



WEEKLY UPDATE

For the 2019 Legislative Session

From March 15, 2019

TAXATION

SB 1112 – Relating to Taxation

On Monday, March 11, **SB 1112** by Senator Joe Gruters (R-Sarasota) was heard before the Senate Commerce and Tourism Committee and was reported favorably with 5 yeas and 0 nays. **AIF's Senior Vice President of State and Federal Affairs, Brewster Bevis, stood in support of this legislation.**

This bill provides for several tax reductions and modifications, such as:

- Exempts specified mobile heavy equipment from ad valorem taxation;
- Reduces the state tax rate on the rental, lease, or license to use commercial real property from 5.7 percent to 4.2 percent;
- Creates a 14-day sales tax holiday for specified disaster preparedness supplies from June 1, 2019, through June 14, 2019;
- Clarifies when remote sales (mail, phone, internet, or other communication) are subject to Florida sales and use taxation;
- Provides for the taxation of sales facilitated through a marketplace provider; and
- Requires a marketplace provider to collect and remit the tax on taxable sales made by marketplace sellers.

SB 1112 will now move to the Senate Finance and Tax Committee.

AIF supports legislation that reduces taxes and provides a level playing field for Florida's brick and mortar stores and online retailers.

SB 1000 – Relating to Communication Services Taxes

On Tuesday, March 12, **SB 1000** by Senator Travis Hutson (R-Palm Coast) was heard before the Senate Innovation, Industry, and Technology Committee and was reported favorably with 9 yeas and 0 nays. **AIF's Senior Vice President of State and Federal Affairs, Brewster Bevis, stood in support of this legislation.**

This bill reduces the state tax on general communications services from 4.92% to 3.92%, and on direct-to-home satellite services from 9.02% to 8.07% and also revises the authority for municipalities and counties to impose permit fees on communications providers that use

municipal or county roads or right-of-ways. This bill eliminates all the current provisions on local governments electing whether to require and collect permit fees and effectively freezes local government elections on collection of permit fees, providing that a municipality or county that chose to impose permit fees on or before January 1, 2019, may continue to impose such fees, while a municipality or county that did not impose permit fees as of January 1, 2019, may not impose such fees.

SB 1000 will now move to the Senate Finance and Tax Committee.

AIF supports legislation that will reduce the communications services tax and have a positive financial impact on all consumers in Florida who pay for cable or satellite service.

LEGAL & JUDICIAL

SB 432 – Relating to Employment Conditions

On Tuesday, March 12, **SB 432** by Senator Joe Gruters (R-Sarasota) was heard before the Senate Governmental Oversight and Accountability Committee and was reported favorably with 3 yeas and 0 nays. **AIF stood in support of this legislation.**

This bill amends s. 218.077, F.S., regarding state preemption of conditions of employment. The bill:

- Expressly prohibits a county, city, district, or other public body created by state law from requiring an employer from paying a minimum wage other than the state or federal minimum wage or to offer other conditions of employment;
- Expressly preempts to the state the right to regulate any requirements imposed upon employers relating to a minimum wage and conditions of employment;
- Defines “conditions of employment” to include preemployment screening, job classification, job responsibilities; hours of work; scheduling and schedule changes, wages, payment of wages, leave, paid or unpaid days off for holidays, illness, vacations, and personal necessity, and employee benefits;
- Voids any ordinance, regulation, or policy currently in existence which is now preempted.

SB 432 will now move to the Senate Community Affairs Committee.

AIF supports legislation that allows Florida businesses to adhere to state or federal wage requirements, thus eliminating onerous regulations set by municipalities.

HB 261 – Relating to Beverage Law

On Tuesday, March 12, **HB 261** by Representative Josie Tomkow (R-Auburndale) was heard before the House Government Operations and Technology Appropriations Subcommittee and was reported favorably with 11 yeas and 0 nays. **AIF’s Senior Vice President of State and Federal Affairs, Brewster Bevis, stood in support of this legislation.**

Florida's Tied House Evil Law prohibits a manufacturer or distributor of alcoholic beverages from having a financial interest in the establishment of a licensed vendor, and prohibits a manufacturer or distributor from giving gifts, loans, property, or rebates to retail vendors. This

bill amends and clarifies certain exemptions granting manufacturers the right to partner with vendors, so long as the manufacturer's agreement does not impose on sales of other manufacturers' brands.

HB 261 will now move to the House Commerce Committee.

AIF supports legislative efforts to clean up laws imposing burdens and restrictions on manufacturer and vendor partnerships.

SB 962 – Relating to Malt Beverages

On Tuesday, March 12, **SB 962** by Senator Manny Diaz (R-Hialeah Gardens) was heard before the Senate Innovation, Industry, and Technology Committee and was reported favorably with 9 yeas and 0 nays. **AIF's Senior Vice President of State and Federal Affairs, Brewster Bevis, stood in support of this legislation.**

This bill creates a process for returns of malt beverages by a vendor to a distributor for an exchange of product, a refund, or a credit. A vendor may return malt beverages to a distributor if the malt beverages are a "damaged product," an "out-of-code" product," or an "undamaged product." An "out-of-code product" is a malt beverage that has exceeded the manufacturer's code date indicating the product's freshness and availability for purchase at retail. A distributor is not required to accept a return request. A product may not be returned because it is overstocked or slow-moving or because there is only limited or seasonal demand for the product. Under the bill, a vendor may request return of undamaged product to a distributor only for exchange of product or for credit and an out-of-code product may be returned to a distributor only for an exchange of product.

SB 962 will now move to the Senate Commerce and Tourism Committee.

AIF supports legislative efforts to revise outdated laws that impose burdens and restrictions on any sector of the business community, including vendors and distributors of malt beverages.

HB 355 – Relating to Dangerous Instrumentality Doctrine

On Wednesday, March 13, **HB 355** by Representative Tom Leek (R-Daytona Beach) was heard before the House Insurance and Banking Subcommittee and was reported favorably with 11 yeas and 2 nays. **AIF's Senior Vice President of State and Federal Affairs, Brewster Bevis, stood in support of this legislation.**

Florida's Dangerous Instrumentality Doctrine (DID) was created in the early 20th century, a time where automobiles began traveling on public roads. The doctrine has been expanded far beyond the borders of its original intent and now applies to off-highway vehicles such golf carts, tractors, and construction equipment. The doctrine holds owners or lessors liable for the harm

caused by an operator, even when the lessor is not in control of the equipment or vehicle at the time of the incident. Florida is the only state in the country where DID is applied in this manner.

HB 355 will now move to the House Judiciary Committee.

AIF supports the protection of owners and lessors from vicarious liability which is harmful to Florida's business community.

Proposed Committee Bill CJS 19-02 – Relating to Medical Malpractice

On Wednesday, March 13, **PCB CJS 19-02**, sponsored and heard by the House Civil Justice Subcommittee, was reported favorably with 9 yeas and 6 nays. **AIF's Senior Vice President of State and Federal Affairs, Brewster Bevis, stood in support of this legislation.**

Medical malpractice is a tort that occurs when a health care professional deviates from the standards of his or her profession and injures a patient. A properly-functioning medical malpractice system:

- Provides a fair forum to resolve disputes and compensates legitimately-harmed patients; and
- Deters care providers from practicing negligently.

Flaws in the medical malpractice system are expensive, costing the United States \$55.6 billion annually. A 2017 study reported that Florida's loss rate is the highest among all 50 states and more than double the national average. This bill revises medical malpractice laws, establishing a cap on noneconomic damages, requiring accuracy in medical damages admissible before a jury in a medical malpractice claim, allowing pre-suit communication with treating physicians, and creating an optional communication and resolution program. Specifically, this bill:

- Bases a plaintiff's recovery for medical damages on an accurate valuation of the services provided, rather than on the amount originally billed by the medical provider;
- Bases recovery on actual amounts paid or the actual amount paid by health insurance, depending on whether medical costs remain unpaid;
- Encourages health care providers to develop and use an optional communication and resolution program for resolving medical negligence claims, which authorizes the health care provider to:
 - Investigate how the health care incident occurred and disclose the results to the patient;
 - Communicate to the patient the steps the health care provider will take to prevent future occurrences of the incident and determine whether an offer of compensation is warranted.

AIF supports legislation that creates transparency and ensures accuracy in damages throughout the medical malpractice system, thereby reducing the cost of healthcare and increasing access to care for all Floridians.

HB 3 – Relating to Preemption of Local Regulations

On Thursday, March 14, **HB 3** by Representative Michael Grant (R-Port Charlotte) was heard before the House State Affairs Committee and was reported favorably with 15 yeas and 7 nays. **AIF’s Senior Vice President of State and Federal Affairs, Brewster Bevis, stood in support of this legislation.**

This bill aims to preempt authority to the state and away from local governments when it comes to business regulations. Both big and small businesses must abide by the rules and regulations set in place by their local governments, regardless of if that rule or regulation differs from city to city, or county to county. This circumstance causes those who conduct business in multiple cities or counties throughout the state to abide by a myriad of rules that are inconsistent and must be complied with in order to continue their business. AIF believes that preempting business regulation to the state will allow for a streamline system that businesses, (old and new, small and large) can easily follow when conducting business across the State of Florida.

HB 3 will now move to the House Commerce Committee.

AIF supports legislation that will streamline business regulation throughout the state.

HB 423 – Relating to Lost or Abandoned Personal Property

On Thursday, March 14, **HB 423** by Representative Spencer Roach (R-North Fort Myers) was heard in the House Commerce Committee and was reported favorably with 24 yeas and 0 nays. **AIF stood in support of this legislation.**

This bill creates an alternate disposal process for lost or abandoned property for owners and operators of theme parks, entertainment complexes, zoos, museums, aquariums, public food service establishments, and public lodging establishments. The alternative process would require these types of facilities to hold the property for at least 30 days. Any property not claimed within 30 days must be donated to a charitable institution.

HB 423 will now be heard on the floor of the House.

AIF supports the right of property owners to hold and donate lost or abandoned property thereby eliminating the burden of contacting law enforcement for lost personal belongings.

ECONOMIC DEVELOPMENT

SB 596 – Relating to Regional Rural Development Grants

On Tuesday, March 12, **SB 596** by Senator Ben Albritton (R-Bartow) was heard before the Senate Innovation, Industry, and Technology Committee and was reported favorably with 9 yeas and 0 nays. **AIF’s Senior Vice President of State and Federal Affairs, Brewster Bevis, stood in support of this legislation.**

The bill makes changes to how the Regional Rural Development Grant program and the Rural Infrastructure Fund operate. Specifically, the bill amends the Regional Rural Development Grant Program to:

- Increase the maximum annual grant amount to \$250,000 from \$150,000 that three regional economic development organizations that serve the entire region of a rural area of opportunity may receive;
- Increase the amount of funds the Department of Economic Opportunity (DEO) may expend for the program to up to \$1 million annually (from up to \$750,000 annually);
- Reduce the required match the regional economic development organizations must contribute in non-state resources from 100 percent to 25 percent of the state's contribution; and
- Allow the use of grant funds to build the professional capacity of regional economic development organizations. The bill amends the Rural Infrastructure Fund program to:
 - Increase the grant awards to 50 percent of infrastructure project costs (up from 30 percent);
 - Clarify that eligible infrastructure projects include access to broadband Internet service, and projects that improve service and access must be through a partnership that was publicly noticed and competitively bid; and
 - Require the DEO to review the grant program application and award procedures by September 1, 2020.

SB 596 will now move to the Senate Appropriations Committee.

AIF supports efforts to increase economic development in Florida's rural areas by increasing job growth.

Proposed Committee Bill HEC 19-02 – Relating to Postsecondary Workforce Education

On Wednesday, March 13, **PCB HEC 19-02**, sponsored and heard by the House Higher Education & Career Readiness Subcommittee, was reported favorably with 15 yeas and 0 nays. **AIF's Senior Vice President of State and Federal Affairs, Brewster Bevis, stood in support of this legislation.**

This bill promotes apprenticeships, enhances talent development, and increases career opportunities for Floridians by:

- Creating the "Strengthening Alignment between Industry and Learning (SAIL) to 60" Initiative and establishing a statewide attainment goal to increase the percentage of working-age adults who hold a high-value postsecondary certificate, degree, or training experience to 60 percent by the year 2030;
- Requiring the Florida Talent Development Council (formerly Higher Education Coordinating Council) to develop a strategic plan for talent development in Florida;
- Creating the Florida Apprenticeship Grant Program to provide competitive grants to career centers, charter technical career centers, Florida College System institutions, and other entities authorized to sponsor apprenticeship programs;

- Requiring the statewide articulation agreement to provide for a reverse transfer agreement for FCS associate in arts degree-seeking students who transfer to a state university prior to earning their associate in arts degree.

AIF supports legislation to improve and fund the organic talent pipeline and to create a strategy for talent development in Florida.

SB 178 – Relating to Florida Tourism Marketing

On Thursday, March 14, **SB 178** by Senator Joe Gruters (R-Sarasota) was heard before the Senate Appropriations Committee and was reported favorably with 18 yeas and 0 nays. **AIF stood in support of this legislation.**

This bill removes the scheduled repeal date for the Florida Tourism Industry Marketing Corporation, doing business as VISIT FLORIDA, and the scheduled repeal date for Division of Tourism Marketing within Enterprise Florida, Inc. VISIT FLORIDA is the name for the Florida Tourism Industry Marketing Corporation, a non-profit corporation that serves as Florida's statewide destination marketing organization, and represents the state's tourism industry. Without the bill, the statutory authorizations for these entities would be repealed on October 1, 2019.

SB 178 will now be heard on the floor of the Senate.

AIF supports investment in building a world-class marketing engine with top talent, analytics, and funding that develops and executes data-driven branding strategies.