

WEEKLY UPDATE



From May 2, 2014

SINE DIE!

AIF is pleased to announce that the 2014 Legislative Session has come to a successful close. Please be sure to check back soon for more information in AIF's Session Wrap-Up publication. Here is the review of successful bills heard this past week that are on their way to the Governor to be signed into law.

ECONOMIC DEVELOPMENT

SB 7023 – relating to Economic Development

On Friday, May 2nd, **SB 7023**, relating to Economic Development, by **House Economic Development & Tourism Subcommittee** and **Representative Travis Hutson (R-Palm Coast)** unanimously passed the Senate chamber and then the House chamber. The bill now heads to the Governor for consideration.

This bill does a number of things, including making technical changes to statutes, directs Space Florida to consult with VISIT Florida in developing a space tourism marketing plan, promotes the goals of accountability and proper stewardship by recipients of the state's loan programs and most importantly, exempts new small business developments from transportation concurrency requirements and proportionate share requirements for three years.

AIF supports legislation that will assist Florida's small businesses and encourage economic development in our state.

HB 7095 – relating to Professional Sports Facilities Incentive Application Process

On Friday, May 2nd, **HB 7095**, relating to Professional Sports Facilities Incentive Application Process, by **House Economic Affairs Committee** and **Representative Jimmy Patronis (R-Panama City)** passed the Senate chamber with amendments by a 35-3 vote. The bill then passed the House chamber by an 89-27 vote. **Senator Jack Latvala (R-Clearwater)** sponsored by the Senate companion bill. The bill now heads to the Governor for consideration.

The bill creates the Professional Sports Facility Incentive Program process to provide state funding for the public purpose of constructing, reconstructing, renovating, or improving a professional sports facility. The bill creates a new application, review, and approval process for funding sports facilities, but does not require any expenditure of funds. It also caps the total potential annual distributions at \$12 million in General Revenue funds. Once an applicant has been approved by the Legislature and certified by the Department of Economic Opportunity, the DEO shall determine the annual distribution based on the estimate of new incremental states sales taxes provided in the Expected Sales Tax Analysis. A certified applicant may receive up to 75 percent of the estimate or \$2 million, whichever is less.

AIF supports this bill because of the positive impact that professional sports have on Florida's economy and the thousands of jobs they provide to Floridians.

HB 325 – relating to Brownfields

On Tuesday, April 29th, **HB 325**, relating to Brownfields, by **Representative Charlie Stone (R-Ocala)** and **Representative Travis Hutson (R-Palm Coast)** and unanimously passed the Senate chamber. **Senator Thad Altman (R-Melbourne)** sponsored the Senate companion bill. The bill now heads to the Governor for consideration.

The bill clarifies, in statute, the process for designation of a Brownfields area and offers liability protection for anyone responsible for rehabilitation of a Brownfields site. Subsequently, the bill encourages redevelopment in our state's Brownfields areas.

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 return to the tax rolls quicker and become useful to their community.

HB 685 – relating to Business Organizations

On Tuesday, April 29th, **HB 685**, relating to Business Organizations, by **Representative Patrick Rooney, Jr. (R-Palm Beach Gardens)** and **Representative Ritch Workman (R-Melbourne)** was substituted for **SB 654** and unanimously passed the Senate chamber. **Senator Jeff Clemens (D-Lake Worth)** sponsored the Senate companion bill. The bill now heads to the Governor for consideration.

The bill amends the Florida Business Corporation Act to allow for the creation of two new forms of corporate enterprise: the social purpose corporation and the benefit corporation. These new entities will allow businesses to engage in societal benefit programs that may not involve or satisfy the traditional corporate norm of profit maximization. The new forms of corporation are similar, the primary difference being that a social purpose corporation has a specified social purpose or purposes designated in advance, whereas a benefit corporation is to create a general public benefit in a manner selected by management and assessed by a third-party standard.

AIF supports this legislation that will attract new businesses and entrepreneurs to the state of Florida.

EDUCATION & WORKFORCE

SB 850 – relating to Education

On Friday, May 2nd, **SB 850**, relating to Education, by **Senator John Legg (R-Lutz)** passed the Senate chamber with amendments by a 29-11 vote and then passed the House chamber by a 70-44 vote. The bill now heads to the Governor for consideration.

The bill expands options to elementary students, expands options and strengthens requirements for middle school and high school students, creates a new middle grades early warning system to identify at-risk students, expands and strengthens anti-hazing provisions, and requires the Florida College System (FCS) institutions to establish a collegiate high school program for students in every school district in the colleges' designated service area.

AIF supports this bill because improving our workforce through education reforms will be a key ingredient to job creation and also ensuring businesses continue to locate in Florida.

HB 851 – relating to Education Tuition

On Friday, May 2nd, **HB 851**, relating to Education Tuition, by **Representative Jeanette M. Nuñez (R-Miami)** passed the House chamber by an 84-32 vote. **Senator Jack Latvala (R-Clearwater)** sponsored the Senate companion bill. The bill now heads to the Governor for consideration.

The bill provides that students, regardless of immigration status, who attend a Florida high school for 3 consecutive years and enroll in an institution of higher education within 24 months after graduation are not required to pay out-of-state fees, provided they submit their high school transcript as documentary evidence of attendance and graduation. While these students are not classified as residents for tuition purposes, they may be reported for purposes of state funding.

AIF supports legislation that would allow all Florida high school graduates to qualify for in-state tuition at our public colleges, universities and independent universities regardless of their immigration status, subject to meeting all admission standards.

HB 487 – relating to Agricultural Industry Certifications

On Tuesday, April 29th, **HB 487**, relating to Agricultural Industry Certifications, by **Representative Jake Raburn (R-Valrico)** unanimously passed the Senate chamber. **Senator Bill Montford (D-Apalachicola)** sponsored the Senate companion bill. The bill now heads to the Governor for consideration.

The bill would develop a pathway for students to show their expertise in the agricultural industry. The bill requires the Department of Agriculture and Consumer Services (DACCS), in cooperation with the Institute of Food and Agricultural Science at the University of Florida and the College of Agriculture and Food Sciences at Florida Agriculture and Mechanical University, to annually provide to the state board and the Department of Education information and industry certifications for farm occupations to be considered for placement on the Industry Certification Funding List and the Postsecondary Industry Certification Funding List.

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

SB 1642 – relating to Education Accountability

On Wednesday, April 30th, **SB 1642**, relating to Education Accountability, by the **Senate Committee on Education** passed the House by a 76-42 vote. The bill now heads to the Governor for consideration.

The bill creates a clarified A through F and 100-point school grading system where point values, not safety nets or triggers, are the indicator of the grade earned. Under the bill, district and school grades, which would be released every year in the summer at the same time, will be simplified and transparent. No changes would be made to the current school grading system in 2013-14; however, the new 2014-15 school grades will function as an informational baseline for schools to work toward improved future performance.

AIF supports a comprehensive effort to expand economic opportunity through education. Increased transparency in school grading is a large component to making education a better value for Florida's families and taxpayers alike.

ENVIRONMENT

SB 536 – relating to Reclaimed Water

On Monday, April 28th, **SB 536**, relating to Reclaimed Water, by **Senator Wilton Simpson (R-New Port Richey)** was substituted for **HB 601** and unanimously passed the House. **Representative Lake Ray (R-Jacksonville)** sponsored the House companion bill. The bill now heads to the Governor for consideration.

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.

AIF supports state funding for alternative water supply projects. Water retention and storage are vital to expanding Florida's water supply, which will give the state a head start on economic development and jobs in the future.

HEALTH CARE

SB 323 – relating to Pharmacy

On Friday, May 2nd, **SB 323**, relating to Pharmacy by **Representative Daphne Campbell (D-Miami Shores)** and **Representative Mike La Rosa (R-Saint Cloud)** unanimously passed the Senate and then the House. **Senator Denise Grimsley (R-Sebring)** sponsored the Senate companion bill. The bill now heads to the Governor for consideration.

The bill would remove the cap of three pharmacy technicians that the Board of Pharmacy may authorize one pharmacist to supervise. The bill would also revise the board by increasing the number of pharmacists representing both community and institutional class II pharmacies is increased from a minimum of one in each category, to a minimum of two each. Further the bill would authorize pharmacists to administer the meningococcal vaccine and

would remove the requirement for a pharmacist to have a prescription from a physician to administer the shingles vaccine. If approved by the Governor, the bill would take effect on July 1, 2014.

AIF supports access for Floridians to high-paying jobs, such as pharmacy technician.

INSURANCE

SB 542 – relating to Flood Insurance

On Monday, April 28th, **SB 542**, relating to Flood Insurance, by **Senator Jeff Brandes (R-St. Petersburg)** passed the House chamber with amendments by a 98-11 vote. The bill then passed the Senate on Friday, May 2nd, by a 30-3 vote. **Representative Ed Hooper (R-Clearwater)** sponsored the House companion bill. The bill now heads to the Governor for consideration.

This legislation is the Senate'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.

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.

SB 1308 – relating to Insurer Solvency

On Wednesday, April 30th, **SB 1308**, relating to Insurer Solvency, by **Senator David Simmons (R-Altamonte Springs)** passed the House chamber by a 112-1 vote. **Representative Clay Ingram (R-Pensacola)** sponsored the House companion bill. The bill now heads to the Governor for consideration.

This bill adopts several updates from the National Association of Insurance Commissioners (NAIC). Specifically, the bill adds additional protections for holding company systems, updates requirements for life insurance reserves, and improves actuarial information provided to the Office of Insurance Regulation from insurers.

AIF supports legislation that modernizes insurance regulation and takes steps to achieve uniformity with other states, creating consistent regulations and a more efficient allocation of capital, which improves Florida's insurance marketplace for business and personal lines policyholders.

SB 1672 – relating to Property Insurance

On Wednesday, April 30th, **SB 1672**, relating to Property Insurance, by the **Senate Committee on Banking and Insurance** unanimously passed the House chamber. The bill then passed the Senate chamber by a 25-8 vote on Thursday, May 1st. The bill now heads to the Governor for consideration.

The bill addresses several aspects of Citizens eligibility for commercial residential multi-peril policies and includes several fraud protections including prohibiting contractors from waiving deductibles to induce policyholders to file claims.

AIF also supports reducing fraud in the property insurance marketplace, which helps control insurance costs for businesses and homeowners alike.

LEGAL & JUDICIAL

HB 413 – relating to Consumer Collection Practices

On Monday, April 28th, **HB 413**, relating to Consumer Collection Practices, by **Representative David Santiago (R-Deltona)** unanimously passed the Senate chamber. **Senator Alan Hays (R-Umatilla)** sponsored the Senate companion bill. The bill now heads to the Governor for consideration.

The bill 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.

AIF supports this bill 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.

IT GOVERNANCE

SB 1010 –relating to Cable and Video Services

On Wednesday, April 30th, **SB 1010**, relating to Cable and Video Services, by **Senator Garrett Richter (R-Naples)** unanimously passed the House chamber. **Representative Ray Wesley Rodrigues (R-Fort Myers)** sponsored the House companion bill. The bill now heads to the Governor for consideration.

The bill repeals a study by the Office of Program Policy Analysis & Government Accountability on the status of video competition in Florida. This is a study that duplicates an annual national study done by the Federal Communications Commission and is an unnecessary expense for government and for companies to compile and submit proprietary information.

AIF supports eliminating duplicative laws that put an unnecessary compliance burden on Florida's businesses and government.

SB 1524 – relating to Security of Confidential Personal Information

On Wednesday, April 30th, **SB 1524**, relating to Security of Confidential Personal Information, by **Senator John Thrasher (R-St. Augustine)** unanimously passed the House chamber. The bill now heads to the Governor for consideration.

This bill creates new Florida requirements for various notifications a company must make in the event of a data breach. This measure was originated by Attorney General Pam Bondi. AIF and our members across all industries and areas of the state have worked with General Bondi and Senator Thrasher throughout session to find a way to provide the consumer safeguards needed while avoiding unintended consequences that create costly regulatory burdens on businesses. AIF salutes Attorney General Pam Bondi and Senator John Thrasher for their diligent leadership in protecting consumer information in a manner that is fair and not burdensome to Florida businesses.

AIF supports this important legislation because it provides clear direction to companies for handling data and security challenges in a timely and consistent manner.

HB 7073 – relating to Information Technology Governance

On Friday, May 2nd, **HB 7073**, relating to Information Technology Governance, by the **House Appropriations Committee** and **Representative Seth McKeel (R-Lakeland)** unanimously passed the Senate chamber. The bill now heads to the Governor for consideration.

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.

TAXATION

SB 1632 – relating to Special Districts

On Monday, April 28th, **SB 1632**, by **Senator Kelli Stargel (R-Lakeland)** was substituted for **HB 1237** and unanimously passed the House chamber. **Representative Larry Metz (R-Groveland)** sponsored the House companion bill. The bill now heads to the Governor for consideration.

The bill seeks to reorganize chapter 189, F.S., relating to special districts, into eight parts; revises duties of Legislative Auditing Committee; specifies applicability of procedures regarding suspension & removal of member of governing body of special district; revises when special district may be declared inactive; prohibits special districts declared inactive from collecting taxes, fees, or assessments; and provides for costs of litigation & reasonable attorney fees under certain conditions. These bills also require each special district to update and maintain an internet website on which the district must publish extensive information. In addition, the legislation clarifies a special district declared inactive on the unanimous vote of its governing body may be dissolved without a referendum and repeals a part of the Community Improvement Authority Act due to its irrelevance throughout the Act's duration in statute.

AIF supports common-sense and transparent policy in regards to the creation and enforcement of special districts. In addition, AIF supports legislation that reduces uncertainty and red tape for Florida's business community.

SB 1676 – relating to Internal Revenue Code

On Wednesday, April 30th, **SB 1676**, relating to Internal Revenue Code, by **Senate Committee on Appropriations** unanimously passed the House chamber. The bill now heads to the Governor for consideration.

The bill updates Florida's corporate Income Tax Code by adopting the Internal Revenue Code as in effect on January 1, 2014. By doing this, Florida adopts any changes that were made in the previous year to the determination of federal taxable income.

AIF supports the bill as it prevents Florida's companies from having to keep two sets of books.

HB 5601 – relating to Economic Development

On Friday, May 2nd, **HB 5601**, relating to Economic Development, by **House Finance & Tax Subcommittee, Senator Dorothy Hukill (R-Port Orange)**, and **Representative Ritch Workman (R-Melbourne)** unanimously passed both the Senate and House chambers. The bill now heads to the Governor for consideration.

The bill contains the final \$105 million in tax cuts of the Governor's goal of \$500 million this session. The bill accomplishes the following:

- Three-day back to school tax holiday in August, estimated to save \$40 million for families
- Sales tax holiday for hurricane supplies worth up to \$750
- Sales tax holiday in September for energy-efficient appliances
- Three-year exemption on sales tax for cement mixing drums
- Eliminates the sales tax for child car seats, bicycle helmets, medicinal pet food, and college meal plans
- Reduces the tax on prepaid calling plans
- Increases tax credits for New Market programs and Habitat for Humanity
- Cuts taxes on uncollectable debt on credit cards issued by retailers
- Lowers the effective tax rate for title insurance
- Distributes \$5 million from cigarette taxes to the Moffitt Cancer Center and Research Institute
- Reduces taxes on electricity for businesses and shifts revenue to the Public Education Capital Outlay program, a top priority of Commissioner Putnam

AIF supports the bill because it reduces taxes for individuals and businesses, stimulating the economy and making Florida a more attractive place to live and conduct business.

HB 803 – relating to Communications Services Tax

On Friday, May 2nd, **HB 803**, relating to Communications Services Tax, by **Representative Jim Boyd (R-Bradenton)** unanimously passed the Senate chamber. **Senator Joseph Abruzzo (D-Wellington)** sponsored the Senate companion bill. The bill now heads to the Governor for consideration.

The bill seeks to clarify that the state's Communications Service Tax (CST) is not applicable to communications between hotels and their franchises. Recently, the state's Department of Revenue (DoR) began auditing various hotels, large and small, and assessing the CST despite having no statutory direction to do so. HB 803 is a consensus product between the state's DoR and the hotel lodging industry that seeks to clarify that these charges are not applicable. The bill was scored to be revenue neutral for the state.

AIF supports reducing communication services taxes on Florida's businesses. Subsequently, businesses could utilize this tax savings to reinvest in their business.

TRANSPORTATION

SB 1070 – relating to Fuel Terminals

On Wednesday, April 30th, **SB 1070**, relating to Fuel Terminals, by **Senator Wilton Simpson (R-New Port Richey)** passed the House by a 112-5 vote. **Representative Lake Ray (R-Jacksonville)** sponsored the House companion bill. The bill now heads to the Governor for consideration.

This bill would declare fuel terminals located in or next to Florida's ports as critical state infrastructure. It goes further to allow for expansion of existing fuel terminals within the terminals property boundaries, while limiting local governments' regulation of permitting although nothing in the bill will prevent local government from enforcing state and federal safety standards.

AIF supports terminals being designed as critical infrastructure preempting local governments from changing the land use designation. Terminals are essential components to petroleum logistics, and Florida's energy portfolio, enabling the bulk transfer of the 27 million gallons of gasoline and diesel into Florida each day for further distribution.