

WEEKLY UPDATE



From January 15, 2016

The first week of the 2016 Session has come to a close and AIF is pleased to announce that the comprehensive water legislation, by **Senator Charlie Dean (R-Inverness)** and **Rep. Matt Caldwell (R-Lehigh Acres)**, has passed through both chambers and is expected to be signed into law by Governor Rick Scott next Thursday, January 21st. As a top priority for AIF, we believe that this legislation will put the state of Florida on the track to becoming a leader in water safety, protection and quality in the U.S.

WORKERS' COMPENSATION

HB 613- Relating to Workers' Compensation System Administration

On Wednesday, January 13th, **HB 613**, relating to Workers' Compensation System Administration, by **Rep. Jennifer Sullivan (R-Eustis)** was heard in the **House Insurance & Banking Subcommittee** and passed with 9 yeas and 3 nays. **AIF's General Counsel, Tammy Perdue, testified on this bill.**

HB 613 passed with a commitment from the sponsor to resolve concerns raised by the business community that this bill could result in uninsured LLC members. AIF is working with legislators today in House Insurance & Banking Subcommittee on a bill that will update some of the tools and procedures available to the Division of Workers' Compensation to allow them to continue operating our self-executing system. Perdue commented that "While AIF identified some technical concerns with the current language in HB 613, we are confident that Rep. Sullivan will continue working with us to craft language that does not inadvertently permit employers to avoid properly securing workers' comp coverage for their employees and allows the Division to secure the tools it needs for successful administration."

AIF continues to lead Florida businesses in safeguarding the delicate balance needed for a successful workers' compensation system. The **House Rulemaking Oversight & Repeal** committee took a long-awaited step with a PCB to ratify reimbursement schedules for health care providers rendering treatment to injured workers. According to AIF General Counsel, Tammy Perdue "This measure is necessary to be certain that employers are able to provide their employees with the best medical treatment to get them well and back to work safely and quickly, and to keep our system current with national standards."

The next step for this bill will be the **House Government Operations Appropriations Subcommittee**.

AIF supports Florida's current workers' compensation law and any proposed change to the workers' compensation system in the courtroom or Legislature- will be evaluated through the prism of coverage affordability, market stability, and employee safety.

ENVIRONMENT & AGRICULTURE

SB 552 & HB 7005- Relating to Environmental Resources

On Wednesday, January 13th, **SB 552**, relating to Environmental Resources, by **Senator Charlie Dean (R-Inverness)** was heard on the floor of the Senate and passed unanimously with 37 yeas and 0 nays.

On Thursday, January 14th, AIF's priority legislation, **HB 7005**, relating to Environmental Resources, by **Rep. Matt Caldwell (R-Lehigh Acres)** was heard on the House floor laid on the table and substituted for SB 552 by **Senator Charlie Dean (R-Inverness)**.

SB 552 was then read for a third time on the House floor and a vote was taken, passing SB 552 out of the House Chamber with a vote of 110 yeas to 2 nays.

This comprehensive water legislation addresses our states impending water shortage issues and takes the first step in ensuring that Florida's springs and precious water sources are protected. SB 552 revises policies in relation to Florida's environmental resources including, but not limited to:

- Creating the Florida Springs and Aquifer Protection Act to expedite protection and restoration of the water flow and water quality in the aquifer and Outstanding Florida Springs.
- Ensuring that the appropriate governmental entities continue to develop and implement uniform water supply planning, consumptive water use permitting, and resource protection programs for the area encompassed by the Central Florida Water Initiative.
- Updating and restructuring the Northern Everglades and Estuaries Act to reflect and build upon the Department of Environmental Protection's (DEP) completion of basin management action plans (BMAP) for Lake Okeechobee, the Caloosahatchee Estuary, and the St. Lucie River and Estuary, DEP's continuing development of a BMAP for the inland portion of the Caloosahatchee River watershed, and Department of Agriculture and Consumer Services' implementation of best management practices in the three basins.
- Modifying water supply and resource planning documents and processes in order to provide more robust representations of the state's water needs and goals.
- Requiring the Office of Economic and Demographic Research to conduct an annual assessment of water resources and conservation lands.
- Requiring DEP to publish an online publicly accessible database of conservation lands on which public access is compatible with conservation and recreation purposes.
- Requiring DEP to conduct a feasibility study for creating and maintaining a web-based, interactive map of the state's waterbodies as well as regulatory information about each waterbody.

After final passage of SB 552 in the House chamber, this bill will now go to Governor Scott's desk to be signed into law next Thursday, January 21st.

AIF supports efforts to address Florida's major water challenges by developing sound, comprehensive science-based water policy.

Below is a press release from AIF's Brewster Bevis and our Florida H2O Coalition on Wednesday, January 13th, regarding the passage of SB 552:

**Statement from AIF's H2O Coalition
Regarding the Bipartisan Passage of Comprehensive Water Reform in the Florida Senate**

Tallahassee, Fla. – Associated Industries of Florida's Senior Vice President of State and Federal Affairs Brewster Bevis released the following statement regarding the Florida Senate's bipartisan approval of a comprehensive water reform bill.

"The Florida Senate's adoption of SB 552 has been many years in the making. Over the past year, this legislation has been improved to strengthen the protection of Florida's springs and create stronger water quality standards. Today, a unanimous, bipartisan majority has agreed this comprehensive approach to water policy represents the best path forward for our people and our state.

We appreciate the leadership of President Gardiner and Senators Dean, Simmons, Hays, Simpson, and Montford. Their tireless work on this bill has put us one step closer to passing this historic reform."

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With the passage of SB 552 on Thursday, January 14th, **Brewster Bevis** released this statement congratulating our Legislature for taking the first monumental step in protecting Florida's waters:

Statement from AIF's H2O Coalition
Regarding the Bipartisan Passage of Comprehensive Water Reform in the Florida House

Tallahassee, Fla. – Associated Industries of Florida's Senior Vice President of State and Federal Affairs Brewster Bevis released the following statement regarding the Florida House's bipartisan approval of a comprehensive water reform bill.

"Today is a historic day for Florida. Floridians should be proud of the leadership demonstrated by House Speaker Steve Crisafulli, Senate President Andy Gardiner, Representative Matt Caldwell, Senator Charlie Dean and Commissioner Adam Putnam in passing a comprehensive water policy that should serve as a model for other states.

If enacted, the impact of this comprehensive water policy will be far-reaching and felt long after the members of this body are in office. Future generations of Floridians will remember the 2016 Legislative Session as the time when lawmakers upgraded our water policy with higher water quality standards, stronger protections for our springs, and a forward-thinking approach that integrates water planning into economic development.

As this bill goes to Governor Scott's desk for his consideration, I join representatives from Florida's business, environmental and agricultural communities in urging him to sign it. The future of Florida's water supply depends on it."

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HB 59 & SB 304-Relating to Agritourism

On Wednesday, January 13th, **HB 59**, relating to Agritourism, **Rep. Neil Combee (R-Auburndale)** was heard in the **House State Affairs Committee** and unanimously passed with a vote of 18 yeas and 0 nays.

On Thursday, January 14th, **SB 304**, relating to Agritourism, sponsored by **Senator Kelli Stargel (R-Lakeland)** was heard in the **Senate Fiscal Policy Committee** and passed with 9 yeas and 1 nay.

AIF stood in support of this bill.

This bill prohibits local governments from enforcing any local ordinance, regulation, rule, or policy that prohibits, restricts, regulates, or otherwise limits an agritourism activity on land classified as agricultural land under Florida's greenbelt law. An "agritourism activity" is any agricultural related activity consistent with a bona fide farm or ranch or in a working forest that allows members of the general public, for recreational, entertainment, or educational purposes, to view or enjoy activities, including farming, ranching, historical, cultural, or harvest-your-own activities and attractions.

Agritourism is one of the many methods farmers use to diversify and increase their income.

HB 59 will now head to the House Floor for a vote.

SB 304 will proceed to the Senate floor for a vote.

AIF supports any legislation that allows Florida farmers to safely expand their businesses through the use of Agritourism.

ENERGY

SB 318- Relating to Regulation of Oil and Gas Resources

On Wednesday, January 13th, **SB 318**, relating to Regulation of Oil and Gas Resources, by **Senator Garrett Richter (R-Naples)** was heard in the **Senate Environmental Preservation and Conservation Committee** and passed with 6 yeas and 3 nays. **AIF's Senior Vice President of State and Federal Affairs, Brewster Bevis, spoke in support of this bill.**

SB 318 makes many revisions to the Oil and Gas Program (program) to make this program safer and more effective for all involved. The Department of Environmental Protection's (DEP) Mining and Minerals Regulation Program in the Division of

Water Resource Management (Division) oversees permitting for oil and gas drilling, production, and exploration within Florida through its Oil and Gas Program. The Program's primary responsibilities include conservation of oil and gas resources, correlative rights protection, maintenance of health and human safety, and environmental protection.

The next committee stop for SB 318 will be in the **Senate Appropriations Subcommittee on General Government**.

AIF supports the need to maintain appropriate permitting laws to protect the environment, to enhance efficiency between industry and the state, and to ensure appropriate standards are clearly communicated.

AIF released this statement regarding the passage of SB 318:

**AIF Statement on Passage of SB 318 in
Senate Committee on Environmental Preservation & Conservation**

Tallahassee, Fla. – The **Associated Industries of Florida (AIF)** today released the following statement attributable to its Senior Vice President of State and Federal Affairs Brewster Bevis regarding the passage of Senate Bill 318, sponsored by Senator Garrett Richter (R-Naples), in the Environmental Preservation & Conservation Committee.

“We applaud the members of the Senate Committee on Environmental Preservation & Conservation for passing SB 318 today and for having a thoughtful, fact-driven discussion on this topic. AIF is supportive of this measure, as we believe it is a strong regulatory bill which would institute commonsense policies to govern the onshore oil and gas industry, including creating an additional level of oversight for advanced techniques, above and beyond what is in place now, to ensure Florida's environment is preserved for future generations.

“The oil and gas industry has been operating in the State of Florida for more than seven decades safely, contributing to the state's bottom line, creating jobs and lessening our dependence on foreign sources of oil; and, for these reasons, AIF firmly believes it should be allowed to continue to operate within the regulatory framework that SB 318 creates.

“While we do have reservations regarding the proposed study in the bill, we do thank Senator Garret Richter for his continued commitment to this important issue and look forward to working with him as this legislation progresses through the legislative process.”

For more information on AIF, please visit AIF.com and follow [@VoiceofFLBiz](https://twitter.com/VoiceofFLBiz).

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LEGAL & JUDICIAL

SB 169 & HB 267-Relating to Public Records/State –Funded Infrastructure Bank

On Monday, January 11th, **SB 196**, relating to Public Records/State-funded Infrastructure Bank, by **Senator Travis Hutson (R-Palm Coast)** was heard by the **Senate Governmental Oversight and Accountability Committee** and unanimously passed with 5 yeas and 0 nays. **AIF's Senior Vice President of State and Federal Affairs, Brewster Bevis, stood in support of this bill.**

On Wednesday, January 13th, **HB 267**, relating to Public Records/State-Funded Infrastructure Bank, by **Rep. Mike LaRosa (R-Saint Cloud)** was heard by the **House Government Operations Subcommittee** and passed with 9 yeas and 1 nay.

Currently, the state-funded infrastructure bank (SIB) is housed within Department of Transportation (department). The SIB provides loans and credit enhancements to public and private entities for constructing and improving transportation facilities. This bill creates a public record exemption for the financial statements or other financial information that is required for the application to the SIB. However, the public records exemption does not apply to the financial records of an applicant who is in default of an SIB loan.

This exemption is subject to the Open Government Sunset Review Act and will be repealed on October 2, 2021 unless this bill is reenacted by the Legislature.

The next and final committee stop for SB 196 will be in the **Senate Rules Committee**.

The next committee stop for HB 267 will be in the **House Economic Affairs Committee**.

AIF supports protecting the financial information of private companies.

HEALTH CARE

SB 676- Relating to Health Care

On Monday, January 11th, **SB 676**, relating to Health Care, by **Senator Denise Grimsley (R-Sebring)** was heard in the **Senate Health Policy Committee** and passed with 4 yeas and 2 nays.

SB 676 would authorize and increase the scope for practice for physician assistants (PAs) and advanced registered nurse practitioners (ARNPs) to prescribe controlled substances under current supervisory standards for PAs and protocols for ARNPs beginning January 1, 2017. ARNPs and Pas would not be allowed to prescribe controlled substances in a pain management clinic. Other provisions of the bill include:

- Requiring health insurers, HMOs and pharmacy benefits managers to use the standardized prior authorization form by January 1, 2017;
- Providing a health insurer or HMO cannot retroactively deny a claim due to an insured's ineligibility, if that insurer or HMO verified eligibility at the time of treatment; and
- Requiring hospitals to notify OB physicians with privileges at least 90 days prior to closing its OB department.

AIF's Senior Vice President of State and Federal Affairs, Brewster Bevis, testified in committee expressing concern about the provision in this bill that would prohibit a health insurer and health maintenance organization (HMO) from retroactively denying a claim due to the insured's delinquency of premium payments, if that insurer or HMO already verified the insured's eligibility at the time of treatment. This provision on claims payment could lead to increased costs on Florida's businesses.

In addition, Brewster Bevis, spoke in SUPPORT of the provisions in this bill that will provide for an increase of the scope of practice for ARNPs and PAs.

At this juncture AIF did not take a position on this bill.

The next step for this bill is in the **Senate Banking and Insurance Committee**.

AIF supports removing regulatory scope of practice obstacles for qualified health care professions to ensure greater access to quality care for more Floridians at more affordable costs.

TAXATION

SB 98- Relating to the Exemption from the Sales and Use Tax for Certain Machinery and Equipment

On Monday, January 11th, **SB 98**, relating to the Exemption from the Sales and Use Tax for Certain Machinery and Equipment by **Senator Dorothy Hukill (R-Port Orange)** was heard in the **Senate Commerce and Tourism Committee** and passed with a vote of 6 yeas to 1 nay. **AIF's Senior Vice President of State and Federal Affairs, Brewster Bevis, stood in support of this bill.**

Since April 30, 2014, the state has provided an exemption for certain manufacturing equipment from the 6% sales and use tax that is set to expire on April 30, 2017. To qualify for this exemption machinery or equipment must be used at a fixed location in the state and eligible businesses include only those classified in the North American Industry Classification System (NAICS) under codes 31, 32, or 33. Manufacturing establishments classified under these codes include food, apparel, wood, paper, printing, chemical, pharmaceutical, plastic, rubber, metal, transportation, and furniture manufacturing. SB 98 aims to remove the 2017 expiration date and make the exemption permanent.

AIF supports the removal of the three-year sunset on the complete elimination of sales tax imposed on the purchase of manufacturing equipment and machinery.

SB 98 will now head to the **Senate Finance and Tax Committee**.

Below is a statement from our President and CEO Tom Feeney released on Monday, January 11th:

AIF Statement on Passage of SB 98 in Senate Committee on Commerce & Tourism Committee

Tallahassee, Fla. – The **Associated Industries of Florida (AIF)** today released the following statement attributed to its President & CEO Tom Feeney regarding the passage of Senate Bill 98 in the Committee on Commerce and Tourism.

“As one of our top priorities this legislative session, we applaud the Commerce and Tourism Committee for passing Senate Bill 98, which revolves around Governor Scott’s \$79.3 billion budget proposal for FY 2016-17. The budget, which includes \$1 billion in tax cuts, will have a positive impact on Florida’s employees and employers by accelerating job growth, and will help make Florida the top destination for businesses.

“As the Florida affiliation for the National Association of Manufacturers, AIF is proud to work on behalf of Floridians to foster a pro-business environment by joining the Governor in calling for the permanent elimination of income tax on manufacturing and retail businesses, permanently eliminating sales tax on manufacturing machinery and equipment, and calling for a reduction in business rent and commercial lease tax.

“As the bill heads to Finance and Tax Committee and is then considered by the full Appropriations Committee, we look forward to continuing to work with the Legislature to adopt a budget that includes a pro-growth, pro-jobs tax cut agenda. And, as the voice of Florida business, we will continue to work toward increased job growth and economic prosperity to create a business-friendly environment in the Sunshine State.”

For more information on AIF, please visit **AIF.com** and follow **@VoiceofFLBiz**.

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SB 802- Relating to Use Tax for Asphalt

On Thursday, January 14th, **SB 802**, relating to Use Tax for Asphalt, sponsored by **Senator Lizbeth Benacquisto (R-Fort Myers)** was heard in the **Senate Transportation Committee** and unanimously passed with 6 yeas and 0 nays. **AIF’s Senior Vice President of State and Federal Affairs, Brewster Bevis, stood in support of this bill.**

SB 802 will phase out the tax on manufactured asphalt used for any federal, state, or local government public works project, which under current law this tax is reduced by 40 percent.

SB 802 will further reduce the tax on manufactured asphalt by 60 percent beginning July 1, 2016; by 80 percent beginning July 1, 2017; and by 100 percent beginning July 1, 2018.

The next committee stop for this SB 802 will be in the **Senate Finance and Tax Committee**.

AIF supports phasing out tax on road projects used for federal, state, or local government work.

TRANSPORTATION

HB 509- Relating to Transportation Network Companies

On Wednesday, January 13th, **HB 509**, relating to Transportation Network Companies, by **Rep. Matt Gaetz (R-Shalimar)** was heard in the **House Economic Affairs Committee** and passed with 13 yeas and 2 nays. **AIF stood in support of this bill.**

HB 509 allows for statewide regulation of ridesharing companies. This will unharness technology companies like Uber from draconian local ordinances, and also represents a compromise between ridesharing and insurance stakeholders to ensure appropriate commercial coverage is in place for the benefit of drivers and passengers.

The next stop for HB 509 will be on the House Floor.

AIF supports statewide digital transportation service policies to create price competition, promote consumer choice, enhance customer experience, create jobs and remove anti-competitive local regulations.