



DAILY BRIEF

From March 27, 2013

Because of an extremely short week, the House and the Senate were both busy at work reviewing a plethora of bills. Education legislation stole the show and became the biggest topic of conversation with five committee meetings. Insurance, health care and agricultural issues remain a relative constant in the 2013 Legislative Session. Economic development, energy and tourism issues were also discussed in various House and Senate committees.

Also of note, the Senate Appropriations Subcommittee on Finance and Tax asked Associated Industries of Florida (AIF) to speak during committee on intercompany transactions.

Education

In the House Education Committee, AIF stood in support of HB 7029, *Relating to Digital Learning*, by the House Choice & Innovation Subcommittee. The bill seeks to increase access to digital learning and mixed learning options. First, the bill will allow districts to provide part-time visual instruction for K-12 students in all courses, rather than only those courses measured through a statewide assessment. The bill would also remove blended learning courses from the definition of core-curricula classes and clarify that district innovation schools are exempt from class size requirements.

The bill passed committee with a close vote of 10-7.

AIF supports establishing a Digital Learning Initiative to offer infrastructure, bandwidth, and mobile devices equipping all Florida students with access to quality, digital learning opportunities.

In the same committee, AIF stood in support of HB 7091, *Relating to K-20 Education*, by the House K-12 Subcommittee. The bill creates three new standard high school diploma designations: College and Career, Industry, and Scholar. By creating these separate designations, it establishes a system to develop career education courses enabling students to earn credit in career courses while earning core academic credit for graduation. The bill also includes a financial literacy requirement as a .5 credit hour course.

The bill passed committee unanimously.

AIF supports legislation that promotes an increased course offering, preparing Florida's students for the workforce.

This morning the House Education Appropriations Subcommittee met to discuss their conforming bill, **EDAS 1**, *Relating to Education Funding*. Debate proved contentious because the bill contains some new policy changes related to how the funding formulas work for K12 funding, which has a direct impact on the Florida Virtual School and its supplementary courses.

The bill passed unanimously and has not been assigned another committee of reference.

AIF supports changes to funding formulas to require that the funding follows the individual student.

The second bill on the agenda was SB 1630, *Relating to Education*, by Senator John Legg (R-Lutz).

The bill was temporarily postponed probably until next week.

SB 318, *Relating to Background Screening for Noninstructional Contractors on School Grounds*, by Senator Denise Grimsley (R-Sebring) was before the Senate today for its second reading.

The bill was temporarily postponed on second reading.

Insurance

In the House Government Operations Subcommittee, AIF stood in support of HB 7095, *Relating to Public Records/Citizens Property Insurance Corporation Clearinghouse Program*, by Representative Bryan Nelson (R-Apopka). The legislation is a public records exemption bill made necessary by and linked to House Bill 7093 which establishes a clearinghouse program (clearinghouse) for use by Citizens before property insurance can be written or renewed by Citizens. The purpose of the clearinghouse is to ensure that only property meeting the Citizens' premium eligibility restrictions obtains insurance in Citizens.

The bill passed committee unanimously and is now on the House calendar for its second reading.

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 House Civil Justice Subcommittee, AIF stood in support of HB 813, *Relating to Civil Remedies Against Insurers*; by Representative Kathleen C. Passidomo (R-Naples). The bill reforms Florida's bad faith law. A fair and balanced civil justice system is essential for Florida businesses and for a healthy insurance market. The bill takes a major step towards eliminating unfair settlement practices by claimants' attorneys.

The bill passed committee narrowly with a vote of 7-6 and will next be heard in the House Insurance & Banking Subcommittee.

AIF supports legislation establishing a 60-day time frame during which an insurer may investigate and, if warranted, offer policy limits to settle a liability claim.

Also in the House Government Operations Subcommittee, AIF stood in support of HB 383, *Relating to Interstate Insurance Product Regulation Compact*, by Representative Matt Hudson (R-Naples). The bill enacts into Florida law, the Interstate Insurance Product Regulation Compact model legislation adopted by the National Association of Insurance Commissioners. The Compact provides for the development of uniform national standards for life insurance, annuity, disability income insurance, and long-term care products (including rate filings for the latter two insurance products) and application of these standards to insurer filings. A filing approved through the Compact is effective in all compacting states in which the insurer is authorized to write that line of business.

The bill passed committee unanimously and will next be heard in the House Government Operations Appropriations Subcommittee.

AIF supports legislation reducing the regulatory burden on property and casualty insurers, including rate and form deregulation.

In the House Government Operations Appropriations Subcommittee, committee members discussed HB 819, *Relating to Florida Commission on Hurricane Loss Projection Methodology*, by Representative Holly Raschein (R-Key Largo). In 1995, the Legislature established the Florida Commission on Hurricane Loss Projection Methodology to serve as an independent body within the State Board of Administration. The Commission adopts findings on the accuracy or reliability of the methods, standards, principles, models and other means used to project hurricane losses. Individual insurers are required to use the Commission's findings in order to support or justify a rate filing. The Commission is currently comprised of 11 members. This bill adds another member to the Commission, who will be appointed by the Chief Financial Officer.

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

Currently, AIF is monitoring the bill due to the Commission's impact on rate filings for insurers.

Environment & Agriculture

In the House Criminal Justice Subcommittee, AIF stood in support of, HB 1393, *Relating to Agricultural Storage and Shipping*, 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 and certain criminal penalties are provided.

HB 1393 passed by a vote of 12-1 and will next be heard in the House Agriculture & Natural Resources Appropriations 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 House Civil Justice Subcommittee, AIF stood in support of HB 927, *Relating to Agritourism*, by Representative Holly Raschein (R-Key Largo). 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. HB 927 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 committee favorably by a vote of 9-2 and will next be heard in the House State Affairs Committee.

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

In the House Agriculture & Natural Resources Subcommittee, AIF stood in support of HB 33 by Representative Jimmie Smith (R-Lecanto). The bill authorizes individuals & corporation to submit requests to Board of Trustees of the Internal Improvement Trust Funds to exchange state-owned lands for conservation easements over privately held lands.

The bill passed the committee with a vote of 11-1 and will next be heard in the House Agriculture & Natural Resources Appropriations Subcommittee.

AIF supports legislation that allows Florida farmers to purchase state-owned land contiguous to their property.

In the same committee, AIF stood in support of HB 999, *Relating to Environmental Regulation*, by Representative Jimmy Patronis (R-Panama City). The bill is the major regulation reform bill of the Session. It amends & revises numerous provisions relating to development permit applications; marinas, boat yards, general permits for special events, well permits, regional water supply planning, and agriculture water supply demand projections.

The bill passed with a vote of 9-1 and will next be heard in the House Agriculture & Natural Resources Appropriations Subcommittee.

AIF supports Rep. Patronis' effort to help streamline the permitting process for Florida's businesses.

In the House Rulemaking Oversight & Repeal Subcommittee, AIF stood in support of HB 7, *Relating to Water Management Districts*, by Representative Elizabeth Porter (R-Lake City). The bill addresses several water management district issues. It provides for adoption of water reservations and minimum flows and levels by FDEP, recovery and prevention strategies adopted by FDEP. The bill also provides for districts to work together on the water supply component of the regional water supply plans.

The bill passed unanimously and will next be heard in the House State Affairs Committee. The Senate companion bill, SB 244 by Senator Charles Dean (R-Inverness) was in its second reading today in the Senate.

AIF supports legislation providing water management districts (WMDs) with guidance on minimum flows and levels, reservations, recovery and prevention strategies and multi-district projects.

SB 364, *Relating to Consumptive Use Permits for Development of Alternative Water Supplies*, by Senator Alan Hays (R-Umatilla) was heard on the Senate floor today for its 2nd reading. Also known as the "30 year alternative water supply permitting bill," it expands water supply and reduces the cost of bonding such projects.

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.

In the House Agriculture & Natural Resources Subcommittee, AIF stood in support of HB 1193, *Relating to Taxation of Property*, by Representative Halsey Beshears (R-Monticello). 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.

The bill passed unanimously and will next be heard in the House State Affairs Committee.

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.

Health Care

In the House Regulatory Affairs Committee, AIF stood in support of HB 675, *Relating to Health Insurance Marketing Materials*, by Representative Clay Ingram (R-Pensacola). The bill repeals a health insurer's obligation to submit marketing materials to the Office of Insurance Regulation (OIR) prior to using them. Current law requires that each marketing communication to be used in the marketing of a health benefit plan be submitted for review by the OIR prior to its use. The bill maintains the authority of OIR to review the marketing communications and disclosure statements as part of complaint investigations or market conduct reviews.

AIF supports measures that will streamline regulatory requirements on Florida businesses.

Economic Development

In the final meeting of the House Transportation & Highway Safety Subcommittee, AIF stood in support of HB 879, *Relating to Freight Logistic Zones*, by Representative Lake Ray (R-Jacksonville). The bill creates the state's first Freight Logistic Zones meant to aid logistical gains between distribution assets and the state's freight traffic. This legislation would allow a local government to apply to the Department of Transportation for a designated freight logistics zone. The local government must submit an application that includes, but is not limited to:

- a map showing the geographic area or areas included in the designation,
- identification of existing transportation infrastructure,
- workforce availability,
- workforce training for a business looking to relocate,
- plans including transportation movement, and identification of financial or other local government incentives.

The legislation, being presented as a strike all amendment, states that the secretary may designate up to four pilot freight logistics zones in the state consulting with the Department of Economic Opportunity in this designation exercise.

The bill passed unanimously and will next be heard in the House Transportation & Economic Development Appropriations Subcommittee.

AIF supports this legislation as it will help advance Florida business' investment in intermodal logistics.

In the Senate Subcommittee on Appropriations Subcommittee on Transportation, Tourism, and Economic Development, SB 1024, *Relating to Department of Economic Opportunity*, by the Senate Committee on Commerce and Tourism, was significantly amended to include the following issues of potential interest to AIF members: requires that companies seeking economic incentive money to post a surety bond with DEO, implements a 15% penalty on individuals committing Reemployment Assistance fraud, doesn't allow people to apply at the same company multiple times to meet the work search

requirement, and defines misconduct for the purpose of not being eligible for Reemployment Assistance.

The bill passed unanimously and has one remaining stop in Senate Committee on Appropriations.

AIF is monitoring this bill due to the variety of issues it contains, including one that can potentially affect members if they seek state incentive money (surety bond provision) and the positive changes to the Reemployment Assistance system.

In the Senate Subcommittee on Appropriations Subcommittee on Transportation, Tourism, and Economic Development, SB 222, *Relating to Reemployment Assistance*, by Senator Nancy Detert (R-Venice) was amended and discussed. The bill was originally drafted to decentralize the Reemployment Assistance Appeals Commission, but, as amended, it would have no longer decentralized the system due to the high cost of doing so, and it requires the appeals officers at Department of Economic Opportunity (DEO) to be BAR registered lawyers. The requirement for appeals officers to be BAR registered lawyers was cause for concern for Senators Jack Latvala (R-Clearwater) and Greg Evers (R-Crestview) and the amendment and bill were temporarily postponed.

Energy

SB 338, *Relating to Theft of Utility Services*, by Senator Wilton Simpson (R-New Port Richey) was also heard before the full Senate today in its 2nd reading. The legislation would increase criminal penalties for the theft of utility services. Specifically, the bill provides that thefts of utility services are punishable as theft under the general theft statute. As a result of this change, persons committing theft of utilities will not necessarily commit a first degree misdemeanor. The bill also increases the civil penalty for a person violating the utility theft statute from the current three times the value of stolen services or \$1,000 (whichever is greater) to three times the value stolen or \$3,000 (whichever is greater).

AIF supports this legislation because it will hopefully dissuade would be thieves from targeting Florida businesses.

Tourism

The Senate unanimously approved the House version of SB 1766, *Relating to Driver Licensing*. The bill language repeals provisions requiring visitors from outside the United States to have an International Driving Permit to drive lawfully in Florida. The bill HB 7059 would make the repeal retroactive to January 1, 2013, the date the measure first became effective. This bill had unintended consequences of making it more difficult for tourists coming to Florida from other countries to rent cars.

As soon as the bill is delivered to Governor Scott, it is our understanding he will sign it immediately into law.

AIF supports this vital legislation because it would repeal a law harmful to Florida's tourism industry.

Taxation

The Senate Subcommittee on Appropriations Subcommittee on Finance and Tax asked AIF to speak on the issue of intercompany transactions. The Committee has been evaluating economic development tax incentives over the past two meetings and this particular issue has received much debate by members as state in the last report.