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Session to weigh no-fault future

Auto insurance joins the packed lineup. Property-tax reform waits in the wings.

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TALLAHASSEE

Gov. Charlie Crist expanded the Legislature's to-do list Monday -- adding no-fault auto insurance to a special session this week and penciling in property-tax reform as the subject of a follow-up session.

The move followed weekend conversations between Crist and House Speaker Marco Rubio and Senate President Ken Pruitt, who had been divided over how much to load onto a 10-day, budget-cutting session that starts Wednesday.

Lawmakers are already poised to slice about \$750 million out of the state's \$71 billion budget to partially patch a \$1.1 billion hole.

Now a deadlock over extending the state's \$10,000 personal-injury protection, or PIP, requirement and a court ruling that overturned a January ballot measure to cut property taxes have increased the political agenda -- and the stakes -- for Crist and lawmakers.

In setting the lineup for a pair of October sessions, the third and fourth special sessions of this year, Crist said Floridians are clearly demanding action beyond budget cuts.

"They are counting on us; I know they are," Crist said, recalling a weekend stop he made at a South Florida restaurant. "Person after person was like, 'You've got to get about the business and cut these property taxes some more.' "

The proposed constitutional amendment touted by Crist and other state leaders as the biggest tax break in state history was stripped from the Jan. 29 ballot last week by a Leon County circuit judge who called the ballot language "misleading" to voters.

The state has appealed the ruling. But Crist said that legislators should revisit that proposal, which would create a new, supersized homestead exemption and phase out the popular Save Our Homes tax cap, soon after the budget session is set to finish Oct. 12.

A deal will have to be reached quickly. Ballot measures for January must be set by Oct. 30, under state law.

House leaders and a few Senate Republicans are pressing to expand the ballot proposal with more tax cuts to win voter support. Recent polls showed the measure falling well short of the 60 percent approval it would need to pass Jan. 29.

Deeper tax cuts

But legislative Democrats say the existing measure threatens to cut \$7 billion from school spending over five years. And since placing anything on the Jan. 29 ballot would require 30 votes in the 40-member Senate, the 14 Democrats in that chamber could block it.

Rubio has championed deeper tax cuts. But he said Monday that -- for now -- the focus should be the budget. "In the next two weeks, we must first address critical budget issues to reduce state spending," said Rubio, R-West Miami.

Lawmakers appear close to agreement on slicing \$750 million, mostly through fund shifts, program delays, eliminating job openings and a proposed 5 percent tuition hike for university and college students.

But battles over PIP -- and later property taxes -- could prove formidable.

The state's PIP requirement expired at midnight Monday -- a deadline originally set four years ago by lawmakers who saw it as critical to forcing a compromise. But that middle ground never emerged.

Instead, lawmakers have skirmished for months, with critics -- led by auto insurers and trial lawyers -- blasting the current program as ineffective and rife with fraud. But health-care groups, who received \$350 million in PIP payments last year, worry that its demise will stick them with unpaid bills for motorists driving without coverage.

Crist calls the \$10,000 coverage a "minimum safeguard."

Pruitt, R-Port St. Lucie, wanted to keep PIP out of the budget-cutting session and indicated Monday that he added it only to placate Crist. The governor's lead counsel, Chris Kise, has held at least four closed-door meetings with the warring parties to try to find a compromise.

More bad news

Property taxes and insurance have bedeviled Crist for months, with the first-year governor having campaigned last fall on promises to lower these skyrocketing costs and soothe angry Florida homeowners.

While Crist pushed through sweeping legislation during a January special session that capped the insurance industry's liability for storm damage and put more risk on the state, lower rates haven't resulted.

In fact, Crist got more bad news Monday with the deadline for insurers to file anticipated rate reductions under the new law. Instead of rate cuts, most of the larger carriers are seeking higher premiums, prompting state regulators to subpoena records and ready for possible lawsuits.

"I think they may be violating the law," Crist reiterated Monday. "I don't think those increases will be approved."

Rep. Bob Allen plans to miss hearing in his sex-sting case, attend session. Page B5

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