



WEEKLY BRIEF

From the Week of March 5 – 7, 2014

The 2014 Florida State Legislative Session has wrapped up its first week. Associated Industries of Florida is pleased to present its first installment of our weekly report 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 March 3rd through 7th.

On Tuesday, March 4th, Governor Scott gave his State of the State address to a joint meeting of the Legislature. Watch AIF's clip of his speech here: <http://youtu.be/x4txdpDP9Tk>.

Economic Development

HB 325 – relating to Brownfields

On Thursday, March 6th HB 325, relating to Brownfields, by Representative Charlie Stone (R-Ocala) passed unanimously through the House Local & Federal Affairs Committee. The bill now heads to its last stop before the House floor in the House Economic Affairs Committee.

SB 586 – relating to Brownfields

On Wednesday, March 5th, SB 586, relating to Brownfields, by Senator Thad Altman (R-Melbourne) passed the Senate Committee on Community Affairs by an 8-1 vote. AIF spoke in support of this legislation. The bill now heads to its last stop before the Senate floor in the Senate Committee on Judiciary.

These bills clarify, in statute, the process for designation of a Brownfields area and offers liability protection for anyone responsible for rehabilitation of a Brownfields site. Subsequently, the bill encourages redevelopment in our state's Brownfields areas.

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.

SB 208 – Relating to Motorsports Entertainment Complexes

On Thursday, March 6th SB 208, relating to Motorsports Entertainment Complexes, by Senator Dorothy Hukill (R-Port Orange) passed the Senate Committee on Appropriations by a 17-1 vote. **AIF Senior Vice President of State and Federal Affairs, Brewster Bevis**, stood in support of this bill during the committee. The bill now heads to its last stop before the Senate floor in the Senate Committee on Rules.



The bill 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 its 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.

Taxation & Budget

SB 596 – relating to Defense Contracting

On Monday, March 3rd, SB 596, relating to Defense Contracting, by Senator Greg Evers (R-Crestview) unanimously passed the Senate Committee on Commerce and Tourism. AIF stood in support of the bill during the committee. The bill now heads to the Senate Committee on Military and Veterans Affairs, Space, and Domestic Security.

HB 155 – relating to Defense Contracting

On Thursday, March 6th, HB 155, relating to Defense Contracting, by Representative Jimmie Smith (R-Lecanto) passed the House Finance & Tax Subcommittee by a 17-1 vote. The bill now heads to its last stop before the House floor in the House Economic Affairs Committee.

These bills create a tax incentive program to prime defense contractors aimed at stimulating economic development for Florida's Defense Industry by encouraging companies with federal contracts to hire more Florida-based subcontractors. The bill would allow a prime contractor to reduce its taxable income 4 percent for each subcontract it awards.

AIF supports this bill because reducing the corporate tax liability would likely encourage prime contractors to award more subcontracts to small businesses in Florida.

SB 776 – relating to Business Entities

On Monday, March 3rd, SB 776, relating to Business Entities, by Senator Wilton Simpson (R-New Port Richey) unanimously passed the Senate Committee on Commerce and Tourism. AIF stood in support of the bill during the committee. The bill now heads to the Senate Committee on Governmental Oversight and Accountability.

The bill decreases and standardizes filing fees and costs for documents filed with the Department of State. Specifically, the repeal of the \$88.75 supplemental corporate fee will likely result in a net savings of \$13.75 for an LLC, \$25 for a for-profit corporation, and \$286.25 for an LP or LLLP due to a net reduction in fees when an annual report is filed.

AIF supports this bill because it will likely reduce costs for LLCs, for-profit corporations, not-for-profit corporations and partnerships that operate in Florida.

SB 712 – relating to Taxes on Prepaid Calling Arrangements

On Tuesday, March 4th, SB 712, relating to Taxes on Prepaid Calling Arrangements, by Senator Bill Galvano (R-Bradenton) unanimously passed the Senate Committee on Communications, Energy, and Public Utilities. **AIF Senior Vice President of State and Federal Affairs, Brewster Bevis**, stood in support of this bill. The bill now heads to the Senate Appropriations Subcommittee on Finance and Tax.



The bill revises the definition of the term “prepaid calling card” for purposes of the Communications Services Tax (CST) and the sales tax. The primary effect of the bill is to include mobile communications services that meet specified conditions. The bill also provides that if a purchaser of a prepaid calling arrangement has paid sales tax on the sale or recharge of such arrangement, no additional sales tax or CST tax is due or payable if the purchaser applies one or more units of the prepaid calling arrangement

to obtain communications services that are provided to or through the same handset or other electronic device that is used by the purchaser to access mobile communications services, other services that are not communications services, or products.

AIF supports clarification that prepaid calling arrangements, such as wireless phones purchased at retail stores, should be taxed as tangible personal property.

SB 898 – relating to Communications Services Tax

On Tuesday, March 4th, SB 898, relating to Communications Services Tax, by Senator Joseph Abruzzo (D-Wellington) unanimously passed the Senate Committee on Communications, Energy, and Public Utilities. **AIF Senior Vice President of State and Federal Affairs, Brewster Bevis**, stood in support of this bill. The bill now heads to the Senate Committee on Commerce and Tourism.

This legislation, brought to the attention of the legislature by the hotel and lodging industry, intends to relieve hoteliers, both large and small, from erroneous application of the Communications Services Tax (CST) by the Florida Department of Revenue on hotels, their franchises and properties. Specifically, the bill provides clarification that certain communications over the internet do not make a hotel a provider of communications services and thus those communications are not subject to the CST.

AIF supports this bill because the impact of the state's tourism industry, along with the lodging industry, affects every corner of the state and further and erroneous taxation of the hotel and lodging industry can only harm local economies.

HB 567 – relating to Hurricane Preparedness

On Thursday, March 6th, HB 567, relating to Hurricane Preparedness, by Representative Matt Gaetz (R-Shalimar) unanimously passed the House Finance & Tax Subcommittee. The bill now heads to the House Economic Development & Tourism Subcommittee.

The bill establishes a sales tax exemption for specified items related to hurricane preparedness beginning on June 1, 2014, and ending on June 12, 2014. These items include flashlights, radios, first-aid kits, batteries, small coolers, generators and various other items.

AIF supports sales tax holidays for hurricane supplies. This tax holiday is a win-win for customers and the state as sales tend to increase more than they would without the tax holiday.

Environment

HB 487 – relating to Agricultural Industry Certifications

On Wednesday, March 5th, HB487, relating to Agricultural Industry Certifications by Representative Jake Raburn (R-Valrico) unanimously passed the House Higher Education & Workforce Subcommittee. **AIF Senior Vice President of State and Federal Affairs, Brewster Bevis**, stood in support. The bill now heads to the House Agriculture & Natural Resources Subcommittee.



The legislation would allow agricultural industry certifications to be placed on the Industry Funding Certification List. The bill passed and now heads to the House Agriculture & Natural Resources Subcommittee.

AIF supports adding agriculture to industry certifications because it recognizes the critical need for agricultural careers in the state of Florida.

HB 575, relating to Agriculture

On Tuesday, March 4th, HB 575, relating to Agriculture, by Representative Ben Albritton (R-Bartow) unanimously passed the House Agriculture & Natural Resources Subcommittee. The bill now heads to the House Finance & Tax Subcommittee.

The bill allows a farmer who enrolls in a Dispersed Water Storage program offered by a water management district can retain the "Greenbelt" land classification on his property as long as he participates in the programs. The bill also provides several sales tax exemptions for agriculture producers. AIF testified in favor of this legislation. The bill now heads to the House Finance & Tax Subcommittee.

AIF supports legislation which allows land owners to continue to have their property classified as "agricultural" if they are participating in a water retention program. This bill will benefit Florida's farmers in the form of reduced taxes.

HB 601 – relating to Reclaimed Water

On Tuesday, March 4th, HB 601, relating to Reclaimed Water, by Representative Lake Ray (R-Jacksonville) unanimously passed the House Agriculture & Natural Resources Subcommittee. The bill now heads to the House Agriculture & Natural Resources Appropriations Subcommittee.

The bill directs the Department of Environmental Protection and the Department of Agriculture & Consumer Services, in cooperation with the five Water Management Districts, to conduct a study and submit a report on the expansion of the beneficial use of reclaimed water, including stormwater and excess surface water, in the state. AIF spoke in favor of the bill. The bill now heads to the House Agriculture & Natural Resources Appropriations Subcommittee.

AIF supports state funding for alternative water supply projects. Water retention and storage are vital to expanding Florida's water supply, which will give the state a head start on economic development and jobs in the future.

HB 703 – relating to Environmental Regulation

On Tuesday, March 4th, HB 703, relating to Environmental Regulation, by Representative Jimmy Patronis (R-Panama City) passed the House Agriculture & Natural Resources Subcommittee by a 10-2 vote. AIF stood in support of the bill during the committee. The bill now heads to the House Local & Federal Affairs Committee.

Under the bill, voting requirements adopted by a local government for proposed plans or plan amendments that are more stringent than a simple majority, such as a super majority vote, would be prohibited. Rep. Patronis pledged to work with all stakeholders moving forward.

AIF supports this bill because it will lessen regulation on Florida businesses. AIF supports legislation that requires all mandatory and optional elements of a comprehensive plan by a board of county commissioners be adopted by a simple majority vote.

IT Governance

SB 928 – relating to State Technology

On Wednesday, March 5th, SB 928, relating to State Technology, by the Senate Committee on Governmental Oversight and Accountability, unanimously passed the Senate Appropriations Subcommittee on General Government. The bill now heads to the Senate Committee on Appropriations.

The bill substantially revises how the state establishes information technology (IT) policy and procedures. The bill 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.

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.

Health Care

HB 751 – relating to Telemedicine Services

On Monday, March 4th, HB 751, relating to Telemedicine Services, by Representative Travis Cummings (R-Orange Park) and Representative Mia Jones (D-Jacksonville) unanimously passed the House Select Committee on Health Care Workforce Innovation. **Tammy Perdue, General Counsel of AIF**, stood in support of the bill while the Florida Medical Association continues its opposition. The bill now heads to the House Health Care Appropriations Subcommittee.



Watch AIF's video from the committee hearing here: <http://youtu.be/NuAdiOTZWKc>.

The bill would encourage the use of telehealth in Florida. It would establish definitions for “telehealth” and would ensure that a telehealth provider documents the services provided to a Florida patient. Further, the bill would allow a health care provider not licensed in Florida to provide health care services to a Florida patient as long as the provider registers with the applicable practice board or with the Department of Health. Health care providers would be exempt from registering with the State of Florida if the service being provided is during an emergency situation, in consultation with a Florida licensed health care provider and a provider does not provide this kind of service more than ten times per year.

SB 7028 – relating to Telemedicine

On Wednesday, March 5th, SB 7028, relating to Telemedicine by the Senate Committee on Health Policy passed the Senate Committee on Health Policy by a 7-2 vote. **Tammy Perdue, General Counsel of AIF**, told members of the committee that AIF members continue to support increasing the use of telemedicine services for the purpose of lowering costs and increasing access to care for Floridians. Further, she shared the concern that the bill, as amended, placed additional regulatory barriers on providers which would limit the use of telemedicine. The bill now heads to the Senate floor.

The bill narrows the health care practitioners who would be allowed to provide services through telemedicine to only physicians and osteopathic physicians. It would also require out of state physicians providing services through telemedicine to hold a license in a state that has licensure requirements that meet or exceed Florida's standards; maintain professional liability coverage specifically covering telemedicine services; or practice in a state that allows Florida physicians to provide telemedicine services within a license from that state. The physician would also have to be affiliated with a Florida licensed out of state insurer or an out of state hospital affiliated with a Florida hospital.

AIF supports legislation that permits an unfettered role for telemedicine services that will allow our citizens access to better quality care at lower costs.

HB 569 – relating to Nursing Home Litigation Reform

On Wednesday, March 5th, HB 569, relating to Nursing Home Litigation, by Representative Matt Gaetz (R-Shalimar) passed the House Civil Justice Subcommittee by a 10-3 vote. **AIF Senior Vice President of State and Federal Affairs, Brewster Bevis**, stood in support during the committee. The bill now heads to the House Health Innovation Subcommittee.



The bill provides that the statutory cause of action is the exclusive remedy against a nursing home licensee, its management or consulting company, managing employees, and direct caregivers alleging direct or vicarious liability for the recovery of damages for the personal injury or death of a nursing home resident arising out of negligence or a violation of a resident's statutory rights.

AIF supports the streamlining of litigation in order to preserve the growth of the nursing home industry while protecting our vulnerable elderly.

Insurance

HB 565 – relating to Insurance

On Tuesday, March 4th, HB 565, the Insurance Omnibus bill by Representative David Santiago (R-Deltona) unanimously passed the House Government Operations Appropriations Subcommittee. AIF stood in support for this bill during the committee. The bill now heads to the House Regulatory Affairs Committee.

This legislation makes changes to the boiler inspection law. The changes made should allow more persons to be eligible to inspect boilers in Florida while maintaining the inspector competency requirement in current law. The changes also mean insurers writing boiler and machinery insurance no longer have to maintain a certificate of authority to transact insurance in Florida in order for boiler inspectors employed by the insurer to be authorized to inspect boilers in Florida. However, the insurer must hold an insurance license in another state or Canadian province. The changes made by the bill to the use of retrospective rating in workers' compensation may reduce workers' compensation premiums for some employers which provides sensible regulatory reform for the insurance marketplace.

AIF supports this bill because it provides sensible regulatory reform for the insurance marketplace. Also, the changes made by the bill to the use of retrospective rating in workers' compensation may reduce workers' compensation premiums for some employers.

HB 879 – relating to Flood Insurance

On Wednesday, March 5th, HB 879, relating to Flood Insurance, by Representative Ed Hooper (R-Clearwater) unanimously passed the House Insurance & Banking Subcommittee. The bill now heads to the House Government Operations Appropriations Subcommittee.

This legislation is the House's flood insurance plan, designed to attract personal residential insurers to write flood insurance, which is currently covered almost entirely by the National Flood Insurance Program.

AIF supports the Legislature's efforts to attract more private writers for flood insurance to give consumers an alternative to the federally run government program, the National Flood Insurance Program.

Legal & Judicial

SB 926 – Relating to Local Regulation of Wage Theft

On Wednesday, March 5th, SB 926, relating to Local Regulation of Wage Theft, by Senator Wilton Simpson (R-New Port Richey) passed the Senate Committee on Community Affairs by a 6-3 vote. AIF stood in support of the bill during the committee. The bill now heads to the Senate Committee on Judiciary.

This legislation would prescribe a wage theft model ordinance for local governments in order to ensure consistency and reduce regulatory burdens for employers with multiple locations throughout the state and lessen confusion for employees. The model ordinance would require that counties partner with a local Legal Service Organization to help resolve these issues to the satisfaction of both parties in a timely fashion while providing flexibility and certainty.

AIF supports this legislation that will foster positive work environments and encourage economic development.

SB 1006/ HB 413 – relating to Consumer Collection Practices

On Wednesday, March 5th, SB 1006, relating to Consumer Collection Practices by Senator Alan Hays (R-Umatilla) unanimously passed the Senate Committee on Banking and Insurance. AIF stood in support of the bill during the committee. The bill now heads to the Senate Committee on Criminal Justice.

The bill subjects "control persons" of consumer collection agencies (CCAs) to state and federal criminal background checks, and subjects these persons to disqualifying periods based on the severity and recency of a criminal conviction. The bill enhances the authority of the Office of Financial Regulation (OFR) to register, investigate, examine, and bring enforcement actions against consumer collection agencies. The bill requires CCA registrants to report criminal convictions, changes from the initial application, and changes to the controlling persons of a CCA agency.

On Tuesday, March 4th HB 413, relating to Consumer Collection Practices by Representative David Santiago (R-Deltona) unanimously passed the House Government Operations Appropriations Subcommittee. This bill is identical to SB 1006. The bill now heads to its last stop before the House floor in the House Regulatory Affairs Committee

SB 1002 – relating to Public Records

On Wednesday, March 5th SB 1002, relating to Public Records, by Senator Alan Hays (R-Umatilla) unanimously passed the Senate Committee on Banking and Insurance. The bill now heads to the Senate Committee on Governmental Oversight and Accountability.

The bill creates a public records exemption for certain information held by the Office of Financial Regulation (OFR). He said the bill provides that information held by the OFR pursuant to an investigation or examination under the Consumer Collection Practices Act is confidential and exempt from disclosure.

This bill provides that the public records exemption is repealed on October 2, 2019, unless reenacted by the Legislature

AIF supports this bill because they give businesses more confidence in turning over their debt to a Florida Debt Collector who must follow the new requirements of this bill.

HB 151 – relating to Security of Protected Consumer’s Information

On Thursday, March 6th, HB 151, relating to Protected Consumer’s Information, by Representative Heather Dawes Fitzenhagen (R-Fort Myers) unanimously passed the House Regulatory Affairs Committee. **AIF General Counsel, Tammy Perdue**, stood in support of this bill during the committee meeting. The bill now heads to the House floor.



The bill 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 reason being, while parents typically apply for a Social Security number for their child shortly after birth, a credit reporting agency does not create a credit report or history until an application for credit is received. An identity thief will typically apply for credit with a child’s Social Security number, but with a different name and date of birth. As a result, the identity theft may go undetected for years. A recent study conducted by ID Analytics estimated that more than 140,000 instances of identity fraud are perpetrated on minors in the United States each year.

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.