

WEEKLY UPDATE



From March 4, 2016

ENERGY

SB 318- Relating to Regulation of Oil and Gas Resources

On Tuesday, March 1st, **SB 318**, relating to Regulation of Oil and Gas Resources, by **Senator Garrett Richter (R-Naples)** was reconsidered by the **Senate Appropriations Committee** and was ultimately withdrawn by the sponsor. As a result, the previous vote of 9 yeas to 10 nays stands, the bill is reported unfavorably and will not move on in the process.

SB 318 makes many revisions to the Oil and Gas Program (Program) to make this program safer and more effective for all involved. The Department of Environmental Protection's (DEP) Mining and Minerals Regulation Program in the Division of Water Resource Management (Division) oversees permitting for oil and gas drilling, production, and exploration within Florida through its Oil and Gas Program. The Program's primary responsibilities include conservation of oil and gas resources, correlative rights protection, maintenance of health and human safety, and environmental protection.

AIF applauds Senator Richter's and Rep. Ray Rodrigues' valiant efforts to carry this very controversial legislation. The House companion, **HB 191**, was voted out of the House at the end of January and was referred, by the Senate, to three additional committee hearings. With this action and Session soon coming to a close, we do not anticipate the House companion moving on in the process.

AIF supports the need to maintain appropriate permitting laws to protect the environment, to enhance efficiency between industry and the state, and to ensure appropriate standards are clearly communicated.

HEALTH CARE

SB 1686 & HB 7087- Relating to Telehealth

As we reported on Wednesday, March 2nd, **HB 7087**, relating to telehealth was passed by the Florida House. Then, on March 3rd, the Florida Senate took up HB 7087 in lieu of its Senate companion **SB 1686**.

Senator Aaron Bean (R-Jacksonville) filed a comprehensive amendment which eliminates the provisions of the House bill relative to out of state providers. The amendment was adopted and HB 7087 passed by a vote of 38 yeas to 0 nays.

The bill will require the task force to compile data and submit a report by June 30, 2017, to the Governor, the President of the Senate, and the Speaker of the House of Representatives that analyzes:

- Frequency and extent of the use of telehealth nationally and in this state;
- Costs and cost savings associated with using telehealth;
- Types of telehealth services available;
- Extent of available health insurance coverage available for telehealth services; and
- Barriers to implementing the use of, using, or accessing telehealth services.

HB 7087 must now return to the House for its consideration as amended.

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

HB 221- Relating to Out-of-Network Health Insurance Coverage

On Friday, March 4th, **HB 221**, relating to Out-of-Network Health Insurance Coverage, by **Rep. Carlos Trujillo (R-Doral)** was read for a third time on the Senate floor and passed unanimously by a vote of 38 yeas to 0 nays. However, as we reported earlier this week, the version of the bill passed by the Senate today contains provisions adopted in a Senate amendment that have not yet been considered by the House. Accordingly, the bill will return to the House in messages for its further consideration.

The intent of this bill is to protect consumers from balance billing when that situation occurs in an emergency setting; the balance bill is the difference between the provider's charges and the amount the provider has received in reimbursement from the consumer's insurance plan. Provider charges in Florida are often 100 times more than Medicaid charges, so this legislation should cap a significant cost driver in today's health care system. However, the version passed by the Senate also contains a controversial provision that would prohibit insurers of certain policyholders in certain types of coverage plans from retroactively denying a procedure previously approved unless the patient's premium has been unpaid for more than 30 days. The other new provision in this bill mandates coverage and treatment for developmental disabilities already defined in statute. The exact cost impact of these provisions is unknown but many industry experts believe they will significantly increase health insurance costs.

AIF will continue to monitor this legislation and its impacts to Florida employers throughout the legislative session.

INSURANCE

HB 659-Relating to Automobile Insurance

On Wednesday, February 17th, **HB 659**, relating to Automobile Insurance, by **Rep. David Santiago (R-Deltona)** was read for a third time on the House floor and passed by a vote of 111 yeas to 5 nays.

HB 659 makes updates to the auto market, lessening the burden on businesses. These updates include making a mandatory pre-inspection program for used cars optional, and including provisions for electronic payments of insurance premiums.

HB 659 has been sent to the Senate chamber and was referred to three additional committee hearings in the **Senate Banking and Insurance Committee**, the **Senate Commerce and Tourism Committee** and the **Senate Rules Committee**.

AIF supports smart, targeted reforms that help keep the insurance markets up to date and with the times.

IT GOVERNANCE

SB 7050-Relating to Information Technology Security

On Tuesday, March 1st, **SB 7050**, relating to Information Technology Security, by the **Senate Governmental Oversight and Accountability Committee** was heard before the **Senate Appropriations Committee** and passed by a vote of 17 yeas to 0 nays. **AIF stood in support of this bill.**

This bill aims to revise the membership of the Technology Advisory Council to include a cybersecurity expert; requires the council, in coordination with the Florida Center for Cybersecurity, to identify and recommend STEM training opportunities; provides for the establishment of computer security incident response teams within state agencies and revises entities to adopt a unified state plan for K-20 STEM education to include the Technology Advisory Council.

While the House companion, **HB 1033**, is a bit broader, the key to this bill is the statewide requirement for security assessments by a third party and related activities under the responsibility of the AST. As the use of technology continues to grow we see the value in preventative cybersecurity measures for the state of Florida.

SB 7050 will now go to the Senate floor for consideration.

AIF supports legislation that will bring our states cyber security measures up to date to protect Floridians and Florida's businesses from potential cyber-attacks.

LEGAL & JUDICIAL

SB 912- Relating to Fraudulent Activities Associated with Payment Systems

On Thursday, March 3rd, **SB 912**, relating to Fraudulent Activities Associated with Payment Systems, by **Senator Anitere Flores (R-Miami)** was read for a third time on the Senate floor and passed by a vote of 39 yeas to 0 nays.

This bill addresses “skimming” at gas stations, specifically at gas pumps themselves, which has become a significant issue in the state of Florida. “Skimmers” are typically found on the gas pumps themselves, disguised as the usual everyday credit card reader. Unbeknownst to the customer, their credit card information is stolen.

During recent investigations, the Department of Agriculture and Consumer Services (DACS) has found that skimmed payment information is being used as part of elaborate fraud schemes to purchase hundreds of gallons of gas that is pumped into unapproved, hidden gas tanks in vans, SUVs, and trucks. Such gas is then usually resold by the criminals to independent truck drivers at a fraction of its usual cost.

SB 912 addresses fraudulent activity occurring at fuel stations by:

- Increasing from a third degree felony (maximum penalty of 5 years in state prison) to a second degree felony (maximum penalty of 15 years in state prison) for the unlawful conveyance of fuel;
- Requiring a retail petroleum fuel measuring device to have affixed to or installed onto the measuring device at least one security measure described in the bill and authorizing the Florida Department of Agriculture and Consumer Services, under certain circumstances, to prohibit further use of the measuring device until a security measure is installed, replaced, or repaired;
- Indicating that possession of counterfeit cards is unlawful (not specified in current law); and
- Increasing the offense severity level ranking for unlawful conveyance of fuel and trafficking in or possession of counterfeit credit cards.

This bill will now go to the House floor for consideration.

AIF supports this legislation due to it cracking down on theft from Florida retailers while also protecting Florida's consumers.

SB 562- Relating to Consumer Debt Collection

On Friday, March 4th, **SB 562**, relating to Consumer Debt Collection, by **Senator Kelli Stargel (R-Lakeland)** was read for a third time on the Senate floor and passed by a vote of 21 yeas to 17 nays.

SB 562 seeks to better define the parameters by which an attorney representing a debit or debtor must notify a creditor of their representation in order for that creditor to properly direct communications concerning the dead.

During today's committee, through the amendment process, there was some confusion as to whether the bill's scope would be expanded. However, the amendments which were adopted, actually narrow the application of the bill to situations in which an attorney communicates the representation to the creditor.

SB 562 will now go to the House floor for consideration.

AIF supports legislation that eliminates a current scam against Florida's employers while also protecting legitimate debt collection processes by companies.

TAXATION

HB 7099- Relating to Taxation

On Thursday, March 3rd, **HB 7099**, relating to Taxation, by the **House Finance & Tax Committee** was referred to the **Senate Appropriations Committee** after passing through the floor of the House. After being heard by the **Senate Appropriations Committee**, HB 7099 unanimously passed with 18 yeas and 0 nays. **AIF's Senior Vice President of State and Federal Affairs, Brewster Bevis, stood in support of this bill.**

HB 7099 aims to cut taxes in the state of Florida for the 2016-2017 fiscal year by a grand total of \$991.7 million. Much like last year's House tax package, this legislation will encompass some of our top taxation priorities that are of the utmost importance to our member, such as: makes sales tax exemptions for certain manufacturing machinery and equipment purchased by any eligible manufacturing businesses permanent; and provides a ten-day “back-to-school” holiday for clothing, footwear, school

supplies and computers; a one-day “technology” sales holiday on computers and related accessories; and a one-day “small business” holiday for sales by small businesses.

This tax package will now head to the Senate floor for consideration.

AIF supports tax cuts for Florida’s consumers and businesses.

Below is a statement released from our President & CEO, Tom Feeney, released Thursday, March 2nd, commending the Senate Appropriations committee on the passage of HB 7099:

AIF Statement on Tax Package Passing Senate Appropriations

Tax Package to Repeal Manufacturing Equipment Sales Tax

Tallahassee, Fla. – The **Associated Industries of Florida** (AIF) today released the following statement attributed to its President & CEO Tom Feeney regarding the tax package passing the Senate Appropriations Committee. AIF applauds the inclusion of language to repeal the manufacturing equipment sales tax.

“AIF lauds the members of the Senate Appropriations Committee for advancing the tax package today. As Florida’s leader in manufacturing and Florida’s affiliate for the National Association of Manufacturers, AIF supports eliminating the sales tax on manufacturing machinery and equipment once and for all.

“With Florida’s manufacturing sector significantly providing high-wage and high-value added jobs, it is imperative that we grow this high-producing industry as the state continues to diversify the economy.

“As the tax package heads to the Senate floor, AIF encourages the full Senate to advance this pro-business tax cut that will reinvigorate manufacturing and accelerate job growth in the Sunshine State.”

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WORKERS’ COMPENSATION

HB 613 & SB 986- Relating to Workers’ Compensation System Administration

On Thursday, March 3rd, **HB 613**, relating to Workers’ Compensation System Administration, by **Rep. Jennifer Sullivan (R-Eustis)** was read for a third time and passed through the floor of the House by a vote of 115 yeas to 2 nays. After HB 613 passed through the House it was immediately sent to the Senate chamber and was considered instead of its Senate companion, **SB 986**, a vote was taken. HB 613 passed through the Senate floor by a vote of 40 yeas to 0 nays.

The workers’ compensation law requires an employer to obtain coverage for their “employees” that provides for lost income and all medically necessary remedial treatment, attendance, and care resulting from work related injuries and occupational diseases. The Division of Workers’ Compensation within the Department of Financial Services (DFS) provides regulatory oversight of the system. The DFS’ responsibilities include enforcing employer compliance with coverage requirements, administration of the workers’ compensation health care delivery system, collecting system data, and assisting injured workers regarding their benefits and rights.

HB 613 will now go to the desk of the Governor.

AIF supports Florida’s current workers’ compensation law and any proposed change to the workers’ compensation system- in the courtroom or Legislature- will be evaluated through the prism of coverage affordability, market stability, and employee safety.

SB 1402-Relating to Ratification of Department of Financial Services Rule

On Thursday, March 3rd, **SB 1402**, relating to Ratification of Department of Financial Services Rule, by **Senator David Simmons (R-Longwood)** was read a third time on the Senate floor and passed by a unanimous vote of 40 yeas to 0 nays.

SB 1402 addresses adoption of the current version of the Florida Worker’s Compensation healthcare provider reimbursement manual. This manual has not been adopted or updated since 2008, leaving Florida well behind every other state in the amount of reimbursement it pays to healthcare providers for the treatment of injured workers.

This bill will now go to the House floor for consideration.

AIF supports legislation that will keep Florida’s Workers’ Compensation system a stable and self-executing mechanism that benefits both injured workers and Florida’s employers.

WORKFORCE

SB 1262- Relating to Emergency Management & HB 1133- Relating to Applicability of Revenue Laws to Out-of-state Businesses During Disaster-Response Periods

On Tuesday, March 1st, **SB 1262**, relating to Emergency Management, by **Senator Wilton Simpson (R-Trilby)** was heard by the **Senate Appropriations Committee** and unanimously passed by a vote of 19 yeas to 0 nays. **AIF's Senior Vice President of State and Federal Affairs, Brewster Bevis, stood in support of this bill.**

On Thursday, March 3rd, **HB 1133**, relating to relating to Applicability of Revenue Laws to Out-of-state Businesses During Disaster-Response Periods, by **Rep. Dana Young (R-Tampa)** was read for a third time on the House floor and passed by a vote of 115 yeas to 0 nays.

On Friday, March 4th, SB 1262 was laid on the table and substituted by its House companion, HB 1133. This measure withdrew HB 1133 from its additional committees of reference and was then placed on third reading. A vote on HB 1133 is expected to be taken on Monday, March 7th.

This legislation would remove hindrances, such as taxes and regulations that in any other situation would be the normal course of business for out of state companies coming to Florida to assist with emergency response during a disaster situation.

AIF supports legislation that will remove the loop holes' businesses would ordinarily have to go through when coming to Florida to aide in a state of emergency.