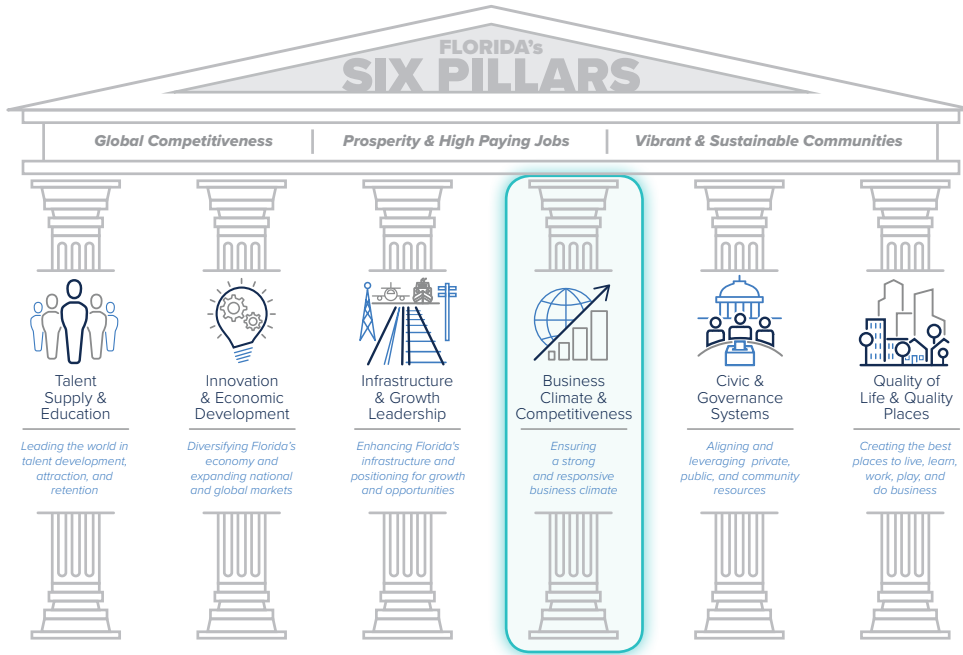


BUSINESS CLIMATE & COMPETITIVENESS



Florida 2030 is Florida's next strategic plan—a blueprint for how we can remain globally competitive, create prosperity and high-wage jobs, and foster vibrant and sustainable communities.

This blueprint is organized around the Six Pillars of Florida's Future Economy. This document discusses opportunities, challenges, and potential goals and strategies related to the fourth pillar, Business Climate & Competitiveness.

Fostering a strong and responsive business climate is a key underpinning of Florida's future economic success. Florida's business climate alone is not likely to be the key determinant of our future growth and prosperity—but a worsening business climate would be a significant threat to our future success. Can we secure Florida against growing risks, continue to do business in a competitive manner, and ensure Florida remains a world-class destination for talent, capital, and opportunities?

FLORIDA 2030

FLORIDA CHAMBER FOUNDATION

What is changing?

Innovation: New technologies and capabilities—from automated vehicles to shared assets to big data—are transforming traditional industries, creating entirely new business models, and stretching the boundaries of existing regulatory systems.

Nature of work: Growth in the number of entrepreneurs, self-employed, contract, and other gig employees is reshaping the relationships, opportunities, and risks facing businesses and workers.

Regional economies: Florida's economy is becoming increasingly regional in scale, with labor markets and business-to-business relationships often crossing local, state, and international boundaries. This means more workers and businesses may be subject to regulations from multiple jurisdictions.

Global markets: Global supply chains and investment relationships expose an increasing share of Florida's economy to multiple regulatory systems.

Constrained resources: U.S. household debt is at record levels. The federal debt relative to the size of the economy is heading to the highest level since World War II. While Florida has reduced its debt and increased its credit rating, pension liabilities, entitlements, and local and regional needs constrain state and local budgets.

Risk and resilience: Florida faces an increasing number of risks—ranging from extreme weather and sea-level rise to cross-border flows of invasive species and infectious diseases, and to growing threats related to cybersecurity and other man-made threats.

Learn more, get involved, and help write Florida's future by visiting

www.Florida2030.org

WHERE ARE WE TODAY?

Florida supported

667,411 business establishments in 2017
89% had fewer than 20 employees

(U.S. Bureau of Labor Statistics, 2017)

Florida was home to

17 Fortune 500 & **350** Inc. 5000 companies in 2017

Florida's business startup activity ranked

3rd among large states in 2017

(Kaufmann Foundation)

Florida's is ranked **2nd** best state in the nation to do business

(CEO Magazine, 2018)

Top issues facing Florida small business today:

29% Workforce Quality

14% Economic Uncertainty

9% Government Regulations

9% Lawsuit Abuse

6% Health Care Costs

6% Growth Management Issues

(Florida Chamber of Commerce, Florida Small Business Index Survey, July 2018)

Commercial Insurance

Florida's worker's compensation insurance premiums are

90% of the U.S. median*

but are facing upward pressures

*Most recent national ranking available

(Oregon Department of Consumer and Business Services, 2016)

State unemployment insurance benefits in Florida are among the

lowest in the U.S.

in both the maximum weekly payment to workers (\$275) and the duration of these payments to workers (maximum of 12 weeks)

(U.S. Department of Labor, 2018)

Tax Structure

Florida is one of seven states with

no personal income tax

(Tax Foundation, 2017)

Florida has the

4th best state business tax climate in the nation

(Tax Foundation, 2017)

Florida's state and local revenues

(taxes, fees, and other locally generated revenues) averaged **\$5,679 per person** in fiscal year 2015

9th lowest among the states

(Florida TaxWatch, 2018)

Automobile insurance premiums average

\$1,840 5th highest among the states

(insure.com, 2017)

Florida property owners paid average premiums of

\$1,993 highest in the nation

(Insurance Information Institute, 2015)

Regulations & Permitting

54% of Florida small business believe state regulations are somewhat or very reasonable today

(Florida Chamber of Commerce, Florida Small Business Index, July 2018)

The Department of Environmental Protection streamlined the time required to approve permits from

79 to 33 days

(Florida Department of Economic Opportunity, 2018)

Legal Environment

Florida's legal climate is ranked as the

5th worst among the 50 states

and in the bottom 10 for all specific measures

(US Chamber of Commerce, Institute for Legal Reform, 2017)

The number of assignment of benefits lawsuits in Florida soared **7,000%** between 2006 and 2017

(Florida Office of Insurance Regulation)

WHERE DO WE WANT TO BE?

Vision: *Ensure a competitive business climate that creates world-class opportunities for companies, entrepreneurs, and employees; a pathway to prosperity for all residents; and adequate resources and investments for the institutions and communities that serve them.*

Goals	Where Are We Now?	Where Do We Want to Be in 2030?
Competitive Commercial Insurance System	Property insurance rates are the highest in the nation <i>(National Association of Insurance Companies, 2017).</i>	Actuarially sound rates at or better than national average
Competitive Tax Structure	Florida has the 4th best state business tax climate in the nation <i>(Tax Foundation, 2017).</i>	#1
Efficient and Effective Regulatory Permitting Systems	Florida's environmental permitting processes and local land use processes have been viewed among the most complex in the United States <i>(Avalanche Consulting synthesis of industry studies).</i>	Top quartile (best process and least complex)
	Florida's occupational licensing laws are ranked as 5th most burdensome in the nation <i>(Institute for Justice, 2017).</i>	Top 20 (Less burden but focused on safety & welfare)
Strong and Balanced Legal Climate	Florida's legal climate ranks 5th worst in the nation <i>(US Chamber of Commerce, Institute for Legal Reform, 2017).</i>	Top quartile (best legal climate)

HOW DO WE GET THERE?

Example strategies that could be applied

Goal	Strategies
Competitive Commercial Insurance System	<ul style="list-style-type: none">• Implement insurance regulations based on actuarially sound assessment of risk.• Uphold equitable insurance treatment of traditional and start-up firms.• Improve the assignment of benefits laws to reduce property insurance costs.• Ensure low, reasonable taxes on reinsurance.
Competitive Tax Structure	<ul style="list-style-type: none">• Retain Florida's status as one of the most business-friendly tax climates at the state level.• Maintain Florida's advantage of no personal income tax.• Identify and develop solutions to downside revenue risks.• Ensure tax revenue systems adapt to changing business models and eliminate arcane taxes that make Florida less competitive, like the Business Rent Tax.• Review state tax structure to ensure alignment with Florida's economic goals.
Effective and Efficient Regulatory and Permitting Systems	<ul style="list-style-type: none">• Continue to increase the predictability and efficiency of statewide regulations and permitting.• Craft a permitting structure and digital regulatory taxonomy that is consistent across jurisdictions within the state.• Create a statewide regulatory data sharing system.• Ensure existing regulations do not inhibit innovative new business models.• Reduce obsolete occupational licensing requirements while maintaining focus on safety and welfare.
Strong Protection of Property Rights	<ul style="list-style-type: none">• Maintain Florida's reputation as a staunch defender of individual property rights.• Balance property rights with the need for vital infrastructure projects such as pipelines or transportation networks.• Ensure intellectual property is protected.• Ensure personal privacy and data are protected.
Strong and Balanced Legal Climate	<ul style="list-style-type: none">• Ensure courts are fair, balanced, modernized and consider business interests in processes and proceedings.• Ensure attorney fees and standards are comparable with other competitive states.
Supportive Environment for Employers	<ul style="list-style-type: none">• Limit new laws and regulations that may inhibit emerging technology and business models.• Ensure the state does not impose new burdensome workplace mandates.• Maintain Florida's right-to-work status and monitor changes and impacts to Florida of other states' status.• Ensure the 1099 workforce and telecommuter workforce have clear guidelines for workplace mandates and liabilities.

HOW DO WE GET THERE?

Example strategies that could be applied

Connections to other Pillars

Pillar	Opportunity
Talent Supply & Education	<ul style="list-style-type: none">• Ensure Florida is an attractive state for entrepreneurs, highly mobile skilled workers, capital, and businesses.
Innovation & Economic Development	<ul style="list-style-type: none">• Support development of new innovations and new business models.
Infrastructure & Growth Leadership	<ul style="list-style-type: none">• Enable critical infrastructure projects and development plans to advance in an efficient manner, balancing economic development opportunities with protection of environmental and community resources.
Civic & Governance Systems	<ul style="list-style-type: none">• Facilitate partnerships between the private, public, and civic sectors.
Quality of Life and Quality Places	<ul style="list-style-type: none">• Eliminate regulatory or programmatic barriers that limit access to opportunity for Floridians.
