ASSOCIATED INDUSTRIES OF FLORIDA 2016 Regular Session **Coming Soon!** AIF's 2016 **Vote Records**

Economic Development

SB 1646 by Sen. Jack Latvala (R-Clearwater) and the House companion, HB 1325 by Rep. Jim Boyd (R-Bradenton), aimed to provide incentives to many industries including but not limited to:

- extending the Qualified Defense and Space Contractors Tax Refund program to 2018;
- requiring companies who provide health benefits to include information on the jobs created and retained in their incentive reports; and
- renaming the Quick Action Closing Fund as the "Florida Enterprise Fund" and made the following changes to qualify for the fund: required the project to create at least 10 jobs, required local financial support of at least 20 percent, and prohibited payment before performance conditions are met.

AIF supported legislation that will bolster Florida's business community and help our state become the premiere location to move and grow your business, by providing incentive funding.

SB 1646 died without being heard in the Senate Appropriations committee, its last committee stop before the Senate floor.

HB 1325 passed through the floor of the House by a vote of 79 yeas to 39 nays but was never considered in the Senate chamber and, therefore, died.

Other Bills of Interest

SB 124 & HB 95 – *Relating to Public-Private Partnerships* by Sen. Greg Evers (R-Milton) and Rep. Greg Stuebe (R-Sarasota) **PASSED**

SB 402 & HB 415 – *Relating to Point-of-sale Terminals* by Sen. Garrett Richter (R-Naples) and Rep. Holly Raschein (R-Key Largo) **DIED**

Energy

SB 318 by Sen. Garrett Richter (R-Naples) and the House companion, HB 191 by Rep. Ray Rodrigues (R-Fort Myers), relating to regulation of oil and gas resources, sought to revise the Oil and Gas Program to make the process safer and more effective for all involved. The bill allowed for the Department of Environmental Protection (DEP) to oversee the permitting process for oil and gas drilling, production, and exploration within Florida. 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 supported 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.

SB 318 died in the Senate Appropriations committee, its last committee stop, by an unfavorable vote of 9 yeas to 10 nays. HB 191 passed through the floor of the House by a vote of 73 yeas to 45 nays but was never considered by the Senate chamber and, therefore, died.

SB 90 by Sen. Wilton Simpson (R-Trilby) and HB 285 by Rep. Lake Ray (R-Jacksonville) relating to natural gas rebate program, allows the Department of Agriculture and Consumer Services (DACS) to award rebates to those eligible for the costs of converting a diesel- or gasoline-powered motor vehicle to a natural gas fuel-powered motor vehicle on or after July 1, 2013. An applicant is eligible to receive a maximum rebate of \$25,000 per vehicle up to a total of \$250,000 per applicant per fiscal year, on a first-come, first-served basis. With the implementation of this bill, DACS may use any unencumbered funds to award additional rebates to governmental applicants awarded on a first-come, first-served basis.

AIF supports the natural gas fuel fleet vehicle rebate program, specifically the authorization of DACS to award additional rebates to applicants from unencumbered funds after each fiscal year.

SB 90 was passed by the Florida Senate by a vote of 39 yeas to 0 nays. SB 90 was then substituted by the Florida House for its House companion, HB 285, and passed by a vote of 110 yeas to 5 nays. The Governor has until 4/6/16 to act on this bill.

Other Bills of Interest

SB 1272 – *Relating to Florida Renewable Energy Production Credit* by Senator Dorothy Hukill (R-Port Orange) **DIED**

Environment & Agriculture

SB 552 by Sen. Charlie Dean (R-Inverness) and the House companion, HB 7005 by Rep. Matt Caldwell (R-Lehigh Acres), relating to environmental resources, addresses our states impending water shortage issues and takes the first step in ensuring that Florida's springs and precious water sources are protected. SB 552 revises policies in relation to Florida's environmental resources including, but not limited to:

- creating the Florida Springs and Aquifer Protection Act to expedite protection and restoration of the water flow and water quality in the aquifer and Outstanding Florida Springs;
- ensuring that the appropriate governmental entities continue to develop and implement uniform water supply

planning, consumptive water use permitting, and resource protection programs for the area encompassed by the Central Florida Water Initiative;

- updating and restructuring the Northern Everglades and Estuaries Act to reflect and build upon the Department of Environmental Protection's (DEP) completion of basin management action plans (BMAP) for Lake Okeechobee, the Caloosahatchee Estuary, and the St. Lucie River and Estuary, DEP's continuing development of a BMAP for the inland portion of the Caloosahatchee River watershed, and Department of Agriculture and Consumer Services' implementation of best management practices in the three basins;
- modifying water supply and resource planning documents and processes in order to provide more robust representations of the state's water needs and goals;
- requiring the Office of Economic and Demographic Research to conduct an annual assessment of water resources and conservation lands;
- requiring DEP to publish an online publicly accessible database of conservation lands on which public access is compatible with conservation and recreation purposes; and
- requiring DEP to conduct a feasibility study for creating and maintaining a web-based, interactive map of the state's waterbodies, as well as regulatory information about each waterbody.

AIF supports efforts to address Florida's major water challenges by developing sound, comprehensive sciencebased water policy.

SB 552 was passed by the Florida Senate with a vote of 37 yeas and 0 nays. HB 552 was then substituted for its HB 7005 on the floor of the House and passed by a vote of 110 yeas to 2 nays. As one of AIF's top priorities, we were very pleased that this was the first bill signed into law by the Governor for the 2016 Legislative Session and assigned Chapter No. 2016-1.

Other Bills of Interest

SB 304 & HB 59 – Relating to Agritourism by Sen. Kelli Stargel (R-Lakeland) and Rep. Neil Combee (R-Auburndale) PASSED

HB 749 & SB 1310 – *Relating to Agriculture* by Sen. Travis Hutson (R-Palm Coast) and Rep. Jake Raburn (R-Valrico) **PASSED**

SB 1010 & HB 7007 – Relating to the Department of Agriculture and Consumer Services by Sen. Bill Montford (D-Tallahassee) and House Agriculture & Natural Resources Subcommittee and Rep. Jake Raburn (R-Valrico)

PASSED

SB 544 – *Relating to Nonresidential Farm Buildings* by Sen. Charlie Dean (R-Inverness) **DIED**

Healthcare

HB 7087 by Rep. Chris Sprowls (R-Clearwater) and SB 1686 by Sen. Aaron Bean (R-Jacksonville) relating to telehealth, requires the Agency for Health Care Administration (AHCA), with assistance from the Department of Health (DOH) and the Office of Insurance Regulation (OIR), to survey health care practitioners, facilities and insurers on telehealth utilization and coverage. AHCA must submit a report on the survey findings to the Governor, Senate President and Speaker of the House of Representatives by December 31, 2016. The bill also creates a 15-member Telehealth Advisory Council, and requires the Council to submit a report with recommendations based on the survey findings to the Governor, Senate President and Speaker of the House of Representatives by October 31, 2017. The section of law requiring these reports expires June 30, 2018. The bill excluded from the definition of discount medical plan under s. 636.202 F.S., medical services provided through a telecommunications medium that are not provided at a discount to a plan member. This ensures that such medical services are not regulated as a discount medical plan.

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 7087 was substituted for SB 1686 and was amended several times before passing out of both chambers. This bill has not yet been sent the Governor.

SB 1084 by Sen. Don Gaetz (R-Destin) relating to health care protocols, required Medicaid managed care plans, health maintenance organizations (HMOs), and insurers that restrict medications by a step-therapy or fail-first protocol to have a clear and convenient process to request an override of the protocol. The bill required these entities to grant an override of the protocol within 24 hours if, based on sound clinical evidence or medical and scientific evidence, the prescribing provider:

- concluded that the preferred treatment required under the fail-first protocol has been ineffective in the treatment of the enrollee's disease or medical condition; or
- believed that the preferred treatment required under the fail-first protocol is likely to be ineffective given the known relevant physical or mental characteristics and medical history of the enrollee and the known characteristics of the drug regimen or will cause or is likely to cause an adverse reaction or other physical harm to the enrollee.

AIF believes this action to be redundant and unnecessary given that insurers already have a protocol in place if incidents, such as ineffective treatment of the enrollee's

disease or medical condition, occur.

AIF opposed legislation that will negatively impact the standards of care that are currently in place based on real-time protocols centered on evidence-based research.

SB 1084 died without being heard in its last committee stop, the Senate Appropriations committee.

Other Bills of Interest

SB 676 & HB 423 – Relating to Health Care by Sen. Denise Grimsley (R-Sebring) and Rep. Cary Pigman (R-Sebring)

PASSED

SB 1442 & HB 221 – Relating to Out-of-Network Health Insurance Coverage by Sen. Rene Garcia (R-Hialeah) and Rep. Carlos Trujillo (R-Doral) PASSED

SB 212 & HB 85 – Relating to Recovery Care Services by Sen. Don Gaetz (R-Destin) and Rep. Heather Fitzenhagen (R-Fort Myers) DIED

Insurance

SB 596 by Sen. Dorothy Hukill (R-Port Orange) and HB 1097 by Rep. Matt Caldwell (R-Lehigh Acres) relating to assignment or transfer of property insurance rights, sought to prevent the explosion of Assignment of Benefits (AOB) in the property insurance marketplace. These bills would have established a rescission period for consumers who entered into AOB agreements, provided consumer disclosures, required the provision of an estimate for services proposed to be rendered, and limited the enforcement mechanism to the policyholder. Despite a data call from OIR demonstrating an increase in water claims of at least 46%, and reports from Citizens that the indicated rates for some Southeastern counties reaching as high was 189.6%, the Legislature failed to pass this meaningful reform to address spiraling costs associated with AOBs.

AIF supported legislation that aims to stamp out cost drivers and control attorneys' fees for the benefit of premium payers statewide.

SB 596 died in the Senate Judiciary committee, its second committee stop.

HB 1097 died in the House Regulatory Affairs committee, its second committee stop.

Other Bills of Interest

SB 1036 & HB 659 – Relating to Automobile Insurance by Sen. Jeff Brandes (R-St. Petersburg) and Rep. David Santiago (R-Deltona) PASSED

SB 1170 – *Relating to Health Plan Regulatory Administration* by Sen. Nancy Detert (R-Venice) **PASSED**

SB 632 – *Relating to Civil Remedies Against Insurers* by Sen. Garrett Richter (R-Naples) **DIED**

IT Governance

HB 1033 by Rep. Frank Artiles (R-Miami) and its Senate companion, SB 7050 by the Senate Government Oversight and Accountability Committee, relating to information technology security, requires the Agency for State Technology (AST) to establish standards and processes consistent with best practices for both information technology (IT) security and cybersecurity. It also requires AST to develop and publish guidelines and processes for an IT security framework to be used by state agencies. In part, the guidelines and processes must address completing risk assessments administered by a third party, establishing a computer security incident response team, and establishing an IT incident reporting process.

The bill requires the information security manager of each state agency to establish a team to respond to a suspected computer security incident. It also requires each state agency head to: conduct a risk assessment administered by a third party by July 31, 2017; conduct IT security and cybersecurity training for new employees; ensure that certain personnel understand their roles and responsibilities; develop notification procedures for reporting IT security incidents and breaches; and improve organizational response activities.

The bill also requires the Technology Advisory Council within AST to have at least one member who is a cybersecurity expert.

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.

HB 1033 was passed by the Florida House by a vote of 111 yeas to 0 nays. HB 1033 was then substituted for SB 7050 on the Senate floor and passed by a vote of 38 yeas to 0 nays. The Governor has until 3/25/16 to act on this bill.

Other Bills of Interest

SB 1430 & HB 1195 – *Relating to State Technology* by Sen. Jeff Brandes (R-St. Petersburg) and Rep. Jamie Grant (R-Tampa) **DIED**

Legal & Judicial

SB 1086 by Sen. Rob Bradley (R-Orange Park) relating to prejudgment interest, would have required the court to award prejudgment interest on economic damages to a prevailing plaintiff in a personal injury action case. If economic damages were to be recovered, interest must accrue on each component of the damages from the date of loss and costs. If prejudgment interest is awarded, interest would have been computed beginning on the first day of the month immediately following the month in which

costs were paid.

AIF opposed legislation that will increase the already daunting costs of litigation on Florida's businesses.

SB 1086 died in the Senate Appropriations Subcommittee on Criminal and Civil Justice, the bills second committee stop.

Other Bills of Interest

SB 196 & HB 267 – *Relating to Public Records/State-Funded Infrastructure* Bank by Sen. Travis Hutson (R-Palm Coast) and Rep. Mike LaRosa (R-St. Cloud) **PASSED**

SB 390 & HB 273 – *Relating to Public Records* by Sen. Wilton Simpson (R-Trilby) and Rep. Halsey Beshears (R-Monticello) **PASSED**

SB 642 – *Relating to Drones* by Sen. Miguel Diaz de la Portilla (R-Miami) **DIED**

SB 562 & HB 713 – Relating to Consumer Debt Collection by Sen. Kelli Stargel (R-Lakeland) and Rep. Kathleen Passidomo (R-Naples) DIED

SB 912 & HB 761 – Relating to Fraudulent Activities Associated with Payment Systems by Sen. Anitere Flores (R-Miami) and Rep. Dana Young (R-Tampa) PASSED

Property Rights

SB 416 by Sen. Anitere Flores (R-Miami) and its House counterpart, HB 461 by Rep. Clay Ingram (R-Pensacola), relating to location of utilities, clarifies court-created confusion over property rights and restored long-standing rights to the private property owners, as opposed to local governments. Specific to construction projects, the bill memorializes the common business practice that the party initiating a project should bear necessary utility relocation costs.

AIF supports protecting the private property rights of Florida businesses.

SB 416 passed through the Senate floor by a vote of 34 yeas to 4 nays. SB 416 was then substituted for its House companion, HB 461, and passed the floor of the House by a vote of 109 yeas to 4 nays. This measure was approved by the Governor and assigned Chapter No. 2016-44.

SB 720 by Sen. Travis Hutson (R-Palm Coast) and HB 559 by Rep. Mike LaRosa (R-St. Cloud) relating to self-storage facilities, would substantially revise the process self-storage facilities use to advertise and sell the personal property of a delinquent tenant. The bill, removed requirements to advertise a property sale via a local newspaper and only required such advertisements to be posted in any "commercially reasonable manner" defined as being met if three or more bidders—all of whom are unrelated to the

seller—attend or register to bid at the sale.

AIF opposed legislation that intended on derailing Florida's broad public notice system as defined by Chapter 50, Florida Statutes.

SB 720 died without a hearing in the Senate Regulated Industries committee, while its House companion, HB 559, died without hearing in the House Appropriations committee.

Taxation

HB 7099 by the House Finance and Tax Committee cut taxes in the state of Florida for the 2016-2017 fiscal year by a total of \$129.1 million. Much like last year's House tax package, this legislation encompasses many of AIF's top taxation priorities that are of the utmost importance to our members, such as:

- permanently exempts manufacturing equipment from state sales taxes;
- expands the sales tax exemption to include machinery and equipment used for agricultural postharvest activities;
- allows local government to grant property tax exemptions in areas that were previously classified as "Enterprise Zones" before the enterprise zone program expired;
- creates a 3-day back-to-school tax holiday; and
- phases out a sales tax on asphalt used for government projects.

AIF supported the permanent elimination of sales tax on manufacturing machinery and equipment, as well as tax cuts for Florida's students, consumers and businesses.

HB 7099 passed through the House and Senate after both chambers concurred with the amendments made. This bill has not yet been sent to the Governor.

Other Bills of Interest

SB 76 – *Relating to Tax Exempt Income* by Sen. Dorothy Hukill (R-Port Orange) **DIED**

SB 98 – *Relating to Exemption from the Sales and Use Tax for Certain Machinery and Equipment* by Sen. Dorothy Hukill (R-Port Orange) **DIED**; however, taken up in the House tax package, HB 7099

SB 116 – *Relating to Tax on Sales, Use, and Other Transactions* by Sen. Dorothy Hukill (R-Port Orange) **DIED**

SB 198 – *Relating to Sales Tax Holiday* by Sen. Dorothy Hukill (R-Port Orange) **DIED**; however, clothing and school supplies provision taken up in the House tax package, HB 7099

SB 802 – Relating to Use Tax for Asphalt by Sen. Lizbeth

Benacquisto (R-Fort Myers) **DIED**; however, taken up in the House tax package, HB 7099

SB 1264 – Relating to Sales Tax Exemptions for Agricultural Equipment by Sen. Wilton Simpson (R-Trilby) **DIED**; however, taken back up in the House tax package, HB 7099

Transportation

HB 509 by Rep. Matt Gaetz (R-Shalimar) relating to transportation network companies, allowed for statewide regulation of ridesharing companies. This legislation would unharness technology companies like Uber from draconian local ordinances, and also represents a compromise between ridesharing and insurance stakeholders to ensure appropriate commercial coverage is in place for the benefit of drivers and passengers.

AIF supported statewide digital transportation service policies to create price competition, promote consumer choice, enhance customer experience, create jobs and remove anti-competitive local regulations.

HB 509 passed through the House floor by a vote of 108 yeas to 10 nays, was then sent to the Senate chamber and referred to three additional committees of reference. HB 509 was never heard before these committees and, therefore, died without a hearing in Senate Banking and Insurance.

HB 7027 by the House Transportation & Ports Subcommittee and Rep. Patrick Rooney, Jr. (R-Palm Beach Gardens) increases the Florida Seaport Transportation and Economic Development Program (FSTED) funding by \$10 million. This program's funding is one of AIF's Transportation Council's top priorities because it supports growth and economic activity at Florida's ports. Additionally, the bill aids some of the state's smaller contractors by creating the Business Development Program which is designed to help companies navigate procurements for road projects while increasing competition for the work.

The bill also creates a state Florida Department of Transportation (FDOT) Financing Corporation which will serve as a financing mechanism for Public Private Partnerships (P3) across the state. By creating the FDOT Financing Corporation, the state would offer a mechanism to provide reliable, state bonds for up front financing of P3 projects in the state. In doing so, the Department believes this approach would leverage lower capital costs provided to the municipal bond markets as an option for securing financing for the upfront costs of P3 projects. Several members of the committee expressed concerns about this proposal

however, citing that existing state programs and financing options as are available for P3 projects.

AIF supports increasing the FSTED funding and spending cap levels from \$15 million to \$25 million, a very important provision for Florida's ports. AIF also supports creating the FDOT Business Development Program as a mechanism to help educate and provide expertise to Florida's small businesses looking to do work in the Department's often-complex procurement process.

HB 7027 passed through the House by a vote of 118 yeas to 0 nays, and passed through the Senate by a vote of 40 yeas to 0 nays. This bill has not yet been sent to the Governor.

Workers' Compensation

SB 1402 by Sen. David Simmons (R-Altamonte Springs) and the House companion, HB 7073 by Rep. Lake Ray (R-Jacksonville), relating to ratification of Department of Financial Services rule, will have a significant impact on workers' compensation claims handling. The bill ratifies the Department of Workers' Compensation (DWC) 2015 adoption of its Health Care Provider Reimbursement Manual.

This legislative action finally brings Florida up-to-date with the current national medical fee schedules for calculation of payments to physicians and other non-hospital providers as required by statute. Current law provides reimbursement formulas and methodologies to compensate providers of health services, subject to maximum reimbursement allowances (MRA). The MRA's for different providers and services are defined in various national sources including the American Medical Association, the American Dental Association and Medicare. Florida last promulgated an effective rule defining each publication year of these sources happened in 2009. However, the Florida DWC was legislatively barred from implementing the updates to those national indices until this year's legislation passed. Now that the ratification legislation has passed, the current (2014) MRA schedules can go into effect once the measure becomes law on July 1, 2016.

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.

SB 1402 passed the Senate floor by a vote of 40 yeas to 0 nays. SB 1402 was then substituted for its House companion, HB 7073, and passed the House floor by a vote of 116 yeas to 0 nays. This bill has not yet been sent to the Governor.

HB 613 by Rep. Jennifer Sullivan (R-Eustis) and SB 986 by Sen. Wilton Simpson (R-Trilby) relating to workers' compensation administration, will streamline some administrative functions of the Florida Division of Workers' Compensation.

This bill, makes the following changes to current law:

- provides the DWC with additional flexibility to enforce coverage compliance;
- reduces the penalty calculation when payroll is imputed for a coverage violation;
- removes the requirement of DWC certification of an expert medical advisor (EMA) if the EMA is agreed to by the parties or properly selected by a judge of compensation claims;
- permits electronic filing of coverage exemption certificates;
- allows employers to notify their insurer of an exemption without having to furnish the exemption certificate to the insurer—since all approved exemptions are available online through the DWC;
- eliminates filing fees for new workers' compensation insurer registrations with the Department of Financial Services (DFS) and for claims processing with the Special Disability Trust Fund; and
- eliminates other obsolete or unnecessary statutory references.

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.

HB 613 was passed on the House floor by a vote of 115 yeas to 2 nays. HB 613 was then substituted for its Senate companion, SB 986, and passed through the Senate floor by a vote of 40 yeas to 0 nays. The Governor signed HB 613 into law and assigned the bill Chapter No. 2016-56.

SB 828 by Sen. Aaron Bean (R-Jacksonville) and HB 467 by Rep. Doug Broxson (R-Gulf Breeze) relating to Insurance Guaranty Association Assessments, revises the calculation procedures for assessments that all employers pay when levied to the Florida Workers' Compensation Insurance Guaranty Association (FWCIGA). The last FWCIGA assessment was levied in 2005.

As background, the FWCIGA assists DFS in the detection and prevention of insurer insolvencies and provides for the payment of workers' compensation covered claims in the event of insolvency. When additional funds are needed for claims payments, employers are assessed by

the FWCIGA to cover those payments. Currently, the assessment amounts are recouped by the carriers as part of the premium rate calculation.

AIF supports this bill as it makes sensible adjustments to Florida's guaranty programs to ensure that claimants of insolvent companies can be made whole without undue burden on existing workers' compensation carriers and their policyholders.

SB 828 was substituted for HB 467 on the House floor and passed by a vote of 114 yeas to 0 nays. The Governor has until 4/2/16 to act on this bill.

Workforce

HB 1133 Rep. Dana Young (R-Tampa) and SB 1262 by Sen. Wilton Simpson (R-Trilby) removes hindrances, such as taxes and regulations, for out-of-state companies coming to Florida to assist with emergency response during a disaster situation that, in any other situation, would be the normal course of business.

AIF supports legislation that will remove the hurdles businesses would ordinarily have to overcome when coming to Florida to aide in a state of emergency.

HB 1133 was passed by the Florida House by a vote of 115 yeas to 0 nays. The Senate then substituted HB 1133 for its Senate companion, SB 1262, and passed the bill by a vote of 37 yeas to 0 nays. This measure was approved by the Governor.

Other Bills of Interest

SB 468 & HB 887 – *Relating to Computer Coding Instruction* by Sen. Jeremy Ring (D-Margate) and Rep. Janet Adkins (R-Fernandina Beach) **DIED**

SB 294 – *Relating to Labor Regulations* by Sen. Geraldine Thompson (D-Orlando) **DIED**

PASSED indicates that the bill has been passed by the Florida House and Senate and has been sent to the Governor.

To see a complete list of the Governor's actions on bills passed by the Florida Legislature, please visit Aif.com/2016GovActions



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