

# WEEKLY UPDATE



From February 5, 2016

## VIDEO UPDATE

As the fourth week of session comes to a close, AIF has tackled some of our top priorities this week and will continue to strongly advocate for these issues until session comes to a close. In our weekly video re-cap below, Tammy Perdue, touches on the Florida House's tax package which includes the permanent removal of sales tax on manufacturing equipment, and the reduction business rent tax to name a few. This package is set to be heard on the House floor next Wednesday, February 10th. Along with the tax package, **HB 7027**, AIF's top transportation priority, passed through the floor of the Florida House this week and will move on to the Senate chamber for a vote. Although session is half done our work has just begun, so please stay tuned and check your emails for your *Daily Brief* from us here at AIF.

View video - <https://youtu.be/xjWzk5baSi0>

## ECONOMIC DEVELOPMENT

### **HB 95- Relating to Public-Private Partnerships**

On Thursday, February 4th, **HB 95**, relating to Public-Private Partnerships, by **Rep. Greg Steube (R-Sarasota)** was heard in the **House State Affairs Committee** and was reported favorably by a vote of 14 yeas and 1 nay. **AIF's Senior Vice President of State and Federal Affairs, Brewster Bevis, stood in support of this bill.**

As previously reported, HB 95 is a top priority for AIF and pertains to construction and infrastructure projects. HB 95 seeks to clarify that P3s are an alternative process for communities to expand, through partnerships with the private sector, their ability to meet current and future infrastructure needs. HB 95 also provides flexibility for local governments on procurement time-lines as well as allowing local governments to collect processing fees at the time of application. The bill removes the Partnership for Public Facilities and Infrastructure Guidelines Task Force from statute as recommendations from the task force are incorporated in the bill.

AIF has strongly supported Florida's P3 process, having worked over the last year to provide options and flexibility to both the public and private sector. As Florida continues to see almost 1000 people per day moving into the state, P3s will be a critical component to solving infrastructure needs for years to come.

HB 95 will now go to the House floor for consideration.

**AIF strongly supports utilization of the private sector in helping to solve public construction needs. Government's role is critical in securing and advancing our state's infrastructure.**

## ENERGY

### **SB 1272- Relating to Florida Renewable Energy Production Credit**

On Tuesday, February 2nd, **SB 1272**, relating to Florida Renewable Energy Production Credit, by **Senator Dorothy Hukill (R-Port Orange)** was heard before the **Senate Communications, Energy, and Public Utilities Committee** and passed with 7 yeas and 0 nays. **AIF's Senior Vice President of State and Federal Affairs, Brewster Bevis, stood in support of this bill.**

SB 1272 makes the Florida renewable energy production credit statute, that was set to expire in 2017, permanent and increases the annual cap on the total credits from the current \$10 million to \$15 million per year. This bill also deletes a provision that states any unused credit funding in a fiscal year is to be used to fund renewable energy technologies and replaces it with a provision to carry forward the excess funds.

The next committee stop for SB 1272 will be in the **Senate Finance and Tax Committee**.

**AIF supports legislation that will make the Florida renewable energy production credit permanent due to the cost savings it would provide Florida companies and due to it helping to diversify Florida's energy portfolio.**

#### **SB 90- Relating to Natural Gas Rebate Program**

On Wednesday, February 3rd, **SB 90**, relating to the Natural Gas Rebate Program, by **Senator Wilton Simpson (R-Trilby)** passed through **Senate Appropriations Committee** unanimously with 18 yeas and 0 nays. **AIF's Senior Vice President of State and Federal Affairs, Brewster Bevis, stood in support of this bill.**

Since 2013 there has been a Natural Gas Fuel Fleet Vehicle Rebate Program (Program) created within the Department of Agriculture and Consumer Services (DACS) to "help reduce transportation costs in this state and encourage freight mobility investments that contribute to the economic growth of the state." Beginning with Fiscal Year 2013-2014 and continuing through Fiscal Year 2017-2018 (five years), DACS is required to award rebates, to those eligible, for the costs of converting a diesel- or gasoline-powered motor vehicle to a natural gas fuel-powered motor vehicle on or after July 1, 2013. An applicant is eligible to receive a maximum rebate of \$25,000 per vehicle up to a total of \$250,000 per applicant per fiscal year, on a first-come, first-served basis.

Two amendments, by **Senator Dorothy Hukill (R-Port Orange)** were adopted today. One amendment made only technical changes to the bill while the other made changes to applicants who can receive the excess funds from the Program. Before this amendment, DACS had the authority to use any unencumbered funds to award additional rebates to those who may have already received the rebate. After the adoption of this amendment governmental applicants will have preference to these funds and any excess funds beyond that may be used by commercial applicants. These rebates will still be allocated on a first-come, first-served basis to eligible applicants.

SB 90 will now go to the floor of the Senate for consideration.

**AIF supports the natural gas fuel fleet vehicle rebate program, specifically the authorization of DACS to award additional rebates to applicants from unencumbered funds after each fiscal year.**

## **HEALTH CARE**

#### **SB1084- Relating to Health Care Protocols**

On Monday, February 1st, **SB 1084**, relating to Health Care Protocols, by **Senator Don Gaetz (R-Destin)** was heard by the **Senate Health Policy Committee** and passed with 9 yeas and 0 nays. **AIF's Vice President of State and Federal Affairs, Brewster Bevis, stood in opposition to this bill.**

SB 1084 requires Medicaid managed care plans, health maintenance organizations (HMOs), and insurers that restrict medications by a step-therapy or fail-first protocol to have a clear and convenient process to request an override of the protocol. The bill requires these entities to grant an override of the protocol within 24 hours if, based on sound clinical evidence or medical and scientific evidence, the prescribing provider:

- Concludes that the preferred treatment required under the fail-first protocol has been ineffective in the treatment of the enrollee's disease or medical condition; or
- Believes that the preferred treatment required under the fail-first protocol is likely to be ineffective given the known relevant physical or mental characteristics and medical history of the enrollee and the known characteristics of the drug regimen or will cause or is likely to cause an adverse reaction or other physical harm to the enrollee.

AIF believes this action to be redundant and unnecessary given that insurers already have a protocol in place if incidents, such as ineffective treatment of the enrollee's disease or medical condition, occurs.

This bill will now go to its final committee stop in the **Senate Appropriations Committee**.

**AIF opposes legislation that will negatively impact the standards of care that are currently in place based on real-time protocols that are centered on evidence-based research.**

Please see below a statement released by Tammy Perdue on Monday, February 1st, regarding AIF's opposition to SB 1084:

**AIF Statement in Opposition of Step Therapy Legislation Passed Today  
by the Senate Health Policy Committee**

**Tallahassee, Fla.** – The **Associated Industries of Florida (AIF)** today released the following statement attributed to its General Counsel Tamela Perdue in opposition to Senate Bill 1084, which would change the current, effective method of prior authorization, step therapy and fail-first protocols.

“AIF stands in opposition of SB 1084, which passed the Senate Health Policy Committee today, because it negatively impacts the current effective system of prior authorization and step therapy protocols. Ultimately, if passed, this legislation would increase pharmaceutical costs, as well as fail to provide safeguards that Florida insurers have in place against abuse and adverse drug interactions.

“AIF continues to support flexibility for health plans, which ensures consumers receive high-quality, high-value and affordable care, through the continued use of innovative plan designs to achieve this balance. We hope lawmakers stand up against this bad public policy as it heads to Senate Appropriations, as it will only increase costs and not serve Florida consumers.”

Senate Bill 1084 has also been referred to the Senate Committee on Appropriations.

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**SB 1442-Relating to Out-of-network Health Insurance Coverage**

On Monday, February 1st, **SB 1442**, relating to Out-of-network Health Insurance Coverage, by **Senator Rene Garcia (R-Hialeah)** was heard by the **Senate Health Policy Committee** and passed by a narrow vote of 5 yeas to 4 nays. **AIF's Senior Vice President of State and Federal Affairs, Brewster Bevis, stood in support of this bill.**

The intent of this bill is to protect consumers from balance billing when that situation occurs in an emergency setting; the balance bill is the difference between the provider's charges and the amount the provider has received in reimbursement from the consumer's insurance plan. Provider charges in Florida are often 100 times more than Medicaid charges, so this legislation should cap a significant cost driver in today's health care system.

With the adoption of Amendment 976590, by **Senator Rene Garcia (R-Hialeah)**, AIF supports this bill. The amendment provides that balance billing is prohibited by Florida law; this is applicable under emergency in out of network areas, or in the service network if the patient did not have the option to select their physician. Existing HMO reimbursement standards will remain in place.

The next committee stop for SB 1442 will be in the **Senate Banking and Insurance Committee**.

**AIF supports legislation that requires a patient to be presented with documentation regarding any charges for out-of-network services.**

## **INSURANCE**

**SB 596- Relating to Assignment or Transfer of Property Insurance Rights**

On Monday, February 1st, **SB 596**, relating to Assignment or Transfer of Property Insurance Rights, by **Senator Dorothy Hukill (R- Port Orange)** was heard by the **Senate Banking and Insurance Committee** and passed with 10 yeas and 1 nay. **AIF stood in support of this bill.**

This straightforward bill provides for provision in an assignment of benefits contract for property insurance proceeds. The sponsor committed to continue working on the bill to ensure that the fraud in the property insurance marketplace is stamped out. AIF stands in support of the Senate bill and is strongly in favor of preserving policyholder rights from being stripped away from unscrupulous vendors and attorneys seeking to profiteer off the backs of policyholders.

SB 596 will now go to the **Senate Judiciary Committee** for a hearing.

**AIF supports this legislation because it aims to stamp out cost drivers and control attorneys' fees for the benefit of premium payers statewide.**

## LEGAL & JUDICIAL

### **HB 713 & SB 562- Relating to Consumer Debt Collection**

On Monday, February 1st, **SB 562**, relating to Consumer Debt Collection, by **Senator Kelli Stargel (R-Lakeland)** was heard in front of the **Senate Commerce and Tourism Committee** and unanimously passed with 6 yeas and 0 nays. **AIF's General Counsel, Tammy Perdue, stood in support of this bill.**

Also on Monday, February 1st, **HB 713**, relating to Consumer Debt Collection, by **Rep. Kathleen Passidomo (R-Naples)** was heard by the **House Insurance & Banking Subcommittee** and passed by a vote of 12 yeas to 0 nays. **AIF stood in support of this bill.**

SB 562 seeks to better define the parameters by which an attorney representing a debit or debtor must notify a creditor of their representation in order for that creditor to properly direct communications concerning the dead. For during today's committee, through the amendment process, there was some confusion as to whether the bill scope would be expanded. However, the amendments which were adopted, actually narrow the application of the bill to situations in which an attorney communicates the representation to the creditor.

**View a complete copy of the bill as amended today, [here](#).**

The House companion, HB 713, contains provisions that invoked penalties and implications relative to Florida's deceptive and unfair trade practices act which cause some great concerns in the business community.

**View a copy of the house version as amended today [here](#).**

The next stop for SB 562 will be in the **Senate Fiscal Policy Committee**.

HB 713 will head to its second committee stop in the **House Judiciary Committee**.

**AIF supports legislation that eliminates a current scam against Florida's employers while also protecting legitimate debt collection processes by companies.**

### **HB 273- Relating to Public Records**

On Tuesday, February 2nd, **HB 273**, relating to Public Records, by **Rep. Halsey Beshears (R-Monticello)** was heard on the Senate floor and substituted for its Senate companion bill, **SB 390**, by **Senator Wilton Simpson (R-Trilby)**. HB 273 passed by a vote of 34 yeas to 1 nay.

This bill addresses the procedure for obtaining records relating to a public agency's contract for services with a private contractor. As it stands today, the Florida Constitution provides every person the right to inspect or copy any public record made or received in connection with the official business of any public body, officer, or employee of the state, or of persons acting on their behalf.

However, the issue of who the party responsible for providing these public records remains. If this bill becomes law, requests for records relating to a public agency's contract for services must be made to the contracting agency. An agency who receives a request for records possessed by a contractor must then attempt to obtain the records from the contractor.

HB 273 also provides that if a civil action is filed to compel production of public records, the court must assess and award against the contractor the reasonable costs of enforcement, including attorney fees, if the court determines that a contractor unlawfully refused to comply with the public records request within a reasonable time, and the

plaintiff provided written notice of the public records request to the public agency and the contractor. The notice must be sent at least 8 business days before the plaintiff files the civil action. The bill specifies that a contractor who complies with the public records request within 8 business days after the notice is sent is not liable for the reasonable costs of enforcement.

HB 273 will now go to the desk of Governor Scott to be signed into law.

**AIF supports legislation that reduces frivolous law suits against Florida businesses.**

## PROPERTY RIGHTS

### **HB 559- Relating to Self-Storage Facilities**

On Thursday, February 4th, **HB 559**, relating to Self-storage Facilities, by **Rep. Mike LaRosa (R-St. Cloud)** passed through the **House Regulatory Affairs Committee** by a vote of 15 yeas to 3 nays. **AIF's Senior Vice President of State and Federal Affairs, Brewster Bevis, spoke in opposition to this bill.**

HB 559 substantially revises the process that the owner of a self-storage facility may advertise and sell the personal property of a delinquent tenant. Under the bill, owners are no longer required to advertise a property sale via a local newspaper; such advertisements may now be posted in any "commercially reasonable manner." Rather than rely on the courts to determine precisely what "commercially reasonable" means, the bill defines the term itself. If at least three bidders—all of whom are unrelated to the seller—attend the sale or register to bid online at the sale, the advertisement is commercially reasonable.

The bill will also allow for a "one stop shop" website where all public notices throughout the state will be posted and is set to be ran by the Department of Financial Services.

During public testimony on this bill, AIF as well as many others, pointed out that the introduction of this system would be futile seeing as there is already a website in place for public notices to be posted and is funded by private entities, eliminating the need for Government involvement.

This bill will now go to the House floor for consideration.

**AIF opposes legislation that intends to derail Florida's broad public notice system as defined by Chapter 50, Florida Statutes.**

## TAXATION

### **FTC4- Relating to Taxation**

On Wednesday, February 3rd, **FTC4**, relating to Taxation, by the **House Finance & Tax Committee** was heard in the **House Finance & Tax Committee** and passed with 11 yeas and 0 nays. **AIF's Brewster Bevis spoke in support of this tax package as it includes many of AIF's top priorities for the 2016 Session.**

FTC4 aims to cut taxes in the state of Florida for the 2016-2017 fiscal year by a grand total of \$991.7 million. Much like last year's House tax package, this legislation will encompass some of our top taxation priorities that are of the utmost importance to our member, such as: the permanent reduction of the business rent tax from 6% to 5% beginning January 1, 2017, with an additional percent reduction to 4% in the calendar year 2018 only; makes sales tax exemptions for certain manufacturing machinery and equipment purchased by any eligible manufacturing businesses permanent; and provides a ten-day "back-to-school" holiday for clothing, footwear, school supplies and computers; a one-day "technology" sales holiday on computers and related accessories; and a one-day "small business" holiday for sales by small businesses.

As of Thursday, February 4th, FTC4 was officially filed as HB 7099.

This tax package will now head to the House floor for consideration.

**AIF supports tax cuts for Florida's consumers and businesses.**

Below is a statement attributed to Brewster Bevis on the House Tax package, released Wednesday, February 3rd:

**AIF Statement Applauding the Passage of the House Tax Package  
by the House Finance & Tax Committee**

*Florida's Leading Business Advocate Lauds Repeal of  
Manufacturing Equipment Sales Tax & Commercial Lease Tax*

**Tallahassee, Fla.** – The **Associated Industries of Florida** (AIF) today released the following statement attributed to its Senior Vice President of State and Federal Affairs Brewster Bevis regarding the passage of the House tax package by the House Finance and Tax Committee. AIF lauds the inclusion of language to repeal the manufacturing equipment sales tax and the commercial lease tax.

“AIF applauds the House for passing a business-friendly tax package out of the House Finance & Tax Committee today.

“As Florida’s leader in manufacturing and Florida’s affiliate for the National Association of Manufacturers, AIF is pleased that members recognize the importance of permanently eliminating the sales tax imposed on the purchase of manufacturing equipment and machinery. Not only will this tax exemption help elevate manufacturing in Florida, it will help diversify our economy and grow our job base.

“AIF is also pleased that the House included language in its tax package that reduces the business rent tax. This tax reduction will bolster our economy and make Florida a more attractive place to do business.

“We thank Chairman Matt Gaetz and members of the House for supporting these pro-growth and business-friendly measures.”

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## **TRANSPORTATION**

### **HB 7027-Relating to Department of Transportation**

On Wednesday, February 3rd, **HB 7027**, relating to the Department of Transportation, by the **House Transportation & Ports Subcommittee** and **Rep. Patrick Rooney Jr. (R-Palm Beach Gardens)** passed through the House floor by a vote of 117 yeas to 2 nays.

HB 7027, which is one of two substantial transportation and port related bills moving through the House, contains a number of important provisions for AIF and its members.

One of AIF’s top transportation priorities, the Florida Seaport Transportation and Economic Development Program (FSTED), is increased by \$10million (\$25 million) in HB 7027. This program which supports growth and economic activity at the state’s ports serves as an important program and one that has been extremely successful for the state. Additionally, the bill aids some of the state’s smaller contractors by creating the Business Development Program which is designed to help companies navigate procurements for road projects while increasing competition for the work. It also will require the state’s legislative budget commission to approve any DOT Work Plan additions over \$3million.

HB 7027 creates a state FDOT Financing Corporation which will serve as a financing mechanism for Public Private Partnerships (P3s) across the state. By creating the FDOT Financing Corporation, the state would offer a mechanism to provide reliable, state bonds for up front financing of P3 projects in the state. In doing so, the Department believes this approach would leverage lower capital costs provided to the municipal bond markets as an option for securing financing for the upfront costs of P3 projects. Several members of the committee expressed concerns about this proposal however, citing existing state programs and financing options as being already available for P3 projects.

This bill will now head to the Senate floor for consideration.

**AIF supports increasing the FSTED funding and spending cap levels from \$15 million to \$25 million, a very important provision for Florida's ports. AIF also supports creating the FDOT Business Development Program as a mechanism to help educate and provide expertise to Florida's small businesses looking to do work in the Department's often-complex procurement process.**

## **WORKERS' COMPENSATION**

### **SB 986-Relating to Workers' Compensation System Administration**

On Monday, **SB 986**, relating to Workers' Compensation System Administration, by Senator Wilton Simpson (R-Trilby) was heard by the **Senate Banking and Insurance Committee** and passed with 11 yeas and 0 nays.

SB 986 provides additional administrative tools to the deep vision of Worker's Compensation for penalty enforcement and stop work order fines. Two amendments were offered by **Senator Chris Smith (D – Fort Lauderdale)** and adopted by this committee to improve the bill and eliminate concerns the business community had earlier expressed about its potential unintended consequences for fraud. **AIF General Counsel, Tammy Perdue**, stood in support of this measure.

SB 986 will now go to **Senate Appropriations Subcommittee on General Government**.

**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.**

### **SB 1402 & HB 7073-Relating to Ratification of Department of Financial Services Rule**

On Monday, February 1st, **SB 1402**, relating to Ratification of Department of Financial Services Rule, by **Senator David Simmons (R-Longwood)** was heard by the **Senate Banking and Insurance Committee** and passed with 11 yeas and 0 nays. **AIF's General Counsel, Tammy Perdue**, stood in support of this bill.

On Tuesday, February 2nd, **HB 7073**, relating to Ratification of Rules/ Florida Workers' Compensation Health Care Provider Reimbursement Manual, by the **House Rulemaking Oversight & Repeal Subcommittee** and **Rep. Lake Ray (R-Jacksonville)** was heard before the **House Government Operations Appropriations Subcommittee** and passed with 12 yeas and 0 nays. **AIF's General Counsel, Tammy Perdue**, stood in support of this bill.

SB 1402 and its House companion, HB 7073, address adoption of the current version of the Florida Worker's Compensation healthcare provider reimbursement manual. This manual has not been adopted or updated since 2008, leaving Florida well behind every other state in the amount of reimbursement it pays to healthcare providers for the treatment of injured workers.

SB 1402 bill will now go to its last committee stop in the **Senate Fiscal Policy Committee**.

HB 7073 will now go to the **House Regulatory Affairs Committee** to be heard.

**AIF supports legislation that will keep Florida's Workers' Compensation system a stable and self-executing mechanism that benefits both injured workers and Florida's employers.**

### **HB 613- Relating to Workers' Compensation System Administration**

On Thursday, February 4th, **HB 613**, relating to Workers' Compensation System Administration, by **Rep. Jennifer Sullivan (R-Eustis)** was heard before the **House Regulatory Affairs Committee** and unanimously passed. **AIF's General Counsel, Tammy Perdue**, stood in support of this bill.

The workers' compensation law requires an employer to obtain coverage for their "employees" that provides for lost income and all medically necessary remedial treatment, attendance, and care resulting from work related injuries and occupational diseases. The Division of Workers' Compensation within the Department of Financial Services (DFS) provides regulatory oversight of the system. The DFS' responsibilities include enforcing employer compliance with coverage requirements, administration of the workers' compensation health care delivery system, collecting system data, and assisting injured workers regarding their benefits and rights.

Today the committee adopted two amendments to the bill. One was technical and the other eliminated language that could have opened a loophole for limited liability company members. With these changes, the bill is now identical to its Senate companion, Senate Bill 986. AIF supports this legislation and salutes Representative Sullivan for her leadership on this measure that enables the Florida Division of Workers' Compensation to maintain the system in its intended self – executing nature.

HB 613 will now head to the House floor for consideration.

**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.**

## **WORKFORCE**

### **SB 468- Relating to Computer Coding Instruction**

On Wednesday, February 3rd, **SB 468**, relating to Computer Coding Instruction, by **Senator Jeremy Ring (D-Margate)** was heard by the **Senate Appropriations Committee** and passed by a vote of 17 yeas to 1 nay. **AIF's Vice President of State and Federal Affairs, Brewster Bevis, stood in support of this bill.**

SB 468 would allow high school students the option of taking computer coding courses along with a related industry certification to satisfy the foreign language requirement currently in place. Under this bill high schools will provide students the opportunity to substitute two credits in computer coding and a related industry certification for two credits sequential foreign language courses (i.e. Spanish I and Spanish II; Latin I and Latin II; French I and French II; etc.).

The bill would require each district school board to submit a plan for offering computer coding to the Education Commissioner, Senate President, and Speaker of the House of Representatives by January 1, 2017.

Furthermore, SB 468, would require the Florida College System institutions and state universities to acknowledge computer coding course credits as foreign language credits.

This bill will now head to the Senate floor for consideration.

**AIF supports legislation that will provide Florida's students the opportunity to become proficient in computer coding, which will in turn prepare our states next generation for a technology driven economy.**