department of Environmental Protection (DEP) to analyze current and future energy supply and demand needs.

DEP Secretary Colleen Castille convened a forum of energy industry leaders to discuss issues involving energy supplies, generation, transmission, distribution, conservation, and security.

Forum participants generally concluded that Florida needs to diversify its sources of supplies, to include nuclear, coal, and solar for electric generation, as well as hydrogen for transportation fuel. In addition, the state may need to explore expanding the LNG (liquefied natural gas) pipeline system into Florida. The participants also encouraged the consideration of off-shore drilling and exploration.

In February, Gov. Jeb Bush released his proposed 2006 Florida Energy Act, a four-year, \$75-million comprehensive plan that relies on incentives to create a more balanced energy portfolio. The act would fund grants for research and development of technologies associated with the development of alternative fuel vehicles, renewable energy systems, and other next-generation energy technology.

Sales-tax exemptions and corporate-income tax credits would provide incentives to improve production, develop distribution infrastructure, and increase availability of clean fuels. The following would include biodiesel and ethanol, hydrogen fuel vehicles and fueling stations. Incentives would also be used to boost manufacturing, purchasing and usage of hydrogen fuel cells for supplemental and backup power.

The act would also streamline regulations that ensure reliability by removing barriers to stabilized costs and diversified supply. This will require amendments to the Power Plant Siting Act to help expedite projects to increase energy generation and transmission.

It is a combination of all of these proposals that will help to guarantee a consistent supply of energy for to meet the growing demand in Florida.



The act would also streamline regulations that ensure reliability by removing barriers to stabilized costs and diversified supply.

Why Does it Matter?

Every business in the state is affected by higher energy costs, which will increase your prices while also reducing your customers' purchasing power.

If the cost of electricity rises to the amount predicted by some economists, your energy bill could increase 10 times within the near future. Rising transportation costs have already caused higher prices in the delivery of goods.

Conservation is not enough in a growing state. Today, Florida citizens and businesses use 28 million gallons of motor-vehicle fuel each day; consumption is expected to grow to 32-million gallons a day in ten years. Electricity usage is expected to increase by almost 30 percent over the next 10 years.



AIF Position

AIF applauds the governor's leadership on this crucial matter and the approach he has taken, which relies on incentives and removal of regulatory barriers, rather than new taxes or mandates. We look forward to working with the governor and lawmakers to enact a package that will help Florida meet its future energy needs. We also support legislation filed by U.S. Representative Richard Pombo, and negotiated by Gov. Bush, that allows exploration and drilling for oil and natural gas supplies, as long as it occurs at least 125 miles off of Florida's coast.

Keep Florida's Economy Growing

Florida's tax code is not only the source of revenue for state government — it is also an important economic development tool. There are times when exempting an item from taxes will bring more money into the state than would be realized if it were taxed.

A prime example of that is the existing partial sales-tax exemption for industrial machinery and equipment purchased for use in an expanding facility engaged in manufacturing or spaceport activities. Currently a manufacturer must pay the first \$50,000 in sales tax, before the exemption kicks in. Rep. Matt Meadows (D-Lauderhill) and Sen. Jeff Atwater (R-North Palm Beach) have filed legislation that would allow for a full, rather than partial, sales-tax exemption for industrial machinery and equipment purchases, when the business can demonstrate that the items will be used to increase productive output at the facility by at least 10 percent.

Manufacturing inputs are currently assessed sales tax in Florida and the final product is taxed as well. This is not the case in several neighboring states, including Georgia, which have these exemptions on the books thereby creating an un-level playing field for our manufacturers.

The intangible tax is another example of levy a that puts our state at a competitive disadvantage. It has been called a tax on savings because it punishes people who invest part of their money, rather than spending it all. Florida is one of only four states that taxes intangible personal property, such as stocks, bonds, notes and other obligations to pay money.

In 1999, the Florida Legislature began phasing out the intangible personal property tax. Legislation by Rep. Fred Brummer (R-Apopka) and Sens. Mike Haridopolos (R-Melbourne) and Jeff (R-North Palm Beach) Atwater has been filed to complete the elimination of the half mill annual intangible personal property tax.

Legislation has also been filed that would set up three sales-tax holidays. The first would apply to a one-week period when virtually every item for personal use costing up to \$5,000 would be exempt from sales tax.

The second sales-tax holiday would take place at the beginning of hurricane season when the exemption would apply to a predetermined list of emergency items. This bill is intended to help Floridians prepare for the possibility of a repeat of the 2004 and 2005 hurricane seasons.

The third would establish a nine-day period during which sales-tax would be collected on books and clothing having a selling price of \$50 or less and on school supplies valued under \$110.



Currently a manufacturer must pay the first \$50,000 in sales tax before the exemption kicks in.

Why Does it Matter?

All business people benefit from a well-designed tax code, even if a particular exemption does apply to them directly. For example: the full exemption on manufacturing machinery and equipment will hold down costs and boost spending on other items. It will also make Florida more attractive to other manufacturing firms.

Eliminating the intangibles tax will free up more money for investments, allowing businesses to create more jobs, goods, and services.

Sales tax holidays increase business activity, pumping more money into our economy, while allowing citizens to purchase much-needed items at a lower cost.

All of these sales-tax proposals will help expand our economic base, providing for a more prosperous future that all of Florida's citizens will enjoy.



AIF Position

AIF supports public policies that promote business activity through increased investment or consumption. In the private sector there's a rule: you have to spend money to make money. There's a corollary in tax policy: sometimes you have to let go of the revenue source if you want to make more revenue. Each tax exemption discussed above will help provide for a more vibrant private sector, which will in turn help the public sector meet its obligations.

Eminent Domain & Redevelopment

Eminent domain is the power of government to condemn private property and convert it for public use, as long as the owner receives reasonable compensation for losing the property. The power is limited by the federal and state constitutions.

Generally speaking, property can be condemned only if it is to be used for a valid governmental purpose or for protection of the public health, safety, and welfare. Such traditional takings have involved condemnation for roads, schools, prisons, parks, etc.

In *Kelo v. City of New London*, a decision handed down by the U.S. Supreme Court last June, the justices ruled 5-4 that economic development is a “public purpose” that legitimates the use of the government’s power of eminent domain.

The *Kelo* decision arose out of a situation in Connecticut where, in 2000, after decades of economic decline, the City of New London approved an economic development plan to revitalize the economy by developing an area along the shore. A number of New London citizens who lived and worked in the area designated for renewal did not want to sell their land to the private company that was handling the development project.

The city intervened, using its eminent domain power to override the owners by condemning their properties and transferring them to the private developer. No one argued that the properties being condemned were blighted. They were simply in the way of the city’s plans for economic development.

In *Kelo*’s wake, virtually every state is evaluating its eminent domain laws. In Florida, the scrutiny has focused primarily on safeguards against takings designed to remedy slum or blighted areas under the Community Redevelopment Act or the home rule authority of certain cities and counties. Those concerns have been focused primarily on the establishment of community redevelopment agencies (CRAs) to carry out activities within the redeveloping area.

Property rights advocates argue that current definition of “blight” is so broad and so vague that private property transfers to other private property owners can and do occur solely for economic purposes. Litigation is ongoing in various parts of Florida concerning the condemnation and transfer of property to private developers when the existing owners will not voluntarily sell a piece of property slated for economic development.

Counties, cities, and CRAs contend that the power to condemn for economic development is a necessary tool for them to effectively revitalize rundown areas. Private property rights advocates counter that it is an inappropriate exercise of the eminent domain power, and that private property should not be subject to condemnation for transfer to private developers.



Property rights advocates contend the current definition of “blight” is too broad and too vague.

Why Does it Matter?

This is a complex and difficult subject, but the potential effect on many Florida businesses could be devastating if the current law is not amended.

Right now, a thriving business that falls within a redevelopment area designated as blighted could face condemnation. Even if the business is not located within a redevelopment area, it could still be subject to condemnation by a charter county or municipality for economic development even though the business is not blighted or otherwise engaged in an inappropriate use of the property.

A business that is totally condemned through eminent domain would not always be entitled to recover business damages as a result of that condemnation. If the business is renting the property and building it might receive no compensation at all.



AIF Position

While AIF strongly supports efforts to boost economic development throughout the state, these projects should not proceed through the sacrifice of existing businesses. AIF supports legislation to ensure that when local government takes private property through eminent domain there are proper limitations and procedures in place to protect the rights of private property owners.

Reforming the Citizen Initiative Process

In recent elections voters have had to confront a barrage of amendments that have made it to the ballot through the citizen initiative process.

This troubling trend has led members of the Legislature to examine ways of reforming the process, so that our state's top document is protected from provisions that don't belong there, while also protecting citizens' fundamental right to change their system of governance.

In November of 2004, Floridians approved the first of the initiative reform amendments. Now, a citizen initiative must receive the requisite number of petition signatures by February 1 of the year it is to appear on the ballot.

That initial reform has already borne fruit. As a result of the 2004 reforms, only two citizen's initiatives were successful in meeting the February 1 deadline. No other citizens' initiatives will be allowed on the 2006 ballot.

A joint resolution passed last year, which will appear before voters in November, requires that a constitutional amendment proposed by any citizen initiative must gain at least 60 percent of the votes cast on the amendment; currently adoption of an initiative requires a simple majority vote.

In 2006, three major constitutional reform efforts are underway. The first is a Senate proposal that would institute a filter limiting the subjects that citizen initiative can address. In essence citizen's initiatives would be limited to those that change the basic structure of government.

The second joint resolution is the product of the House Judiciary Committee, known as "no hidden tax," will prevent the imposition of onerous, costly, and unnecessary programs through constitutional mandates. Recent amendments such as class-size limits, the net-ban, and the ill-conceived high-speed rail would have fallen under this provision, which would have required them to be enacted by a much higher margin.

Another proposal in the works is the streamlining or revision of Florida's Constitution. This legislation is being spearheaded by Senate Judiciary Chairman Dan Webster (R-Winter Garden) and supported by his counterpart in the House, Rep. David Simmons (R-Altamonte Springs). If passed, the plan would ask voters to approve the removal of certain obsolete language and grammatical errors. In addition, it would transfer the pregnant pigs amendment to statute. The goal of the sponsors is to "purify" Florida's Constitution and submit a clean document that the state can be proud of. Originally, it was thought that the sponsors would push for the removal and subsequent codification of recent, unpopular amendments into statute.



Citizen initiatives would be limited to those that change the basic structure of government.

Why Does it Matter?

Currently there are approximately 49 active citizen initiative petitions. Among them are several that could threaten Florida's business climate or may be viewed as anti-free market.

Adoption of any of one of these proposed initiatives would be a setback for Florida's economy and could tilt the playing field, creating advantage for our competitor states in the region.

One of the driving forces for investment in Florida is our state's economic stability. Florida is currently experiencing a period of economic prosperity, thanks in part to one of the lowest unemployment rates in history. Our state's initiative process places these positive trends at risk by allowing special interest groups to advance their agendas through citizen initiatives



AIF Position

AIF believes that Florida must rein in the citizen initiative process, which allows special interests to subvert our representative government. Florida's Constitution should not be made the vehicle for economically destructive programs and mandates. Allowing the adoption of these measures through the citizen initiative process places them beyond alteration by elected officials, creating inflexible public policies that are extremely harmful to Florida's civic health.

Property Insurance Meltdown

Florida is on the verge of a property insurance meltdown. Hurricane and sinkhole losses have seriously strained the resources of both the voluntary market and the public-sector mechanisms of Citizens Property Insurance Company (Citizens) and the Florida Hurricane Catastrophe Fund. Additionally, a very busy hurricane season forecast for 2006 creates an urgent need for property insurance to be addressed by this legislative session.

State-owned Citizens, which in four years has become Florida's second largest property insurance company, has a \$1.4 billion deficit in cash needed to pay hurricane losses. Citizens' cash deficit will be funded through premium surcharges, projected to result in a minimum 15-percent premium increase for each residential policyholder. Hurricane losses have also totally depleted the cash resources of Florida's Hurricane Catastrophe Fund.

Florida insurance companies have replaced approximately \$1 billion of capital depleted as a result of 2004 hurricanes. Additional replacement capital will be necessary as a result of 2005 hurricane losses. A number of insurance companies are re-evaluating their hurricane exposure and reducing market share in some cases. The Office of Insurance Regulation estimates that approximately 250,000 policies will be non-renewed this year. These non-renewals have not been offset by new companies entering the market.

In addition, sinkhole claims continue to be a problem in the Tampa Bay area. Florida law mandates property-insurance coverage of sinkhole losses. Aggressive solicitation by plaintiffs' attorneys and unscrupulous contractors has resulted in a litigation barrage over whether that crack in the foundation is a result of normal settling, poor construction, or a sinkhole.

Sinkhole litigation has significantly reduced availability of private property insurance in the Tampa Bay area. Citizens' is now the primary property insurer in some areas of Tampa Bay, such as Hernando, Hillsborough, Pasco and Pinellas counties, where the number of Citizens' policies increased from 1,012 policies to over 140,000 in just three years.

Another key insurance issue involves Florida's personal injury protection (PIP) automobile insurance law, which is set to expire this year unless the Legislature reenacts it.

Florida's PIP law was adopted in 1971 to provide quick and efficient compensation to accident victims regardless of fault. The rationale was that lawsuits over minor injuries were unnecessarily expensive and unpredictable. Reducing the volume of lawsuits would lead to an overall drop in motor vehicle insurance costs.



The Office of Insurance Regulation estimates that approximately 250,000 policies will be non-renewed this year.

Why Does it Matter?

Florida's property insurance market is crumbling under the weight of misguided command-and-control regulations and the tactics of personal-injury lawyers who want insurance companies to pay for damages that their policies were never intended to cover.

A healthy insurance market means that carriers compete for policyholders, which means lower prices and better products. On the other hand, an insurance market like Florida's results in spiraling price increases. Indeed, for some policyholders, coverage is not available at any price.

Florida is entering a meteorological phase when the potential for catastrophic hurricane damage is escalating. Our state's insurance market helped finance the rapid economic recoveries from the 2004 and 2005 hurricane seasons.

Lawmakers must take action now to ensure that policyholders in future storms will also be able to depend on their property insurance coverage.



AIF Position

AIF opposes a command-and-control approach to insurance regulation. Attempts to artificially strangle price increases only hastens the demise of a healthy market. Fortunately many legislators appear ready to abandon government control in favor of a market-based effort to revitalize the private property insurance market.

AIF also supports efforts by Tampa Bay legislators to establish an alternate dispute process for sinkhole claim disputes.

The Jessica Lunsford Act

The Jessica Lunsford Act, enacted by the 2005 Legislature, is helping to help protect children from assault by high-risk sexual offenders, mostly by increased monitoring of sexual offenders and predators once they re-enter the community.

The law has come to the attention of the business community because it also requires background screens for non-instructional or contractual personnel who provide services to traditional public schools, charter schools, and alternative schools. It has proven a costly mandate that some school districts may be abusing. Any employee of a private contractor with access to school grounds or funds must now undergo a Level 2 background screen, which is a check of the person's fingerprints against the state and national databases.

School districts have been encouraged to share background screening results with other public school districts so that an employee working in multiple districts only has to undergo one screening. Many districts have not done so, citing concerns about liability. As a result, a vendor or contractor with an employee working in more than one county would have to pay each county to conduct the exact same background check multiple times, rather than conducting the screen once and sharing the information with each different county.

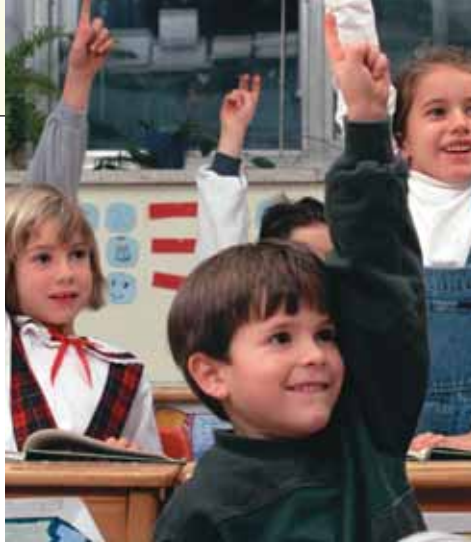
School boards are allowed to charge a processing fee, which in one district runs as high as \$43. The fee is added on to the \$47 charge for checking the state and federal databases. Depending on the school district, a private contractor or vendor must pay anywhere from \$60 to \$90 before an employee can enter school grounds to fulfill his duties.

This delays the delivery of services that school districts need while driving up the costs for those services.

Sen. Nancy Argenziano (R-Crystal River), the sponsor of the Jessica Lunsford Act, wants lawmakers to enact a glitch bill to fix a few problems with the bill. One area that needs to be addressed is defining "incidental contact" with a student so that someone who would have direct contact with a student would have to undergo a more rigorous screening process than would delivery persons or other employees. AIF believes that the issue of information sharing among school districts should also be addressed in any potential glitch legislation.

At the request of House Speaker Allan Bense (R-Panama City) and Senate President Tom Lee (R-Brandon) the commissioner of the Florida Department of Law Enforcement, Guy Tunnell, established a database on background check information so that districts could check on vendors and contractors who had already undergone screening.

This is an imperfect solution, however, because only the district requesting the check would be notified if the status of a vendor or contractor changed.



It has proven a costly mandate that some school districts may be abusing.

Why Does it Matter?

The manner in which the background screening requirement is being implemented is resulting in increased costs and reduced efficiency.

Businesses that supply products and services to school districts have specific concerns that they are incurring unnecessarily high costs for complying with this law. Some companies have actually chosen not to do business with schools because of problems with the screening process, leaving school districts with a smaller pool of specialized businesses with whom they can contract.

Every business has a general interest in the implementation of any legislation that affects the state's public schools.

Since Florida has no personal income tax and restricts increases in homeowner property taxes, business provides a larger share of state revenues. Any increased cost for funding a state program falls disproportionately on private companies.



AIF Position

AIF supports legislation to make the implementation of the Jessica Lunsford Act workable for those companies that have working relationships with school districts while upholding the integrity of the original law to protect our children from sexual predators.

Identity Theft and Consumer Privacy

Virtually every commercial transaction that doesn't involve cash is open to exploitation by criminals who specialize in abusing the personal information of individuals. Any business that accepts checks or credit cards or keeps any kind of customer information is vulnerable. All it takes is a momentary slipup and an opportunistic thief can steal someone's identity, racking up thousands of dollars of fraudulent purchases and unpaid debt.

Protecting individuals against identity theft and other invasion-of-privacy issues is becoming difficult and more important as technology and criminals become more sophisticated.

Lawmakers increasingly find themselves challenged to protect privacy without unduly hindering the freedom of commerce. The cost for meeting the demands for increased protection typically fall on the business community, which must adapt their systems to accommodate new mandates. Several proposals designed to fight ID theft and protect the personal information of their customers, have already been filed for the 2006 Legislative Session.

One bill would allow consumers to place a "security freeze" on their credit reports, thereby preventing unauthorized access to credit information. While this sounds like a good idea, it often traps the consumer who is applying for instant credit in order to make a purchase. If the consumer forgets to remove the freeze, the purchase of a new car or the opening of a store credit account cannot be completed. Since security freezes are not necessarily easily or quickly removed, having one in place could also forestall a consumer's attempt to get a bank loan.

While many businesses utilize Social Security numbers because they are the only unique identifier available, another bill would restrict or even prohibit their use on insurance identification cards, student IDs, and certain information sent by mail. Additionally, the legislation would prohibit the use of Social Security numbers for obtaining certain goods or services except as legally required.

Legislation has been filed that define the disclosure, sale, or transfer of personal identification information to a foreign country without prior consent as a deceptive and unfair trade practice, while also making the action a third-degree felony. Many large companies ship consumer information to India or other countries for data entry. Under this proposal, companies could not do so unless they received authorization from each individual whose information would be shipped. The prohibition would include customer call centers where an individual's personal information is visible on a computer screen. The practical effect of this legislation would make it impossible for companies to utilize foreign services.

ID theft and privacy issues will continue to present challenges for Florida businesses. It is important for us to monitor any proposed changes to ensure a cost effective continuation of commerce.



Lawmakers increasingly find themselves challenged to protect privacy without unduly hindering the freedom on commerce.

Why Does it Matter?

Individuals and businesses alike are victims of these scams. Some perpetrators specialize in business identity theft. The victim doesn't find out he's a victim until the phone calls and letters from angry creditors and suppliers start coming in.

According to a 2003 Federal Trade Commission report, over the five preceding years identity theft had cost victims \$5 billion, while the costs to businesses and financial institutions was ten times that amount.

Those who steal identities steal money from businesses. On the other hand, government efforts to protect consumers against identity theft have the potential to hurt more than they help by unnecessarily hindering commercial transactions.



AIF Position

AIF support efforts to protect businesses and their customers against identity theft and other forms of fraud, which are economic drains and undercut our state's growing reliance on technology. New laws must be carefully crafted, however, to ensure that they do no unduly infringe on the buyer's and seller's right to freely engage in commerce.

Guns in the Workplace

Legislators are considering a bill that would expose an employer to third-degree felony charges and fines of up to \$5,000 if it hindered workers from storing their guns in locked automobiles that are parked on the employer's premises.

This legislation would also grant employers immunity from liability in lawsuits involving the injury or death of an employee resulting from a workplace shooting. It should be noted that there are exceptions to this immunity. Many questions remain unanswered, as of this writing, regarding the provisions dealing with immunity.

Similar legislation has passed the state legislatures of Alaska and Oklahoma. Seven other states, including Florida, are currently considering guns-in-the-workplace bills. In Oklahoma a group of employers has filed a federal lawsuit challenging the statute, which is under injunction pending the court's ruling. The Oklahoma lawsuit argues that the employers' federal obligation to provide a safe workplace for their employees under the Occupational Safety and Health Administration's general duty clause should trump a state law that threatens workplace safety.

Statistics about workplace shootings do not favor one side over the other. According to the Department of Labor's Bureau of Labor Statistics, more than half of the 795 workplace assaults that occurred in 2004 were shootings, but only eight percent of those were committed by a former or current employee. More than half of the shootings were committed by criminals.

According to the bill's sponsors, law-abiding citizens already have a constitutional, as well as a statutory, right to carry firearms in their private vehicles for lawful purposes. They say that keeping a firearm locked securely in a vehicle in a parking lot is part of that right. The sponsors also point out that the bill addresses the safety concerns of employees who work late shifts or have to travel long distances to and from their job sites.

Employers, on the other hand, are concerned that making firearms so readily accessible will aggravate already tense workplace situations, such as disciplinary actions and firings. Easy access to a weapon may facilitate a hasty and possibly fatal decision on the part of a disgruntled employee.

This legislation creates more problems than solutions for businesses in Florida. Although the Second Amendment right to bear arms is a fundamental right for all citizens, so is the right to control the use of one's private property.

The need to maintain a safe workplace environment is critical for the success of any business, no matter the size. How to do so should remain the choice of the business owner who best knows the climate and situations in which his employees must work. The immunity provisions in the bill simply do not provide the sufficient safeguards for employers who choose to prohibit employee possession of guns at the workplace.



The need to maintain a safe workplace environment is critical for the success of any business, no matter the size.

Why Does it Matter?

Maintaining a safe workplace directly impacts an employer's bottom line and the morale of employees. The recruitment and retention of staff is a vital aspect of running a profitable business. Passage of this legislation could force employers to develop more comprehensive — and costly — background checks as well as beef up security around the job site. Employers will have to conduct very thorough vulnerability assessments and security audits on all of their properties.

In addition, if this bill is passed companies will need to implement additional training sessions to educate managers on the characteristics of people who may have a propensity for violence.



AIF Position

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

Expanding Florida's IT Capacity

To an ever-increasing degree, information technology — or IT for short — is the backbone of the business world.

Many corporations have discovered, to their dismay, that saving money on information technology (IT) funding is penny wise, but pound foolish. The state of Florida may be on the verge of learning that same lesson the hard way. Some segments of the Florida's governmental IT systems are so bad and outdated that services to citizens and business are suffering.

The computer systems at the state Department of Corrections that control all of the state prisons and prisoners are so old and outdated that if those systems were to crash, finding someone who could fix them would be nigh unto impossible. The same is the case with the computers designed to run public health and welfare programs. The failure of one of those networks pose a costly threat to the populace.

When Jeb Bush became governor in 1999, he immediately set about to bring much-needed changes to the way Florida's state agencies finance, manage, and plan for their IT needs. Despite the "e-Governor's" best efforts, Florida still suffers from an outdated IT infrastructure.

Florida also lags behind many other states in per capita IT spending, including New York, which Florida will surpass before 2010 as the third-largest state in the Union.

Florida cannot be satisfied with a business-as-usual approach to information technology. Despite the proliferation of cheap PCs, IT costs are not getting cheaper. In fact, security, support, and software licensing costs are spiraling upward.

In our state's multilingual society, confronting the threats of a pandemic flu, global terrorism, and sophisticated criminal gangs, the tools must be in place to sort critical information and quickly relay it to caregivers, first responders, government agencies, and the general public.

Increasing state government's IT capacity is a matter of public safety, but it is also vital to economic development. Businesses activity often is dependent on government. When government operates inefficiently, it weighs down the ability of a business owner to move forward on economically productive activities.

In addition, Florida should be developing an infrastructure that persuades IT companies to locate their most profitable endeavors in our state.



Increasing state government's IT capacity is a matter of public safety, but it is also vital to economic development.

Why Does it Matter?

Businesses are dependent on government agencies in a multitude of ways — from pulling permits to paying taxes to ensuring compliance with government regulations. Time is money and slow, inefficient government computers cost businesses money.

AIF has created the IT Council, to help address Florida's technological deficit. The council members, comprised of some of the most prominent IT corporations and service providers in the world, are dedicated to helping elected officials and policymakers understand how to best bridge the gap. Their common goal: Promote IT as a way to transform government, making it more efficient and more accessible to its citizens.

The council will also concentrate on nourishing Florida's IT industry. Members will analyze existing barriers in regulations and the tax code, along with means to provide for a trained and competent IT workforce.



AIF Position

AIF supports government initiatives and spending that will help create an IT infrastructure that will benefit business people through increased efficiency and that will leverage expansion of Florida's IT sector.

The world moves at Internet speed today and so must Florida's government. Ignoring our state's IT needs will strangle the ability of Florida businesses and residents to grow and prosper.

Legislative Issues

The following is a listing of all the issues that AIF will be involved in (as of March 1, 2006) for the upcoming 2006 Session. Where possible we have noted bill numbers under each issue.

These issues and our positions can change based on amendments. When our position does change it will be noted in both the *Daily Brief* and *Weekly Update* Reports that AIF provides to members and legislators throughout the session.



Civil Justice Reform

- Institute comparative fault and abolish joint and several liability in all tort actions

Support HB 145 by Rep. Don Brown and SB 2006 by Sen. Daniel Webster, the repeal of joint and several liability

Education

- Advocate flexibility in plans to fulfill the mandates of the class-size constitutional amendment
- Support ways to increase high school graduation rates to better prepare students for degrees in key fields such as science, engineering, and the trades

Elections

- Support reforms to the process for amending the state constitution by citizen initiative
- Support HB 7037 by House Judiciary Committee and SB 26 by Sen. Jim King*
- Oppose constitutional initiatives aimed at business

Energy

- Encourage the Exploration, Production & Storage of Petroleum & Natural Gas in an environmentally safe manner while ensuring a continuous supply and reasonable cost fuel for all of Florida's needs
- Oppose HB 509 by Rep. Jack Seiler and SB 406 by Sen. Ron Klein – a Memorial to Congress banning oil or gas drilling off Florida's coast*
- Support incentives for the use of hydrogen fuel and the future expansion of Governor Bush's H2FL program
 - Support environmental and economic regulatory policies that create a stable investment climate so that electric utilities can build more fuel diverse generation to meet Florida's growing energy needs, and continue to maintain and enhance where possible the resiliency of the transmission and distribution system to hurricanes
 - Oppose Governmental mandates that will unnecessarily drive up the cost of essential energy services to business



Environmental

- Support Incentive Based Permitting for those companies who are good stewards of Florida's natural resources
Support HB 261 by Rep. Dwight Stansel and SB 1906 by Sen. Rod Smith – the Florida Incentive Based Permitting Act
- Support environmental self-audit privilege
- Fight any increase by the Department of Environmental Protection in permit fees charged to the regulated community
- Monitor proposed omnibus water packages to make sure it would not impede Florida's growth

General Business

- Oppose "Guns in the Workplace" legislation that would not allow employers to have a policy prohibiting firearms in employees locked vehicles
Oppose HB 129 by Rep. Dennis Baxley and SB 206 by Sen. Durrel Peadon
- Support legislation to make the implementation of the Jessica Lunsford Act workable for those companies who have a working relationship with a school district while keeping the integrity of the original law to protect our children from sexual predators
PCB HCJ3 by House Criminal Justice Committee
- Oppose legislation that would mandate generators for gas stations or other private businesses
Oppose SB 528 by Sen. Steven Geller; SB 530 by Sen. Jeff Atwater; HB 319 by Rep. Chris Smith and HB 965 by Rep. Carl Domino
- Support the efforts of the Free Trade Area of the Americas (FTAA) and make Florida the permanent Secretariat for the FTAA making our state the "Hub of Americas" and expanding our economy internationally

Growth Management

- Support legislation that would create incentives to develop new supplies of water as an alternative to water concurrency requirements
- Monitor growth management reforms, particularly

those relating to proposals that would make water supplies part of the development's concurrency requirements

- Support legislation to rewrite the State Comprehensive Plan to make Florida's economy its highest priority
- Support efforts to change the Developments of Regional Impact (DRI) to make the process more streamlined and less costly to the business community
Support SB 1020 by Sen. Mike Bennett and HB 683 by Rep. Trey Traviesa
- Support legislation that will allow Florida's workforce to have affordable housing

Health Care

- Oppose "Fair Share Health Care Act" legislation that would mandate any percentage of payroll for health care benefits no matter the size of the company
Oppose SB 1618 by Sen. Skip Campbell and HB 813 by Rep. Susan Bucher
- Continue our support of Medicaid Reform and the Governor's recently approved plan to inject market based solutions that reform and control the growth of Medicaid
- Oppose burdensome restrictions on health maintenance organizations that drive up the cost of health care such as "any willing provider" provisions and restraints on provider contracts
- Support flexibility of health plans to offer benefits tailored to consumers and oppose new health benefit mandates
- Continue our support of legislation to expand information available about the quality of care provided by Florida's healthcare providers and facilities

Insurance

- Help control homeowner and commercial property insurance by protecting the state against an explosion of mold litigation
- Eliminate any mechanism that deprives insurers of



the ability to control the defense of their policy limits and of their insurer

Legal & Judicial

- Support implementation of the Jury Patriotism Act
- Apply Federal Civil Procedure Rules 11 and 26 to Florida case which will diminish unnecessary litigation
- Preserve the rights of parties to settle cases independently without interference from their attorneys
- Support common-sense restraints on the abuse of class action lawsuits

Private Property Rights

- Ensure when local government takes private property through Eminent Domain there are proper limitations and procedures

Taxation

- Continue to support the efforts to repeal or modify the Florida Intangible Personal Property Tax
Support CS/HB 209 by Rep. Fred Brummer; SB 206 by Sen. Mike Haridopolos and SB 714 by Sen. Jeff Atwater

- Support legislation to increase the sales-tax exemption for Machinery and Equipment used for Manufacturing

Support HB 69 by Rep. Matt Meadows and Support SB 1206 by Sen. Jeff Atwater

- Support legislation that would place Florida along side with other states in implementing the Stream line Sales and Use Tax Agreement
- Fight the efforts to divert money from trust-fund revenue streams to general revenue
- Support the final phase of repealing the surtax on alcoholic beverages
- Support sales-tax holidays: hurricane preparedness, school supplies, and items for personal use under \$5,000.

CS/CS/SB 24 by Sen. Cary Baker and CS/HB 47 by Rep. Ron Greenstein

HB 29 by Rep. Ray Sansom and SB 692 by Sen. Dan Webster

HB 691 by Rep. Joe Negron and SB 1404 by Sen. Jeff Atwater

- Support legislation to adopt the 2006 version of the IRS Code so that Florida businesses do not have to keep two sets of records

SB 1198 by Sen. Jeff Atwater

Technology

- Support legislation providing for personal identity-theft protection and for protection of personal and business data held by state and local governments while at the same time balancing the needs of commercial entities to have access to such information to service their customers and promote commerce
- Enhance government spending on IT in order to better provide services to citizens and businesses

Unemployment Compensation

- Oppose funding ancillary programs unrelated to unemployment compensation programs, since this increases the cost of doing business while undermining the purpose for which the unemployment benefits program was created

Utilities

- Oppose any change in the process of selecting Public Service Commissioners that could weaken a prerequisite of actual knowledge or expertise

Workers Compensation

- Oppose any efforts to erode the savings experience by all Florida employers as a result of the AIF supported 2003 Workers Compensation Reform Act; savings are up to 30% as a result of the passage of this legislation
- Defend against creation of a state fund or other state risk bearing entity
- Continue support for increased funding for state fraud investigations

Associated Industries of Florida

AIF lobbyists, representing centuries of accumulated experience in politics and government, spent more than

DEAR FLORIDA EMPLOYER:

By standing up for your right to succeed, free from government intrusion and interference, Associated Industries of Florida helps companies like yours grow.

For most of this century, wherever and whenever governmental officials have met, Associated Industries has made sure they listen to the voice of the state's employers.

We champion the value of hard work and productive endeavor and the incentive offered by the ability to make a profit. We make sure government officials understand the consequences of their actions on the ability to succeed in Florida.

Like it or not, the decisions made in Tallahassee can make the difference between success and failure in commerce. When those decisions are made, Associated Industries speaks out on the side of success.

If your company does not belong to Associated Industries, please consider the benefits of joining. With your support, we can grow in our mission to promote a vigorous economy, filled with the promise of abundance for every person who calls Florida home.

Barney T. Bishop III
PRESIDENT & CEO

OFFICERS



Barney T. Bishop III

President & CEO of Associated Industries of Florida ... former aide to state Treasurer Bill Gunter ... former executive director of the Florida Democratic Party ... more than 27 years of experience in legislative and political affairs ... areas of expertise include appropriations, criminal justice, and behavioral health care issues ... B.S. in political & judicial communication from Emerson College in Boston.



Mary Ann Stiles, Esq.

General Counsel Emeritus of Associated Industries of Florida ... managing partner in the law firm of Stiles, Taylor, & Grace, P.A. ... more than 33 years of legislative and lobbying expertise before the Legislature and other branches of government ... graduate of Hillsborough Community College, Florida State University, and Antioch Law School.



Tamela Ivey Perdue, Esq.

General Counsel and Shareholder with the law firm of Stiles, Taylor & Grace, P.A. ... more than 14 years legislative and legal experience, representing insurers and the business community on workers' compensation and other legal issues ... established legal practice specializing in workers' compensation defense ... formerly worked in the Florida Senate ... B.S. from Lee University and J.D. from Stetson University.



Chris Verlander

Senior vice president — corporate development of Associated Industries of Florida ... more than 26 years of expertise in insurance lobbying activities ... former president (1994-1997) and vice chairman (1997-1999) of American Heritage Life Insurance Company ... B.S. from Georgia Tech and M.B.A. from the University of Florida.

DIRECTOR OF GOVERNMENTAL AFFAIRS



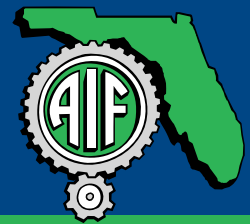
Jose L. Gonzalez

Coordinates AIF's lobbying team and all research and advocacy efforts for the association ... Master's degree in Public Administration with a specialization in Public Policy and a Bachelor's degree in Political Science from the University of Florida.

"The AIF staff is extremely competent and highly respected as one of the best lobbying groups in Tallahassee, and is, as a result, very effective in representing business."

Lance Ringhaver, President — RINGHAVER EQUIPMENT COMPANY

la 2006 Lobbying Team



more than 10,000 hours in the Capitol during the 2005 Legislative Session *advocating for your business interests.*

CONSULTANTS



Keyna Cory (Chief Lobbyist)

President, Public Affairs Consultants, a public affairs and governmental relations consulting firm ... more than 21 years of experience representing a variety of clients, from small entrepreneurs to Fortune 500 companies, before the Florida Legislature ... majored in political science at the University of Florida.



Robert P. Asztalos

Partner with the Buigas, Asztalos & Associates and the Director of Governmental Affairs for Delta Health Group ... directed the Nursing Home profession's litigation reform campaign in 2000-01 and served as the Director of the Heal Healthcare in Florida Coalition ... Master's degree in Legislative Affairs and a Bachelor's degree in Political Science from George Washington University.



Ronald L. Book, Esq.

Principal shareholder of Ronald L. Book, P.A. ... former special counsel in Cabinet and legislative affairs for Gov. Bob Graham ... formerly worked for the Florida House of Representatives ... 34 years of experience in government and legislative activities ... areas of expertise include legislative & governmental affairs ... graduate of the University of Florida, Florida International University and Tulane Law School.



Mark Flynn

Vice president of J Kieth Arnold & Associates ... former economic development executive with extensive experience representing business on a broad range of issues including growth management and transportation ... has also worked for both a member of Congress and a member of the Florida House of Representatives ... graduate from the University of South Dakota with a B.S. in mass communications.



Peter Harris, Esq.

President and CEO of ADG Business & Governmental Consultants ... more than 15 years of experience successfully designing and implementing substantive legislative, governmental and management programs for business and government ... effectively worked with key policy makers in all branches of government ... graduate of the University of Miami and Florida State University College of Law.



Nick Iarossi, Esq.

Founding partner of Capital City Consulting, L.L.C. ... formerly worked in the Florida Senate, the Florida House of Representatives and the Office of Insurance Regulation ... expertise in banking and insurance, privacy and public records, health-care, procurement, pari mutuels, technology, and education ... graduate from the Florida State University College of Law.



H. Frank Meiners

President, Frank Meiners Governmental Consultants, LLC ... formerly with BellSouth as their Executive Director in Tallahassee where he lobbied communications issues ... graduate of the University of South Florida in Mathematics and of the Fuqua School of Business at Duke University ... will be covering information technology issues.



Jim Rathbun

President of Rathbun & Associates ... more than 17 years of experience representing individuals and entities before the Legislature, state agencies, and the governor and Cabinet ... formerly worked with the Florida House of Representatives and served as staff director of the House Republican Office ... B.S. from Florida State University.



Guy Spearman, Esq.

President, Spearman Management, Inc., government relations consulting firm ... 32 years of experience representing a variety of clients from small business owners to Fortune 500 companies ... graduate of Auburn University and Florida State University College of Law.



John Thrasher, Esq.

Florida's Speaker of the House from 1999-2000 ... While leading the House, helped to pass some of the landmark reforms advanced by Gov. Bush, including an overhaul of the state's entire system of education ... the new medical school at FSU, John's alma mater, honors his name... John was elected to his first term as a state representative and was re-elected without opposition in 1994, 1996, and 1998.



Gerald Wester

Managing Partner, Capital City Consulting, LLC ... former chief deputy over Florida Department of Insurance's regulatory staff ... more than 30 years of lobbying experience ... expertise in insurance, banking, and health care issues ... Bachelor's and master's degrees from Florida State University.



Mike Zagorac

Former senior vice president, public affairs for Hill & Knowlton, Inc. ... former vice president of public affairs for the Jack Eckerd Corporation and vice president of the National Association of Chain Drug Stores ... more than 37 years of experience in media and public relations, community affairs, and environmental issues ... Bachelor's degree from Purdue University and M.B.A. degree from American University.

STAY IN THE LOOP.

The Florida legislative session is a 60-day sprint where thousands of bills are filed. Some are good for the employers of Florida and some are not. Unless you are standing in the halls of the state capitol every day, it can seem impossible to keep up with what exactly is going on.

AIF offers a full range of communications services that keep you and your company in the know when it comes to Florida government. During each legislative session, the AIF governmental affairs staff prepares the *Daily Brief*, a short wrap-up of each day's happenings at the Capitol, and *Weekly Session Update*, an analysis of the week's key debates and votes on important business bills. Both reports contain the kind of information business people need but can't find on the nightly news or in the newspapers.

Members are also granted access to Florida Business Network's "Members Only" Web Site, which includes: Complete info on important business bills, including actions and votes; AIF legislative positions; news articles on business issues; committee info; complete directory info on all legislators; e-mail links to legislators; and on-line access to AIF publications, such as the *Voting Records* and *Employer Advocate*.



Associated Industries of Florida

516 N. Adams St. • P.O. Box 784 • Tallahassee, FL 32302-0784 • Phone: (850) 224-7173 • Fax: (850) 224-6532 • E-mail: aif@aif.com