



WEEKLY BRIEF

From the Week of April 15 – 19, 2013

Health Care

Three health care proposals have emerged this session. There are two Senate bills: SB 1816, *Relating to Health Care*, by Senate Appropriations Chair Joe Negron (R-Stuart) and SB 1844, *Relating to Health Choice Plus Program*, by Senate Health Policy Chair Aaron Bean (R-Jacksonville). The House proposal is HB 7169, *Relating to Florida Health Choices Plus Program*, by Representative Travis Cummings (R-Orange Park).

The ultimate completion of the state budget hangs on whether a compromise plan is developed among these three proposals or if no action is taken at all. Thus far, a compromise has not yet been reached.

On Wednesday, April 17th, during the Senate Appropriations Subcommittee on Health and Human Services, **AIF's General Counsel, Tamela Perdue, testified in support** of SB 1816, *Relating to Health Care*, by Senator Joe Negron (R-Palm City). The bill would establish a state premium assistance program, called Healthy Florida, for uninsured, low income Floridians to receive assistance in purchasing private health insurance coverage. It would also provide for Health Reimbursement Accounts (HRAs) to be used to encourage healthy behavior. Enrollees would be required to participate in cost sharing in the program.



The program would be administered under the Florida Healthy Kids Corporation (FHK). Currently, FHK offers, through private insurers, insurance to children in low income families from birth to age 18 who are not eligible for Medicaid. To be eligible for Healthy Florida, an individual must (1) be a Florida resident and meet the definition of being "newly eligible" under PPACA, (2) maintain their eligibility with the corporation, and (3) meet any renewal requirements to renew their coverage at least annually.

Implementation of the bill would require AHCA to submit a state plan amendment to the federal government for permission to use current federal Medicaid dollars to fund this new program. The submission deadline would be June 14, 2013. If the state plan was approved, enrollment would begin on October 1, 2013 with coverage being effective no earlier than January 1, 2014. The program would cover approximately 438,000 enrollees in FY 2013-14 at a cost of \$12.6 billion.

SB 1816 passed unanimously and will next be heard in the Senate Committee on Appropriations.

In the same committee, legislators debated SB 1844, *Relating to Health Choice Plus Program*, by Senator Aaron Bean (R-Jacksonville). The bill creates the Health Choice Plus (HCP) program which would be an alternative health benefits program for uninsured, low income Floridians with incomes at or below 100 percent of the federal poverty level (FPL) who meet certain eligibility criteria. Enrollees would be required to contribute at least \$20 a month to their account and the state would provide \$10 a month to each account which will be managed by Florida Health Choices (FHC). Funds from the state will be available only to the extent they are appropriated annually. Enrollees may use the funds in the accounts to purchase a range of health care products from the FHC online marketplace or to pay for other out of pocket health care costs.

If approved, the bill would take effect on July 1, 2013 and would be subject to automatic repeal on July 1, 2016, unless reenacted by the Legislature. The estimated funding for the program for the first year is \$15 million from General Revenue. No federal dollars are used for this program.

The bill passed by a vote of 7-4 and will next be heard in the Senate Committee on Appropriations.

On Monday, April 15th, the House Select Committee on PPACA (Patient Protection and Affordable Care Act) deliberated on a proposed committee bill **(PCB) SPPACA 13-03** designed to provide health care coverage for low income persons without expanding eligibility in the state's Medicaid Program. Persons eligible for the FHC Plus program are parents and Social Security Income-eligible disabled adults with incomes under 100% of poverty who are not eligible for Medicaid. It is estimated that the program would cover approximately 115,000 Floridians, which would all be funded through general revenue.

PCB SPPACA 13-03 was passed on a party-line vote with approval from all Republicans and Democrats against. PCB SPPACA 13-03 has now been filed as HB 7169 and is being sponsored by Representative Travis Cummings (R-Orange Park). HB 7169 was heard today in the House Appropriations Committee where it passed by a vote of 16-8.

This week in committee, AIF expressed its support for SB 1816 by Senator Negron. SB 1816 is the only proposal addressing the inordinate hidden tax that Florida employers pay to cover the cost of care provided to uninsured Floridians. AIF strongly urges the Legislature to continue its focus on developing sound health care reform that will alleviate this financial encumbrance by best leverages available federal funds and safeguards Florida's future economic success.

On Tuesday, April 16th, the House Regulatory Affairs Committee approved HB 7155, *Relating to Health Insurance*, by Representative John Wood (R-Winter Haven) which seeks to resolve conflicts between current Florida's Insurance Code and the new federal health care law. The bill would suspend the Office of Insurance Regulation's (OIR) authority to review health insurance and HMO rates for two years for the purpose of giving that responsibility to the federal government. The OIR would continue to review the forms used by insurers and HMOs and conduct exams of these companies to ensure they are compliant with the Patient Protection and Affordable Care Act (PPACA). The OIR would inform the federal government of any violations found, but would not enforce the provisions of the federal law.

Two amendments were added during the meeting. One would clarify the conditions for an insurer or an HMO for nonrenewal of a conversion policy. The other addresses the roles and responsibilities of "navigators", persons who assist individuals when choosing coverage from a health insurance exchange.

The bill would also provide authority to the Division of Consumer Services of the Department of Financial Services (DFS) to respond to consumer complaints related to PPACA. Further, it would require health insurers and HMOs to provide a one-time notice to those persons in the health plans that describe the estimated impact of PPACA would have on monthly premiums. Those notices are required to be used by OIR and DFS to develop a summary of the estimated impact of PPACA on monthly premiums which must be put on the agencies' websites.

The bill passed by a vote of 13-4 and is now ready for the House floor.

On Thursday, April 18th, the Senate Committee on Appropriations discussed 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 was conformed to the House companion bill, HB 7155 by Representative John Wood (R-Winter Haven) with a number of amendments. One of the amendments provides for the licensure of "navigators", persons who will assist Floridians choosing health plans on the federal health exchange.

SB 1842 passed unanimously and will next be heard on the Senate floor.

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.

On Wednesday, April 17th, during the Senate Appropriations Subcommittee on Health and Human Services, AIF stood in support SB 844, *Relating to Medicaid Fraud*, by Senator Denise Grimsley (R-Sebring). The bill would increase accountability in the state's Medicaid program by:

- Lengthening the time medical and Medicaid-related records are kept;
- Authorizing the Florida Agency for Health Care Administration (AHCA) to perform onsite 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 passed unanimously and will next be heard in the Senate Committee on Appropriations.

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.

On the same day, the House passed HB 671, *Relating to Pharmacy Technicians*, by Representative Travis Hutson (R-Palm Coast). The bill would increase the number of registered pharmacy technicians a licensed pharmacist may supervise to six. Current law prohibits a licensed pharmacist from supervising more than one registered pharmacy technician, unless the Department of Health's (DOH) Board of Pharmacy (Board) determines the pharmacy meets certain guidelines and provides authorization to supervise.

The bill passed by a vote of 101- 16 and will next be heard by the Senate.

The Senate companion bill, SB 818 by Senator Rene Garcia (R-Hialeah) still has two committee stops before it can be heard by the full Senate.

AIF supports expanding the scope of practice for health care professionals in order to increase access to services and lower the cost of care.

Manufacturing

On Wednesday, April 17th, during the Senate Appropriations Subcommittee on Transportation, Tourism, and Economic Development meeting, AIF stood in support of SB 582, *Relating to Manufacturing Development*, by Senator Bill Galvano (R-Bradenton). The bill is a top priority for the AIF Manufacturing, Aerospace and Defense Council and, when enacted, it will be referred to as "The "Manufacturing Competitiveness Act."

The legislation authorizes local governments to voluntarily adopt, by ordinance, a Local Manufacturing Development Program that would allow manufacturers to obtain master plan approval for manufacturing sites. The agreed upon master plan would set outer limits on the site that would remain applicable over term of the master plan. Once the master plan is approved, the manufacturer would not

need further local approval for future expansions or modifications (except for building code, life, or safety issues).

Manufacturers residing in participating counties will also have access to a coordinated permitting process at the state level for the most common state permits. The bill also enables participating local governments to be self-identified as having a particular interest in having manufacturing facilities in their jurisdictions. Enterprise Florida can use this information when recruiting and placing manufacturing facilities. In essence this creates some level of competition among counties for new manufacturing facilities.

Florida is among the bottom five states in the nation as a percentage of manufacturing gross state product output. The sector is a significant job creator with salaries well beyond the state average and with an every direct manufacturing job creating about three indirect jobs, the highest of any employment sector.

The bill passed without opposition and will next be heard in the Senate Committee on Appropriations.

Later in the day, the House companion bill, HB 357 by Representative Jim Boyd (R-Bradenton) was read for a third time and passed by a vote of 116-1. The two bills will now meet in the Senate where they will be heard before final passage and approval by the Governor.

AIF supports these good bills because both will improve the development approval process for Florida's manufacturers.

On Tuesday, April 16th, during the House Economic Affairs Committee, AIF stood in support of HB 391, *Relating to Exemptions from Tax on Sales, Use, & Other Transactions* by Representative MaryLynn Magar (R-Hobe Sound). The bill revises the exemption from the sales tax for certain business purchases of industrial machinery, equipment and spaceport activities. It removes the limitation on the maximum amount of tax refunds a business may receive under the qualified defense contractor and space flight business tax refund program as well as for qualified target industry (QTI) businesses. Further, the bill revises requirements relating to the review, approval and awarding of funds under the Innovation Incentive Program.

The bill passed by a vote of 13-4 and now goes to the full House for consideration.

In order to encourage the growth of Florida's current manufacturing industry, attract new businesses to the state and create jobs for Floridians, AIF supports eliminating the sales tax on manufacturing machinery and equipment.

Insurance

On Thursday, April 18th, during a marathon meeting of the Senate Committee on Appropriations, **AIF's Senior Vice President of State and Federal Affairs, Brewster Bevis**, testified in opposition to SB 1832, *Relating to Taxation*, sponsored by Senator Joe Negron (R-Palm City). The bill would eliminate 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 jobs in the state 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.

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 passed by a vote of 16-1 and will next be heard on the Senate floor.

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.

On Tuesday, April 16th, AIF stood in support of three bills of interest to the business community in the House Regulatory Affairs Committee. First, AIF supported HB 835, *Relating to Citizens Property Insurance Corporation*, by Representative John Wood (R-Winter Haven). The bill provides for a number of positive reforms to Citizens including:

- The creation of an Inspector General for Citizens who reports to the Financial Services Commission;
- 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, implemented over a 6 year time period;
- Precluding Citizens from insuring major structures for which a building permit for new construction is applied for on or after July 1, 2014 and which is located seaward of the coastal construction line or within the Coastal Barrier Resources System,
- Authorizing Citizens to require repair of damaged property, instead of paying to replace; and
- Authorizing insurers taking policies out of Citizens to use Citizens’ policy forms for 3 years, allowing these insurers to insure the property with reduced coverage.

The bill passed unanimously and is now ready to be heard before the full House.

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.

Next, AIF stood in support of HB 909, *Relating to Property Insurance*, also by Representative John Wood (R-Winter Haven). HB 909 is similar to HB 835 but deals with property insurance more broadly.

HB 909 passed by a vote of 13-2 and is now ready to be heard by the full House.

Finally, AIF stood in support of HB 1107, *Relating to Florida Hurricane Catastrophe Fund*, by Representative Bill Hager (R-Boca Raton). Rep. Hager’s bill would incrementally reduce the size of Florida’s Hurricane Catastrophe Fund (FHCF) so it more accurately reflects current economic reality. Also, the bill would reduce the likelihood of post “catastrophic events” assessments that would be passed onto all property casualty lines of insurance (except workers’ compensation and medical malpractice).

The bill passed by a vote of 16-1 and is now ready to be heard on the House floor.

The Senate companion bill, SB 1262 by Senator Alan Hays (R-Umatilla) passed unanimously through the Senate Committee on Banking and Insurance, with an amendment, and will next be heard in the Senate Committee on Appropriations.

AIF supports legislation to restore the Florida Hurricane Cat Fund to a safety buffer for Andrew-sized storms, thereby ensuring it can meet its obligations in the event of a storm and reducing the hurricane taxes funding its operations, as well as its possible deficits.

On the following day, during the Senate Appropriations Subcommittee on General Government, AIF stood in support of SB 242, *Relating to Interstate Insurance Product Regulation Compact*, by Senator Dorothy Hukill (R-Port Orange). The bill enacts into Florida law, the Interstate Insurance Product Regulation Compact (the Compact); a 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.

The bill passed unopposed and will next be heard in the Senate Committee on Appropriations.

Later in the day, the House unanimously passed the House companion bill, HB 383 by Representative Matt Hudson (R-Naples).

AIF supports legislation allowing insurers to submit a single filing to the Commission rather than making separate filing in each state in which they are authorized to do business.

Also on Wednesday, the House unanimously passed HB 341, *Relating to Uninsured Motorist Insurance Coverage* by Representative Clay Ingram (R-Pensacola). The bill reverses a recent court decision which deleted the option for the purchaser of an automobile insurance policy to sign a waiver of rights to combine policy limits from multiple vehicles for uninsured motorists (UM) coverage. By restoring this option, the bill allows businesses and other purchasers of UM coverage who exercise this option to save 20% or more in premiums.

AIF supports the passage of legislation improving the regulatory environment for insurers and reducing the cost of insurance to businesses.

Economic Development

On Tuesday, April 16th, AIF stood in support of HB 879, *Relating to Freight Logistic Zones*, by Representative Lake Ray (R-Jacksonville) during the House Economic Affairs Committee. 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 (DOT) 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; and
- Plans including transportation movement and identification of financial or other local government incentives.

There was an amendment adopted that removes the language referencing the secretary of transportation may designate up to four pilot freight logistics zones in the state consulting with the Department of Economic Opportunity (DEO). Instead, the amendment inserted new language stating that projects within freight logistics zones must be consistent with the Freight Mobility and Trade Plan to be eligible for priority in state funding and incentive programs relating to freight logistics zones.

The bill passed unopposed and will now be considered by the full House.

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

In the same committee, 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 Daytona 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.

After extended debate, the committee narrowly voted to add an amendment to include the Everbank Stadium in Jacksonville, FL to the bill for another \$60 million tax rebate. As amended, the bill makes a \$120 million tax rebate over 30 years for the two projects.

The now broader bill passed by a vote of 11-6 and will next be heard in the Senate Committee on Appropriations.

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

Also in the House Economic Affairs Committee, AIF stood in support of HB 7127, *Relating to Department of Transportation*, by Representative Frank Artiles (R-Miami). The bill includes a variety of clarifying statutory changes to the Department, including \$15 million for space funding, strategic investment initiatives, and items related to environmental mitigation and public private partnerships. Rep. Artiles has included amendments effectively removing several marginally controversial portions of the bill. Specifically, these provisions included the removal of noise mitigation mandates on local governments and permissive language allowing the Department of Transportation (DOT) to conduct ancillary rail corridor development without local comprehensive plan approval. Also, the committee adopted an amendment clarifying a local government's ability to create local regional financing authorities.

The bill passed unanimously and is now ready to be heard before the full House.

AIF is a strong proponent of several measures contained in 7127, including the additional resources for Space Florida and the space industry.

Business Regulation

On Monday, April 15th, AIF stood in support of SB 1442, *Relating to Alarm System Contracting & Permitting*, by Senator Tom Lee (R-Brandon) in the Senate Committee on Criminal Justice. 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.

The bill passed unopposed and is now ready to be heard by the full Senate.

On the following day, the House companion bill, HB 973 by Representative Jason T. Brodeur (R-Sanford) passed unanimously in the House Regulatory Affairs Committee.

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

On Wednesday, April 17th, during the House Appropriations Committee, AIF stood in support of HB 85, *Relating to Public Private Partnerships (PPPs)*, by Representative Greg Steube (R-Sarasota). HB 85 creates an alternative procurement process and requirements for public-private partnerships, and creates a Public Facilities and Infrastructure Act Guidelines Task Force which would provide guidance on how to implement public-private partnerships to foster uniformity across the state. The bill also authorizes the use of public-private partnerships for purposes of county transportation facilities.

The bill passed by a vote of 24-1 and will next be heard in the House State Affairs Committee. The Senate version of the bill, SB 84 by Senator Miguel Diaz de la Portilla (R-Miami) is currently in the Senate Committee on Appropriations.

AIF supports HB 85 and the sponsor's intention to encourage private sector investment into local infrastructure projects across the state. Public Private Partnerships have proven successful in aiding government needs for infrastructure project advancement utilizing private contractors, financiers and related industries.

Environment & Agriculture

In the Tuesday, April 16th meeting of the House State Affairs Committee, **AIF's Senior VP of State and Federal Affairs, Brewster Bevis**, 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 unanimously and will next be heard on the House floor.

The Senate companion bill, SB 1684 by Senator Thad Altman (R-Melbourne) was amended and passed without opposition in the Senate Appropriations Subcommittee on General Government on Wednesday.

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

In the same committee, 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.

The bill passed unanimously and will next be heard before the full House.

On Thursday, April 18th, the Senate companion bill, SB 654 by Senator Bill Montford (D-Apalachicola) passed unanimously out of the Senate Committee on Appropriations. It will next be considered on the Senate floor.

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

Also in the House State Affairs Committee, AIF stood in support of HB 7113 by Representative Matt Caldwell (R-Lehigh Acres). 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 passed unanimously and is now ready to be heard by the full 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.

On Thursday, April 18th, in the Senate Committee on Appropriations, AIF stood in support of SB 768, *Relating to Everglades Long-term Plan*, by Senator Wilton Simpson (R-New Port Richey). Among other things, the legislation provides legislative finding that implementation of best management practices (BMPs), funded by the owners and users of land in the Everglades Agricultural Area (EAA), effectively reduces nutrients in waters flowing into the Everglades Protection Area. To date, in their continued commitment to the Everglades, farmers and landowners in the region have spent \$200 million on BMPs. The legislation does not raise the current \$25 per acre Agricultural Privilege Tax that farmers and landowners pay the state. The legislation also moves towards completing the Everglades Restoration plan.

The bill passed unanimously and will next be heard on the Senate floor.

AIF supports legislation necessary to authorize funding, to begin implementing the revised \$880 million State Everglades Restoration Plan that Florida has already committed to complete. AIF opposes any increases in the Agricultural Privilege Tax and supports the inclusion of provisions in the legislation that requires the appropriate state agency to conduct a Use Attainability Analysis at the completion of construction projects to determine if the nutrient limits are attainable.

In the same committee, AIF stood in support of SB 948, *Relating to Water Supply*, by Senator Denise Grimsley (R-Sebring). This bill authorizes the Department of Agriculture and Consumer Services (DACs) 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 passed unanimously and will next be heard on the Senate floor.

AIF supports legislation and state funding of scientifically based water supply planning data collection as a way to better understand Florida's long term water supply needs.

On the same day, the House passed HB 203, *Relating to Agricultural Lands* by Representative Halsey Beshears (R-Monticello). The purpose of this legislation is to prevent double regulations by governments. For example, if an agricultural activity is regulated by either the federal or state governments then this bill prevents a local government from also charging a fee to regulate it. The current law applies to just Florida counties, but some municipalities have expanded their boundaries to include farm operations and are applying fees for certain activities.

Energy

On Tuesday, April 16th, the Senate Committee on Community Affairs discussed CS/SB 1472, *Relating to Nuclear and Integrated Gasification Combined Cycle Power Plants*, by Senator John Legg (R-Lutz); this bill:

- Breaks the preconstruction period into licensing and other preconstruction, and limits the types of costs that could be recovered during the licensing phase;
- Requires the Public Service Commission (PSC) find that the projected costs for the plant are reasonable and that there is still a need for the plant, prior to the preconstruction phase and the construction phase;
- Provides that in order to preserve the opportunity for future cost recovery, a utility must begin construction within ten years after the date on which it obtains a license or petition the PSC and evidence ongoing intent to build the plant;
- Establishes that twenty years after the date a utility obtains a license, the utility may not recover future costs relating to that plant; and
- Adds a “prudency review” by the PSC if the date has been extended for more than six years, or the costs of the plant have risen by more than fifty percent.

Senators Jack Latvala (R-Clearwater) and Wilton Simpson (R-New Port Richey) added two amendments. The first would add a prudency review by the PSC prior to the construction phase. The second amendment would not allow a utility, which does not complete construction of a nuclear power plant, to recover or retain any rate of return for that plant and must refund any costs recovered for rate of return to its customers.

SB 1472 passed unanimously and will next be heard on the Senate floor.

On the same day, the House Regulatory Affairs Committee discussed HB 7167, *Relating to Cost Recovery for Nuclear and Integrated Gasification Combined Cycle Power Plants*, sponsored by Representative José Felix Diaz (R-Miami). The bill, which will likely be the companion to SB 1472, does the following:

- Places a moratorium on any new nuclear projects;
- Provides that recoverable carrying costs on the construction costs associated with the project must be calculated based on the utility’s PSC-approved pre-tax allowance for funds during construction (AFUDC);
- Allow for the Public Service Commission (PSC) to approve recovery of costs after final licensure of a plant by the Nuclear Regulatory Commission (NRC) only upon finding, after taking into account updated cost estimates, construction schedules and feasibility analyses, that construction of the plant provides needed base load capacity, improves the balance of fuel diversity and enhances the long term stability and reliability of the electric grid; and
- Limits the availability of advanced recovery of costs until the nuclear power plant is placed in service or until December 31, 2025, whichever occurs first.

Rep. Diaz offered a strike all amendment to the bill which was adopted. The strike all adds to the bill:

- A requirement that utilities identify on each customer bill, the amount attributable to recovery of costs through the advanced cost recovery method;
- A requirement that a utility, within one year of receiving a federal license for a nuclear power plant, file a petition with the PSC demonstrating that the utility intends to construct the plant and that construction will provide the most cost-effective source of power;
- Sunsets advanced cost recovery in 2025 for nuclear power plants and removes any sunset for integrated gasification combined cycle (IGCC) plants;
- Provisions that the advanced cost recovery is only available to nuclear power plants that have received a determination of need from the PSC and for IGCC plants; and
- Requirements that the PSC to complete a comprehensive review of any plants where the in-service date is more than six years beyond its original proposed date and the total cost is more than 50% of its original cost estimate.

Representative Michelle Rehwinkel Vasilinda (D-Tallahassee) attempted to add multiple amendments to the bill, but they were defeated or withdrawn.

The bill passed by a vote of 15-1 and will next be heard by the full House.

Currently, AIF does not have a position on either bill, but is monitoring because both could have generational consequences to both users and ratepayers as well as to the returns for some of Florida's largest corporations.

On the following day, the House unanimously passed HB 579, *Relating to Natural Gas Motor Fuel*, by Representative Lake Ray (R-Jacksonville). HB 579 would replace the annual decal and fee system with a motor fuel equivalent gallon form of taxation beginning January 1, 2019. The bill would further require anyone selling natural gas fuel in Florida to obtain a natural gas retailer license from the Department of Revenue. There are currently 32 natural gas fueling stations in Florida and with the development in the United States of proved reserves of natural gas, the potential for a less expensive and cleaner alternative to other motor fuels is expanded in this legislation.

AIF supports any efforts by the Legislature to provide Florida's businesses with a less expensive and cleaner alternative motor fuel.

Taxation

On Wednesday, April 17th, AIF stood in support of SB 916, *Relating to Tax on Sales, Use, and Other Transactions*, by Senator Anitere Flores (R-Miami) during the Senate Appropriations Subcommittee on Finance and Tax. Sen. Flores explained that the bill provides an exemption from state and local sales tax during the 3-day period beginning at 12:01 a.m. on August 2, 2013, through 11:59 p.m. on August 4, 2013, on purchases of clothing costing \$75 or less per item, school supplies costing \$15 or less per item, and computers costing \$750 or less per item.

With two friendly amendments, the bill passed unanimously and will next be heard in the Senate Committee on Appropriations.

AIF supports the sales tax holiday as it helps Florida businesses by stimulating sales while also helping Florida families with school age children.

On the following day, AIF stood in support of SB 236, *Relating to Tax Refund Programs* by Senator Dorothy Hukill (R-Port Orange) during the Senate Committee on Appropriations. If enacted, the bill would eliminate the maximum amount of tax refunds a business could receive over all fiscal years for the Quality Target Industry (QTI) and the Quality Defense and Space Flight Business Programs (QDSFB). Current limits imposed on the percentage of total award, and dollar amount a project could receive in a given fiscal year, would remain intact. Essentially, the bill removes the \$7 million cap and allows qualifying businesses to create more jobs and expand.

The bill passed unanimously and is now ready to be heard by the full Senate.

AIF supports the bill because the incentive has produced 19,694 high paying jobs in the defense and space sector and this change will help create more such jobs.

Legal & Judicial

During the Monday meeting of the Senate Committee on Judiciary, AIF stood in support of SB 1412, *Relating to Expert Testimony*, by Senator Garrett Richter (R-Naples). The bill aligns Florida's evidentiary standard for expert witness testimony with that of the federal courts. Currently, Florida is an outlier among states in its use of the outdated *Frye* standard for admissibility of expert witness testimony. The bill would align Florida with other leading states that utilize the *Daubert* standard, therefore ensuring that "junk science" is not admitted into our courts.

This issue is important to the business community because Florida-based companies are regularly joined into costly and unnecessary lawsuits so that trial lawyers may gain access to our courts, thereby increasing the cost of doing business in Florida. Representative Larry Metz (R-Groveland) has carried and passed this legislation off the House floor for the last two Legislative Sessions.

The bill passed by a vote of 6-3 and now moves to the Senate Committee on Rules.

The House passed the companion bill, HB 7015 by Representative Larry Metz (R-Groveland) Thursday afternoon.

AIF supports legislation to adopt the *Daubert* standard for expert witness testimony and to align Florida courts with the Federal Rules of Evidence utilized in federal courts and adopted by a majority of state courts.

Also on Monday, during the Senate Committee on Commerce and Tourism, AIF stood in support of SB 550, by Senator Wilton Simpson (R-New Port Richey). 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 unanimously and will next be heard in the Senate Committee on Judiciary.

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

Education

On Tuesday, April 16th, during the House Education Committee, AIF stood in support of HB 1031, *Relating to Instructional Materials for K-12 Public Education*, by Representative Elizabeth Porter (R-Lake City). The bill eliminates state instructional materials adoption and instead provides for review of instructional materials by either Department of Education (DOE) or school boards. School districts are authorized to evaluate instructional materials submitted by publishers or refer submitted materials to DOE for review. The bill establishes standards for district and DOE review of instructional materials and authorizes the collection of fees from publishers who submit materials for review.

The bill passed unopposed and is now ready to be heard on the House floor.

AIF supports this good bill as it dramatically remakes the decision making process for instructional materials and strongly encourages better alignment with digital learning which is the way our students learn and interact in an academic setting. Through this modernization of the procurement of instructional materials our student will be better prepared for post secondary education and the workforce.

On the following day, AIF stood in support of HB 7165 by Chair Marlene O' Toole (R-Lady Lake) in the House Appropriations Committee. 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 passed unopposed and is now ready to be heard by the full House.

Also on Wednesday, the Senate Appropriations Subcommittee on Education passed SB 1722, *Relating to Early Learning*, by Senator John Legg (R-Lutz). The bill's main provisions mirror many aspects of HB 7165, with two significant differences. First, the Senate bill would place the Office of Early Learning within the Office of School Choice at the DOE. Second, the Senate bill would take a revised approach to spending caps and restrictions for Coalitions.

The bill also passed unanimously and will next be heard in the Senate Committee on Appropriations.

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.

Workforce

On Thursday, April 18th, during the Senate Committee on Appropriations, 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 on a party line vote of 12-7 and will next be heard on the Senate floor.

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.

Wage Theft

On Tuesday, April 16th, AIF stood in support of HB 1125, *Relating to Employers and Employees* by Representative Tom Goodson (R-Titusville) in the House Judiciary Committee. The bill will establish a statewide system of addressing wage theft complaints through the county courts. HB 1125 addresses wage protection by creating a judicial process giving workers the ability to address their grievances in our court system. It will provide consistency for both employees *and* employers.

The bill passed by a vote of 12-6 and will next be heard by the full House.

AIF supports any legislation aimed at protecting the wages of Florida employees and while supporting employers in their quest to maintain a productive work environment.

Telecommunications

On Tuesday, April 16th, the Senate took up SB 52, *Relating to the Use of Wireless Communications Devices While Driving*, by Senator Nancy Detert (R-Venice) on its second reading and then waived rules to roll it to third reading, where it was passed. The bill provides for secondary enforcement of a ban on texting-while-driving. Specifically, a driver must be first pulled over for a violation of another traffic law before that driver may be cited for violating the texting-while-driving ban.

Also, graduated penalties and exceptions are provided. Further, the bill allows for a driver may still text when legally parked. The bill also provides that a driver's wireless billing records and testimony from those receiving messages are admissible as evidence in a proceeding to determine whether a violation has been committed. Like its House companion, HB 13, this bill also now applies to the use of tablets as well as wireless cell-phones. The bill may generate additional revenues for local and state governments as a result of the penalties.

AIF supports SB 52 because it will effectively decrease automobile accidents thus lowering insurance costs for Florida's businesses.

State Contracts

On Tuesday, April 16th, the Senate took up and amended HB 5401, *Relating to Transparency in State Contracting*, by Representative Clay Ingram (R-Pensacola). The bill requires state agencies to upload contracts that have been redacted to exclude confidential or exempt information to the contract management website within 30 days after execution. In addition to uploading the redacted contract, the agency must provide on the website information pertaining to the contract, including the following information:

- The names of the contracting entities;
- Procurement method;
- Contract beginning and ending dates;
- The nature or type of the commodities or services purchased;
- Applicable contract unit prices and deliverables; total compensation to be paid and received under the contract;
- All payments made to the contractor to date; and
- Applicable contract measures.

The Senate did not pass the bill but acceded to the request of the House for a conference.

AIF supports this bill as it requires the posting of contracts on the web which will add requirements to redact proprietary confidential information.

Ethics & Elections

On Tuesday, April 16th, the House State Affairs Committee met to hear HB 7131, *Relating to Ethics*, sponsored by the House Ethics & Elections Subcommittee and Representative Jim Boyd (R-Bradenton). This is the House version of comprehensive Ethics Reform legislation and it is now very similar to its Senate counterpart, SB 2, which was passed the Senate on the opening day of the Session. Key provisions of the bill:

- Close the so-called "Revolving Door" by preventing former legislators from lobbying the legislative or executive branches of government for two years after their terms expire;
- Prevents elected officials from accepting employment with public agencies solely on the basis of holding office;
- Allows the ethics Commission to investigate matters referred to it by the Governor, a U.S. attorney, a state attorney, or the Florida Department of Law Enforcement (FDLE); and
- Enhances the authority of the Commission to collect fines from officials who are guilty of ethics law violations.

HB 7131 will now be placed on the House calendar and will be considered sometime next week.

On Thursday, April 18th, the Senate Committee on Appropriations met to hear 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.
- Increases the number and frequency of reports of contributions and expenditures by candidates and committees in the period immediately preceding and election.

The bill passed unopposed and will be taken up 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.