



DAILY BRIEF

From March 19, 2013

Day two of the third week of Legislative Session saw multiple victories for Florida businesses. Associated Industries of Florida (AIF) testified and stood in support of various bills in front of committee today with two top priority bills passing through favorably.

Workers' Compensation

In the House Health Quality Subcommittee, legislators discussed HB 605, *Relating to Workers' Compensation*, by Representative Matt Hudson (R-Naples). **AIF's General Counsel, Tamela Perdue**, was present in Committee to testify in support of the legislation. If enacted, the bill would address a drug repackaging loophole in Florida's workers' compensation system. HB 605 clarifies the maximum charged for the drugs will remain the same, regardless of where the drug is purchased or dispensed. Further, the legislation does not increase costs or delay medical treatment.



AIF vehemently supports this legislation because it will address this loophole and will maintain the necessary balance to Florida's workers' compensation system.

Manufacturing

In the House Economic Development and Tourism Subcommittee, AIF testified in support of legislation aimed at growing and developing Florida's manufacturing sector. HB 357, *Relating to Manufacturing Development*, by Representative Jim Boyd (R-Bradenton), is a top priority for the AIF Manufacturing, Aerospace and Defense Council. The legislation, when enacted, will be referred to as "The Manufacturing Competitiveness Act."

The legislation authorizes local governments to voluntarily adopt, by ordinance, a Local Manufacturing Development Program that would allow manufacturers to obtain master plan approval for manufacturing sites. The agreed upon master plan would set outer limits on the site that would remain applicable over term of the master plan. Once the master plan is approved, the manufacturer would not need further local approval for future expansions or modifications (except for building code, life, or safety issues).

Manufacturers residing in participating counties will also have access to a coordinated permitting process at the state level for the most common state permits.

The bill also enables participating local governments to be self-identified as having a particular interest in having manufacturing facilities in their jurisdictions. Enterprise Florida can use this information when recruiting and placing manufacturing facilities. In essence this creates some level of competition among counties for new manufacturing facilities.

Florida is among the bottom five states in the nation as a percentage of manufacturing gross state product output. The sector is a significant job creator with salaries well beyond the state average and with an every direct manufacturing job creating about three indirect jobs, the highest of any employment sector.

House Bill 357 passed unanimously and now moves to the House Transportation and Economic Development Appropriations Subcommittee.

AIF supports HB 357 because it will improve the development approval process for manufacturers in Florida.

Technology

In the Senate Appropriations Subcommittee on General Government, AIF testified in support of SB 1762, *Relating to State Technology*, by Senator Jeremy Ring (D-Margate). Currently, the state is a \$70 billion business without an information technology (IT) department. Senator Ring explained no business of this size, or even smaller, operates without an IT department. This bill creates the Department of State Technology (DST) as an executive agency under the governor. Further, the bill would abolish the outdated Agency for Enterprise Information Technology (AEIT) and all of its duties, as well as all technology and telecommunications duties of the Department of Management Services (DMS) will be transferred to DST.

The bill passed 11–1 and will next be heard in the Senate Appropriations Committee.

AIF's Information Technology Council strongly supports the bill because it allows the state to begin making informed decisions on its IT spending. Moreover, it will improve the efficiency of the state's operations.

Taxation

In the Senate Appropriations Subcommittee on Transportation, Tourism and Economic Development, AIF stood in support of SB 236, *Relating to Tax Refund Programs* by Senator Dorothy Hukill (R-Port Orange). If enacted, the bill would eliminate the maximum amount of tax refunds a business could receive over all fiscal years for the Quality Target Industry (QTI) and the Quality Defense and Space Flight Business Programs (QDSFB). Current limits imposed on the percentage of total award, and dollar amount a project could receive in a given fiscal year, would remain intact. Essentially, the bill removes the \$ 7 million cap and allows qualifying businesses to create more jobs and expand.

The bill passed by a unanimous vote of 12-0 and will next be heard in the Senate Appropriations Committee.

AIF supports the bill because the incentive has produced 19,694 high paying jobs in the defense and space sector and this change will help create more such jobs.

Health Care

In the House Health Innovation Subcommittee, AIF stood in support of HB 675, *Relating to Health Insurance Marketing Materials*, by Representative Clay Ingram (R-Pensacola). The bill repeals a health insurer's obligation to submit marketing materials to the Office of Insurance Regulation (OIR) prior to using them. Current law requires that each marketing communication to be used in the marketing of a health benefit plan be submitted for review by the OIR prior to its use. The bill maintains the authority of OIR to review the marketing communications and disclosure statements as part of complaint investigations or market conduct reviews.

The legislation unanimously passed and now moves to the House Regulatory Affairs Committee. The Senate companion, SB 648 by Senator Dorothy Hukill (R-Port Orange), is scheduled to be heard in Senate Banking and Insurance on Wednesday.

AIF supports measures that will streamline regulatory requirements on Florida businesses.

Education

In the House Education Appropriations Subcommittee, legislators debated a variety of education bills including HB 7027, *Relating to Education Accountability*, by the House Choice & Innovation Subcommittee. Additionally, Committee members heard HB 7029, *Relating to Digital Learning* by the House Choice & Innovation Subcommittee and HB 7091, *Relating to K-20 Education*, by the House K-12 Subcommittee.

HB 7027 increases school accountability in a variety of different ways. The bill will also require the Commissioner of Education to restructure the process to access data kept in the K-20 data warehouse by creating a "Research Engine" capable of providing access to records under the federal Family Educational Rights and Privacy Act (FERPA).

AIF stood in support and the bill passed, now moving to the House Education Committee.

AIF supports legislation creating a uniform system of accountability and incentivizing educational institutions to use Common Course Numbering.

HB 7029 seeks to increase access to digital learning and mixed learning options. First, the bill will allow districts to provide part-time visual instruction for K-12 students in all courses, rather than only those courses measured through a statewide assessment. The bill would also remove blended learning courses from the definition of core-curricula classes and clarify that district innovation schools are exempt from class size requirements.

AIF stood in support and the bill passed, now moving to the House Education Committee.

AIF supports establishing a Digital Learning Initiative to offer infrastructure, bandwidth, and mobile devices to equip all Florida students with access to quality, digital learning opportunities.

HB 7091 creates three new standard high school diploma designations: College and Career, Industry, and Scholar. By creating these separate designations, it establishes a system to develop career education courses enabling students to earn credit in career courses while earning core academic credit for graduation. The bill also includes a financial literacy requirement as a .5 credit hour course.

AIF supports legislation that promotes an increased course offering, preparing Florida's students for the workforce.

The majority of the Committee's time was devoted to HB 867, *Relating to Parent Empowerment in Education*, by Representative Carlos Trujillo (R-Doral) which is commonly referred to as the "Parent Trigger Bill." Essentially, the bill would give parents a say in the governing structure of a failing school. There was substantial public testimony more opposing the bill than supporting the bill, but, the bill passed along partisan lines.

Currently, AIF does not have a position on the bill, but will continue to monitor it as it directly pertains to Florida's future workforce.

Environment

During the House Economic Development & Tourism Subcommittee, AIF stood in support of HB 4045, *Relating to Agricultural Lands*, by Representative Daniel Raulerson (R-Plant City). The bill repeals provisions requiring the Department of Economic Opportunity (DEO) to map and monitor the state's agricultural land base as neither DEO nor the previous agency responsible for this function, ever implemented the program, and it is not considered essential. It is not considered necessary because the Florida Department of Agriculture and Consumer Services (DACS) currently has several mapping programs providing this information.

HB 4045 passed through the Committee with a unanimous vote and will next be heard in the House Transportation and Economic Development Appropriations Subcommittee.

AIF supports legislation that eliminates duplicative duties by other governmental agencies as it eliminates an unnecessary tax burden on Florida's employers.

Insurance

The House Insurance and Banking Subcommittee met to consider HB 819, *Relating to Florida Commission on Hurricane Loss Projection Methodology*. In 1995, the Legislature established the Florida Commission on Hurricane Loss Projection Methodology to serve as an independent body within the State Board of Administration. The Commission adopts findings on the accuracy or reliability of the methods, standards, principles, models and other means used to project hurricane losses. Individual insurers are required to use the Commission's findings in order to support or justify a rate filing. The Commission is currently comprised of 11 members. This bill adds another member to the Commission, who will be appointed by the Chief Financial Officer.

The bill passed unanimously and will next be heard in the House Government Operations Appropriations Subcommittee.

Currently, AIF is monitoring the bill due to the Commission's impact on rate filings for insurers.

In the Senate Appropriations Subcommittee on General Government, AIF stood in support of SB 1770, *Relating to Property Insurance* by the Senate Banking & Insurance Committee. Among other things the bill:

- Renames the Florida Hurricane Catastrophe Fund Finance Corporation to the State Board of Administration Finance Corporation.
- Creates a Florida Catastrophe Risk Capital Access Facility within the State Board of Administration to help insurers identify global capital available for additional coverage options around the various layers of the Florida Hurricane Catastrophe Fund (CAT Fund).
- Subjects Citizens Property Insurance Corporation to bad faith claims.
- Exempts Citizens from “exchange of business” restrictions, to facilitate the operations of the clearinghouse.
- Requires the Office of Insurance Regulation (OIR) to calculate and publish an annual property insurance inflation factor where property insurance rates filed below the inflation factor are to be deemed non-excessive by the OIR.
- Redefines Citizens’ mission to be non competitive through the use of a clearinghouse to ensure Citizens’ coverage is only available to eligible applicants.
- Reduces the maximum Citizens’ policy limit from \$2 million to \$1 million, and further reduces this amount by \$100,000 a year for five years.
- Prohibits Citizens from covering structures commencing construction after July 1, 2013, that are seaward of the coastal construction control line, unless built to code-plus.
- Clarifies a private company’s offer within 15 percent of Citizens’ rate makes both new and renewal policies ineligible for Citizens.
- Requires agents to certify and document a continued effort to seek private market placement for their policyholders that are in Citizens.

The bill received extended debate and passed with a vote of 8-4. SB 1770 will next be heard in the Senate Appropriations Committee.

AIF supports legislation to return Citizens to an insurer of last resort.

Ethics & Elections

The House Ethics and Elections Subcommittee unanimously adopted proposed committee bill **(PCB) EES 2**, a comprehensive rewrite of Florida's ethics laws regulating the conduct of public officials. The bill is now similar to its Senate counterpart, SB 2, which passed the Senate on the first day of Session.

The difference in the two bills is the "revolving door" prohibition in the Senate bill that prohibits legislators and former officials from commencing lobbying activities for two years after leaving office. The House version limits the ban to the Senate President and the House Speaker. The other differences in the two bills are relatively minor. It is anticipated that all of the differences will be negotiated out over the next few weeks and that there will be no need for a formal conference committee.

AIF will monitor all proposals related to public ethics and elections and advocate as necessary to protect the rights of individuals and businesses.

National Association of Manufacturers

The National Association of Manufacturers (NAM) will be hosting its annual Public Affairs Conference at the Eden Roc Renaissance Miami Beach hotel in Miami, Florida from April 14th -16th. The conference is the nation's leading annual gathering of public affairs and government relations professionals.

To read more on the Conference or to register, please go to

http://www.nam.org/Get-Involved/Public-Affairs-Conference/2013-PA-Conference.aspx?utm_source=nam&utm_medium=alias&utm_campaign=paconference2013.