

2024 Session Priorities

ASSOCIATED INDUSTRIES OF FLORIDA



We are proud to stand up for the issues relevant to our members and work to create a business-friendly climate to benefit our state.

The Voice of Florida Business Since 1920

WATER RUNOFF

FINANCE LITIGATION

TECHNOLOGY

AGRICULTURE

HEALTH CARE

TAXATION



a message from the CEO

For over 100 years, AIF has represented the principles of prosperity and free enterprise before the three branches of state government. AIF has proudly advocated on behalf of Florida's employers, and thankfully, Florida's leaders have made our state an example for the rest of the nation. However, we know that difficult issues will continue to arise that will challenge the business community in a variety of ways. Just as we have since 1920, AIF will continue to fight for those who build businesses, employ our citizens, and generate a strong economic engine for this great state.

The *2024 Session Priorities* are a collaborative effort of the AIF staff, our member-driven policy councils, and AIF members. These priorities are reviewed and approved by our Board of Directors. This publication is designed to provide detailed information on AIF's priorities and to summarize the guiding principles that shape our legislative positions. AIF's advocacy team will work diligently to support these positions in collaboration with AIF staff and the AIF Board of Directors. While this publication is a lengthy one, we hope you will take some time to read through it as the priorities outlined in these pages represent major issues for Florida employers.

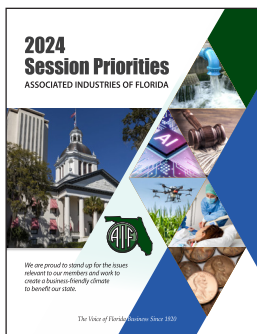
We are proud of our long history of legislative success on behalf of Florida's businesses, and we look forward to the privilege of standing up for them once again in 2024. The *2024 Session Priorities* will be made available to all 160 members of the Florida Legislature, as well as the Florida Cabinet, State Agency Department heads, and AIF members.



Brewster B. Bevis
President & Chief Executive Officer

Follow Us on  @VoiceofFLBiz

CONTENT



Published by
Associated Industries
of Florida © 2024.
All rights reserved.

516 North Adams Street
Tallahassee, FL 32301
850.224.7173
E-mail: aif@aif.com
AIF.com

- 4 Economic Development
- 4 Energy
- 7 Environmental Sustainability & Agriculture
- 10 Insurance
- 14 Health Care
- 15 Information Technology
- 16 Manufacturing Aerospace & Defense
- 17 Taxation
- 19 Transportation & Maritime

Building a Strong Foundation for the Future of Florida Business



The Foundation of Associated Industries of Florida (AIF) was formed to address the education and development needs of Florida's business community. AIF fosters programs that identify business needs today and create solutions that will last into the future.

AIF focuses on current issues that are important to the success of Florida employers, and works to educate the public at large about these issues to make Florida a better place for its businesses and citizens to call home.

Visit AIF.org for more information.

FAIF IS A 501(C)(3) ORGANIZATION. REGISTRATION NUMBER: CH28665. A COPY OF THE OFFICIAL REGISTRATION AND FINANCIAL INFORMATION MAY BE OBTAINED FROM THE DIVISION OF CONSUMER SERVICES BY CALLING TOLL-FREE (800-435-7352) WITHIN THE STATE. REGISTRATION DOES NOT IMPLY ENDORSEMENT, APPROVAL, OR RECOMMENDATION BY THE STATE. FAIF MAY USE A PERCENTAGE OF YOUR CONTRIBUTION TO SUPPORT REQUIRED ADMINISTRATIVE COSTS, DIRECT COSTS, AND/OR ACTIVITIES.

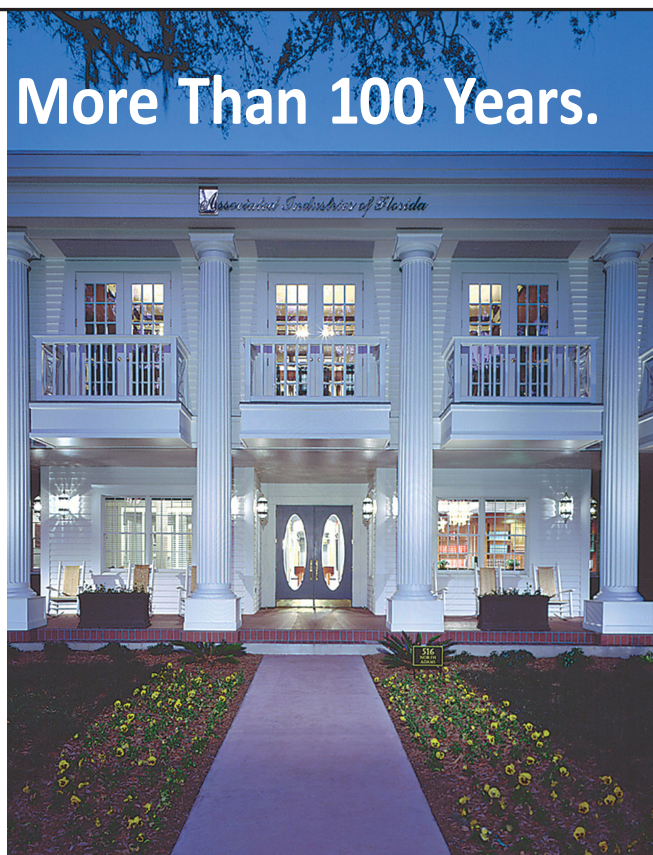
Taking Care of Business for More Than 100 Years.

Government is full of people who have never run a business, turned a profit, or met a payroll. That's why Associated Industries of Florida (AIF) exists.

Whenever politicians and bureaucrats gather, AIF is there to protect your business against new laws and regulations that stifle the energy and creativity of the free market. AIF minds your business in the state capital so you can concentrate on providing the services and products Floridians want and need.

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

To learn more about AIF membership services and/or apply for membership, please contact: Adam Basford, Vice President of Governmental Affairs, at 850.224.7173 or abasford@aif.com.



Economic Development

Economic Opportunity Grants

The Florida Job Growth Grant Fund is authorized to award grant funds to projects that “promote economic opportunity by improving public infrastructure and enhancing workforce training.” The Florida Department of Commerce is responsible for soliciting proposals and making funding recommendations to the Governor.

The following types of projects are eligible for approval:

- State or local public infrastructure projects that promote economic recovery in specific regions of the state, economic diversification, or economic enhancement in a targeted industry; and
- Workforce training grants to support programs at state colleges and state technical centers that provide participants with transferable, sustainable workforce skills applicable to more than a single employer, and grants for equipment associated with these programs.

AIF SUPPORTS targeted infrastructure investments to catalyze certain regions and/or sectors. For example, we support the rapid growth of the emerging Florida commercial aerospace industry by focusing on projects such as the rebuilding of decaying bridges along State Road 401 entering Cape Canaveral Space Force Station.

VISIT FLORIDA Funding

AIF SUPPORTS investment in building a world-class marketing engine with top talent, analytics, and funding that develops and executes data-driven branding strategies. Tourism is our state’s leading industry. Not only does our state revenue rely on tourism, but many other businesses in our state also rely heavily on out-of-state visitors for revenue. We must ensure that VISIT FLORIDA is fully funded so it can continue to assist in bringing visitors to our state.

Capital Investment Projects

AIF SUPPORTS legislative efforts to modernize the capital investment tax credit program to help Florida compete for sustainable high-wage jobs for the development of leading-edge intellectual property projects.

Energy

Energy Efficiency and Conservation

AIF SUPPORTS efforts by the legislature to promote energy efficiency and conservation through cost-effective incentives. Additionally, **AIF OPPOSES** any legislation that expands incentives for individuals that result in long-term, higher energy prices for all other customers.



AIF's President & CEO Brewster Bevis welcomes attendees to the 2023 Florida Business Forum in Tallahassee.

Onshore Exploration and Production

Onshore exploration and production in Florida are valuable contributors to Florida’s economy and tax base. **AIF SUPPORTS** maintaining appropriate permitting laws to protect the environment, to enhance efficiency between industry and the state, and to ensure appropriate standards are clearly communicated.

AIF SUPPORTS the regulatory, permitting, and zoning authority associated with the exploration and production of oil and natural gas being maintained solely by the state. Onshore oil and gas production in Florida can be performed safely while fully protecting water resources and the environment. **AIF OPPOSES** bills or regulations that prohibit well stimulation techniques and hydraulic fracturing, limit technological advances, and infringe on private property rights.

Expansion and Protection of All Energy Infrastructure

AIF SUPPORTS the building of future pipelines that provide safe, cost-effective energy infrastructure across the country. Further, **AIF SUPPORTS** any legislation that facilitates environmentally responsible construction of natural gas, liquid fuel, hydrogen and carbon pipelines to enhance energy reliability and affordability for Floridians. AIF also recognizes the importance of delivering energy products to the state during hurricane season through the supply channel pipelines.

The U.S. has been a net exporter of oil and natural gas because of the tremendous success of hydraulic fracturing. Liquefied natural



(From left to right) Representatives Joel Rudman (R-Navarre) and Kim Berfield (R-Clearwater), Senator Corey Simon (R-Tallahassee) and Representative Philip Griffiths (R-Panama City) at AIF's New Legislators' Reception in Tallahassee.

gas (LNG) exports offer new opportunities for ports and shippers. **AIF SUPPORTS** development of infrastructure for small and large-scale LNG and hydrogen ventures.

AIF SUPPORTS legislation that enhances state prosecution for attempts to “damage or shut down” critical infrastructure, such as pipelines, that can deprive communities of services, put lives at risk, cost taxpayers millions of dollars, and threaten the environment. Sunshine 811 was developed to identify underground infrastructure before digging. However, poor construction practices still lead to damaged infrastructure that cause unnecessary service interruptions, safety issues, and increasing repair costs. **AIF SUPPORTS** concepts that enhance the 811 program and penalties.

Opposition to Proposed Expansion of U.S. EPA Air Regulations

Florida Department of Environmental Protection (FDEP) data indicates Florida’s ambient air quality has improved dramatically over the past twenty-five years. Ozone and fine particulate matter, two of the major air quality indexes monitored by the FDEP and the U.S. Environmental Protection Agency (EPA), have been comfortably within limits of the already tight standards. The downward trends of these two indices are expected to continue as companies adopt new technologies that enhance efficiency while reducing emissions.

AIF OPPOSES further reductions by the U.S. EPA in the National Ambient Air Quality Standards ozone levels and further reductions in methane emissions. These proposals will add unnecessary costs to the industry while offering nominal health benefits.

Expansion of Natural Gas Fleet and Alternate Fueling for Transportation

Hydraulic fracturing has provided ample domestic supplies of natural gas and an alternative to diesel and gasoline for fleet transportation fuel. **AIF SUPPORTS** funding that has been successful in converting fleets to natural gas while ensuring the Transportation Trust Fund remains funded at adequate levels for road construction and maintenance. Emphasis should be placed on fully supporting policies that lead to the continued success of natural gas as an alternative fuel—an alternative that does not require mandates for success. **AIF SUPPORTS** the continued market development expansion of natural gas fleets including ships and barges, as well as the continued expansion of infrastructure for electric vehicles, both for public and private use.

Offshore Exploration and Production of Oil and Natural Gas

AIF SUPPORTS seismic testing in the Atlantic Ocean and Eastern Gulf of Mexico to ascertain the volume and location of future sources of oil and natural gas.

AIF SUPPORTS the passage of legislation that establishes a process by which the State of Florida can begin considering proposals for safe, offshore drilling in federal waters. Florida’s economic recovery is heavily dependent on reasonably priced and reliable sources of petroleum. Florida typically consumes more than 30 million gallons of gasoline and diesel each day for transportation and generates more than half of its electricity from clean-burning natural gas.

Allowing safe and environmentally sensitive access to these



Representatives Taylor Yarkosky (R-Clermont) and Dean Black (R-Jacksonville) at AIF's New Legislators' Reception in Tallahassee.

resources in federal waters, while ensuring that our oceanic military ranges and areas remain intact, is in our best interest as a means of improving national security, energy security, diversifying supply and enhancing economic development. Additionally, it can serve as an important and much needed method for generating new revenues and jobs for Florida.

Renewable Energy

AIF SUPPORTS energy policies that allow for the research, development, and distribution of alternative energy fuels without mandates by the government as these lead to market distortion, uncertainty, and upward price pressures. Domestically produced alternative fuels are key elements to America's future energy security. However, state and federal mandates, such as the federal 2007 Energy Independence and Security Act (EISA), have distorted transportation fuel markets and annually introduces fuel uncertainty. **AIF SUPPORTS** investment in university research and development into promising renewable and clean energy technologies. Also, **AIF SUPPORTS** memorials repealing alternative fuel mandates, such as EISA.

AIF SUPPORTS legislation that will enable interested electric utilities to develop renewable energy resources using the technology (solar, wind, biomass, battery, renewable natural gas, etc.) and scale (large, medium, small) that makes the most sense for those utilities and their customers. This would allow both the utilities and other suppliers in the renewable sector to make market-based decisions to deploy renewable and distributed energy resources to meet customer needs in a cost-effective manner.

Automobile Industry Technology and Fuel Efficiency Incentives

AIF SUPPORTS neutrality as the powerful free-market solution to achieving the state's important goals of reduced carbon emissions, energy independence and overall environmental sustainability. These goals should allow the private sector the freedom to innovate without assigning unnecessary and unsustainable economic burdens on either the manufacturer or consumer.

AIF believes the most productive partnership between the government and the private sector is when government recommends desired performance outcomes and industries compete to find the best technologies to achieve those outcomes. Sound environmental policy should be inclusive of a diverse blend of electrification technology strategies, including hybrids, and should prioritize consumer adoption and market acceptance. Additionally, monetary incentives by the government should not be used to alter consumer decisions or manufacturer investments; nor should it use its considerable powers to push one technology ahead of other viable and proven technologies. Technology-neutral policies will avoid picking winners and losers, prioritize public safety, and demonstrate consumer adoption/market acceptance, which will better reflect consumer driving habits and individual needs.

Energy Resiliency

AIF SUPPORTS efforts by the Florida Legislature and state agencies to create a more resilient environment for the energy industry. **AIF SUPPORTS** increasing this resiliency by enhancing the security of energy infrastructure through increased penalties on those who intentionally attack energy infrastructure of any kind.

AIF SUPPORTS efforts to harden energy infrastructure and incentives to speed up this process. Cyber-attacks are a large threat to the energy industry as a whole, and cybersecurity must be prioritized to help increase energy resiliency; but it should be prioritized without implementing burdensome regulations. All regulation of the energy industry comes at a cost, not only to the stakeholders involved, but the consumers as well.

AIF SUPPORTS creating a resilient energy future by means of alternative energy sources and technological advancements. The creation of additional storage facilities for these alternative sources, including but not limited to liquefied natural gas, is essential to their growth as an energy source. Energy resiliency is key to the future of Florida, and **AIF SUPPORTS** help to increased that resiliency through these measures to ensure the success of Florida's business community for generations to come.

Renewable Natural Gas

The development of renewable energy sources provides independence and security for Floridians while also providing



AIF's VP-Political Operations Jeremy Sheftel speaks to members at AIF's Annual Conference in Orlando.

a mechanism to utilize waste streams and provide alternative revenue streams for agricultural and other business entities.

AIF SUPPORTS legislation that provides an economically and technically feasible framework which encourages development and investment in renewable natural gas, hydrogen and other energy technologies.

Environmental Sustainability & Agriculture

Recognizing the economic impact of Florida's agricultural industry and the undeniable connection between environmental and agricultural laws to many of Florida's key industries, AIF formed its Environmental Sustainability and Agricultural Council. We must be good stewards of our land and water resources, and AIF and its members will lead the way in protecting those resources.

Agricultural Best Management Practices

AIF SUPPORTS legislation which protects an agricultural producer's enrollment in the Best Management Practices (BMPs) program while providing the ability to specifically tailor nutrient rates based upon variables such as crop variety, site-specific conditions, meteorological events, or pest and disease pressures.

AIF SUPPORTS fully funding the appropriation request from the Office of Agricultural Water Policy (OAWP) within the

Florida Department of Agriculture and Consumer Services. This appropriation request will enable the OAWP to assist producers more efficiently with enrollment in appropriate BMPs and to fully implement the provisions of the Clean Waterways Act. We believe the OAWP's role in the development and implementation of Agricultural BMPs and the continuation of cost-share programs is critical to assisting landowners with the adoption of new technologies and cost-prohibitive practices.

Citrus Research Funding

AIF SUPPORTS robust funding for applied research which will allow growers to implement a suite of horticultural, mechanical and management strategies designed to mitigate citrus greening. The applied research approach is the next critical step in the long battle against the devastating impacts from citrus greening.

Land Management and Acquisition

Florida continues a strong commitment to the preservation of natural lands through fee and less-than-fee land acquisitions and easement programs. Additionally, the state has long embraced the need for aggressive management of the state owned and private lands to protect the public, businesses, and the natural environment. One key tool in the management of both private and public lands is the use of prescribed and controlled fires to mitigate wildfire risks, control invasive species, and promote economic and environmental sustainability. **AIF SUPPORTS** the state's continued investment and support of land management tools including burning on public and private lands to protect businesses, residents, visitors and our natural systems.

AIF SUPPORTS the Florida Department of Agriculture and Consumer Services' budgetary request for the Rural and Family Lands Protection Program. The Rural and Family Lands Protection Program establishes a less-than-fee acquisition of the property's development rights while the land that remains on the local tax roll is managed by the private landowner and allows agricultural production activities to continue.

Fresh From Florida

AIF SUPPORTS fully funding the Fresh From Florida marketing program within the Florida Department of Agriculture and Consumer Services. Fresh From Florida continues to open new markets for Florida's agricultural businesses with a consistent and reliable brand which consumers recognize and trust.

Springs Recovery

AIF SUPPORTS funding sound, science-based programs and projects to improve the water quality and water quantity of Florida's major first-magnitude springs. Florida has an outstanding

water quality toolbox with the Total Maximum Daily Load (TMDL) program and the requirements for Minimum Flows and Levels (MFLs).

AIF SUPPORTS Governor DeSantis' proposed funding proposal for Springs Recovery efforts. AIF endorses efforts by farmers to use "Best Management Practices" developed by the Department of Agriculture and Consumer Services as a means of reducing any environmental impacts of their operations.

Per-and Polyfluoroalkyl Substances (PFAS)

PFAS are a complex family of chemistry which are critical in many of the products we use to power our lives. Not surprisingly, PFAS are not all created equal, and each chemistry has its own unique structure and use. Recently, legacy PFAS has shown up in locations such as airports, military bases and fire training centers, most likely due to PFAS use in many commonly used fire suppression foams. To this end, both the U.S. EPA and the Florida Department of Environmental Protection have contemplated new regulations and water quality standards which would include criteria for PFAS. Given the unique nature of PFAS, there is still much debate on the impacts of individual PFAS chemistry as well as the entire family compounds.

AIF SUPPORTS a measured and scientifically defensible approach to the creation and adoption of any PFAS standards. Further, any standards must take into consideration the technical and economic feasibility as well as the attainability of any proposed metrics or numeric criteria for PFAS.

Water Supply and Shortage

AIF SUPPORTS efforts to dedicate funding to meet Florida's water supply needs through the utilization of public/private partnerships, and to dedicate state funding or other innovative approaches that can solve the problem without creating new taxes on Florida businesses, residents, and visitors. **AIF SUPPORTS** policies which recognize the challenges associated with existing stormwater and other water storage projects to function and operate during natural disasters and provide practical solutions and alternatives to landowners when an emergency is declared.

AIF OPPOSES efforts to create or impose a severance tax, usage tax, or fee on specific legally permitted water uses in the state. Florida's consumptive use process requires the proposed use to be reasonable and beneficial, be in the public interest, and to not compete with other existing legal users. These criteria underpin and support the longstanding legal doctrine of water as a resource of the state. Creating arbitrary fees or taxes undermines the "3-pronged test" and would open the door for disproportionate and unfair taxes or fees based on the type of proposed water use.

Lake Okeechobee and Everglades Restoration

AIF SUPPORTS and encourages the Army Corp of Engineers to optimize their proposed Lake Okeechobee System Operating

Manual (LOSOM) to meet the needs of current legal existing users of water, while recognizing the flexibility necessary to account for future reasonable beneficial water use applications.

AIF OPPOSES any efforts to diminish or eliminate the state's sovereign legal authority to allocate water to meet the myriad of reasonable beneficial uses, including the environment, as prescribed under state law.

AIF SUPPORTS Governor DeSantis' commitment to Everglades Restoration and to stopping harmful discharges from Lake Okeechobee to the east and west coasts of Florida. In addition, **AIF SUPPORTS** the identification and funding for scientific research exploring causes and contributors to red tide and blue-green algae.

AIF SUPPORTS the following project and programmatic objectives below to achieve the restoration goals:

- The continued focus of resources north of Lake Okeechobee to capture, store and treat water before it enters the lake, thus alleviating much of the excess nutrient loading.
- The completion of the Everglades Agricultural Area (EAA) reservoir as well as Comprehensive Everglades Restoration Plan (CERP) projects like the C-43 and C-44 reservoir projects to address local basin runoff.
- The implementation of the Aquifer Storage and Recovery Wells component of the CERP Lake Okeechobee Watershed Restoration Project which will alleviate up to 80% of the wet-weather discharges from Lake Okeechobee when combined with the currently authorized projects.
- The support of the continued implementation of the recommendations contained in the 2015 University of Florida Water Institute study to find solutions which reduce harmful discharges including capture and storage north of Lake Okeechobee, underground storage options and completing the Lake Okeechobee Watershed Planning Project.

Septic System Pollution Remediation

AIF SUPPORTS continued investment by the legislature to the Florida Department of Environmental Protection to administer a grant program enabling the transition of septic tanks to waste water treatment systems. Further, **AIF SUPPORTS** the allocations of resources specifically within areas discharging into Lake Okeechobee, the Indian River Lagoon, the St. Lucie or Caloosahatchee watersheds, or the Florida first and second order magnitude spring sheds.

Alternative Water Supply and Reclaimed Water Legislation

AIF SUPPORTS legislation and funding which grows Florida's "water pie" including both support for alternative water supply (AWS) projects and full implementation of the recommendations developed by the Potable Reuse Commission. **AIF SUPPORTS** policies which provide greater incentives to invest in these AWS projects including, but not limited to, long duration use permits —



Adam Basford, AIF's Vice President–Governmental Affairs, presents Representative Tom Fabricio (R-Miami Lakes) with the Champion for Business award and a plaque for his work on Tort Reform at AIF's headquarters in Tallahassee.

up to 50 years—which provide predictability and certainty for the capital investments; legislation which increases Florida's water supply by encouraging and providing incentives for greater utilization of reclaimed water; direct and indirect potable technology; and other alternative water supplies, where appropriate.

AIF SUPPORTS the recommendations outlined in the Potable Reuse Commission's guidance document and report. AIF also SUPPORTS efforts to allow the owners of surface water storage projects providing water resource benefits to be eligible for a consumptive use permit for 50 years.

Fertilizer/Pesticides

AIF SUPPORTS legislation addressing the patchwork of inconsistent, unscientific, and arbitrary county and municipal ordinances related to fertilization of urban turf, lawns, and landscapes. AIF will continue to lead efforts to ensure sound science is the foundation of fertilizer use policies to protect Florida's environment and provide predictable guidelines for residential users and businesses without having to navigate through arbitrary and emotionally driven local government ordinances.

AIF SUPPORTS preserving the Florida Department of Agriculture and Consumer Services' exclusive authority to implement Florida Pesticide and Worker Safety Laws, including licensing, testing, and inspection activities designed to protect workers, the public, and our natural system.

AIF OPPOSES legislation which authorizes local jurisdictions to implement rules which require arbitrary pesticide or fertilizer formulations or application black-out periods.

AIF SUPPORTS the continued use of science-based, economi-

cally and technically feasible methods, including herbicide applications, for the management and control of aquatic weeds.

Recycling

AIF SUPPORTS legislation to create and encourage increased access to efficient and financially sustainable recycling and collection systems including the infrastructure to process for any recyclable material used for consumer goods, including plastic, aluminum, cardboard, paper, and glass.

AIF OPPOSES legislation that would impose bans or restrictions on materials defined as "recyclable" per Florida Statute 403.706.

Rights of Nature

AIF OPPOSES efforts to create or recognize, directly or indirectly, standing for nature or natural systems. Such efforts are unneeded as they would upend current regulatory frameworks, invite endless litigation, impose significant costs on both government and the private sector, and impede economic development and restoration projects.

Endangered Species

As development pressure increases in Florida, habitat for the state's wildlife species shrinks. This is especially critical for endangered species as identified by U.S. Fish and Wildlife Service and the Florida Wildlife Conservation Commission. Protection and conservation of listed species is important yet, the process for listing and delisting must be clear, predictable, and technically and economically feasible so as not to create regulatory chaos for the private sector to navigate. AIF appreciates the working relationships the

regulatory agencies have fostered with the private sector historically, and **AIF SUPPORTS** the continued strengthening of the public-private partnerships to protect and conserve species.

State Stormwater Rule

Creating consistency with rules and regulations provides direct benefits to the protection of our environmental resources while also providing regulatory certainty and predictability for regulated interests throughout the state. As Florida's population continues to grow, the need for updated stormwater rules is essential for businesses, communities, and residents. However, the need for updated rules cannot exceed the practical and technological capabilities which are currently available.

AIF OPPOSES proposed rules and policies which create confusion in their application, or which are technologically and economically unfeasible to implement. Further, **AIF OPPOSES** any rules which fail to recognize and provide regulatory relief for the planning, design, engineering, construction, and operation of existing stormwater management systems.

Agricultural Housing

Labor supply and availability is a struggle for all Florida businesses, especially within the Florida agricultural sector. In the absence of available and dependable domestic workers, agriculture businesses will utilize the legal process of bringing guest workers into the country to work. To secure guest workers, the agricultural employer must provide housing to accommodate workers yet, there are a growing number of instances where local jurisdictions deny or delay construction of legal agricultural worker housing.

AIF SUPPORTS legislation which creates a reasonable and predictable framework for agricultural employers to provide housing for legal guest workers.

Heat Illness Regulations

The Occupational Safety and Health Administration (OSHA) is currently working through new guidelines and regulations regarding workplace heat related illness. To this end, Florida employers as well as employers around the country continue to provide feedback and suggestions for predictable, feasible and practical safety measures to further protect the workforce. Unfortunately, some local jurisdictions have been pushed to get ahead of the new federal standards and adopt ordinances which, arguably, do little to increase worker safety while opening the doors to perpetual litigation for employers.

AIF SUPPORTS regulatory consistency in workplace safety regulations that prevents a patchwork of local regulations that could include unattainable standards which do little to protect employees while opening an onslaught of fines, penalties, and other punitive measures.

AIF OPPOSES local, state, and federal regulations that create a private right of action, thus enabling the cottage lawsuit industry.

Wetland Mitigation

Under the current regulatory practices through the Department of Environmental Protection (FDEP) there are instances where the agency duplicates the protection of mitigation projects from future disturbance under existing rules by imposing a requirement for permanent conservation easements on the mitigation areas. By requiring the easements, the department exacerbates the challenges of managing scattered, fragmented conservation lands, unduly burdens the owner of the mitigation project land, and reduces the taxable value of the mitigation project land. These requirements are particularly problematic where there are leases or other land title issues tied to a parcel of land. In addition, these requirements, which are unrelated to the actual mitigation activities, also seem to disregard any financial responsibilities demonstrated through the permitting process nor do they factor in the value of the underlying mitigation project.

AIF SUPPORTS legislation which clarifies the requirements for mitigation by preserving the ability of permittees to mitigate activities through the construction and implementation of appropriate mitigation projects, recognizes the demonstrated financial responsibility of the permittee, does not discount the value of a mitigation project, and prevents the direct or indirect imposition of a conservation easement on mitigation projects.

Supply Chain Security

Global events over the past three years have highlighted vulnerabilities in the global supply chain impacting both the United States and Florida economies. Most notably, the supply chain crisis has demonstrated an over-dependency of international sources of goods. To the maximum extent practical, Florida needs to be economically self-secure.

AIF SUPPORTS legislation that protects Florida's critical agricultural, energy and supply chain security from unnecessary overregulation and radical anti-business agendas.

Insurance

For years, Florida has been identified as an outlier on civil justice. Florida remains an outlier now, but for an entirely different reason. During the 2023 Legislative Session, Florida passed the most transformational and comprehensive tort reform package in a generation. This action was on the heels of significant property insurance reforms only a few months prior. Both of these reform packages will become fully effective by 2024, unleashing significant economic opportunities for businesses and consumers that have struggled mightily with the increasing cost of insurance as a result of excessive litigation, nuclear verdicts, and other civil justice imbalances.

From fair settlement to transparency in damages, one-way fee reform to premises liability fairness, construction defect



Representative Will Robinson (R-Bradenton) moderates a panel at AIF's Annual Conference in Orlando.

clarity to statute of limitations sensibility, Florida's 2023 Legislature made historic strides. AIF's advocacy will focus on protecting these accomplishments to ensure that productivity and innovation generated by the economic engines of our state no longer just transfers to the bank accounts of the trial bar. AIF will always support a fair and balanced civil justice system, and a stable and responsive insurance marketplace.

Civil Justice Reform

Litigation Financing

While the exaggerated financial upside of litigation has been replaced by common sense and straightforward evidentiary rules, litigation financiers still prey on Floridians. To that end, AIF continues to support regulations to protect plaintiffs from speculative lenders who charge usurious rates. Furthermore, the practice of investing in lawsuits is not just repugnant, but it makes a mockery of the justice system by replacing the true party in interest. If the plaintiff has sold his or her lawsuit to a hedge fund, transparency would dictate that the trier of fact knows that there is actually another plaintiff, and that the named party is a "plaintiff in name only."

Ending the incentive to file a lawsuit to generate profits for a hedge fund must end. Plaintiffs who truly have and who take loans to cover their costs should not have to send the majority of their judgment proceeds to a loan shark.

AIF SUPPORTS litigation financing reform to eliminate speculative and usurious interferences in Florida's civil justice system.

Oppose New Causes of Action

Florida has seen a number of proposals over the years to expand civil liability which harms businesses and enriches trial lawyers. New causes of action should be carefully scrutinized to ensure that none of the problematic behaviors that were generated by well-intentioned statutes of the past reoccur. AIF will continue to monitor attempts to create new causes of action to ensure that Florida's civil justice system remains level.

AIF OPPOSES any new causes of action that enrich trial lawyers at the expense of businesses that produce goods and services on which all Floridians rely.

Auto Insurance

Florida is one of the few remaining no-fault insurance states. Florida also has some of the highest rates of auto insurance in the country. Fortunately, the persistent litigation problems in Personal Injury Protection are likely to be ameliorated when one-way attorney fee reform becomes fully effective in the spring of 2024. Furthermore, optional liability coverage, which most Floridians do purchase, will benefit from the 2023 tort reform bill by ensuring that verdict amounts are based on real numbers and due to the straightforward rules around settlement, which will eliminate the tricks and traps of the trial bar.

However, being one of just a dozen no-fault states, AIF recognizes that efforts to evaluate and reevaluate our auto insurance market will continue. Such deliberation is healthy, and we believe that consideration should always be given to both system and policyholder costs, implementation timing, and impact on emergency service providers and payors. **AIF SUPPORTS** any



Representatives Kevin Steele (R-Hudson) and Randy Maggard (R-Zephyrhills) at AIF's Legislative Reception in Tallahassee.

efforts to foster a competitive and affordable auto insurance market that responsibly protects those injured in car accidents.

Property Insurance Market

The Florida Hurricane Catastrophe Fund

The Florida Hurricane Catastrophe (CAT) Fund is a state-run program that provides reinsurance coverage. Over the last decade, its capable management has allowed Florida to benefit from this reinsurance backup without the need to resort to assessments on private insurance policies. Despite this, some seek to change the operation of the CAT Fund to include more coverage at lower levels.

Given the state of the market, the legislature has authorized two temporary programs—the Reinsurance Assistance to Policyholders (RAP) Program and the Florida Optional Reinsurance Assistance (FORA) Program—at levels of coverage for which the private reinsurance market, at present, has limited capacity. AIF is grateful that the legislature chose to create these programs outside of the main structure of the CAT Fund, protecting its cash on hand and bonding abilities. We are hopeful that, upon the Florida market's return to a semblance of health after recent litigation reforms become fully effective, both RAP and FORA will have served their purpose as an effective bridge to a more stable and competitive market. Importantly, a market that the global reinsurance market can again support helps shift the stress of potential assessments from Florida businesses.

Citizens Property Insurance Corporation

Much like the CAT Fund, Citizens Property Insurance Corporation's leadership has led to a dramatic, but positive realignment of risk from the state to the private market. Citizens has, to the extent possible, attempted to return to its original goal of being an

“insurer of last resort.” The rate cap, in conjunction with unfortunate market developments such as the proliferation of litigation and the deterioration of the private market, took Citizens on an unsustainable trajectory relative to its significant policy count growth. In December 2022, the legislature enacted reforms to ameliorate some of Citizens' rate needs, which will inevitably minimize the potential of assessments.

AIF SUPPORTS the legislature's work to return Citizens to a true residual market entity and repair the litigation problems that created its quick expansion. Citizen's leadership should be commended for their continued and significant efforts to improve the market and reduce premium payers' unanticipated liabilities.

Other Insurance

Health Insurance

AIF CONTINUES TO SUPPORT making health care affordable for employers and employees.

AIF CONTINUES TO OPPOSE legislative proposals that increase costs to employers.

Life Insurance

Life insurance is a product purchased to protect family members and loved ones upon passing. Akin to every other type of insurance, risk is a factor in how premiums are calculated for life insurance. Therefore, medical documentation is routinely reviewed before a life insurance policy is bound to ensure the appropriateness of the premium.

With the advent of genetic testing, some are advocating that such information not be included as part of a medical review. This creates a tremendous cost shift in the marketplace and allows for adverse selection, which has the very real potential of creating significant rate distortions for premium payers. AIF believes that all insurers, due to their inherent business goal of covering risk, must be allowed to fully evaluate that risk before they then decide to risk its capital, which is supported by all other premium payers. Not doing so ignores the practical reality of insurance and creates market aberrations. **AIF SUPPORTS** a strong and competitive life insurance market.

Workers' Compensation

Although Florida's workers' compensation marketplace was dealt several curveballs from the Florida Supreme Court that pose a great risk to the litigiousness of the system, rates have not yet borne out the full brunt of the associated costs. Positive loss experience has led to several rate decreases in the most recent National Council on Compensation Insurance (NCCI) annual filings. However, the industry is bracing for the eventual impact of unchecked attorney's fees, which are likely to erode the moderating effects of



AIF's Outgoing Chairman José L. Gonzalez updates members on The Foundation of AIF at the Annual Conference in Orlando.

the rate decreases. AIF and its Workers' Compensation Coalition for Business & Industry are actively monitoring the trends in this system to ensure that appropriate action is taken for the benefit of employers and employees.

Protections for Critical Care Providers

Those who provide the most critical services should not be penalized for taking on the toughest tasks in our state. To this end, the civil justice procedural framework should be standardized across long-term care industries. For example, the same civil justice procedural safeguards that exist for nursing homes should also exist for assisted living facilities, who perform similar services for Florida's seniors. A patchwork civil justice system results in exploitative litigation conduct, driving costs for end users of the goods or services.

AIF SUPPORTS ensuring that long-term care industries receive consistent application of proven civil justice procedural safeguards.

AIF SUPPORTS extending sensible Voluntary Binding Arbitration provisions (§766.207 and §766.209, Florida Statutes) to nursing homes and assisted living facilities, strengthening expert witness requirements, and providing appropriate parameters on how Florida Agency for Health Care Administration surveys may be used as evidence.

Earned Wage Access

Millions of hourly employees in Florida's workforce currently face the ongoing struggle of not being able to easily access

wages that they have already earned through their employer or payroll service. Earned Wage Access (EWA) is a financial technology that allows an employee the option to access wages they have already earned at their discretion. The technology does not offer loans, and it is its own financial product.

There are several companies that provide this technology in Florida and have partnered with employers to offer this service to employees. This service provides an opportunity for employers to aid in employee retention by allowing them access to wages before payday.

EWA is not currently regulated in Florida, which creates opportunities for bad actors to take advantage of the market or other regulatory bodies to over-regulate the market, thus preventing employees from having access to these helpful services. **AIF SUPPORTS** legislation that provides commonsense regulatory boundaries for EWA products that allow for industry competition while preventing scams by bad actors.

Flexible Flood Insurance

Beginning January 2024, Citizens will phase in mandatory flood insurance requirements for its 1.3M+ policyholders, regardless of whether the dwellings are located within a special flood hazard area (SFHA) as defined by the Federal Emergency Management Agency (FEMA). For policyholders with dwellings located outside SFHAs, this can be a significant living expense increase resulting in \$1B+ in new aggregate insurance premiums, with no statutory exception.

In general, federal law requires homes with federally based mortgages located within a SFHA to secure flood insurance that meets the coverage standards of a standard flood insurance policy (SFIP) under the National Flood Insurance Program (NFIP). Conversely, for mortgaged homes located outside a SFHA, flood insurance coverage is not required by the lender and is at the discretion of the homeowner.

Currently, the Florida Insurance Code authorizes insurers to write four types of primary flood insurance: three that meet or exceed SFIP coverage standards and one—"flexible flood"—that allows for the exclusion of certain coverages that can result in lower premiums.

However, Citizens' statutes do not afford the affected policyholder the same discretion afforded by the lender or allow the affected policyholder to satisfying Citizens' flood insurance requirements by securing a lower cost "flexible flood" policy, as authorized by the Florida Insurance Code.

AIF SUPPORTS mirroring federal discretion with respect to flood insurance requirements for mortgaged homes located outside SFHAs.

AIF SUPPORTS amending the Citizens statutes (s. 627.351(6) (aa), F.S.) to allow a policyholder whose dwelling is located outside a SFHA to satisfy Citizens' flood insurance requirement by securing a "flexible flood" policy.

Insurer Investments

Positive cash flows from property insurers' investment portfolios play a critical role in preventing insolvencies by offsetting underwriting losses. For an insurer with a combined ratio above 100%, the performance of its investment portfolio may be the only revenue source preventing its insolvency. In 2022, the total Florida property insurance market had a net combined ratio of 136.1%. However, Florida did not adopt the National Association of Insurance Commissioners' (NAIC) 2017 amendments to its Investments of Insurers Model Act 280—adopted by nine other states—which would raise levels on diversification caps, keep pace with modern investment practices, and place domestic insurers on equal footing with national carriers who are expressly exempt from Florida's investment statutes. Currently, the Office of Insurance Regulation (OIR) enforces a set of insurer investment statutes that have been unchanged since 1991, resulting in suboptimized portfolio performance, comparatively lower investment returns, and forced divestment.

AIF SUPPORTS fostering a level investment environment for Florida's insurance market participants.

AIF SUPPORTS updating s. 625.305, F.S.—Diversification—and s. 625.326, F.S.—Foreign Investment—by incorporating sections 23, 24, and 30 of the NAIC's Investments of Insurers Model Act 280.

Health Care

A healthy and productive workforce is vital to Florida employers and the state's economy as a whole. To ensure a thriving Florida workforce, AIF will focus its efforts on proposals that seek to increase the accessibility and affordability of quality health care for Florida residents. Further, AIF will continue to encourage the legislature to leverage available federal funding that will deliver health care to more Floridians in a manner that best safeguards Florida's citizens and protects the state's financial health. The following topics represent the types of inventive solutions for which AIF will advocate during the 2024 Legislative Session.

Health Care Workforce

Florida is now the third most populous state in the nation. Our residents reflect diversity in age, income, talent and most importantly, needs. Almost one-fourth of the state's physicians are aged 60 or older and will retire or cut back their practice within the next 10 years. These statistics illustrate the importance of increasing our health care workforce.

AIF SUPPORTS increasing the number of graduate medical education slots available in Florida and urges consideration of other available workforce resources that are currently under-utilized.



AIF's President & CEO Brewster Bevis announces the creation of The Center for Political Strategy at AIF's Annual Conference in Orlando.

AIF SUPPORTS removing regulatory scope-of-practice obstacles for qualified health care professionals to ensure greater access to quality care for more Floridians at more affordable costs. Further, AIF will urge the legislature to encourage institutions of higher education to include technological advances in degree curriculum and recognize that private institutions of higher education contribute in a significant manner to those health care professionals who serve our residents.

Health Care Staffing Shortage

Florida's health care practitioner shortfall is present and was well documented prior to the COVID-19 pandemic. The pandemic exacerbated the problem, and many health care facilities continue to struggle with staffing shortages as they work to meet the needs of the communities they serve.

AIF SUPPORTS efforts to give Florida's health care facilities more flexibility related to staffing. Also, **AIF SUPPORTS** efforts to ensure Florida is training a robust and high-quality health care workforce for the future.

Behavioral Health

Access to behavioral health care is critical for attracting new businesses to Florida, as well as for public safety. A robust behavioral health workforce is key. In an effort to ensure Florida has the behavioral health workforce necessary to meet the state's needs, **AIF SUPPORTS** interjurisdictional licensure compacts for behavioral health care practitioners. Additionally, Floridians in need of behavioral health care services deserve to be treated in the most appropriate settings. To that end, **AIF SUPPORTS** increasing access to community state hospital beds.

Information Technology

Access to Technology and Innovative Learning

To fulfill the promises of virtual and online learning, **AIF SUPPORTS** investing and expanding the use of technology and other methods of school instruction that provide for the unique learning needs of the child. Online learning is growing at over 30% per year and will continue to grow as a result of the COVID-19 pandemic. Our schools must innovate, or they will suffocate. Remaining the same means falling behind.

AIF SUPPORTS:

- Eliminating artificial enrollment caps that prevent access to high-quality virtual and online education opportunities for all students.
- Allowing open enrollment policies for students to have access to the best and most appropriate individual learning environments, regardless of where they live.
- Removing barriers that inhibit high-performing online schools — both public and private—from expanding.

- Flexibility in funding for instructional materials and tighter alignment with virtual and blended learning models.
- Creating a digital learning initiative that provides a technology plan that encourages new bandwidth infrastructure and technology equipment investments to enable and empower all Florida students with access to quality, digital learning opportunities.

Science, Technology, Engineering, Mathematics and Medicine (STEMM)

Emerging industries are important to Florida's economy. To continue the building, development, and relocation of businesses employing such high-technology workers, we must produce the workforce that fills the needs at every level, from national third-party certifications to undergraduate and graduate degrees.

AIF SUPPORTS:

- Defining STEMM degrees to include medical professionals seeking high-technology degrees such as nurse practitioners, physician assistants, biotechnologists, and others. This should result in high-wage salaries for thousands of new entrants into the workforce in these areas.
- Encouraging the production of workforce in STEMM program degree graduates.
- Identifying matching grant programs to encourage and incentivize our private institutions of higher education to increase the degree production in STEMM careers—another smart investment by the state.
- Promoting the employment pathway for non-degree seeking students/employees with national third-party certification attainment, affirming competencies needed for the STEMM industries.

Cybersecurity

AIF SUPPORTS state funding and business-friendly policy proposals aimed to fortify the state's cybersecurity framework in order to mitigate potential events that may adversely impact constituents and the state's ability to perform its duties.

AIF SUPPORTS increased liability protection for businesses that implement industry recognized cybersecurity frameworks or standards designed to protect against unpreventable attacks. Businesses that take all reasonable measures to protect data and yet still find themselves on the receiving end of an inexorable attack should not be sued since common sense dictates that undertaking such measures signifies responsible, not negligent, behavior.

State Procurement

AIF SUPPORTS reforms to the state procurement of information technology, with an emphasis on expediting the deployment of contemporary technologies to address state-specific challenges effectively.



Adam Basford, AIF's Vice President–Governmental Affairs, leads the Health Care Policy Council breakout session at AIF's Annual Conference in Orlando.

The Cloud

AIF SUPPORTS policy that expedites the state's move to a secure cloud environment, in line with its cloud-first initiative, and the establishment of clear definitions of what constitutes true cloud hosting, ensuring the business community and state enjoy a mutual understanding of what constitutes truly moving to the cloud.

Artificial Intelligence

AIF SUPPORTS a measured approach to the regulation Artificial Intelligence (AI). **AIF OPPOSES** overly restrictive measures on the utilization of this new technology to ensure the benefits of this technology aren't inadvertently disallowed due to regulation. AIF stands ready to participate in all conversations regarding how to address AI as it continues to permeate all aspects of business.

Data Privacy

AIF SUPPORTS amending Florida's data privacy law to bring it into conformity with the consensus consumer privacy frameworks adopted by states across the country.

Manufacturing, Aerospace & Defense

As the state affiliate for the National Association of Manufacturers, AIF is committed to ushering in the next generation of manufacturing in Florida through educating both our current and future workforce, bolstering the state's supply chain, providing flexibility for the implementation of cutting-edge technology, and creating new opportunities while capitalizing on those that currently exist.

Florida's manufacturing sector is the highest indirect job creator of any employment sector in the state—with three indirect jobs

created for every manufacturing job. In other words, Florida's roughly 380,000 manufacturing jobs create one million additional jobs for Floridians. The state's manufacturing sector is also a significant provider of high-wage and high value-added jobs. The intrinsic value of Florida's manufacturing sector is unquestionable as our leaders continue to work toward diversification of our state's economy.

For over a decade, AIF's Manufacturing, Aerospace and Defense Council (MAD) has established itself as a leading advocate for pro-manufacturing policies. The Council was instrumental in passing the "Manufacturing Competitiveness Act"—legislation that has given Florida manufacturers the ability to effectively respond to national and world market opportunities and move Florida into a more competitive recruiting position among states seeking to reinvigorate the manufacturing sector of their economy. Additionally, this Council played a key role in passing a permanent elimination of sales tax on manufacturing equipment—encouraging Florida's manufacturers to reinvest and grow their businesses.

In 2024, the MAD Council will look to build on its successes. To that end, **AIF SUPPORTS** continuing state efforts to enhance and grow the manufacturing workforce by:

- Expanding access to manufacturing career academies for middle and high school students by investing in career-tech programs for priority sectors that culminate in associate degrees (5 - 6 year programs).
- Expanding opportunities for pathways to earning stackable workforce national certifications that articulate college credit leading to high-skill, high-wage careers.
- Expanding the use of short-term and on-the-job training programs.
- Strengthening the resilience of Florida's manufacturing sector and economic development initiatives by investing in programs focused on accelerating the adoption and use of



Senator Joe Gruters (R-Sarasota) addresses attendees at AIF's Policy Retreat in St. Pete Beach.

advanced digital technologies.

- Continuing efforts to repeal the tax imposed on commercial leases.
- Continuing to create capital investment incentives and increase funding for the research and development tax credit.
- Encouraging increased industry participation in workforce apprenticeship programs by adopting measures to offset costs required to implement effective "earn-and-learn" programs that enable students to transition into longer-term career opportunities.
- Reauthorizing and funding the Qualified Defense and Space Contractor Tax Refund in statute to attract defense contracts to the state of Florida.
- Reauthorizing the Qualified Target Industry (QTI) Tax Refund Program to create jobs in advanced manufacturing.
- Allowing local governments to consider jobs retained in the same manner they consider jobs created from capital investment to existing businesses when approving property tax abatement.
- Creating and expanding programs to ensure the deployment of competency-based training leading to national third-party credentials.
- Expanding certifications and training solutions that help upskill the knowledge and skills of the Florida workforce to create and maintain an exceptional talent base.
- Establishing a Florida supplier tax credit initiative to encourage use and development of local suppliers and contribute to developing a more robust and resilient supply chain.
- Appropriating recurring state matching funds to secure the federal investment by the National Institute of Standards and Technology (an agency of the U.S. Department of Commerce) in a statewide, manufacturing extension

partnership (MEP) program for Florida to strengthen and advance the manufacturing economy by improving the productivity and technological performance of Florida's manufacturers.

- Securing funding to launch a marketing campaign to improve the perception of the manufacturing industry in Florida.
- Working to promote a "Buy Florida" program that would provide support for Florida manufacturers by creating an in-state preference program that gives preference to bidders who offer a Florida product.

Taxation

Sales Tax on Energy

AIF SUPPORTS reducing the state sales tax on commercial electricity and gas consumption. Reducing this expense is a good way to make Florida more attractive to businesses looking to locate in the state.

Corporate Income Tax

AIF SUPPORTS efforts to reduce or permanently eliminate corporate income tax on Florida businesses. The reduction or elimination of this tax will reduce the cost of doing business in Florida, attract more businesses to the state, and diversify Florida's economy by helping more businesses succeed. In addition, this effort to reduce or repeal the corporate income tax provides an excellent incentive for businesses to expand in Florida and for companies looking to relocate here.

AIF OPPOSES any structural changes to the corporate income tax which would increase taxes and/or increase compliance costs to Florida's businesses, such as combined reporting or "water's edge."

AIF SUPPORTS legislation that would decouple Florida's Corporate Income Tax from provisions enacted in late 2017 by the federal government. Florida should decouple from the Section 163(j) limitation on interest deductibility.

The Florida Department of Revenue issued its final report on the state impact of the Tax Cuts and Jobs Act (TCJA) on the Florida tax base. With respect to 965 income, the Department confirms that 965 income is not included in the Florida tax base, therefore no legislative action is needed. With respect to Section 163(j), the Department confirms that the limitation will be included in the computation of the state tax base and provides that the Florida taxpayer would re-compute the Section 163(j) limitation on a separate company basis since Florida is a separate reporting state.

AIF SUPPORTS legislation that would correct the Florida Corporate Income Tax issue associated with Congress' repeal of like-kind exchange for personal property under the TCJA.



Attendees at AIF's Welcome Reception Honoring the 2023 Florida Legislature in Tallahassee.

At the federal level, the repeal in like-kind exchange was mitigated by the 100% bonus depreciation deduction. However, Florida requires bonus depreciation to be added back and deducted over seven years. As an example, for leasing car companies, a typical lease on a car is three years. For Florida income tax purposes, businesses may be required to depreciate assets long after those assets have been disposed of by the business.

AIF SUPPORTS federal conformity legislation that supports business growth and minimizes the taxpayer's compliance burden.

Business Rent Tax

AIF SUPPORTS the continued incremental reduction of taxes imposed on rental or license fees charged for use of commercial real property. Florida is the only state that charges taxes on the lease of commercial property. While this is a major part of the state's tax revenues, we believe the reduction adopted in 2021 should be fully implemented and ultimately, this tax should be repealed to enhance the business-friendly climate in Florida.

Sales Tax Holidays for School and Hurricane Supplies

AIF SUPPORTS sales tax holidays for school supplies, hurricane or disaster preparedness supplies, and purchases by veterans. We believe these tax holidays are a win-win for both consumers and the state as sales tend to increase more than they would without the tax holiday.

Research and Development Tax Credit on Corporate Income Tax

AIF SUPPORTS the elimination of the \$9 million annual cap on research and development credits applied against state income tax. Additional credits would encourage an increase in research and development work in Florida as well as incentivize research and development enterprises to move to the state.

Communications Service Tax—Land Line, Wireless, Cable TV and Satellite TV Services

AIF SUPPORTS continued reductions in the state portion of the communications service tax (CST) and supports reviewing and standardizing the local communications services tax rates. Floridians pay the CST on their monthly wireless, wireline, and satellite communications services bills. The CST specifically applies to residential, business and wireless phone service, cable, and satellite television services. The tax rate on communications services is higher than on general sales of other goods and services by Floridians and is a significant recurring monthly expense for consumers. Additionally, moving to standard local communications services tax rates would provide more transparency to consumers who don't understand why their friends/family who live in a neighboring city or county pay a different tax rate and would make the tax more efficient for DOR to administer and for providers to comply. **AIF SUPPORTS** efforts to further streamline and improve the administration of this complicated tax structure to provide more efficiency and transparency.

Broadband Equipment Sales Tax Exemption

AIF SUPPORTS exempting network investment or business inputs used to provide broadband communications services from sales and use tax. Taxing network investments or business inputs increases costs for businesses that result in increased costs for the consumer and has the potential to delay the deployment of broadband communication services in certain parts of the state. Further, as Florida prepares to award \$400 million in state broadband deployment grant dollars, and another \$367 million in federal pass-through broadband funds, a tax on broadband equipment reduces the ability to maximize the use of these funds to deliver broadband communications services to Floridians in need of these services.

Services Tax

AIF OPPOSES any legislation, administrative rule or proposed constitutional amendment that would attempt to create a new tax on services. Any tax on services would put Florida businesses at a competitive disadvantage and would discourage new businesses from coming to the state.

Production Industry Programs

AIF SUPPORTS the production industry tax credit/rebate program, including sales tax exemptions for motion picture, sound, and video equipment. This economic development program and tax exemption allows Florida to compete with other states and international locations for economic development generated by attracting feature films, high impact television, and digital media productions.

Urban and Rural Jobs Tax Credit Programs

AIF SUPPORTS the Urban and Rural Jobs Tax Credit Programs as they encourage economic activity and job creation in areas designated as high crime areas and Qualified Rural Areas.

Salary Tax Credit

AIF OPPOSES legislation that would remove the insurance salary tax credit. Repeal of this credit would cause a nearly \$300 million tax increase on Florida's insurance industry, resulting in an increase in insurance premiums for Florida's business community. Florida is one of only a few states that have two separate taxes for insurers—a corporate income tax paid by all businesses and a second, punitive tax on the insurance premiums paid by Floridians. This premium tax credit was created in 1987 to lessen the burden on insurers while also allowing them to reinvest these funds back into their business. Repealing this insurance salary tax credit would remove the mechanism that helps keep insurance rates for everyday Floridians as low as possible.

Water Extraction Tax

According to the International Bottled Water Association, bottled water usage represents only .004% of water usage in the U.S. Enacting a tax on bottled water would mark the first time a severance tax is imposed on a renewable resource. As such, **AIF OPPOSES** legislation imposing an excise tax on bottled water.

Documentary Stamp Tax Exemption for No Interest Notes

AIF SUPPORTS legislation that would exempt promissory notes, nonnegotiable notes, and written obligations to pay money from the documentary stamp tax when such documents provide that no interest will be charged.

Tourist Development Tax

AIF OPPOSES expanded uses of Tourist Development Tax (TDT) revenues unrelated to the promotion and marketing of

tourism. Providing local governments with the authority to spend TDT revenues for new uses will hinder the effectiveness of these limited revenues and negatively impact the ability to promote Florida's tourism industry.

Transportation & Maritime

Transportation Trust Fund and Dedicated Funding

In a state as large and populous as the state of Florida, transportation and infrastructure funding must remain at the forefront of public policy and will always be one of the most important pieces of the state budget. Over the years, partnerships with local governments and alternative financing mechanisms have played a role in meeting the state's demands. Fundamentally, however, Florida still relies almost entirely on the State Transportation Trust Fund (STTF) as the primary source for funding state infrastructure. Necessary infrastructure needs such as bridges, ports, airports and roads all require complex, long-term planning to ensure maximum efficiency in serving Floridian's transportation needs. Any disruption to funding these projects would have significant effects on the state's ability to keep pace with the demands of growth. The fact remains that infrastructure projects produce important economic activity in Florida. For this to continue, policymakers must invest in this industry.

The Florida Legislature and the DeSantis Administration funded over \$12 billion in infrastructure projects in the 2022-2023 budget. **AIF SUPPORTS** this level of funding for the FY 2023-2024 budget for transportation. Additionally, **AIF SUPPORTS** the Florida Legislature and the DeSantis Administration to work with transportation leaders across the state to utilize a portion of state reserves for large, forward-thinking infrastructure projects that are currently outside the state's work program.

AIF OPPOSES redirecting financial resources and STTF commitments to any areas other than the STTF or sweeping funds from the STTF to areas outside of transportation infrastructure.

Alternatives for Funding Florida's Transportation Infrastructure

Funding mechanisms for the state's transportation needs vary with a number of funding sources dedicated to infrastructure projects, both at the state level and local level, with the heaviest reliance on the STTF. Gas tax revenues have long been the primary source of these funds, leveraging the state's robust tourism industry to help in this regard. Yet experts in infrastructure policy have long warned that with the emergence of fuel efficiency standards, vehicle technology and electric vehicle sales, Florida's dependence on gas tax revenues as a major source of infrastructure funding is not as sustainable as it appeared to have been a decade ago.

Additionally, the pandemic caused a change in work environments and a decline in the commute of Florida's massive

workforce in some areas of the state. To that end, public policy makers and state officials must continue to seek alternative funding mechanisms intended to complement the gas tax as the primary source of funding. With the technological vehicle advancements siphoning tax dollars away from the gas tax, Florida must ensure the drivers of those vehicles are paying their share of transportation funding. Other states have advanced user fees for these type vehicles, and Florida should explore all options.

AIF continues to **SUPPORT** exploring alternative solutions to the state's current reliance on a declining gas tax revenue for state infrastructure needs.

Autonomous Vehicles

Autonomous vehicles (AVs) represent the most progressive of all innovations in the transportation industry today. Since 2012, Florida has tested and formed public policy to advance the use of AVs so that companies can have predictability as they enter the Florida marketplace. While comfort and convenience are important factors in Floridians choosing this innovation, a driving factor that is occasionally overlooked is the public safety aspect of AVs on the roadways. In 2016, 40,000 people died in vehicle-related crashes across America—a 6% increase from 2015. There were over two million crashes, many with serious injuries and property damage. Of these crashes, 94% were the result of human error. AVs should be part of the solution to save lives and prevent injuries and property damage. AVs also have tremendous potential to benefit underserved communities that do not have access to mass transit and can provide independence to people who have not been able to drive a vehicle due to disabilities. In addition to the societal benefits, AVs will provide economic benefits such as reshaped and reduced land use and roadway infrastructure, reduced traffic congestion, saved time, and reduced energy consumption.

Although Florida already has broad authority for AV operation in the state, there are certain provisions within the existing motor vehicle laws that require or presume there is a human driver behind the wheel. Florida has multiple communications companies that have deployed both wireline and wireless broadband networks to support AV operation and further investments. Upgrades to these networks should not face delays by unnecessary and overly burdensome regulatory, operational, or financial barriers and costs imposed by local governments. **AIF SUPPORTS** modernizing state law to accommodate self-driving technologies that open the door for safe, reliable modes of AVs in a competitive marketplace with clear, limited government regulations.

Florida Seaport Transportation and Economic Development Program (FSTED)

Florida's unique geographic proximity to the Americas requires a certain level of commitment from local, state, and federal governments to maximize the effectiveness of the port system around the state and ensure a steady pace of economic

growth. Florida has successfully advanced the maritime industry by ensuring high quality representation on port authorities across the state, reducing regulations, and fostering strategic partnerships within the port system. The Florida Seaport Transportation and Economic Development Program (FSTED) is a notable example of a program that continues to support ports around the state. FSTED provides crucial funds which serve as an important mechanism for seaport capital improvement projects that will continue to grow the state's seaport footprint at home and abroad. In recent years, deep water ports have had a challenge acquiring the land necessary to grow the port system, making the continuation of this program even more necessary for the expansion of Florida's maritime activity.

AIF SUPPORTS increased funding to support Florida's ports including maintaining (and ultimately increasing) \$25 million in funding for the FSTED program and an increase to \$70 million in the FDOT Strategic Port Investment Initiative.

Also, **AIF SUPPORTS** the FDOT Business Development Program as a mechanism to help educate and provide expertise to small Florida businesses looking to work within the Department's often complex procurement process.

Supply Chain and Logistical Issues

Supply chains are essential in providing critical supplies throughout the United States. Currently, the country is experiencing severe back-ups in the supply chains due to the pandemic and an overall lack of employees physically present at ports across the nation. Though most imports brought into the U.S. come into California ports, Florida has an opportunity under the leadership of Governor DeSantis to utilize our port capacities to bring in cargo by way of welcoming the reroute of cargo ships. Florida must curate a specific plan to bring cargo of all sizes to our ports.

AIF SUPPORTS working with the Governor and FDOT to find key solutions that address the supply chain crisis and urge the use of Florida ports to alleviate the severe back-up of cargo into the U.S.

Infrastructure Work Zone Safety

There has been an increase in the number of severe injuries and fatalities across Florida's infrastructure sector. Along roadway construction sites or projects in our ports, the men and women who play a vital role in the state's infrastructure industry are subject to the perilous hazards of distracted or impaired drivers. In the asphalt roadbuilding industry alone, there were a number of fatalities in 2019 all along Florida's roadways. AIF's position has always been that a single fatality is simply one too many. There have been various proposals over the years to reclaim safety in these working environments, and AIF will continue to support these measures.

Both local and state governments should seek stiffer penalties for distracted or impaired drivers. Speed cameras in construction zones and higher monetary fines should all be considered.



Attendees at the 2023 Florida Business Forum in Tallahassee.

The state should also consider increasing safety driving course requirements and a statewide educational campaign centered around safe driving measures.

AIF SUPPORTS promoting increased safety measures intended to curb distracted or impaired driving around Florida’s infrastructure work zones and projects. Increasing enforcement, monetary fines and additional safe driving efforts should all be considered.

Emergency Declarations

From hurricanes to pandemics, emergency situations have significant impacts on Florida’s businesses. Working through these emergencies has helped Florida become a leader in emergency management. As Florida is particularly susceptible to hurricanes, the state needs to continue to improve its response.

AIF SUPPORTS measures to reasonably streamline emergency functions during a State of Emergency. **AIF SUPPORTS** automatic statutory extensions for the payment of state taxes upon the issuance of a State of Emergency by the Governor.

Liquified Natural Gas

Federal and international maritime regulations are beginning to shift fueling demands for shipping and cruise vessels. To help meet those demands in a safe, effective, cost-saving manner, **AIF SUPPORTS** efforts to study and promote the supply of liquified natural gas (LNG) to Florida’s ports.

Critical Habitat Designation for Rice’s Whale

In 2021, the National Marine Fisheries Services (NMFS), a division of the National Oceanic and Atmospheric Administration (NOAA) under the U.S. Department of Commerce, recently issued a proposed rule that would expand the critical habitat for the Rice’s whale from Florida all the way across Alabama, Mississippi, Louisiana, and Texas over to the U.S./Mexico border. This newly proposed zone encompasses approximately 6 million acres and intersects with key shipping lanes for Florida’s ports.

The impacts of expanding this habitat will be felt across the

Gulf of Mexico from vessels supporting offshore oil and gas operations, commercial fisheries, renewable energy developers, cruise lines, port and cargo operations, not to mention the U.S. economy. Much of Florida’s business community could face increased regulatory processes as it relates to the critical habitat area, with consumers likely bearing the brunt of the cost.

AIF OPPOSES the proposed rule to expand the critical habitat of the Rice’s whale because of the limited and questionable scientific data and the negative impacts of increased regulations for businesses and consumers.

Infrastructure Funding

Roadways and bridges are critical links to communities and essential connections for consumers, commerce, and trade. Strategic investments in this infrastructure are fundamental to building resiliency and promoting economic growth. **AIF SUPPORTS** targeted infrastructure investments in roads and bridges to ensure Florida remains competitive in a regional, national, and global economy.

AIF SUPPORTS working with the Governor and FDOT to prioritize funding to advance critical infrastructure projects that are long overdue and/or trailing far behind regional or industry growth due. A lack of funding or bureaucratic red tape will erode Florida’s position in industry as the leading solution to supply chain issues and logistics.

For example, widening SR 528 eastbound and replacing State Road 401’s functionally obsolete bridges will provide reliable, unencumbered access for military personnel and material, ensure the flow of strategic fuel supplies for the state’s commercial space and military defense operations at NASA, Kennedy Space Center, and military installations e.g., Cape Canaveral Space Force Station and U.S. Navy Naval Ordnance Test Unit.

Visit [AIF.com](https://aif.com) for more.



Associated Industries of Florida Policy Councils & Coalition

Councils bring together unique sectors of the business community in order to develop and promote issues vital to those respective industries.

These Councils are the backbone of policy making at AIF as the member companies of each Council voice their issues, concerns and ideas and help develop the policies that are presented to our Board of Directors for approval.

Want to Participate?

As a member, you can take a leadership role in the public policy issues that affect your company. Membership is required to participate on AIF's Councils and to receive our member communications.

To learn more about AIF membership services and/or apply for membership, please contact:

**Adam Basford, Vice President
of Governmental Affairs at**
850.224.7173 or
abasford@aif.com



Environmental Sustainability & Agriculture Council

Addressing recycling, water quality, product stewardship, and other environmental issues important to the business community.



Financial Services Council

Insurance and financial industries, working in concert with other interested parties, to secure a stable fiscal climate for Florida.



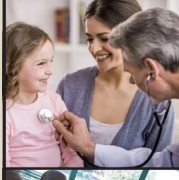
Florida Energy Council

Developing resources to meet Florida's future energy needs—producers, suppliers, storage facilities, marketers, retailers, wholesalers and users.



Florida Transportation & Maritime Council

Ensuring their continued economic prowess in a global marketplace for businesses that operate or support operations at any of Florida's 14 deep water ports.



Health Care Council

Working to craft a more functional and sustainable health care delivery system for Florida, incorporating the core principles of access, quality and affordability.



Information Technology Council

Promoting Florida's move to the cutting edge of technology to meet the demands of a diverse, fast-growing population, while balancing the needs of the state and private sector.



Manufacturing, Aerospace & Defense Council

Advancing the interests of Florida's manufacturing community to help Florida diversify its economy and provide more high-wage and high value-added jobs in the state.



Taxation Council

State tax revenues are necessary to fund essential state services and programs, but those needs must be balanced against the impact of taxation on Florida's businesses.



H2O Coalition

Supporting science-based solutions and adequate funding to address Florida's water quality and water capacity issues.



ADVOCACY TEAM

Visit AIF.com for more information on AIF's Advocacy Team.

A powerful force for more than 100 years, AIF will continue to promote the issues vital to the state's business community while navigating the 21st century with visionary leadership and enterprising strategies to promote a prosperous future for Florida through unparalleled lobbying and political action.

AIF TEAM



Brewster B. Bevis
President & Chief Executive Officer



Adam D. Basford
Vice President – Governmental Affairs



J. Tanner Warwick
Legislative Assistant



Slater Bayliss
The Advocacy Partners



Jon Costello
Capitol Strategy Group



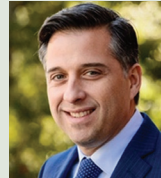
Ashley Kalifeh
Capital City Consulting



Steve Schale
The Advocacy Partners



Sarah B. Suskey
The Advocacy Partners



Jorge Chamizo
Floridian Partners



Charles F. Dudley
Floridian Partners



Toby Philpot
Floridian Partners



Stephen W. Shiver
The Advocacy Partners



Jeff Woodburn
The Advocacy Partners

CONSULTANTS



Chris Chaney
The Advocacy Partners



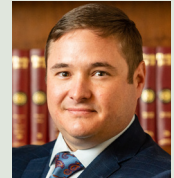
George Feijoo
Floridian Partners



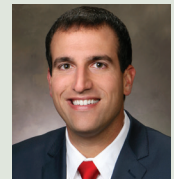
W. Mark Powell
Capitol Advisory Group



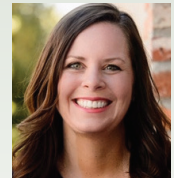
Jim Spratt
Magnolia Strategies



Chris Coker
Coker Consulting



Cory Guzzo
Floridian Partners



Melissa Joiner Ramba
Floridian Partners



Follow Us on  @VoiceofFLBiz

ASSOCIATED INDUSTRIES OF FLORIDA

516 NORTH ADAMS STREET
P.O. BOX 784 • TALLAHASSEE, FL 32302-0784

PRESORTED
STANDARD
US POSTAGE PAID
TALLAHASSEE FL
PERMIT NO 801

Associated Industries of Florida



516 North Adams Street • Tallahassee, Florida 32301



850.224.7173



aif@aif.com



AIF.com



[@VoiceofFLBiz](https://twitter.com/VoiceofFLBiz)