



DAILY BRIEF

From March 3-5, 2014

The 2014 Florida State Legislative Session is underway! With that said, the Associated Industries of Florida is pleased to present its first installment of our daily report containing bills and proposed legislation most important to Florida employers. Please note that this first report encompasses bills heard in committees from March 3rd through March 5th.

Economic Development

SB 586 – relating to Brownfields

Today, the Senate Committee on Community Affairs passed SB 586, relating to Brownfields, by Senator Thad Altman (R-Melbourne). AIF voiced its support for this legislation that would clarify in statute the process for designation of a Brownfields area and offer liability protection for anyone responsible for rehabilitation of a Brownfields site. This legislation has one Committee stop remaining and the companion bill will be up in a House Committee tomorrow.

AIF supports this legislation that will significantly contribute to the revitalization of contaminated areas in our state.

SB 7052 – relating to Gaming

On Monday, March 3rd, the Senate Committee on Gaming workshopped SB 7052, relating to Gaming. The proposed bill would accomplish two main objectives. The first would be to create a Department of Gaming Control, which would then absorb the Division of Pari-Mutuel Wagering. The second objective would be to authorize the newly formed Gaming Control Board to initiate a process that would ultimately allow for one destination resort in Miami-Dade County and another in Broward County.

AIF supports strong gaming regulation and the creation of an independent gaming commission. AIF also supports competitive bid for a limited number of Integrated Resort Licenses in counties where Class III slot machines are currently authorized.

Taxation & Budget

SB 596 – relating to Defense Contracting

On Monday, March 3rd, the Senate Committee on Commerce and Tourism unanimously passed SB 596, relating to Defense Contracting, by Senator Greg Evers (R-Crestview). AIF waived in support of the bill, which provides tax breaks to prime defense contractors who use Florida-based subcontractors. The bill would allow a prime contractor to reduce its taxable income 4 percent for each subcontract it awards.

AIF supports this bill because reducing the corporate tax liability would likely encourage prime contractors to award more subcontracts to small businesses in Florida.

SB 776 – relating to Business Entities

On Monday, March 3rd, the Senate Committee on Commerce and Tourism took up and unanimously passed SB 776, relating to Business Entities, by Senator Wilton Simpson (R-New Port Richey). AIF waived in support of the bill, which will decrease and standardize filing fees and costs for documents filed with the Department of State. Specifically, the repeal of the \$88.75 supplemental corporate fee will likely result in a net savings of \$13.75 for an LLC, \$25 for a for-profit corporation, and \$286.25 for an LP or LLLP due to a net reduction in fees when an annual report is filed.

AIF supports this bill because it will likely reduce costs for LLCs, for-profit corporations, not-for-profit corporations and partnerships that operate in Florida.

SB 712 – relating to Taxes on Prepaid Calling Arrangements

On Tuesday, March 4th, the Senate Committee on Communications, Energy, and Public Utilities unanimously passed SB 712 by Senator Bill Galvano (R-Bradenton). **AIF Senior Vice President of State and Federal Affairs, Brewster Bevis**, stood in support of this bill. SB 712 revises the definition of the term “prepaid calling card” for purposes of the Communications Services Tax (CST) and the sales tax. The primary effect of the bill is to include mobile communications services that meet specified conditions. The bill also provides that if a purchaser of a prepaid calling arrangement has paid sales tax on the sale or recharge of such arrangement, no additional sales tax or CST tax is due or payable if the purchaser applies one or more units of the prepaid calling arrangement to obtain communications services that are provided to or through the same handset or other electronic device that is used by the purchaser to access mobile communications services, other services that are not communications services, or products.



AIF supports clarification that prepaid calling arrangements, such as wireless phones purchased at retail stores, should be taxed as tangible personal property.

SB 898 – relating to Communications Services Tax

On Tuesday morning, March 4th, the Senate Committee on Communications, Energy, and Public Utilities unanimously passed SB 898 sponsored by Senator Joseph Abruzzo (D-Wellington). **AIF Senior Vice President of State and Federal Affairs, Brewster Bevis**, stood in support of this bill. This legislation, brought to the attention of the legislature by the hotel and lodging industry, intends to relieve hoteliers, both large and small, from erroneous application of the Communications Services Tax (CST) by the Florida Department of Revenue on hotels, their franchises and properties. Specifically, the bill provides clarification that certain communications over the internet do not make a hotel a provider of communications services and thus those communications are not subject to the CST.

AIF stood in support of this legislation today. As a supporter of the state's tourism industry and the economic impacts the lodging industry has in every corner of the state, AIF believes further and erroneous taxation of the hotel and lodging industry only can harm local economies.

Environment

HB 487 – relating to Agricultural Industry Certifications

On Wednesday, March 5th, **AIF Senior Vice President of State and Federal Affairs, Brewster Bevis**, stood in support of HB 487, relating to Agricultural Industry Certifications in the House Higher Education & Workforce Subcommittee. The legislation would allow agricultural industry certifications to be placed on the Industry Funding Certification List. The bill passed and now heads to the House Agriculture & Natural Resources Subcommittee.



AIF supports adding agriculture to industry certifications because we recognize the critical need for agricultural careers in the state of Florida.

HB 575, relating to Agriculture

On Tuesday, March 4th, the House Agriculture & Natural Resources Subcommittee unanimously passed HB 575, relating to Agriculture, by Representative Ben Albritton (R-Bartow). He introduced a strike all amendment. The bill allows a farmer who enrolls in a Dispersed Water Storage program offered by a water management district can retain the "Greenbelt" land classification on his property as long as he participates in the programs. The bill also provides several sales tax exemptions for agriculture producers. AIF testified in favor of this legislation. The bill now heads to the House Finance & Tax Subcommittee.

AIF supports legislation which allows land owners to continue to have their property classified as "agricultural" if they are participating in a water retention program.

HB 601 – relating to Reclaimed Water

HB 601, relating to Reclaimed Water, by Representative Lake Ray (R-Jacksonville) was passed unanimously through the House Agriculture & Natural Resources Subcommittee on Tuesday, March 4th. Rep. Ray introduced a strike all amendment. The bill directs the Department of Environmental Protection and the Department of Agriculture & Consumer Services, in cooperation with the five Water Management Districts, to conduct a study and submit a report on the expansion of the beneficial use of reclaimed water, including stormwater and excess surface water, in the state. AIF spoke in favor of the bill. The bill now heads to the House Agriculture & Natural Resources Appropriations Subcommittee.

AIF supports state funding for alternative water supply projects.

HB 703 – relating to Environmental Regulation

HB 703, relating to Environmental Regulation, by Representative Jimmy Patronis (R-Panama City) passed on a 10-2 vote in the House Agriculture & Natural Resources Subcommittee on Tuesday, March 4th. This is another large environmental bill that Rep. Patronis has introduced. Under the bill, voting requirements adopted by a local government for proposed plans or plan amendments that are more stringent than a simple majority, such as a super majority vote, would be prohibited. AIF stood in support of the bill. Rep. Patronis pledged to work with all stakeholders moving forward. The bill now heads to the House Local & Federal Affairs Committee.

AIF supports legislation that requires all mandatory and optional elements of a comprehensive plan by a board of county commissioners be adopted by a simple majority vote.

IT Governance

SB 928 – relating to State Technology

On Wednesday, March 5th, the Senate Appropriations Subcommittee on General Government unanimously passed SB 928. The bill substantially revises how the state establishes information technology (IT) policy and procedures. The bill creates the Agency for State Technology (AST), administratively housed in the Department of Management Services. The defunct Agency for Enterprise Information Technology is abolished by the bill, and its duties are transferred to the AST. The AST is given extensive authority to set state technology policy and perform project oversight of large IT projects.

AIF supports a strong Chief Information Officer in the Executive branch to provide the leadership needed to allow the state to provide quality services to the citizens in the most cost efficient way possible. Information technology will offer the tools to re-engineer the state's business processes to accomplish this goal. In order to gain the benefits of IT, there must be significant changes in IT Governance in Florida and this bill does just that. Today Florida is ranked at the bottom of all states in Information Technology.

Health Care

HB 751 – relating to Telemedicine Services

The House Select Committee on Health Care Workforce Innovation approved a strike all amendment to HB 751, relating to Telemedicine Services, by Representative Travis Cummings (R-Orange Park) and Representative Mia Jones (D-Jacksonville) which would encourage the use of telehealth in Florida. The strike all would establish definitions for “telehealth” and would ensure that a telehealth provider documents the services provided to a Florida patient.

Further, the bill would allow a health care provider not licensed in Florida to provide health care services to a Florida patient as long as the provider registers with the applicable practice board or with the Department of Health. Health care providers would be exempt from registering with the State of Florida if the service being provided is during an emergency situation, in consultation with a Florida licensed health care provider and a provider does not provide this kind of service more than ten times per year.

Tammy Perdue, General Counsel of AIF, stood in support of the bill while the Florida Medical Association continues its opposition. The bill will head next to the House Health Care Appropriations Subcommittee.



SB 7028 – relating to Telemedicine

After deferring action for over a month on the committee's proposed telemedicine bill (SB 7028), the Senate Committee on Health Policy approved the measure on Wednesday, March 5th. Prior to passing the bill, a strike all amendment by Senator Bill Galvano (R-Bradenton) replaced the original proposal. Among other provisions, the bill would now narrow the health care practitioners who would be allowed to provide services through telemedicine to only physicians and osteopathic physicians. It would also require out of state physicians providing services through telemedicine to hold a license in a state that has licensure

requirements that meet or exceed Florida's standards; maintain professional liability coverage specifically covering telemedicine services; or practice in a state that allows Florida physicians to provide telemedicine services within a license from that state. The physician would also have to be affiliated with a Florida licensed out of state insurer or an out of state hospital affiliated with a Florida hospital.

Tammy Perdue, General Counsel of AIF, told members of the committee that AIF members continue to support increasing the use of telemedicine services for the purpose of lowering costs and increasing access to care for Floridians. Further, she shared the concern that the bill, as amended, placed additional regulatory barriers on providers which would limit the use of telemedicine.

AIF SUPPORTS legislation that permits an unfettered role for telemedicine services that will allow our citizens access to better quality care at lower costs.

HB 573 – Relating to Assisted Living Facilities

On Tuesday, March 4th, HB 573, relating to Assisted Living Facilities, by Representative Larry Ahern (R-St. Petersburg) was approved by an 11-1 vote in the House Health Care Appropriations Subcommittee. There are approximately 3,042 licensed assisted living facilities in Florida caring for nearly 85,000 residents. There have been many abuses reported at these facilities in the past couple of years. This bill, along with the Senate companion SB 248 by Senator Eleanor Sobel (D-Hollywood), gives the Agency for Health Care Administration more enforcement powers as well as creating standards and protocols.

AIF supports these bills because they will allow Florida's seniors in assisted living facilities to age with dignity. Florida's seniors deserve assisted living facilities that operate with high standards and provide quality healthcare.

HB 569 – relating to Nursing Home Litigation Reform

On Wednesday, March 5th, AIF stood in support of HB 569, relating to Nursing Home Litigation, by Representative Matt Gaetz (R-Shalimar), during the House Civil Justice Subcommittee. This is a historic agreement by both sides that have been fighting for over a decade. The legislation passed by a vote of 9-3 and now moves to House Health Innovation Subcommittee.

AIF supports the streamlining of litigation in order to preserve the growth of the nursing home industry while protecting our vulnerable elderly.

Insurance

HB 565 – relating to Insurance

HB 565, the Insurance Omnibus bill by Representative David Santiago (R-Deltona), passed unanimously through the House Government Operations Appropriations Subcommittee on Tuesday, March 4th. AIF waived in support for this bill, which makes changes to the boiler inspection law. The changes made should allow more persons to be eligible to inspect boilers in Florida while maintaining the inspector competency requirement in current law. The changes also mean insurers writing boiler and machinery insurance no longer have to maintain a certificate of authority to transact insurance in Florida in order for boiler inspectors employed by the insurer to be authorized to inspect boilers in Florida. However, the insurer must hold an

insurance license in another state or Canadian province. The changes made by the bill to the use of retrospective rating in workers' compensation may reduce workers' compensation premiums for some employers which provides sensible regulatory reform for the insurance marketplace.

AIF supports this bill because it provides sensible regulatory reform for the insurance marketplace.

HB 879 – relating to Flood Insurance

HB 879 by Representative Ed Hooper (R-Clearwater) is the House's flood insurance plan, designed to attract personal residential insurers to write flood insurance, which is currently covered almost entirely by the National Flood Insurance Program. While Rep. Hooper and the committee acknowledged that more work will be done on the bill, the bill passed unanimously through the House Insurance & Banking Subcommittee on Wednesday, March 5th. It now heads to the House Government Operations Appropriations Subcommittee.

AIF supports the Legislature's efforts to attract more private writers for flood insurance to give consumers an alternative to the federally run government program, the National Flood Insurance Program.

Legal & Judicial

SB 926 – Relating to Local Regulation of Wage Theft

On Wednesday, March 5th, AIF stood in support of SB 926, related to Local Regulation of Wage Theft by Senator Wilton Simpson (R-New Port Richey). The bill passed favorable out of the Senate Committee on Community Affairs and now heads to the Senate Committee on Judiciary. This legislation would prescribe a wage theft model ordinance for local governments in order to ensure consistency and reduce regulatory burdens for employers with multiple locations throughout the state and lessen confusion for employees. The model ordinance would require that counties partner with a local Legal Service Organization to help resolve these issues to the satisfaction of both parties in a timely fashion while providing flexibility and certainty.

AIF supports this legislation that will foster positive work environments and encourage economic development.

SB 1006/ HB 413 – relating to Consumer Collection Practices

In Senate Committee on Banking and Insurance on Wednesday, March 5th, Senator Alan Hays (R-Umatilla) explained his bill. He said SB 1006 subjects "control persons" of consumer collection agencies (CCAs) to state and federal criminal background checks, and subjects these persons to disqualifying periods based on the severity and recency of a criminal conviction. The bill enhances the authority of the Office of Financial Regulation (OFR) to register, investigate, examine, and bring enforcement actions against consumer collection agencies. The bill requires CCA registrants to report criminal convictions, changes from the initial application, and changes to the controlling persons of a CCA agency. **Frank Meiners**, with Associated Industries of Florida, stood in support. The bill passed unanimously and will now go to Senate Committee on Criminal Justice.



The House companion, HB 413 by Representative David Santiago (R-Deltona), is identical to SB 1006 and is now in its last committee of reference in the House State Affairs Committee. It passed unanimously through the House Government Operations Appropriations Subcommittee on Tuesday, March 4th.

SB 1002 – relating to Public Records

Senator Alan Hays (R-Umatilla) also presented SB 1002 during the Senate Committee on Banking and Insurance on Wednesday, March 5th. The bill creates a public records exemption for certain information held by the Office of Financial Regulation (OFR). He said the bill provides that information held by the OFR pursuant to an investigation or examination under the Consumer Collection Practices Act is confidential and exempt from disclosure. This bill provides that the public records exemption is repealed on October 2, 2019, unless reenacted by the Legislature. He added that this bill was the Public Records bill required for SB 1006. The bill passed unanimously and will now go to Senate Committee on Governmental Oversight and Accountability.

AIF supports these bills because they give businesses more confidence in turning over their debt to a Florida Debt Collector who must follow the new requirements of this bill.