



DAILY BRIEF

From January 25, 2012

Regardless of industry or practice, most Florida employers must pay premiums on automobile insurance to operate their business. Today, the business community stood in support of meaningful reform that will lower such costs and reduce fraud associated with the current system. AIF demonstrated its support by:

- Collaborating with Governor Rick Scott, Chief Financial Officer Jeff Atwater and members of the business community to petition automobile accident fraud.
- Testifying in support of HB 119 by Representative Jim Boyd (R-Bradenton) which will enact significant reform to Florida's current Personal Injury Protection (PIP) system. This proposal seeks to replace Florida's flawed PIP mandatory no-fault automobile insurance coverage with Emergency Care Coverage (ECC) – a system more capable of diminishing fraud and reducing Personal Injury Protection (PIP) claims costs.



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Insurance

The House Civil Justice Subcommittee took up and considered HB 119 Relating to Motor Vehicle Personal Injury Protection Insurance by Representative Jim Boyd (R-Bradenton). This legislation seeks to replace Florida's current flawed Personal Injury Protection (PIP) mandatory no-fault automobile insurance coverage with Emergency Care Coverage (ECC).

In effort to curb fraud, the proposed ECC system represents a significant departure from Florida's no-fault law; however, it does share similarities with the current PIP system with respect to persons covered by the no-fault policy, the \$10,000 worth of mandated coverage, and the availability of lost wages and benefits. The greatest difference between the two policies comes down to the severity of injury. The ECC plan will provide a narrower range of coverage in less severe cases, where fraudulent cases are most rampant, and thus lower the premiums paid by Floridians for no-fault motor vehicle insurance.

Following long testimony and failed attempts to amend the legislation by removing critical components of the bill concerning payment of attorney's fees and the use of examinations under oath (EUOs), the measure passed strictly along party lines by a vote of 10-5.

HB 119 will now proceed to the House Health & Human Services Committee for consideration by its members.

AIF SUPPORTS legislation to reduce Personal Injury Protection (PIP) claims costs. Furthermore, AIF applauds Representative Boyd for his leadership in crafting a proposal that will effectively reduce fraud and save Florida's consumers millions in PIP premiums.

Environmental

HB 503 Relating to Environmental Regulation by Representative Jimmy Patronis (R-Panama City) received a favorable vote from the House Agriculture & Natural Resources Appropriations Subcommittee. This legislation is critical for Florida's employers because it will help accelerate the approval or denial process and bring certainty to business dealing with state agencies.

Rep. Patronis explained to members of the committee that the proposed legislation is a "common sense approach" to the permitting process.

Time is money and Florida businesses are spending too much time on a permitting process that includes duplications and burdensome regulations. HB 503 is a major step towards reforming the permitting process.

The only negative vote was by Representative Michelle Rehwinkel Vasilinda (D-Tallahassee).

HB 503 will now proceed to the House State Affairs Committee – its final committee of reference. SB 716 by Senator Mike Bennett (R-Bradenton) – the Senate's proposal on environmental permitting – awaits consideration in the Senate Environmental Preservation and Conservation Committee.

AIF SUPPORTS efforts to streamline permitting across all state agencies. AIF would like to thank Representative Patronis for his commitment to work with all stakeholders on a bill that will streamline the permitting process. Time is money and Florida businesses are spending too much time on a permitting process that includes duplications and burdensome regulations.

Taxation

The Senate Budget Subcommittee on Finance and Tax continued their hearing on SB 7182 today – a proposed committee bill (PCB) relating to taxation. Committee Chair Elyn Bogdanoff (R-Ft. Lauderdale) explained the bill in yesterday's meeting but time ran out before the discussion was completed.

Chair Bogdanoff explained that the bill does three things:

- Limits the collection allowance to those dealers that file their returns and pay taxes by electronic means.
- Updates the Florida Income Tax Code of 1986 by adopting the Internal Revenue Code as of January 1, 2012. This is called "piggy backing" the Federal Tax Code and will be retroactive to January 1, 2012.
- Lastly, the bill revises the date on which an estimated corporate tax payment is due. Currently if the due date falls on a weekend or legal holiday it is not due until the next business day. The bill changes that and makes the due date the preceding day effective July 1, 2012. Chair Bogdanoff added that this change would have the effect of increasing the available revenue in the 2012-13 fiscal year by \$100 million.

Senator Maria Sachs (D-Delray) commented that this would be a burden on businesses, especially small businesses that pay the corporate income tax. She also asked about possible penalties if a company were to miss this change.

AIF Lobbyist Frank Meiners testified that AIF's Tax Committee had discussed this "speed-up" issue and had two requests. First, that the change in due date should be a one-time event rather than a permanent change in the bill; and secondly, the Department of Revenue should be encouraged to be reasonable and lenient in waiving penalties if some companies miss changed due date.



Senator Sachs suggested that the proposal should include such language and thanked AIF for bringing this issue to the committee's attention.

The Chair responded that staff would work on that language.

The proposed committee bill was approved for introduction by the unanimous vote of the committee and re-filed as SB 2068. The measure will now wait to be assigned further committees of reference.

AIF supports the adoption of the federal tax code for 2012. AIF will continue to work with members of the Legislature to ensure that the state receives all available revenues while refraining from onerous mandates on Florida business owners.

Business Regulation

The House Community & Military Affairs Subcommittee passed HB 421 Relating to Limited Certification for Fertilizer Application by a vote of 9-6. This bill, sponsored by Representative Jimmie Smith (R-Lecanto), will allow trained and certified professionals to operate in a manner that does not unduly hinder their ability to practice their trade or remain fearful of being regulated out of existence by local governments. The bill will recognize that the practices of state certified applicators are to be treated differently than those who are not. The proposed legislation would seek to exempt the regulated community from the ongoing efforts of local governments to adopt "one-size fits all" ordinances that seek to impose restrictions on product composition and create out-right prohibitions on use.

During the hearing, several individuals representing local government and environmental interests spoke in opposition to the bill citing concerns over home rule. Local governments have consistently opposed allowing the state to have more control over fertilizer application rules. AIF, along with members of the business community, recognize this proposal as a bold, regulation-killing piece of legislation. Passage of this bill will prevent businesses from having to comply with a patchwork of different local ordinances; thereby, making it easier and more inexpensive to operate.

HB 421 will now advance to the House State Affairs Committee – its last committee of reference. The Senate measure – SB 604 by Senator Charlie Dean (R-Inverness) – is slated for consideration by the Senate Environmental Preservation and Conservation Committee on Monday, January 30th.

AIF SUPPORTS legislation that addresses the labyrinth of inconsistent, unscientific and arbitrary county and municipal ordinances which address the fertilization of urban turf, lawns, and landscapes.

Also on Wednesday, SB 1658 Relating to Public Assistance by Senator Ronda Storms (R-Brandon) was taken up and passed on a partisan vote at today's meeting of the Senate Children, Families, and Elder Affairs Committee – a committee that Sen. Storms herself chairs.

SB 1658 would prohibit a recipient of benefits under the Supplemental Nutrition Assistance Program (SNAP) from purchasing certain foods with those Federal funds, also known as “food stamps.” The bill also prohibits the use of those benefits at restaurants.

Republican Senator Nancy Detert (R-Venice) reluctantly supported the bill in deference to the chair, but indicated her support was not solid. The Committee’s Democratic members – Senator Nan Rich (D-Sunrise) and Senator Audrey Gibson (D-Jacksonville) – argued unsuccessfully that the bill crossed the line of government intervention into one’s personal life and was particularly harsh.

Sen. Storms asserted that it was not proper for tax payer money to be used to purchase foods containing trans-fats or foods such as sweetened beverages, Jello, ice cream, muffins, cupcakes or cakes and pastries, and salty-based snacks. Storms expressed a personal irritation when she sees these foods being purchased with food stamps while in a grocery store checkout line.

The bill also prohibits a recipient from using an electronic benefit transfer (EBT) card to access cash benefits outside of Florida, to purchase alcohol or tobacco products, or to access automated teller machines located in gambling and adult entertainment establishments. The bill also provides a list of establishments inside the state where a recipient may not obtain cash benefits through an EBT card from an ATM.

Were SB 1658 to become law, a waiver from the USDA would be required to modify the state’s implementation of the program. The USDA has recently rejected similar waiver requests from New York City and the State of Minnesota. The staff analysis of the legislation did not discuss the waiver requirement or the FDA’s most recent decisions, nor did it mention a current SNAP food restrictions pilot now underway in a New England state. Storms was unmoved by any of these points in a meeting prior to the committee hearing.

SB 1658 now moves to the Senate Budget Committee for its last hearing before going to the floor. A similar measure filed in the House – Representative Scott Plakon (R-Longwood) – now resides in the House Health & Human Services Access Subcommittee, it’s first of three committee stops. The House bill has not been heard by any committee.

AIF will continue to monitor this legislation and work with the bill sponsor to ensure that such a proposal, while possessing good intent, does not create unintended consequences.

Economic Development

The House Transportation & Economic Development Appropriations Subcommittee rolled out their initial budget recommendations that include; funding for the Department of Economic Opportunity, the Department of Transportation, the Department of Highway Safety and the Department of State.

Committee Chairman Mike Horner (R-Kissimmee) presented the budget to the committee amid another down year with state revenues and a growing need for more state business recruitment and expansion. Some highlights from the committee's budget include:

Overall Budget Recommendation \$9.3 Billion:

Trust Fund Sweeps

\$211 million in Trust Funds sweep

- \$120 million from State Transportation Fund
- \$28 million from State Housing Trust Fund
- \$63 million from Local Government Housing Trust Fund

Economic Development Incentives

- \$73 million dollars for economic incentives for use by the Governor (Innovation Incentive, Quick Action Closing, and Qualified Target Industries). The \$73 million will be placed in a “pot” for the Governor to utilize among these programs at his discretion.
- Space Florida - \$10 million in funding (\$4 million in reoccurring funds)
- Visit Florida - \$27,500,791
- State Small Business Credit Initiative- \$33,225,199
- Economic Development Transportation projects available to local governments- \$15,000,000

Many of these proposals contain funding that are below the Governor’s initial request. Specifically, the Governor's budget included \$250 million for Economic development incentives while keeping the State Transportation Trust Fund fully intact.

Health Care

The House Health & Human Services Quality Subcommittee approved HB 1329 Relating to Health Care Consumer Protection by Representative Richard Corcoran (R-New Port Richey) by a vote of 10 to 5.

This legislation would help educate Florida’s employers and employees on the cost of the care provided by certain facilities and physicians. Specifically, HB 1329 would:

- Require ambulatory surgical centers and diagnostic-imaging centers to publish and post a schedule of medical charges (those that are charged to patients without insurance) for 50 of the most frequently provided services.
- Require various medical practitioners to distribute a schedule of medical charges to uninsured patients for 50 of the most frequently provided services.
- Prohibit “balance billing” in an emergency situation when a person is transported to a facility by ambulance. Balance billing refers to the practice of a provider billing charges to the person over and above what is paid for by their insurer. Balance billing is also prohibited in situations when an insured person had no opportunity to choose their provider and the provider ultimately rendering the service did not have a contract with their insurer.
- Require health insurers, health care facilities (and physicians providing care in those facilities) to disclose to an insured person whether or not a provider is in the insurer’s network and if those facilities or physicians will bill additional charges to the person.

Jose Gonzalez, AIF’s Vice President of Governmental Affairs, testified in support of the legislation on the basis that it will assist employers and employees in gaining a better understanding of the cost of medical care. He also noted that transparency in pricing should be balanced so that the facilities that provide this important and timely care are not overburdened with trying to comply with this language.



HB 1329 will now advance to the House Insurance & Banking Subcommittee for further consideration.

AIF SUPPORTS legislation that provides accountability among Florida's health care providers. Providing clarity in these types of services will bring private health care providers more in line with other private-sector industries by increasing efficiency and promoting accountability.

Energy

The House Energy & Utilities Subcommittee overwhelmingly passed HB 695 Relating to the Development of Oil and Gas Resources by Representative Clay Ford (R-Pensacola).

Specifically, the bill would allow the Board of Trustees of the Internal Improvement Trust Fund (the Governor and Cabinet) to negotiate, sell and convey leasehold lands of the State for the purpose of exploration for oil and natural gas. It would further allow for the State to enter into public-private partnerships for purposes of contracts and would set up a process for bidding and selection. The bill would in effect allow entities to do geophysical seismic testing and exploration and make a determination as to the feasibility of extraction of the natural resource. This legislation, however, would not allow for exploration in environmentally sensitive areas or offshore exploration.

AIF lobbyist Jim Rathbun was present to waive in support of the bill.



HB 695 will now advance to the House Appropriations Committee. The Senate measure – SB 1158 by Senator Greg Evers (R-Crestview) – awaits consideration in the Senate Communications, Energy, and Public Utilities Committee.

AIF SUPPORTS legislation that will encourage public-private partnerships which could provide potential for new investment and job growth.

In addition, the Committee discussed the eleven proposals outlined last week by Agriculture Commissioner Adam Putnam for a State Energy Plan. The proposed statutory language was presented by Patrick Sheehan, Director of the Office of Energy in the Department of Agriculture & Consumer Services (DACS). It is assumed that the proposal presented today will become a Proposed Committee Bill (PCB) by the next meeting. The proposals are outlined below:

1. Tax Incentives – The proposal would reinstate some tax incentives, recommend caps and define "eligible costs". The tax incentives would be:
 - o Renewable Energy Technologies Sales Tax Exemption- \$1 million per year
 - o Renewable Energy Technologies Investment Tax Credit - Increase current cap of \$6.5 million to \$10 million per year; and
 - o Renewable Energy Production Tax Credit - Remains the same at \$0.01 for each kilowatt-hour of energy produced and sold with a cap of \$5 million per year.
2. Forest Inventory analysis - Would require the Department of Agriculture and Consumer Services (DACS) to develop a comprehensive statewide forest inventory analysis identifying where available biomass is located and ensure forest sustainability.
3. 10 Year Site Plans - Would require utilities, who file 10-year site plans with the Public Service Commission (PSC), to report the amount of renewable energy resources produced, purchased and proposed in Florida over the 10 year planning horizon and the impact to present and future capacity and energy needs.
4. Need Determination Proceedings - Would require the Public Service Commission (PSC) to take into account the need to diversify the State's energy generation fuel supply.
5. Public Interest Determination for New Renewable Resources - Would do away with the current renewable portfolio standard (RPS) and replace it with a requirement for the PSC to establish criteria for evaluating proposed renewable energy facilities or negotiated energy power purchase agreements. It would also set a limit of 1 percent or 75 mega watts (MW), whichever

is less of an overall generation capacity portfolio for investor owned utilities (IOU). This language would be permissive and not mandatory.

6. Renewable Energy Financing Projects -Allow utilities to invest in a PSC approved financing project with renewable energy facilities in Florida. Currently, this type of utility financing project is allowed with government solid waste facilities, but not with private renewable energy facilities. A joint utility and private project would allow the utility to recover its expenses and a reasonable profit. This would promote investment by utilities in renewable energy facilities, when determined by the PSC to be in the public interest.
7. Agency Energy Reporting - Would require all state buildings of 5000 square feet or more of conditioned space to report their energy consumption and require the Department of Management Services (DMS) in coordination with DACS to establish standard benchmarks and reporting requirements.
8. Energy Efficiency and Conservation Evaluations - Would direct DACS's Office of Energy in coordination with the Florida Energy Systems Consortium to evaluate methods to promote energy conservation and efficiency and provide the consumer clear guidance on energy efficiency savings.
9. Electric Vehicle Charging Stations - Clarify that electric vehicle charging stations are a service to the public and not the retail sale of electricity. This would ensure that government entities or businesses installing and providing this service are not subject to the undue burden of regulatory fees that may be instituted by the PSC if they were to be considered retailers of electricity.
 - o Would direct the Florida Building Commission in coordination with DACS and the PSC to adopt rules to standardize the building and electric codes, permitting, and installation of the charging stations.
 - o Would also direct DACS to adopt rules to address definitions, method of sale, labeling requirements and price posting requirements to allow for consistency for consumers and the industry.
 - o The PSC is also instructed to conduct a study of the effects of the charging stations on energy consumption in the state as well as the effects on the grid.
10. Streamlining Permitting for Biofuel Feedstock Crops - Would require DACS, in consultation with the University of Florida/Institute for Food and Agriculture Sciences, to determine whether a plant material is exempt from the regulatory permitting process based on scientific evidence and practical experience.
11. PSC Interconnection and Net Metering Rule Evaluation - Would task the PSC to evaluate its current interconnection and net metering rules.

Growth Management

On Wednesday, January 25th the House Community & Military Affairs Subcommittee met and considered HB 979 Relating to Developments of Regional Impact by Representative Jose Felix Diaz (R-Miami).

This legislation contains several provisions, including direction stating that reviewing agencies may make only recommendations or comments regarding a proposed development which are consistent with the statutes, rules, or adopted local government ordinances that are applicable to developments in the jurisdiction where the proposed development is located.

In addition, the proposal includes a new exemption from the process which applies to any proposed development that is located in a local government jurisdiction that:

- Does not qualify for an exemption based on the population and density criteria in s. 257 380.06(29)(a)
- Is approved as a comprehensive plan amendment adopted pursuant to s. 163.3184(4),
- Qualifies for an incentive program pursuant to chapter 288; *and*
- That the developer, local government, and Department of Economic Opportunity agree in writing that the development-of-regional- impact review process does not apply.

HB 979 passed with overwhelming support by a vote of 9-2. The bill's next, and final, stop is the full House Economic Affairs Committee.

AIF SUPPORTS legislation that allows developers, local governments, and the newly created Department of Economic Opportunity DEO to elect to use the state coordinated review process for certain developments and thus provide significant cost and time savings for private developers.

Space

In unified front of support for Florida's space industry, SB 634 Relating to Spaceport Facilities by Senator Lizbeth Benacquisto (R-Wellington) was unanimously passed by members of the Florida House on Wednesday, January 25th.

This legislation amends current law by defining the term "launch support facilities" and deleting the term "spaceport launch facilities." Proponents of this legislation, including AIF and Space Florida, maintain that the bill will provide for:

- The ability to better fund infrastructure upgrades and improvements to space-related facilities by using SIS monies more appropriately for space infrastructure projects not airport related; *and*
- The alignment of federal and state definitions so that any future federal grants may qualify for the same projects.

The House proposal – HB 97 by Representative Ritch Workman (R-Melbourne) – was substituted by SB 634 and laid on the table. SB 634 will now proceed to the Governor to be signed into law.

AIF SUPPORTS this legislation as a means of providing Florida's aerospace industry with the proper incentives to create jobs in a variety of high-value-added sectors. Furthermore, we commend members of the Florida House for their continued support of Florida's vital space industry.