



WEEKLY UPDATE

For the 2019 Legislative Session

From April 19, 2019

TAXATION

HB 7123 – Relating to Taxation

On Tuesday, April 16, **HB 7123**, sponsored by the House Ways and Means Committee, was heard in the House Appropriations Committee and was reported favorably with 18 yeas and 9 nays. **AIF's Senior Vice President of State and Federal Affairs, Brewster Bevis, stood in support of this legislation.**

The bill provides for several tax reductions and other tax-related modifications designed to directly impact both families and businesses. Specifically, this bill provides:

- A reduction in the tax rate for commercial property rentals from 5.7% to 5.35%,
- A three-day “back-to-school” holiday for certain clothing, school supplies, and personal computers, and
- A seven-day “disaster preparedness” holiday for specified disaster preparedness items.

Regarding property taxes, the bill includes the following:

- The timing of payments to local governments in fiscally constrained counties and Monroe County to offset property tax refunds granted to homeowners due to hurricanes in 2016 and 2017 would be slightly delayed in fiscal year 2019-20 to allow for the related state appropriation to be based on actual data, instead of an estimate.

HB 7173 will now move to the House floor.

AIF supports legislative actions that reduce taxes on businesses which allows further growth and employment opportunities.

SB 1112 – Relating to Taxation

On Tuesday, April 16, **SB 1112** by Senator Joe Gruters (R-Sarasota) was heard in the Senate Finance and Tax Committee and was reported favorably with 8 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 Appropriations Committee.

AIF supports legislation that reduces taxes and provides Floridians with a preparedness tax exemption encouraging them to protect their assets against potential destruction.

Proposed Committee Bill WMC 19-03 – Relating to Corporate Income Tax

On Wednesday, April 17, PCB WMC 19-03, sponsored and heard by the House Ways and Means Committee, was reported favorably with 11 yeas and 6 nays. **AIF's Senior Vice President of State and Federal Affairs, Brewster Bevis, stood in support of this legislation.**

Florida imposes a 5.5 percent tax on certain income of corporations doing business in Florida. Florida uses federal taxable income from federal tax returns as a beginning point to calculate corporate income tax owed to Florida. Florida updates its utilization of the Federal Internal Revenue Code (IRC) by adopting the code as it exists on January 1 in any given year. Adopting the code on an annual basis ensures the Florida tax code reflects any relevant changes to the IRC that were made during the prior year. The bill:

- Updates the Florida corporate Income Tax Code by adopting the Internal Revenue Code as in effect on January 1, 2019;
- For Florida corporate income tax purposes, provides for a subtraction of global intangible low-taxed income (GILTI) from taxpayers' federal taxable income;
- Extends the current automatic tax rate adjustment and refund mechanism two years;
- Requires corporate income taxpayers with taxable years beginning during 2018 or 2019 calendar years to submit certain information from their federal tax returns to the Department of Revenue and to certify the accuracy and truthfulness of the information; and
- Requires the Department to create a secure online application for the taxpayers to submit the required information beginning September 3, 2019, and to impose a penalty upon taxpayers who fail to timely provide the information.

AIF supports a reduced corporate income tax on businesses to encourage corporate growth and the expansion of employment opportunities in Florida.

SB 1000 – Relating to Communication Services

On Thursday, April 18, **SB 1000** by Senator Travis Hutson (R-Palm Coast) was heard before the Senate Appropriations Committee **and was reported** favorably with 18 yeas and 1 nay. **AIF's Senior Vice President of State and Federal Affairs, Brewster Bevis, stood in support of this legislation.**

This bill changes the way the use of public rights-of-way by providers of communications services are governed. Specifically:

- Creating a civil cause of action for any person aggrieved by a violation of the right-of-way statute;
- Prohibiting a local government from instituting, “either expressly or de facto, a moratorium or other mechanism that would prohibit or delay” permits for collocation of small wireless facilities or related poles;
- Deleting the authority for a local government to require performance bonds and security funds. Instead, the bill allows them to require a construction bond;
- Allowing a provider of communications services to add a local government to any existing bond, insurance policy, or other financial instrument, and requiring the local government to accept such coverage;
- Prohibiting a local government from requiring a permit applicant to provide inventories, maps, or locations of communication facilities in the rights-of-way, unless it is necessary to avoid interference with existing facilities.

SB 1000 will now move to the Senate floor.

HB 693 – Relating to Communication Services

On Thursday, April 18, **HB 693** by Representative Jason Fischer (R-Jacksonville) was heard before the House Commerce Committee **and was reported** favorably with 21 yeas and 1 nay. **AIF's Senior Vice President of State and Federal Affairs, Brewster Bevis, stood in support of this legislation.**

This bill changes the way the use of public rights-of-way by providers of communications services are governed. Specifically:

- Removes the ability of local governments to elect to charge limited permit fees for use of the ROW but grandfathers local governments who currently require such fees;
- Establishes limits on registration requirements imposed by local governments;
- Prohibits local governments from imposing requirements and charges for the placement or operation of communications facilities in the ROW by authorized providers;
- Prohibits local governments from prohibiting, regulating, or charging for installation, operation, and other work done on utility poles used to collocate small wireless facilities (SWFs) in the ROW;
- Exempts utility poles used to support SWFs from authority rules and regulations governing the placement of utility poles in the ROW;
- Repeals a requirement on wireless providers to comply with certain undergrounding requirements.

HB 693 will now move to the House floor.

AIF supports legislation that will both reduce the communications services permitting process and have a positive financial impact on Florida's consumers, many of whom are businesses that pay for cable or satellite service.

SB 576 – Relating to Back-to-School Sales Tax Holiday

On Thursday, April 18, **SB 576** by Senator Keith Perry (R-Gainesville) was heard in the Senate Appropriations Committee and was reported favorably with 18 yeas and 0 nays. **AIF's Senior Vice President of State and Federal Affairs, Brewster Bevis, stood in support of this legislation.**

This bill establishes a 10-day sales tax holiday beginning Friday, August 2, 2019, and ending Saturday, August 11, 2019. During the holiday, certain purchases of clothing, school supplies, and personal computers are exempt from the state sales tax and county discretionary sales surtaxes. The bill allows a business to not participate in the holiday if less than 5% of the business's gross sales of tangible personal property in the prior calendar year consist of items that would be exempt.

SB 576 will now move to the Senate floor.

AIF supports sales tax holidays that encourage supporting local business by incentivizing consumers.

HEALTH CARE

SB 1192- Relating to Electronic Prescribing

On Tuesday, April 16, **SB 1192** by Senator Aaron Bean (R-Jacksonville) was heard in the Senate Appropriations Subcommittee on Health and Human Services and was reported favorably with 10 yeas and 0 nays. **AIF's Senior Vice President of State and Federal Affairs, Brewster Bevis, stood in support of this legislation.**

On Thursday, April 18, **SB 1192** was heard in the Senate Appropriations Committee and was reported favorably with 19 yeas and 0 nays. **AIF's Senior Vice President of State and Federal Affairs, Brewster Bevis, stood in support of this legislation.**

Electronic prescribing (e-prescribing) is a method by which an authorized health care practitioner electronically transmits a prescription to a pharmacy using a secure software system. Efforts have been made by states, as well as the federal government, to increase the use of e-prescribing software. This bill requires a prescription that is electronically generated and transmitted to contain an electronic signature from the prescribing practitioner, and requires such practitioner to, under specified conditions except in certain circumstances, exclusively transmit prescriptions electronically for medicinal drugs upon license renewal or by July 1, 2021, whichever is earlier.

SB 1192 will now move to the Senate floor.

AIF supports legislation that provides for improved prescription accuracy, increased patient safety, reduced opportunities for fraud and abuse and reduced overall costs. Improving the overall functionality and cost will further enable Florida employers to provide health care coverage for our citizens.

LEGAL & JUDICIAL

HB 829 – Relating to Attorney Fees and Costs

On Tuesday, April 16, **HB 829** by Representative Anthony Sabatini (R-Clermont) was heard in the House Judiciary Committee and was reported favorably with 12 yeas and 6 nays. **AIF's Senior Vice President of State and Federal Affairs, Brewster Bevis, stood in support of this legislation.**

Florida law states that a court may impose sanctions on a party or attorney who raises a frivolous claim or defense or unreasonably delays a judicial proceeding. The court may require the culpable party or attorney to pay for the other party's attorney fees. A party can appeal a court's award or denial of sanctions; however, the appellate court must affirm the award or denial, unless the lower court abused its discretion. This bill entitles a party to attorney fees and costs if the party prevails in an action challenging a local government ordinance as preempted. However, attorney fees and costs may not be awarded if the local government withdraws or repeals the ordinance within 21 days after receiving a written claim that the ordinance is preempted or the filing of a motion seeking attorney fees and costs under the new statutory section, whichever occurs first. The bill states it is remedial and applies retroactively to cases pending or commenced on or after July 1, 2019.

HB 829 will now move to the House floor.

AIF supports legislative attorney fee reform that helps prevent onerous fees imposed on businesses post-litigation.

HB 1383 – Relating to Private Property Rights Protection

On Tuesday, April 16, **HB 1383** by Representative James Grant (R-Tampa) was heard in the House Judiciary Committee and was reported favorably with 15 yeas and 3 nays. **AIF's Senior Vice President of State and Federal Affairs, Brewster Bevis, stood in support of this legislation.**

The Takings Clause of the U.S. Constitution prohibits the government from depriving a person of his or her private property for public use "without just compensation." However, not every government action restricting or burdening the use of private property is an illegal taking. This bill requires a local government, when settling property rights claims, to treat similar properties in the same way. If the government settles or the owner secures a judgment declaring an inordinate burden, there is a presumption that similarly situated parcels are also inordinately burdened and entitled to equivalent settlement terms or a judicial determination of an

inordinate burden. The bill also makes it easier for a private property owner to challenge a local government regulation burdening his or her property by:

- Allowing a jury to consider business damages in making its damages calculation.
- Removing a provision allowing the government to seek attorney fees and costs when a property owner unreasonably refuses a bona fide offer to settle a property claim.

HB 1383 will now move to the House floor.

AIF supports private property rights which create a prosperous business climate in Florida.

SB 76 – Relating to Texting While Driving

On Wednesday, April 17, **SB 76** by Senator Wilton Simpson (R-Spring Hill) was heard in the Senate Rules Committee and 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.**

Currently, Florida law prohibits a person from texting, emailing, and instant messaging while driving, however, enforcement of this is a secondary offense, which means a law enforcement officer must detain a driver for another traffic offense in order to cite the driver for texting while driving. This bill changes the current enforcement from a secondary offense to a primary offense for all distracted driving and handheld use of wireless communication devices, not just texting and emailing, allowing law enforcement officers to stop a vehicle solely for driving while distracted. The main goal of this legislation is to eliminate a component that contributes to distracted driving on Florida’s roadways.

SB 76 will now move to the Senate floor.

AIF supports legislation that addresses the issue of distracted driving and will ensure public safety for all on Florida’s roadways.

SB 862 – Relating to Lessor Liability Under Special Mobile Equipment Leases

On Wednesday, April 17, **SB 862** by Senator Kelli Stargel (R-Lakeland) was heard in the Senate Rules Committee and was reported favorably with 14 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 as 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.

This bill provides that lessors of special mobile equipment are not liable for the acts of the lessee or lessee’s agent or employee if the lease agreement requires documented proof of insurance coverage containing limits of at least \$250,000 per person and up to \$500,000 per

incident for bodily injury liability and up to \$100,000 for property damage liability, or at least \$750,000 for combined property damage liability and bodily injury liability. Special mobile equipment are vehicles not designed or used primarily to transport persons or property and that are only incidentally operated or moved over a highway. Examples include ditchdigging apparatus, well-boring apparatus, road construction and maintenance machinery, draglines, self-propelled cranes and earthmoving equipment.

SB 862 will now move to the Senate floor.

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

HB 7111 – Relating to Constitutional Amendments

On Thursday, April 18, **HB 7111**, sponsored by the House Judiciary Committee, was heard in the House State Affairs Committee and was reported favorably with 15 yeas and 8 nays. **AIF's Senior Vice President of State and Federal Affairs, Brewster Bevis, stood in support of this legislation.**

This bill changes the process for amending the constitution by citizen initiative by:

- Requiring that a petition-gatherer:
 - Register with the Secretary of State prior to obtaining signatures.
 - Not be paid based on the number of petitions gathered.
- Requiring the Secretary of State to publish on its website position statements on proposed amendments received from interested persons.
- Directing the Financial Impact Estimating Conference (FIEC) to:
 - Estimate the amendment's impact on the state and local economy.
- Requiring the ballot summary to include:
 - The name of the initiative's sponsor and the percentage of contributions received by the sponsor from in-state donors;
 - If the amendment will cost money or have an indeterminate impact; and
 - A Supreme Court determination as to whether the proposed policy can be implemented by the Legislature without the need for a constitutional amendment.
- Directing the Attorney General, when seeking Supreme Court review of an amendment, to ask the Court to:
 - Address whether the proposed policy can be implemented by the Legislature; and
 - Identify any undefined terms in the amendment that will have a substantive impact; and
 - Address whether the amendment creates any constitutional issues.

HB 7111 will now move to the House floor.

AIF supports legislation that adds transparency and accountability to amending the Florida constitution by citizen imitative.

ECONOMIC DEVELOPMENT

SB 178 – Relating to Florida Tourism Marketing

On Wednesday, April 17, 2019, **SB 178** by Senator Joe Gruters (R-Sarasota) was read on the Senate floor and passed with a vote of 36 yeas and 0 nays.

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 is now in House messages.

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

SB 596 – Relating to Regional Rural Development Grants

On Wednesday, April 17, **SB 596** by Senator Ben Albritton (R-Bartow) was read on the Senate floor and passed with a vote of 38 yeas and 0 nays.

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 is now in House messages.

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

SB 770 – Relating to Workforce Education

On Thursday, April 18, **SB 770** by Senator Travis Hutson (R-Palm Coast) was heard in the Senate Appropriations Committee and was reported favorably with 17 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 career education and readiness opportunities for students in public schools by creating an alternative pathway, namely the career and technical education (CTE) graduation pathway option, for students to earn a standard high school diploma, and specifies related requirements. Specifically, the bill:

- Requires students to successfully complete at least 18 credits to receive a standard high school diploma under the CTE graduation pathway option;
- Modifies the 24-credit pathway for earning a standard high school diploma by revising computer science credit substitution for mathematics or science credits;
- Revises the acceleration mechanism component for the school grade calculation for high schools by specifying that dual enrollment courses include career clock-hour dual enrollment courses;
- Creates the Florida Pathways to Career Opportunities Grant Program to enable high school and Florida College System institutions to offer applied learning opportunities for students in high-demand career pathways linked to occupations that will provide students with mid-level and high-level wages;
- Requires district school boards to declare a “College and Career Decision Day” to recognize high school seniors and encourage them to prepare for college and pursue advanced career pathways.

SB 770 will now move to the Senate floor.

AIF supports efforts to grow the talent pipeline to maintain the competitive edge Florida businesses have come to expect in the state.

INSURANCE

SB 122 – Relating to Agreements Between Service Providers and Consumers

On Wednesday, April 17, **SB 122** by Senator Doug Broxson (R-Pensacola) was heard before the Senate Rules Committee and was reported favorably with 11 yeas and 6 nays. **AIF’s Senior Vice President of State and Federal Affairs, Brewster Bevis, stood in support of this legislation.**

This bill amends the ways in which attorneys can claim attorney fees and sets forth guidelines as to which party is liable for payment. This bill also provides additional consumer protections from AOB abuse, such as allowing an assignor the right to rescind the assignment agreement without worry of paying penalties or fees.

SB 122 will now move to the Senate floor.

AIF supports reforms to the assignment of benefits process that keeps insurance rates low and protects consumers from AOB abuse.

SB 714 – Relating to Insurance

On Thursday, April 18, **SB 714** by Senator Jeff Brandes (R-Saint Petersburg) was heard in the Senate Appropriations Committee and was reported favorably with 18 yeas and 1 nay.. **AIF's Senior Vice President of State and Federal Affairs, Brewster Bevis, stood in support of this legislation.**

This bill amends several insurance-related statutes, specifically:

- Requires the Florida Hurricane Catastrophe Fund (FHCF) to reimburse a covered insurer's loss adjustment expenses at 10 percent of the insurer's loss reimbursement, instead of 5 percent as under current law;
- Authorizes insurers to transfer title of totaled motor vehicles or mobile homes to the Department of Highway Safety and Motor Vehicles electronically as well as through regular mail;
- Provides that workers compensation insurance applicants and their agents are no longer required to have their sworn statements notarized;
- Allows an insurer to offer and give insureds goods or services of any value for the purposes of loss control or loss mitigation related to covered risks. Currently it is an unfair insurance trade practice to provide items or services to an insured valued at more than \$100 per year;
- Allows a property, casualty, or surety insurer to offer a premium discount for a policy if another policy has been purchased from a different insurer that:
 - Has a joint marketing arrangement with the insurer offering the discount;
 - Issued the policy pursuant to the Citizens clearinghouse program if the same agent is servicing both policies; or
 - Has its policy serviced by the same agent who is servicing the discounted policy.
- Requires a premium discount offered by a property, casualty, or surety insurer to be actuarially sound.

SB 714 will now move to the Senate floor.

AIF supports legislative efforts to reduce insurance rates to maintain Florida's business friendly climate.

ENERGY

HB 797 – Relating to Public Utility Storm Protection Plans

On Thursday, April 18, **HB 797** by Representative Randy Fine (R-Palm Bay) was heard in the House Commerce Committee and was reported favorably with 21 yeas and 0 nays. **AIF stood in support of this legislation.**

This bill aims to harden Florida’s utilities grid against tropical storm and hurricane damage with proposed under-grounding of electric infrastructure. The bill would require public utility companies (Florida Power and Light, Duke Energy Florida, Gulf Power Company, Tampa Electric Company, and the Florida Public Utilities Corporation) to submit a transmission and distribution storm protection plan to the Public Services Commission, with updates required at least every three years. Data collected after Hurricane Irma showed that underground lines suffered minimal outages during storms.

HB 797 will now move to the House floor.

AIF supports actively seeking ways to harden our state’s infrastructure and more effectively prepare for hurricanes and tropical storms to ensure that power is quickly restored.

ENVIRONMENTAL

SB 816 – Relating to Environmental Regulation

On Thursday, April 18, **SB 816** by Senator Keith Perry (R-Gainesville) was heard in the Senate Appropriations Committee and was reported favorably with 18 yeas and 0 nays. **AIF’s Senior Vice President of State and Federal Affairs, Brewster Bevis, stood in support of this legislation.**

This bill requires local governments to work with residential recycling collectors and material recovery facilities to reduce contamination of curbside recycling. As Florida continues to move toward the statewide 75% recycling goal, this legislation is specifically designed to improve the capture rate of clean recyclable material.

SB 816 will now move to the Senate floor.

AIF supports legislative efforts to achieve the statewide 75% recycling goal which helps keep Florida clean, creates jobs, and maintains our strong tourism industry.

TRANSPORTATION

SB 932 – Relating to Autonomous Vehicles

On Thursday, April 18, **SB 932** by Senator Jeff Brandes (R-St. Petersburg) was heard in the Senate Appropriations Committee and was reported favorably with 20 yeas and 0 nays. **AIF’s Senior Vice President of State and Federal Affairs, Brewster Bevis, stood in support of this legislation.**

These bills authorize the use of vehicles in autonomous mode in the state. The autonomous technology would be considered the human operator of the motor vehicle and provides that various provisions of law regarding motor vehicles such as rendering aid in the event of a crash do not apply to vehicles in autonomous mode if the vehicle owner, or person on behalf of the owner, promptly contacts law enforcement. The bill also specifies that statutory provisions relating to unattended motor vehicles, wireless communication devices, and television receivers do not apply to autonomous vehicles (AVs) operating with the automated driving system engaged. The bills also remove the requirement for a person to possess a valid driver license to operate a fully autonomous vehicle.

SB 932 will now move to the Senate floor.

AIF supports modernizing state law to accommodate for self-driving technologies that open the door for safe, reliable modes of AVs in a competitive marketplace with clear, limited government regulations.

SB 1044 – Relating to the Department of Transportation

On Thursday, April 18, **SB 1044** by Senator Ben Albritton (R-Bartow) was heard in the Senate Appropriations Committee and was reported favorably with 20 yeas and 0 nays.. **AIF’s Senior Vice President of State and Federal Affairs, Brewster Bevis, stood in support of this legislation.**

This bill addresses various issues relating to the Florida Department of Transportation (FDOT). Specifically, the bill:

- Revises the FDOT’s authorization for innovative highway projects to include innovative transportation projects demonstrating techniques of bridge design.
- Prohibits a local government from adopting standards and specifications for aggregate materials that are contrary to the FDOT’s standards or specifications.
- Prohibits a contractor who has not satisfactorily completed two projects, each in excess of \$25 million, from bidding on FDOT contracts in excess of \$50 million.

SB 1044 will now move to the Senate floor.

AIF supports legislation that positively reforms FDOT to provide high-quality transportation infrastructure to Floridians and businesses operating on our roadways.