



Dear Legislator,

As a volunteer leader of FreedomWorks, I want you to know what our members across the state view as the most critical issues for taxpayers this session.

## **1. INSURANCE REFORM**

Current insurance laws and regulations in Florida pose a serious financial risk to the state and its taxpayers. Consumer choice is disappearing as government mandated rates and regulations have forced many private insurers to exit the state, leaving the state-run Citizens Property Insurance Corporation as the state's largest insurer, with the greatest risk exposure. Unfortunately for Floridians, the potential liabilities this company faces could be costly, as premiums fall far short of covering the costs of a major storm. At the same time, the state's hurricane catastrophe fund, which provides reinsurance to help insurance companies pay claims, faces a shortfall of \$10 billion to \$15 billion should a major storm hit Florida. Citizens across the state will have to pay for this untenable insurance market in the wake of a major hurricane strike. Such a financial disaster could cause all consumers to pay large assessments on their insurance policies and may even force the state to consider additional taxes.

FreedomWorks asks you to overhaul existing insurance laws to encourage firms to enter, rather than leave the state. A stronger, more competitive insurance market is critical for the economic future of all Floridians. One important step in this direction is HB 1171 and SB 2036, which expand consumer choice by allowing them to purchase insurance that is protected from future assessments—a hurricane tax—in the wake of a major storm. Please support this legislation.

## **2. TAX INCREASES**

As the economy has slowed governments across the country are seeking new avenues to collect revenues. Two different potential tax increases are being discussed at this time: use tax and cigarette tax. HB 329 proposes new ways to enforce the use tax on internet and out-of-state sales and ratification of the multi-state Streamlined Sales and Use Tax. Consumers would have to pay the difference between the 6 percent Florida sales tax and any taxes paid on items ordered through the internet, mail, or from stores in other states. Neither projected revenue nor costs for enforcement are able to be calculated for this endeavor. Secondly, talk continues of an increase in cigarette taxes to \$1 per pack. In addition to being regressive with a greater impact on lower income groups, these hikes historically fail to bring in projected revenue as consumers purchase from alternate sources to avoid the tax. In turn small businesses are harmed as the black market for cigarettes expands.

FreedomWorks asks you to reject all tax increases and encourages you to focus instead on cutting spending, eliminating waste, and reducing stifling regulations.

## **3. CIVIL JUSTICE REFORM**

Frivolous lawsuits and excessive litigation impose a significant cost on both the nation and the state of Florida. One study suggests that lawsuit abuse costs the nation more than \$180 billion annually. Moreover, these lawsuits are very inefficient for real victims, who receive only 20 cents of every dollar as

compensation for their economic losses. Trial lawyers have turned the legal system into a billion dollar industry for private gain. Reforms are necessary to refocus the legal system on real victims with real problems. Various reform proposals to curb lawsuit abuse are now being considered in the Florida Legislature. One such proposal, the Transparency in Private Attorney Contracting (TPAC) is particularly important as it would provide greater transparency to avoid the possibility of exploiting the legal system for personal gain. Quite simply, TPAC would require the state government to use a competitive bidding process for any outside counsel that it hires. Like any other government contract, this ensures the citizens of Florida that their tax dollars are not being misused by simply granting high-priced lawyers profitable government contracts. The process would be open, competitive, and ensure that the final recipient can provide the best work at the lowest cost.

FreedomWorks urges you to support TPAC and other civil justice reforms that would rein in lawsuit abuse and return the legal system to real victims with real grievances.

#### **4. PROPERTY TAXES**

Property taxes are growing beyond the ability of taxpayers to pay. Those struggling most are the non-homesteaded property owners, specifically those with commercial or investment property and second-home owners. High property taxes are not benefiting Florida's economy, but rather are creating deeper economic problems. Owners are moving their businesses out of state, taking capitol with them. Jobs are cut as operations trying to remain in the state try to make ends meet. Snowbirds are flocking to other southern states with lower tax rates for the winter months. Those purchasing their first homes and senior citizen are also suffering. Non-Homestead property owners need the same protection from excessive taxes as Homesteaded owners.

FreedomWorks encourages you to support bills that would bring fair play to the property tax system, such as HJR385/SJR738, HJR97, HB521, HB917/SB1006, and SB1102.

#### **5. SPENDING LIMITATION**

Government is not living within its means. Instead of saving during times of prosperity, lawmakers continually increase government programs and spending. When the economy turns, as in current times, the government must then raise taxes to provide for these additional programs. During downtimes, taxpayers do not have the means to pay increased taxes. The economy runs amuck without a limitation to restrict government spending. A Taxpayer Protection Amendment would restrict revenue to the rate of population growth and inflation. Forcing legislators to cut wasteful spending and live under restraint taxpayers do would restrict expanding government and protect the pocketbooks of citizens from ever increasing tax burdens.

FreedomWorks asks you to support spending limitations like those found in SJR1906 and HJR1263.

#### **6. CARD CHECK**

The federal government faces the Employee Fair Choice Act, a measure eliminating the right of secret ballot in the work place. Allowing for the formation of a union in any business with just a simple majority of employees signing a card in support, the EFCA opens up employees to all manners of intimidation. In opposition, HJR1013 and SJR1908 propose an amendment that requires secret ballot voting in the workplace as well as all elections and public votes.

FreedomWorks asks you to protect the fundamental right to a secret ballot for all individuals.

## 7. TELECOM

Florida's telecommunications laws have put in place a regulatory regime that is badly outdated and reduces competition, investment, and innovation in telecommunications services. As a result, exciting new technologies are on hold and ultimately consumers are left with fewer choices and less innovative products. HB 1465 and SB 2626 take a de-regulatory approach and will streamline and modernize existing law to encourage economic growth and healthy competition. They will strip out unnecessary and over-burdensome regulation that will better enable the free market to work in the telecommunications market. Especially in such turbulent economic times, Florida consumers and the economy as a whole should reap the benefits of increased competition in the form of more choices, better service, and competitive prices!

FreedomWorks asks you to support HB 1465 and SB 2626, deregulating telecommunications services and promoting economic growth and increased competition.