



DAILY BRIEF

From March 20, 2013

With no full House or Senate Session meetings, various committees met today and numerous pieces of legislation were debated. In a tumultuous and eventful day, taxation, economic development and insurance bills were among the most contentious. Associated Industries of Florida (AIF) advocated on behalf of Florida's businesses in almost every committee meeting.

Workers' Compensation

In the Senate Banking & Insurance Committee, AIF stood in support of SB 662, *Relating to Workers' Compensation*, by Senator Alan Hays (R-Umatilla). If enacted, the bill would address a drug repackaging loophole in Florida's workers' compensation system. SB 662 clarifies the maximum charged for the drugs will remain the same, regardless of where the drug is purchased or dispensed. Further, the legislation does not increase costs or delay medical treatment.

The bill passed by a vote of 10-1 and will next be heard in the Senate Health Policy Committee.

AIF vehemently supports this legislation because it will address this loophole and will maintain the necessary balance to Florida's workers' compensation system.

Insurance

In the House Government Operations Appropriations Subcommittee, AIF stood in support of HB 835, *Relating to Citizens Property Insurance Corporation* by Representative John Wood (R-Winter Haven). The bill contains numerous changes to Citizens Property Insurance Corporation, including:

- Creating an Inspector General for Citizens who reports to the Financial Services Commission,
- Precluding Citizens' policyholders from renewing insurance with Citizens if an insurer in the private market will insure the property for a premium up to five percent more than the Citizens' renewal premium,
- Precluding Citizens from insuring property with a dwelling replacement cost or a condominium unit that has a dwelling and contents replacement cost of \$500,000 or more, implemented over a six year period,
- Precluding Citizens from insuring major structures for which a building permit for new construction is applied for on or after July 1, 2014, or for which a building permit for a substantial improvement of the structure is applied for on or after July 1, 2014, and which is located seaward of the coastal construction control line or within the Coastal Barrier Resources System,
- Authorizing Citizens to require repair of damaged property, instead of paying to replace it, and
- Authorizing insurers taking policies out of Citizens to use Citizens' policy forms for three years which will allow these insurers to insure the property with reduced coverage and to require repair of the property instead of paying to replace it.

The bill would effectively reduce the number of policies held by Citizens. Further, the bill reduces the potential losses for Citizens, thus decreasing the likelihood and amount of a deficit in Citizens causing assessments on Citizens' and non-Citizens' policyholders.

The bill passed with a vote of 10-1 and will next be heard in the House Regulatory Affairs Committee.

AIF SUPPORTS legislation to return Citizens to an insurer of last resort. Reducing the exposure of Citizens will substantially reduce the likelihood of claims-paying deficits and thus, hurricane taxes on insurance premiums for Florida's employers.

In the Senate Banking & Insurance Committee, AIF stood in support to SB 648, *Relating to Health Insurance Marketing Materials* by Senator Dorothy Hukill (R-Port Orange). The bill would repeal the requirement on health insurers to submit the marketing materials they will use for their health insurance products, prior to their use. The bill would allow health insurers to get their products into the market sooner.

The bill passed unanimously and will next be heard in the Senate Health Policy Committee.

AIF supports streamlining the regulations that create unnecessary barriers to ensure employers have options for coverage from which to choose.

Taxation

In the House Finance and Tax Subcommittee, **AIF's Senior Vice President of State and Federal Affairs, Brewster Bevis**, stood in support of HB 807, *Relating to Emergency Communication System*, by Representative Greg Steube (R-Sarasota). The bill would reduce the current charge for 911 services on all phone lines, including mobile, from the current \$0.050 to \$0.046. In addition, the legislation implements the findings of the E911 Board, allowing for the collection of the 911 fee at the retail point of sale for prepaid wireless phone plans. Implementing a point of sale collection method for prepaid plans and enabling the fee to be collected from everyone with access to 911 may make it possible to reduce the fee for all consumers. The bill would also put priority on allowing counties to use funds to upgrade and replace 911 systems for next generation.



The legislation passed committee and will next be heard in the House Regulatory Affairs Committee.

AIF supports lessening the 911 surcharge on Florida's phone users as well as supports a robust and modern emergency communications system vital to the welfare of Florida's business community.

Economic Development

During the House Transportation and Highway Safety Subcommittee, **AIF's Senior Vice President of State and Federal Affairs, Brewster Bevis**, stood in support of HB 319, *Relating to Community Transportation Projects*, by Representative Lake Ray (R-Jacksonville). The legislation would provide guidance for alternative transportation funding systems. It would also ensure that new developments are not required to fund corrections to current backlogs.

The bill passed Committee by a vote of 12-1 and will next be heard in the House Economic Affairs Committee.

In the Senate Committee on Community Affairs, AIF stood in support of SB 972, *Relating to Transportation Development*, by Senator Dorothy Hukill (R-Port Orange). The bill includes an amendment that provides clarification to the concurrency laws for those jurisdictions who retain transportation concurrency, and provides minimum guidance for any alternative system utilized by the local government to replace concurrency. AIF members like this amendment because it makes the transportation for developers more affordable for their impacts, not others.

The bill passed unanimously and will next be heard in the Senate Transportation Committee.

AIF supports statutory guidance to provide a consistent set of rules on transportation funding systems.

In the House Finance & Tax Subcommittee, AIF stood in support of HB 1049, *Relating to Motorsports Entertainment Complexes*, by Representative David Santiago (R-Deltona). This proposed Motorsports Entertainment Complex project calls for the redevelopment of the track and an accompanying mixed-use facility that will serve as a year-round tourist destination while providing space for offices, light manufacturing, research and development, residential, hotel and retail. In the current economic climate, Florida should take advantage of this opportunity to attract new businesses and an increased number of tourists.

The bill passed committee with a 14-3 vote and will next be heard in the House Economic Affairs Committee.

AIF supports any legislation that attracts new businesses to the state as well as legislation benefiting Florida's tourism industry.

During the Senate Banking and Insurance Committee meeting, AIF spoke in opposition the SB 1666, relating the Mortgage Foreclosures, by Senator Jack Latvala (R-Clearwater) due to a provision within the legislation that would allow notices to be posted online in lieu of publication in any other form of media.

To promote greater transparency and acknowledge the “digital divide,” AIF continues to support requirements that public notices be printed in local newspapers as defined by Chapter 50, Florida Statutes, as well as displayed on the Internet.

Environment & Agriculture

In the Senate Community Affairs Committee, AIF demonstrated its support for Senator Alan Hays' (R-Umatilla) SB 1106, *Relating to Agritourism*. Agritourism refers to the practice of attracting tourists to agricultural areas, usually for recreational or educational purposes. Agritourism provides Florida farmers with an alternative and innovative way to expand their incomes either through activities on the farm, or employment activities off of the farm.

Under current Florida law, also known as the *Greenbelt Law*, agricultural operative properties are taxed according to the “use” value of these operations rather than the developmental value. SB 1106 prohibits a local government from adopting ordinances or policies designed to prohibit or limit agritourism activity on land deemed “agricultural” by the county property appraiser. The bill also clarifies the definition of “agritourism activity,” and establishes a limit on the liability for the landowner and the employees if a notice of risk is posted on the land.

The bill passed unanimously and will next be heard in the Senate Rules Committee.

AIF supports any legislation that allows Florida farmers to safely expand their businesses through the use of Agritourism.

During the House Committee on State Affairs, AIF stood in support of **PCB SAC2, *Relating to Numeric Nutrient Criteria*** (NNC). Florida is currently facing the possibility of having to meet strict water quality standards regarding numeric nutrient criteria (for nitrogen and phosphorous) in all water bodies as a result of a lawsuit by radical environmental organizations. The proposed criteria are technically and scientifically flawed, as well as economically unattainable by the business and public sectors. The Department of Environmental Protection (DEP) has issued new rules to help Florida achieve better water quality standards by using biological confirmation and Total Maximum Daily Loads (TMDL). Since the new rule will have an impact of more than one million dollars over the next five years, the Florida Legislature will have to ratify the rule. Drew Bartlett, of the Florida DEP gave a presentation on this issue.

The bill passed unanimously and will either go to one more committee or straight to the House floor for consideration.

AIF SUPPORTS the Florida Legislature to ratify the proposed numeric nutrient criteria rule proposed by the Florida Department of Environmental Protection (DEP).

In the House Agriculture and Natural Resources Subcommittee, Associated Industries of Florida stood in support of multiple bills including HB 183, *Relating to Stormwater Management Districts*, by Representative Daniel Raulerson (R-Plant City). Additionally, Committee members heard HB 1063, *Relating to Water Supply* by Representative Travis Hutson (R-Palm Coast) and HB 1393, *Relating to Agricultural Storage and Shipping Containers* by Representative Halsey Beshears (R-Monticello).

HB 183 provides that a city or county that creates a community redevelopment area is authorized to adopt storm water adaptive management plan for water quantity and quality of storm water discharges in the area and get a permit from the Water Management District (WMD) or Department of Environmental Protection (DEP). The permit has a series of requirements.

The bill passed unopposed and will next be heard in the House Agriculture & Natural Resources Appropriations Subcommittee.

AIF supports the bill because it protects businesses who are establishing in a redevelopment area that is likely to flood.

House Bill 1063, by Representative Travis Hutson (R-Palm Coast) is the Dept. of Agriculture and Consumer Services (DACS) water planning bill for this session. This bill authorizes the Department of Agriculture and Consumer Services to collect water use data from farmers throughout the state and provide it to Florida's water management districts. It also allows the department to create a water supply planning program.

The bill also passed unanimously and will next be heard in the House Agriculture and Natural Resources Appropriations Subcommittee.

AIF supports state funding for alternative water supply programs and believes the Water Protection and Sustainability Trust Fund (WPSTF) must be fully funded so alternative water supply projects, such as reclaimed water projects, desalination efforts and the collection and storage of rainwater, can be built to produce additional and sustainable future water supplies.

The final bill is HB 1393, by Representative Halsey Beshears (R-Monticello). This bill expands the current laws protecting owners of certain containers to include those used for storage and transportation of agricultural or other commodities. It expands protection to owners of plastic bulk containers. Certain criminal penalties are provided

HB 1393 also passed unopposed and will next be heard in the House Criminal Justice Subcommittee.

AIF supports this legislation because companies are experiencing theft of their agriculture containers and expanded penalties in the bill will address this problem.

In the Senate Community Affairs Committee, AIF stood in support of SB 1200, *Relating to Taxation of Property*, by Senator Wilton Simpson (R-Trilby). The bill would amend the agriculture "Greenbelt" law to delete some portions that are very dated. The bill also addresses issues in the value adjustment boards process, deletes requirement that a property appraiser reclassify certain non-agriculture lands that have that have been zoned as non-agriculture.

AIF supports any legislation promoting Florida's Brownfield Program as it provides a variety of financial and regulatory incentives encouraging parties to voluntarily clean up and redevelop Brownfield sites. By restoring Brownfield sites, the properties get back on the tax rolls quicker and become useful to the community.

Workforce

In the Senate Health Policy Committee, AIF stood in support of SB 726, *Relating to Regulation of Family or Medical Leave Benefits for Employees* by Senator David Simmons (R-Altamonte Springs). SB 726 creates a task force to analyze employer sponsored family or medical leave benefits and the impact of state preemption of the regulation of such benefits. Further, the legislation prohibits local governments from passing any mandatory sick leave ordinances, ensuring that we will avoid a scenario where businesses could face 67 different rules and mandates in 67 different counties.

The bill passed by a vote of 6-3 and will next be heard in the Senate Judiciary Committee.

AIF supports providing one uniform law with which all businesses in Florida will be required to comply. Preemption guarantees that we will have uniformity in the labor market in Florida.

The Senate Community Affairs Committee met and discussed SB 1392, *Relating to Retirement*, by Senator Wilton Simpson (R-Trilby). The bill, which doesn't go as far as the house bill relating to retirement, reduces state budget risk relative to the state retirement system. AIF was in committee to stand in support of this good bill, however, due to time constraints, meeting attendees were not allowed to stand or speak.

The bill passed with a vote of 6-3 and will next be heard in the Senate Appropriations Committee.

AIF supports legislation reducing the burden Florida's taxpayers are shouldering, due to these state and local government pension plans, by closing the current pension program.

Education

In the House Choice and Innovation Subcommittee, AIF stood in support of HB 843, *Relating to Education*, by Representative Matt Gaetz (R-Ft. Walton Beach). The bill provides more digital and online choices for Florida students.

The bill passed committee with a vote of 10-3 and will next be heard in the House Education Appropriations Subcommittee.

AIF SUPPORTS removing all barriers to access all forms of innovative technology-driven education.

Legal & Judicial

In the House Business and Professional Regulation Subcommittee AIF stood in support of HB 457, by Representative MaryLynn Magar (R-Hobe Sound). The legislation would allow Florida employers to recover payments from worthless checks and other transactions without the sending of a specified letter if the business has a notice posted at point of sale or on invoice. If enacted, this bill would allow Florida businesses to collect money due to them in a timelier manner.

The bill passed without opposition and will next be heard in the House Judiciary Committee.

AIF supports legislation that makes it easier for Florida employers to collect payment due to them.

Ethics & Elections

The Senate Community Affairs Committee heard SB 1382, *Relating to Campaign Finance*, by Senator Jack Latvala (R-Clearwater). The Senate bill is now very similar to its House counterpart, HB 569 by Representative Rob Schenck (R-Spring Hill) except in the area of limitations on campaign contributions. The Senate version sets the limits at \$3,000 for statewide candidates but leaves them at \$500 for all other candidates. The House bill sets statewide limits at \$5,000 and increases the limits for all other candidates to \$3,000. There are other relatively minor differences that should be resolved without difficulty.

In addition to the changes in contribution limits, both Senate and House versions of the bill:

- Abolish committees of continuous existence (CCEs) but allow existing CCEs to convert to political committees. Per the bills, a political committee will have virtually all of the features of a CCE but will have the additional ability to spend money on campaign advertising for candidates of its choice.
- Increase the number and frequency of reports of contributions and expenditures by candidates and committees in the period immediately preceding and election.

The bill passed unanimously and will next be heard in the Senate Appropriations Committee, its last stop before being heard by the full Senate.

AIF will monitor all proposals related to public ethics and elections and advocate as necessary to protect the rights of individuals and businesses.