



DAILY BRIEF

From April 24, 2013

Insurance

The Florida Senate unanimously passed SB 1832, *Relating to Taxation*, sponsored by Senator Joe Negron (R-Palm City). The bill eliminates premium tax credits insurance companies receive based on the aggregate salaries of their Florida employees. The salary credit was implemented in 1987 to provide an incentive for insurance companies to increase Florida jobs by locating home offices, regional service centers, and call centers in the state.

The credit is an important tool in marketing Florida and in competing with other states for insurance industry jobs. The \$220 million of additional revenue resulting from the elimination of the credit will be used by the Legislature to reduce annual vehicle registration fees.

In a previous committee **AIF's Senior Vice President of State and Federal Affairs, Brewster Bevis** stated that "While the goal of reducing fees on Floridian's is certainly laudable, AIF opposes the mechanism by which you are recouping the lost revenue." Bevis also went on to point out the high growth rate in Florida's insurance industry, thousands of new jobs since 2008, and stated, "One of the reasons for this large number of jobs and industry growth in the face of national economic uncertainty has been the attractiveness of Florida as a place to do business due to the premium tax credit that this bill would do away with."



The bill will next be heard in the House before it can be sent to the Governor to be signed into law.

AIF opposes the elimination of the credit which could have the unintended consequences of reducing jobs in Florida, thus making Florida less competitive for insurance companies' jobs.

The Senate also passed SB 648, *Relating to Health Insurance Marketing Materials*, by Senator Dorothy Hukill (R-Port Orange). 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.

SB 648 will next be heard by the House and its House companion, HB 675 by Representative Clay Ingram (R-Pensacola) is on the calendar for its second reading.

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

Health Care

The Senate unanimously passed SB 398, *Relating to Physicians Assistants*, by Senator Aaron Bean (R-Jacksonville). The bill clarifies the services physician assistants (PAs) are authorized to execute. Specifically, the bill clarifies that PAs can order medications for a supervisory physician's patient in a hospital, ambulatory surgical center, or mobile surgical facility.

SB 398 will next be heard by the House before it is read by the Governor. The House companion bill, HB 625 by Representative Doc Renuart (R-Ponte Vedra Beach) is on its second reading in the House.

AIF supports any legislation allowing trained, professional health care providers to deliver basic care they may currently be prohibited from providing due to regulatory licensing barriers.

The Senate also passed SB 1842, *Relating to Health Insurance* by Senator David Simmons (R-Altamonte Springs). The bill, for purposes of implementing the Patient Protection and Affordable Care Act (PPACA), addresses conflicts between the federal law and Florida law. The bill is identical to HB 7155 by Representative John Wood (R-Winter Haven), which is scheduled to be heard by the House tomorrow.

SB 1842 will now be heard by the House before it can be sent to the Governor to be signed.

AIF encourages legislators to best leverage available federal funding to ensure Floridians have coverage in a manner that protects the state's financial health and helps employers avoid a possible \$1.3 billion hidden tax for uncompensated care for thousands of Floridians not qualifying for private health care or Medicaid.

Later in the day, the House unanimously passed HB 939, *Relating to Medicaid Recoveries*, by Representative Cary Pigman (R-Sebring) in the House Health & Human Services Committee. The bill would increase accountability in the state's Medicaid program by:

- Lengthening the time medical and Medicaid-related records are kept;
- Authorizing AHCA to perform on site inspections of a service location of a provider who has applied to become a Medicaid provider; and
- Expanding the list of offenses for which AHCA may terminate a provider's participation in the Medicaid program.

The bill will next be heard by the full Senate.

AIF supports passage of legislation that would lessen incidences of fraud within the state's Medicaid program which could lower the amount by which Florida employers subsidize that program.

Business Regulation

The House unanimously passed HB 973, *Relating to Low-Voltage Systems*, by Representative Jason T. Brodeur (R-Sanford). The bill seeks to preempt local government regulation of alarm system contracting and to make uniform the regulatory aspect of such contracting while allowing local governments to maintain varying permit fees if below a certain amount. The bill also provides an exception from alarm system regulatory requirements for certain in-state workers not accessing customer premises or alarm codes.

Now, the bill will be heard by the full Senate.

AIF supports this bill because it establishes a statewide standardized rate which would reduce the current fees imposed by certain local governments.

Economic Development

The House passed 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 will next be heard by the Senate before it can reach the Governor's desk for a signature.

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

Education

The House unanimously passed HB 7165, *Relating to Early Learning*, by Chair Marlene O' Toole (R-Lady Lake). The bill focuses on three items: governance of the Office of Early Learning, accountability for Early Learning Coalitions, the Office of Early Learning and providers across the state, and transparency in spending for all three regarding the use of public funds. Currently, Chairman O'Toole's bill would place the Office of Early Learning within the Department of Education (DOE), while granting autonomy from much of the DOE oversight structure. The bill also establishes statute roles and responsibilities for the Office of Early Learning, Early Learning Coalitions and program providers, which were previously left to the Office in rulemaking authority. The bill also phases in spending caps and restrictions for Coalitions across the state.

HB 7165 will next be heard before the full Senate.

AIF supports early learning programs as they are essential to providing support to working families across the state as well as developing a productive future Florida workforce.

Environment & Agriculture

On the House floor, legislators debated 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.

An AIF-backed amendment was introduced by Representative Jake Raburn (R-Valrico) that proposes the creation of the Florida Fertilizer Regulatory Review Council. The Council would be established to review the fertilizer issue by focusing on available scientific data. Provisions of the amendment specify that while the Council is reviewing issues, any local government that has adopted an ordinance before March 4, 2013 will be able to keep their existing ordinance and that the proposed Council will have until 2016 to review findings and issue a report. While the Council is developing this report, a moratorium on new fertilizer related ordinances will be put in place for local governments that have not adopted an ordinance before March 4, 2013.

The amendment passed and the amended bill was rolled to third reading.

AIF supports Rep. Raburn's amendment as it takes the Legislature out of the fertilizer debate for the next three years in order for a the Council to produce a cohesive report on the matter. Also, AIF supports Rep. Patronis' effort to help streamline the permitting process for Florida's businesses.

The Senate passed SB 1808, *Relating to Numeric Nutrient Criteria (NNC)*, by the Senate Committee on Environmental Preservation and Conservation. Florida is currently facing the possibility of having to meet strict water quality standards regarding NNC (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.

The bill will next be heard by the House before it can be sent to the Governor for a signature.

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

The Senate passed another environmental bill, SB 1806, *Relating to Total Maximum Daily Loads*, sponsored by the Senate Committee on Environmental Preservation and Conservation. This legislation exempts the Total Maximum Daily Load (TMDL) rules from legislative ratification. The TMDL process is part of the technology used in establishing numeric nutrient criteria (NNC) in a water body, stream, or river.

The bill will next be heard before the House.

AIF supports water quality legislation that is site specific and science-based. The TMDL program of the Florida Department of Environmental Preservation (DEP) is one of these types of programs.

Also passing through the Senate today was SB 682, *Relating to Fossil Fuel Combustion Products*, by Senator Wilton Simpson (R-New Port Richey). The bill addresses the continued use of coal ash in many products and creates a regulatory program under the Department of Environmental Protection (DEP) for the beneficial use of Fossil Fuel Combustion Products. This bill would let the EPA know that Florida wants to continue to use coal ash in various types of products. It also saves energy while producing revenue by using coal ash in products rather than incurring the cost of disposal.

The bill will next be heard by the full House.

AIF supports any legislation promoting the beneficial use of Fossil Fuel Combustion Products in order to save Florida's businesses from the costly disposal of such resources.

Later in the day, the House passed HB 713, *Relating to Water Quality Credit Trading*, by Representative Cary Pigman (R-Sebring). This bill expands a pilot program to a statewide water quality credit trading program in which participation is completely voluntary. The program is market-based and allows businesses to buy trading credits (pollutants reductions) from others which saves them money rather than implementing a more expensive cleanup project.

The bill will next be heard on the Senate floor.

AIF supports this legislation because establishing a water quality credit trading program could reduce the costs of pollutant reduction activities to businesses.

Also on the House floor, legislators unanimously passed 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.

The bill will next be heard by the full Senate.

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

Ethics & Elections

The Senate and House reached a sweeping pair of compromises last night that resulted in both the Senate ethics bill, SB 2 by Senate Committee on Ethics and Elections, and the House campaign finance bill, SB 569 by Representative Rob Schenck (R-Springhill), being passed by both chambers and sent to the Governor today. The notable provisions of each bill are as follows:

- Closes the legislative "revolving door" through which legislators whose terms expire immediately begin lobbying by prohibiting them from lobbying either the legislative or executive branch for a period of two years;
- Prohibits public officials from accepting second jobs with public agencies solely because of their official status;
- Allows referrals to the Ethics Commission by the Governor, U.S. Attorneys, state attorneys, and FDLE;
- Raises the \$500 limit on campaign contributions to \$3,000 for statewide candidates and \$1,000 for all others;
- Abolishes committees of continuous existence on September 30 of this year but allows them to convert their structure and their existing funds to political committees; and
- Increases the numbers and frequency of reports of contributions and expenditures by candidates, political committees, and electioneering communications organizations.

Governor Scott has already announced his disapproval in the increase on campaign contributions, therefore raising the specter of a veto of the campaign spending bill. However and in a display of political hardball, the Senate and House decision to pass both bills and send them to the Governor with 9 days still remaining in the Session creates the possibility of a legislative override of a veto since Governor must either sign or veto both bills within the next seven days and thus with two days left in the Session.

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

Vote from House & Senate Floor

Unless otherwise indicated, all bills passed unanimously

- SB 1832 Relating to Taxation by Senator Joe Negron (R-Palm City)...
- HB 569 Relating to Florida Election Code by Representative Rob Schenck (R-Springhill)... (37-2) & (79-34)
- SB 2 Relating to Ethics by the Senate Committee on Ethics and Elections...Read More.
- SB 648 Relating to Health Insurance Marketing Materials by Senator Dorothy Hukill (R-Port Orange)...(34-1)
- SB 398 Relating to Physicians Assistants by Senator Aaron Bean (R-Jacksonville)...
- SB 1842 Relating to Health Insurance by Senator David Simmons (R-Altamonte Springs)...(25-6)
- SB 1806 Relating to Total Maximum Daily Loads by the Senate Committee on Environmental Preservation and Conservation...
- SB 1808 Relating to Numeric Nutrient Criteria by the Senate Committee on Environmental Preservation and Conservation.... (34-4)
- SB 648 Relating to Fossil Fuel Combustion Products by Senator Wilton Simpson (R-New Port Richey)...
- HB 7165 Relating to Early Learning by Representative Marlene O'Toole (R-The Villages)...
- HB 973 Relating to Low Voltage Systems by Representative Jason T. Brodeur (R-Sanford)...
- HB 713 Relating to Water Quality Trading by Representative Cary Pigman (R-Sebring)... (114-1)
- HB 939 Relating to Medicaid Recoveries by Representative Cary Pigman (R-Sebring)....
- HB 1393 Relating to Agricultural Storage and Shipping Containers by Representative Halsey Beshears (R-Monticello)...
- HB 319 Relating to Community Transportation Projects by Representative Lake Ray (R-Jacksonville)...(108-5)