



DAILY BRIEF

From March 28, 2013

Workers' Compensation

In the House Insurance & Banking Subcommittee, AIF stood in support of HB 605, *Relating to Workers' Compensation*, by Representative Matt Hudson (R-Naples). 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.

The bill passed committee with a vote of 10-1 and will next be heard in the House Health & Human Services Committee.

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

Insurance

In the House Insurance & Banking Subcommittee, AIF testified in support of HB 1107, *Relating to Florida Hurricane Catastrophe Fund*, by Representative Bill Hager (R-Boca Raton). Rep. Hager's bill would represent a small first step to "right size" the Cat Fund and reduce the likelihood of post catastrophe assessments (hurricane taxes) against property and casualty policyholders, including business owners.

The bill passed unanimously and will next House Government Operations Appropriations Subcommittee.

AIF supports legislation to restore the Florida Hurricane Catastrophe Fund (Cat Fund) to a safety buffer for Andrew-sized storms, thereby ensuring it can meet its obligations in the event of a storm and reducing the hurricane taxes funding its operations, as well as its possible deficits.

As promised, Senator Joe Negrón (R-Stuart), introduced a committee bill - SB 7132 - eliminating premium tax credits insurance companies receive based on the aggregate salaries of their Florida employees. The salary credit was implemented in 1987 to provide an incentive for insurance companies to increase jobs in the state by locating home offices, regional service centers, and call centers in the state. The credit is an important tool in marketing Florida and in competing with other states for insurance industry jobs. The \$220 million of additional revenue resulting from the elimination of the credit will be used by the Legislature to reduce annual vehicle registration fees.

AIF's Senior Vice President of State and Federal Affairs, Brewster Bevis, testified in committee in opposition to the bill. Bevis stated that "While the goal of reducing fees on Floridians is certainly laudable, AIF opposes the mechanism by which you are recouping the lost revenue." Bevis also went on to point out the high growth rate in Florida's insurance industry, 44 thousand new jobs since 2008, and stated, "One of the reasons for this large



number of jobs and industry growth in the face of national economic uncertainty has been the attractiveness of Florida as a place to do business due to the premium tax credit that this bill would do away with.”

SB 7132, *Relating to Taxation*, was submitted as a committee bill by the Senate Committee on Appropriations.

AIF opposes the elimination of the credit which could have the unintended consequences of reducing jobs in Florida and making Florida less competitive for insurance companies' jobs.

Environment & Agriculture

In the House State Affairs Committee, AIF stood in support of CS/HB 713, *Relating to Water Quality Credit Trading*, by Representative Cary Pigman (R-Sebring). This bill expands a pilot program to a statewide water quality credit trading program and participation in the program is completely voluntary. The program is market-based and allows businesses to buy trading credits (pollutants reductions) from others which saves them money rather than implementing a more expensive cleanup project.

The bill passed committee unanimously and will next be heard in the House Rules & Calendar Committee.

AIF supports this legislation because establishing a water quality credit trading program could reduce the costs of pollutant reduction activities to businesses.

In the House State Affairs Committee, AIF stood in support of CS/HB 659, *Relating to Fossil Fuel Combustion Products*, by Representative Tom Goodson (R-Titusville). The bill addresses the continued use of coal ash in many products and creates a regulatory program under the Department of Environmental Protection (DEP) for the beneficial use of Fossil Fuel Combustion Products. This bill would let the EPA know that Florida wants to continue to use coal ash in various types of products. It also saves energy while producing revenue by using coal ash in products rather than incurring the cost of disposal.

The bill passed committee unanimously and will next be heard in the House Rules & Calendar Committee.

AIF supports any legislation promoting the beneficial use of Fossil Fuel Combustion Products in order to save Florida's businesses from the costly disposal of such resources.

In the House Economic Affairs Committee, AIF stood in support of HB 415, *Relating to Brownfields*, by Representative Travis Hutson (R-Palm Coast). The bill specifies that redeveloping Brownfield areas can be a significant element in other revitalization areas, such as community redevelopment areas, enterprise zones, and closed military bases. HB 415 requires a local government to comply with certain provisions when designating a Brownfields area. Of these provisions, it allows for a public hearing when an area is going to be classified as a Brownfield.

The bill passed unanimously and will next be heard by the full House.

AIF supports any legislation promoting Florida's Brownfield Program as it provides a variety of financial and regulatory incentives encouraging parties to voluntarily clean up and redevelop Brownfield sites. By restoring Brownfield sites, the properties get back on the tax rolls quicker and become useful to the community.

In the House Finance & Tax Subcommittee, AIF stood in support of HB 203, *Relating to Agricultural Lands*, by Rep. Halsey Beshears (R-Monticello). The purpose of this legislation is to prevent double regulations by governments. If an agricultural activity is regulated by either the federal or state governments then this bill prevents a local government from also charging a fee to regulate it. The current law applies to just Florida counties, but some municipalities have expanded their boundaries to include farm operations and are applying fees for certain activities.

The bill passed unanimously and will next be heard in the House State Affairs Committee.

AIF supports this bill because it would prevent municipalities from placing another layer of regulation currently covered by federal or state regulations on Florida agriculture.

Legal & Judicial

In the House Justice Appropriations Subcommittee, AIF stood in support of HB 7015, *Relating to Expert Testimony*, by Rep. Larry Metz (R-Groveland) which aligns Florida's evidentiary standard for expert witness testimony with that of the federal courts. Currently, Florida is an outlier among states in its use of the outdated *Frye* standard for admissibility of expert witness testimony. The bill would align Florida with other leading states that utilize the *Daubert* standard, therefore ensuring that "junk science" is not admitted into our courts. This issue is important to the business community because Florida-based companies are regularly joined into costly and unnecessary lawsuits so that trial lawyers may gain access to our courts, thereby increasing the cost of doing business in Florida.

The bill passed with a vote of 8-4 and will next be heard in the House Judiciary Committee.

AIF supports legislation to adopt the *Daubert* standard for expert witness testimony and to align Florida courts with the Federal Rules of Evidence utilized in federal courts and adopted by the majority of state courts.

In the House Judiciary Committee, AIF stood in support of HB 457, by Representative MaryLynn Magar (R-Hobe Sound). The legislation would allow Florida employers to recover payments from worthless checks and other transactions without the sending of a specified letter if the business has a notice posted at point of sale or on invoice. If enacted, this bill would allow Florida businesses to collect money due to them in a timelier manner.

The bill passed committee unanimously and is ready for the House floor.

AIF supports legislation that makes it easier for Florida employers to collect payment due to them.

Education

In the Senate Committee on Appropriations, AIF stood in support of SB 1076, *Relating to Education*, by Committee Chair John Legg (R-Lutz). The career education legislation is Senate President Gaetz's (R-Destin) number one education priority. The bill revises current career education programs and target funding in an effort to better prepare and align Florida students to join the workforce. Specifically, the bill would encourage students' development of technology knowledge in prekindergarten through grade 12, thus effectively increasing opportunities in which students earn industry certifications in high school and beyond. It will effectively expand the Career and Professional Education (CAPE) concept, created first in 2007, which jump started the creation of career and professional academies within school districts.

The bill passed unanimously will be placed on the special order calendar if received.

AIF supports any legislation geared toward preparing Florida's students for a successful transition into the workforce.

Pension Reform

In the Senate Committee on Appropriations, AIF stood in support of SB 1392, *Relating to Retirement*, by Senator Wilton Simpson (R-New Port Richey). The bill, which doesn't go as far as the house bill relating to retirement, reduces state budget risk relative to the state retirement system.

The bill passed committee with a vote of 14-5 and is ready to be heard on the floor.

AIF supports legislation reducing the burden Florida's taxpayers are shouldering, due to these state and local government pension plans, by closing or reducing the size of the current pension system.

Technology

In the Senate Committee on Appropriations, AIF stood 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. 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 Northwood and Southwood shared resource centers are transferred to the DST.

The bill passed unanimously and now goes to the Senate calendar on 2nd reading. The House will introduce its IT bill as a conforming bill out of House Government Operations Appropriations Subcommittee. The resulting IT bill will be decided in conference.

AIF 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.

Economic Development

AIF was present in the House Economic Affairs Committee to support HB 663 by Representative Matt Hudson (R-Naples). The bill amends the Economic Gardening Technical Assistance Pilot Program to remove the word "Pilot," thus making the Technical Assistance Program permanent, rather than its previous temporary status. The program has been in place since 2009, and is designed to provide low interest loans for infrastructure needs related to adding jobs and providing technical assistance to businesses with items related to the company's growth. Different than many incentive programs, Economic Gardening is designed to increase the number of jobs by encouraging existing, smaller Florida businesses to expand.

With the passage of HB 663, eligible businesses are those that have between 10-99 employees and have generated at least \$1 million but no more than \$50 million in annual revenue. It directs the Department of Economic Opportunity to form a contract with the University of Central Florida's Institute of Economic Gardening to implement the Technical Assistance Program; and revise the business eligibility requirements to accommodate slightly larger companies than previously eligible for the program. HB 663 also appropriates \$2 million in recurring funds from the General Revenue Fund. These funds will go to the University of Central Florida to fund the Economic Gardening Technical Assistance Program and implement the Act during FY 2013-2014.

The bill passed unanimously and will be reported to the House calendar.

AIF supports legislation recruiting companies to the state as it is vital to economic growth. Further, this legislation will help existing small businesses expand and become economic engines in their community.

In the same committee, AIF stood in support of HB 537, *Relating to Growth Management*, by Representative George Moraitis (R-Ft. Lauderdale). The legislation will foster business growth by removing red tape and amending the referendum process for development orders, local comprehensive plan amendments and map amendments.

The bill passed unanimously and will be reported to the House calendar.

AIF supports legislation streamlining the referendum process for development orders to create a more business-friendly climate in Florida.

In the House Finance & Tax Subcommittee, AIF stood in support of **FTSC7**, the committee's economic development package. The bill contains a number of issues AIF has been supporting in other bills. The issues include the removal of caps on Qualified Defense Contractor (QDC) and Quality Target Industry (QTI) tax credits, the sales tax holiday, and the new markets development program.

In the House Economic Affairs Committee, AIF stood in support of HB 4013, *Relating to Tax Refund Programs*, by Representative David Santiago (R-Deltona). This bill will help high wage job creating companies continue to receive incentive here in Florida to put people to work. It also deletes the statutorily required incentive caps on tax refunds for qualified defense contractors, space flight businesses and target industry businesses. It states that a QTI business may not receive refund payments of more than 25 percent of the total tax refunds in the agreement. They also cannot receive more than \$1.5 million in refunds in a single fiscal year or more than \$2.5 million in a single year if located in an enterprise zone.

The caps could prevent the state Department of Economic Opportunity (DEO) from continuing job creating agreements with companies complying with incentive agreements which require constant job creation in order to remain eligible for the incentives.

The bill will now be placed on the 2nd reading calendar and ready for floor action.

AIF supports these bills because component of these bills have produced 19,694 high paying jobs in the defense and space sector, encouraged economic investment in Florida and been good for the retail industry. These bills will continue Florida on the right path to be more business friendly and create more jobs.

Health Care

The House Select Committee on PPACA (Patient Protection and Affordable Care Act) approved a proposed committee bill today, SPPACA1, which would allow OPS (other personal services) employees for the state and the university system to participate in the state employee health insurance program. The PPACA imposes penalties on large employers (including the state of Florida) who do not provide a certain level of health insurance coverage to all of its "full-time" employees. "Full time" is defined as an employee who works an average of at least 30 hours a week or more. Further, the state would be subject to additional penalties if the employee's share of premium is more than 9.5% of the employee's income.

The bill would allow a separate benefit plan for full-time OPS employees to be developed within the state employee health plan. The premiums for the 2014 plan year for these employees would be set at \$96 per month for individual coverage and \$136.74 for family coverage. If this coverage was not established by the state for these employees, Florida could be subject to a penalty of over \$321.8 million annually which would be paid to the federal government.

AIF will encourage the Legislature to best utilize available federal funding to provide coverage to more Floridians in a manner that best safeguards Florida's citizens and protects the State's financial health.