



INTERIM LEGISLATIVE BRIEF

From February 7, 2014

With the 2014 legislative session only a few weeks away, Associated Industries of Florida (AIF) is pleased to present its first weekly update containing bills and proposed legislation most important to Florida employers. The bills outlined in this report were considered and/or voted on in committee hearings during the week of February 3rd through 7th.

Economic Development

SB 208 – Relating to Motorsports Entertainment Complexes

On Thursday, February 6th, **AIF Senior Vice President of State and Federal Affairs, Brewster Bevis**, stood in support of SB 208, Relating to Motorsports Entertainment Complexes, by Senator Dorothy Hukill (R-Port Orange) during the Senate Appropriations Subcommittee on Finance and Tax. The legislation would allow for a monthly distribution of a specified amount of sales tax revenue to a complex certified as a motorsports entertainment complex by the Department of Economic Opportunity while the complex upgrades facilities.



AIF supports this measure due to the massive economic driver that motorsports are in the state of Florida. The positive economic impact to the state and the jobs created is a worthwhile return.

HB 155 – Defense Contracting

On Tuesday, February 4th, AIF stood in support of HB 155 by Representative Jimmie Smith (R-Lecanto) during the House Economic Development & Tourism Subcommittee meeting. This legislation creates a tax incentive program aimed at stimulating economic development for Florida's Defense Industry by encouraging companies with federal contracts to hire more Florida-based subcontractors. The bill has two committee stops remaining in the House and four in the Senate.

AIF supports this legislation because Florida's military personnel and installations, as well as the industries that support them are critical to our state's economic health.

HB 325/SB 586 – Brownfields

This week, AIF stood in support of legislation that will encourage redevelopment in our state's Brownfields areas. Committees in both the House and Senate successfully passed legislation that would clarify legislative intent, clear up inconsistencies and address liability protection issues in the Brownfields Program. Similar legislation was passed by the House during the 2013 Legislative Session, but was not taken up by the Senate.

On Tuesday, February 4th, HB 325 by Representative Charlie Stone (R-Ocala) was voted favorably by the House Economic Development & Tourism Subcommittee and on Wednesday, February 5th, SB 586 by Senator Thad Altman (R-Melbourne) was passed out of the Senate Committee on Environmental Preservation and Conservation.. This was the first committee stop for both bills and they each have two remaining.

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 return to the tax rolls quicker and become useful to their community.

Taxation

SB 266 – Relating to Communications Services Taxes

On Tuesday, February 4th, **AIF Senior Vice President of State and Federal Affairs, Brewster Bevis** spoke in support

of SB 266, Relating to Communications Services Taxes, by Senator Dorothy Hukill (R-Port Orange) during the Senate Committee on Communications, Energy, and Public Utilities meeting. The legislation would reduce the communications services tax (CST), which shows up on cellular telephone bills as well as cable and satellite television bills, by 2 percent to 8.8 percent. "Reducing taxes on Florida's businesses is always a good thing" said Bevis, adding, "Passage of this legislation would save employers with ten telephone lines and cable service approximately \$265 a year."



The bill passed by a vote of 8-0 and now moves to the Senate Appropriations Subcommittee on Finance and Tax.

AIF supports reducing this tax burden, currently the third highest rate in the nation for CST, on Florida's businesses. Subsequently, businesses could utilize this tax savings to reinvest in their business.

Consumer Protection

HB 151 – Relating to Security of Protected Consumer's Information

On Tuesday, February 2nd, AIF stood in support of HB 151 by Representative Heather Dawes Fitzenhagen (R-Fort Myers) relating to Security of Protected Consumer's Information during the House Insurance & Banking Subcommittee meeting. The bill, which creates the "Keeping I.D. Safe (KIDS) Act" to authorize a representative of a minor consumer younger than sixteen years of age, or a guardian to place a security freeze on that consumer's credit report.

The legislation passed unanimously and moves next to the House Regulatory Affairs Committee.

AIF supports protecting consumer information to guard minors from potential identity theft. Any legislation resulting in reduced instances of credit fraud is a common-sense action for the Legislature.

Health Policy

SB 7028 – Relating to Telemedicine

The Senate Committee on Health Policy heard public testimony, but did not vote on SB 7028 on Tuesday. Chair Aaron Bean (R-Jacksonville) told members the bill was not yet ready and the committee was continuing to fine tune the measure.

AIF's general counsel, Tammy Perdue, testified in committee this week and thanked the committee members for continuing to work on this legislation before taking a vote on it. Perdue testified that the reimbursement requirements in the current version will likely hamper free market operation to limit telemedicine's use as a tool to increase access and lower costs.



The current proposal would define key components for the practice of telemedicine and would require out of state, non-Florida licensed health care providers to pay a biennial registration fee for providing a certain amount of telemedicine services. It would also prohibit prescribing certain controlled substances and legend drugs in nonemergency situations. Provisions that concern AIF would require a health plan (including those participating in the Medicaid program) that covers telemedicine services to reimburse providers in the same amount reimbursed for in-person services.

Justin Senior, Deputy Secretary of Medicaid for the Agency for Health Care Administration told members the Medicaid program currently allows physician, dental and behavioral health services to be provided through telemedicine. In the new Statewide Medicaid Managed Care Program, health plans will be allowed to expand the number of services delivered by telemedicine. However, the recipient must agree to receive services in that manner.

AIF will continue to advocate for an expanded technology role in healthcare that permits private party negotiating and allows technological advances to better deliver health care to more Floridians. Florida businesses need full access to the many opportunities that technology brings to health care delivery for our economy and for all Floridians.

Insurance & Banking

SB 542 – Relating to Flood Insurance

Senate Bill 542, relating to Flood Insurance by Senator Jeff Brandes (R-St. Petersburg), was substantially amended in Senate Appropriations Subcommittee on General Government this week. Many Florida homeowners are facing exponential flood insurance rate hikes due to changes enacted to the National Flood Insurance Program (NFIP). This bill would allow flexibility for more insurance carriers in Florida to offer flood coverage to policyholders. We anticipate

this bill may again be heard by the Senate Committee on Banking and Insurance since its substance was so vastly changed this week.

AIF strongly supports the additional market competition and consumer options this legislation seeks to create.

SB 416 – Relating to Sinkhole Coverage

SB 416, relating to Sinkhole Coverage by Senator Wilton Simpson (R-New Port Richey), which establishes a managed repair program in Citizens passed 11-1 through the Senate Committee on Banking and Insurance on Tuesday. Several trial lawyers spoke in opposition to this bill, as the bill would not allow insurance proceeds to be paid to the party or his/her attorney; rather, Citizens would undertake the responsibility to make any and all necessary repairs as a result of the sinkhole claim, as well as warrant the integrity of the work performed. AIF waived its time in support. Several others also spoke in support, including a realtor who testified to the devastating impact that sinkhole claims - particularly on properties that are never repaired— have on the tax base of local governments. Neighborhood blight, as a result of un-repaired properties, reduces home values and subsequently property tax revenues that are primarily used to fund education.

AIF supports this legislation because it benefits Florida’s fragile real estate market by preserving home values in communities affected by sinkholes. Preserved education funding in these communities is a welcome result of this legislation as well.

SB 570 – Relating to Title Insurance

Last year the Florida Supreme Court upended the ability to limit contractual damages when it overturned Florida’s “economic loss rule” in *Tiara vs. Marsh*. This week the Senate Committee on Banking and Insurance passed SB 570 by Senator Bill Galvano (R-Bradenton) which restores this important legal protection for title insurers.

AIF supports this bill and urges the legislature to further expand its scope and eventually codify this means of contract negotiations and protections for all industries.

SB 482 – Relating to Florida Hurricane Catastrophe Fund

On February 4th the Senate Committee on Community Affairs passed SB 482 by Senator Alan Hays (R-Umatilla), 9 to 0. SB 482 reduces the Florida Hurricane Catastrophe Fund (Cat Fund) coverage limits and allows insurers to recoup through their property insurance premiums specified reinsurance premiums paid by insurers to the Cat Fund. The bill is designed to reduce the overall financial obligations of the fund, reducing the likelihood and amount of bonding and emergency assessments needed to fund deficits in the event the fund experiences a shortfall after a major hurricane.

AIF supports this bill because it will bring greater meaning to the Cat Fund’s claimed protections and will eventually remove our untenable reliance on state resources to rebuild in the wake of a natural disaster.

Information Technology

SPB 7024 – Relating to State Technology

During the Senate Committee on Governmental Oversight and Accountability on Wednesday, Senator Ring explained that SPB 7024 substantially revises how the state establishes information technology (IT) policy and procedures. SPB 7024 creates the Agency for State Technology (AST), administratively housed in the Department of Management Services. The defunct Agency for Enterprise Information Technology is abolished by the bill, and its duties are transferred to the AST. The AST is given extensive authority to set state technology policy and perform project oversight of large IT projects. The Northwood and Southwood shared resource centers are transferred to the AST.

For the 2014-2015 fiscal year, \$2,865,108 in recurring general revenue funds, \$2,134,892 in nonrecurring general revenue funds, and 25 full time equivalent positions with associated salary rate of 2,010,951 are appropriated to the AST, in this bill.

There were no questions by members.

Frank Meiners representing the AIF Information Technology Council testified in support of the bill, thanking Senator Ring for his long time determination to pass a good IT governance bill which AIF has supported and worked on with him for several years.



The proposed bill passed unanimously and will be given a bill number and be referred soon.

AIF SUPPORTS a strong Chief Information Officer in the Executive branch to provide the leadership needed to allow the state to provide quality services to the citizens in the most cost efficient way possible. Information technology will offer the tools to re-engineer the state's business processes to accomplish this goal. In order to gain the benefits of IT, there must be significant changes in IT Governance in Florida and this bill does just that. Today Florida is ranked at the bottom of all states in Information Technology.