



DAILY BRIEF

From May 1, 2013

Workers' Compensation

Today, the House unanimously passed SB 662, *Relating to Workers' Compensation*, by Senator Alan Hays (R-Umatilla). The House companion bill, HB 605 was carried in the House by Representative Matt Hudson (R-Naples). The bill clarifies the maximum costs for prescription medications that physicians are allowed to charge when they treat workers' compensation patients. This legislation restores balance and integrity to Florida's workers' compensation system, and the purpose for which it was created.

In a previous testimony in support of the bill, AIF's Tammy Perdue said, "With this important clarification to Florida law this year, employers will no longer be forced to pay excessive markups on prescription drugs that exceed the standard reimbursement rates. With the legislature's continued support, this legislation will help provide injured workers with the care they need without imposing indefinite, unwarranted costs to employers."

SB 662 is now headed to the Governor's desk where it will become and effective July 1, 2013 once signed into law.

AIF applauds Senator Alan Hays and Representative Matt Hudson for their tireless commitment to Florida employers demonstrated through their leadership on this important issue to maintain the success of our workers' compensation system.

AIF's Workers' Compensation Coalition, and its more than 60 members, has spearheaded the all recent workers' compensation reforms, which have resulted in remarkable savings for employers, decreased time away from work for employees, and improved enforcement of the laws governing the workers' compensation system.

Health Care

The House approved SB 1844 by the Senate Committee on Health Policy and Senator Aaron Bean (R-Jacksonville) on mostly partisan vote of 73-41. The original bill established a program to provide options for uninsured Floridians with incomes at or below 100% of the FPL to purchase health care services and insurance through an online marketplace operated by Florida Health Choices (FHC). FHC was created in 2008 to increase access to care by creating a shopping website for individuals and certain employers to purchase health insurance and health care services. In 2012, FHC rolled out the Health Insurance Marketplace, the central web portal for purchasing services and is now ready to enroll individuals and employers.

The bill was substantially narrowed in the Senate therefore; the bill now only expands the employers and employees allowed to purchase products from this marketplace. It also exempts from review by the Office of Insurance Regulation (OIR) the standard forms and marketing communications developed by the FHC. Further it appropriates \$900,000 to FHC for administration and operations of the program.

If signed by the Governor, the bill would take effective July 1, 2013.

While AIF does not oppose this bill, it does not make the sweeping reforms to Florida's health care delivery system necessary to remove the \$1.3 billion in hidden costs passed onto Florida's employers for health care to the uninsured. AIF strongly urges the Legislature to continue its focus on developing sound health care reform that will alleviate this financial encumbrance by best leveraging available federal funds to safeguard Florida's future economic success.

Early this morning, the House passed SB 648, *Relating to Health Insurance Marketing Materials* by Senator Dorothy Hukill (R-Port Orange). The House companion legislation, HB 675, was carried 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.

SB 648 will now be sent to the Governor for his signature. If signed into law, it will become effective July 1, 2013.

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

Environment & Agriculture

The House passed SB 1808, *Relating to Numeric Nutrient Criteria* (NNC), by the Senate Committee on Environmental Preservation and Conservation. The passage of SB 1808 is a major step in resolving FDEP's NNC problems with EPA. AIF led a coalition of interest to support FDEP's effort to base the NNC on Florida based science.

The bill will next be sent to the Governor for his signature.

AIF supports efforts by the Florida Legislature to ratify the proposed numeric nutrient criteria rule proposed by the Florida Department of Environmental Protection (DEP).

The House passed another environmental bill, SB 1806, *Relating to Total Maximum Daily Loads*, sponsored by the Senate Committee on Environmental Preservation and Conservation. This legislation exempts the Total Maximum Daily Load (TMDL) rules from legislative ratification. The TMDL process is part of the technology used in establishing numeric nutrient criteria (NNC) in a water body, stream, or river.

The bill will now move to the Governor's desk where it can be signed into law. If signed, the law will go into effect July 1, 2013.

AIF supports water quality legislation that is site specific and science-based. The TMDL program of the Florida Department of Environmental Preservation (DEP) is one of these types of programs.

The House unanimously passed SB 244, *Relating to Water Management Districts*, by Senator Charles Dean, Sr. (R-Inverness). The House companion measure, HB 7, was carried in the House by Rep. Elizabeth Porter (R-Lake City). The bill addresses several water management district issues. It provides for adoption of water reservations and minimum flows and levels by FDEP, recovery and prevention strategies adopted by FDEP. The bill also provides for districts to work together on the water supply component of the regional water supply plans.

The bill will now be sent to the Governor to be signed into law. If signed, it will become effective July 1, 2013.

AIF supports legislation providing water management districts (WMDs) with guidance on minimum flows and levels, reservations, recovery and prevention strategies and multi-district projects.

Another environmental bill to unanimously pass the House today was SB 948, *Relating to Water Supply*, by Senator Denise Grimsley (R-Sebring). The House companion legislation, HB 1063, was carried in the House by Representative Travis Hutson (R-Palm Coast). This bill authorizes the Department of Agriculture and Consumer Services (DACS) to collect water use data from farmers throughout the state and provide it to Florida's water management districts. It also allows the department to create a water supply planning program.

The bill will next be sent to the Governor's desk where it can be signed into law. If signed, it will be effective starting on July 1, 2013.

AIF supports legislation and state funding of scientifically based water supply planning data collection as a way to be better understand Florida's long term water supply needs.

The House also unanimously passed SB 1700, *Relating to Agricultural Lands*, by Senator Jack Latvala (R-Clearwater). 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.

The bill will now be sent to the Governor to be signed into law. If signed, it will become effective starting July 1, 2013.

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

Education

The Senate passed HB 7009, *Relating to Charter Schools*, by Representative George Moraitis (R-Ft. Lauderdale). The bill includes several provisions that increase charter school accountability and transparency while also offering more flexibility:

- Prohibiting a charter school, upon termination of the charter, from expending more than \$10,000 without prior written permission from the sponsor, unless such expenditure was included within the annual budget submitted to the sponsor, or is for reasonable attorney's fees and costs during the pendency of an appeal, or is for reasonable fees and costs to conduct an independent audit.
- Requiring an audit to be completed by an independent third party within 30 days after a charter school is notified of non renewal, closure, or termination.
- Prohibiting charter schools from executing contracts that contain acceleration clauses requiring expenditure of funds based on closure, or notification of non renewal or termination and from executing contracts that extend beyond the term of the school's contract with its sponsor.
- Providing claw back power to the sponsor in case of violation of contract provisions.
- Providing disclosure requirements for charter applicants of previous charter schools that were subject to corrective action or financial emergency recovery plans.
- Requiring sponsors to submit to DOE specific information for each application received to be compiled in a summary report regarding the number of applications received, approved, denied and withdrawn each year.
- Prohibiting employees of the charter school or the charter management organization and their spouses, from serving on the charter school governing board.
- Requiring DOE to develop a proposed statewide standard charter contract by consulting and negotiating with school districts and charter schools and to provide it to the Governor, the Speaker of the House of Representatives, and the President of the Senate by November 1, 2013.

The bill also includes several provisions to expand charter school growth and flexibility, such as:

- Allowing charter applicants to submit a draft charter by May 1 each year, with an application fee, and to receive district feedback on material deficiencies by July 1, prior to final submission on August 1.
- Allowing high-performing charter schools to determine their own capacity and enrollment caps and allowing them to increase those caps under certain circumstances.
- Providing statutory clarification that provisions affecting instructional personnel contracts and establishing that they are at will employees.
- Clarifying that district K-12 educational facilities not being used to support public education be made available to charters, and requiring the charter school to pay maintenance costs of the facility.
- Authorizing out-of-state operators to qualify for high-performing status to operate schools or systems in Florida under certain circumstances; requiring the State Board of Education to adopt the review and qualification process in rule.

HB 7009 will next be heard by the House before it can be sent to the Governor to be signed into law.

AIF supports removing artificial enrollment caps that prevent charter schools from meeting the demand of students on waiting lists.

Energy

Earlier today, the House passed CS/SB 1472, *Relating to Nuclear and Integrated Gasification Combined Cycle Power Plants*, by Senator John Legg (R-Lutz); this bill:

- Breaks the preconstruction period into licensing and other preconstruction, and limits the types of costs that could be recovered during the licensing phase;
- Requires the Public Service Commission (PSC) find that the projected costs for the plant are reasonable and that there is still a need for the plant, prior to the preconstruction phase and the construction phase;
- Provides that in order to preserve the opportunity for future cost recovery, a utility must begin construction within ten years after the date on which it obtains a license or petition the PSC and evidence ongoing intent to build the plant; and
- Establishes that twenty years after the date a utility obtains a license, the utility may not recover future costs relating to that plant.

On 2nd reading Representative Jason Brodeur (R-Sanford) added an amendment that deleted the provisions to refund the collected rate of return to the consumer should the project not go forward, and a review by the PSC for any plant not built within a specified period of time.

SB 1472 will return to the Senate.

AIF is monitoring this bill as it could have generational consequences to both users and ratepayers as well as to the returns for some of Florida's largest corporations.

Taxation

The House unanimously passed SB 1828, *Relating to Taxation*, by the Senate Committee on Appropriations. The bill contains changes in tax administration, most of which were recommended by the Department of Revenue (DOR) and approved by the Governor and his Cabinet. Also, several sections of the bill have a positive but intermediate impact on state revenue. Specifically, the bill:

- Authorizes certain coastal counties to use tourist development tax revenue to fund beach safety personnel and lifeguard operational activities;
- Authorizes a county that self-administers the tourist development tax or convention development tax to require additional information on tax returns;
- Deletes an unneeded estate tax filing requirement;
- Expands the definition of "phosphate-related expenses" for the purpose of distributing phosphate tax proceeds;
- Clarifies that storage charges for towed vehicles are taxable unless the storage is a "lawful impoundment;"
- Clarifies provisions pertaining to criminal penalties for failing to collect a tax or fee, making a false or fraudulent return, or failing to register with the department;
- Clearly establishes the department's authority to require security for certain individuals seeking to register new businesses;
- Corrects the statute governing electronic remittances to the state by the clerks of court to say that these remittances must be made by the 10th day of the month, as required elsewhere in statute;
- Increases the authority of the department's Executive Director to compromise taxes;
- Bans the sale, purchase, installation, transfer, or possession of automated sales suppression devices, zappers, and phantom-ware, and provides criminal penalties for these actions;
- Provides an incentive for businesses to comply with requests for records for audit purposes; and
- Reduces the interest rate imposed on reemployment tax deficiencies.

SB 1828 will now be sent to the Governor to be signed into law.

AIF accepts the administrative changes as necessary for DOR to properly deal with the taxes they must collect. AIF did work with the sponsor to make some changes to clarify the meaning.

Telecommunications

Today, the House passed SB 52, *Relating to the Use of Wireless Communications Devices While Driving*, by Senator Nancy Detert (R-Venice). The House companion bill, HB 13, was carried by Representative Doug Holder (R-Sarasota). The bill provides for secondary enforcement of a ban on texting-while-driving. Specifically, a driver must be first pulled over for a violation of another traffic law before that driver may be cited for violating the texting-while-driving ban.

Also, graduated penalties and exceptions are provided. Further, the bill allows for a driver may still text when legally parked. The bill also provides that a driver's wireless billing records and testimony from those receiving messages are admissible as evidence in a proceeding to determine whether a violation has been committed. Like its House companion, HB 13, this bill also now applies to the use of tablets as well as wireless cell-phones. The bill may generate additional revenues for local and state governments as a result of the penalties.

Yesterday, The House adopted an amendment by Representative José Oliva (R-Hialeah) that forbids prosecutors to subpoena a driver's cell phone and texting records, except in cases involving a death or injury.

SB 52 will now be bounced back to the Senate to be taken up as amended.

AIF supports SB 52 because it will effectively decrease automobile accidents thus lowering insurance costs for Florida's businesses.

House & Senate Floor Votes

Unless otherwise indicated, all bills passed unanimously

- SB 648, Relating to Health Insurance Marketing Materials by Senator Dorothy Hukill (R-Port Orange)... (103-11)
- SB 662, Relating to Workers' Compensation by Senator Alan Hays (R-Umatilla)...
- SB 244, Relating to Water Management Districts by Senator Charles Dean, Sr. (R-Inverness)...
- SB 1700, Relating to Agricultural Lands by Senator Jack Latvala (R-Clearwater)....
- SB 1806, Relating to Total Maximum Daily Loads sponsored by the Senate Committee on Environmental Preservation and Conservation....
- SB 1808, Relating to Numeric Nutrient Criteria (NNC) by the Senate Committee on Environmental Preservation and Conservation... (103-13)
- SB 948, Relating to Water Supply by Senator Denise Grimsley (R-Sebring)...
- SB 1844, Relating to Florida Health Choices Plus Program by the Senate Committee on Health Policy and Senator Aaron Bean (R-Jacksonville)....(73-41)
- SB 1828, Relating to Taxation by the Senate Committee on Appropriations...
- SB 52, Relating to the Use of Wireless Communications Devices While Driving by Senator Nancy Detert (R-Venice).... (110-6)
- CS/SB 1472, Relating to Nuclear and Integrated Gasification Combined Cycle Power Plants by Senator John Legg (R-Lutz)... (104-12)
- HB 7009, Relating to Charter Schools by Representative George Moraitis (R-Ft. Lauderdale).... (31-7)