

# WEEKLY UPDATE



**From February 12, 2016**

## **AGRICULTURE**

### **SB 1264- Relating to Sales Tax Exemptions for Agricultural Equipment**

On Monday, February 8th, **SB 1264**, relating to Sales Tax Exemptions for Agricultural Equipment by **Senator Wilton Simpson (R-Trilby)** was heard in **Senate Finance and Tax Committee** and passed by a vote of 8 yeas to 0 nays. **AIF's Senior Vice President of State and Federal Affairs, Brewster Bevis, stood in support of this bill.**

SB 1264 increases the maximum sales price of farm trailers that are exempt from the sales and use tax from \$20,000 to \$25,000. This bill also expands the sales and use tax exemption for certain farm equipment to include:

- Hog wire and nylon mesh netting used on a farm for protection from predatory or destructive animals.
- Barbed wire fencing, including gates and materials used to construct or repair such fencing, used on a beef or dairy cattle farm.
- Compressed or liquefied oxygen used in aquaculture production

The next committee stop for SB 1264 will be in the **Senate Appropriations Committee.**

**AIF supports the removal of sales tax on the purchase and repair of agricultural processing and packaging machinery, as well as the expansion of sales tax exemptions on items used in the production of agricultural products including fence materials, trailers and other items integral to the farm operation.**

## **ECONOMIC DEVELOPMENT**

### **SB 1646- Relating to Economic Development**

On Thursday, February 11th, **SB 1646**, relating to Economic Development, by **Senator Jack Latvala (R-Clearwater)** was heard before the **Senate Appropriations Subcommittee on Transportation, Tourism, and Economic Development** and passed unanimously by a vote of 8 yeas to 0 nays. **AIF's Senior Vice President of State and Federal Affairs, Brewster Bevis, stood in support of this bill.**

SB 1646 is a broad based economic development package for the state of Florida. This bill aims to provide incentives to many industries including but not limited to extending the Qualified Defense and Space Contractors Tax Refund program to 2018; requiring companies who provide health benefits to include information on the jobs created and retained in their incentive reports; renames the Quick Action Closing Fund as the "Florida Enterprise Fund" and makes the following changes: requires the project to create at least 10 jobs, requires local financial support of at least 20 percent, and prohibits payment before performance conditions are met.

To view a complete **list of what SB 1646 encompasses click here.**

The next committee hearing for SB 1646 will be in the **Senate Appropriations Committee.**

**AIF supports legislation that will bolster Florida's business community throughout the state and help our state become the premiere location to move and grow your business.**

## ENERGY

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

On Monday, February 8th, **SB 1272**, relating to Florida Renewable Energy Production Credit, by **Senator Dorothy Hukill (R-Port Orange)** was heard before the **Senate Finance and Tax Committee** and passed unanimously with 8 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 Appropriations 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.**

### **HB 285 & SB 90- Relating to Natural Gas Rebate Program**

On Tuesday, February 9th, **HB 285**, relating to Natural Gas Rebate Program, by **Rep. Lake Ray (R-Jacksonville)** passed unanimously through the **House Agriculture & Natural Resources Appropriations Subcommittee** by a vote of 13 yeas to 0 nays. **AIF's Senior Vice President of State and Federal Affairs, Brewster Bevis, stood in support of this bill.**

On Thursday, February 11th, **SB 90**, relating to the Natural Gas Rebate Program, by **Senator Wilton Simpson (R-Trilby)** was read a third time on the floor of the Senate and unanimously passed by a vote of 39 yeas to 0 nays. **AIF's Senior Vice President of State and Federal Affairs, Brewster Bevis, stood in support of this bill.**

In 2013, the Legislature created the Natural Gas Fuel Fleet Vehicle Rebate Program (program) 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.

HB 285 would allow DACS to use any unencumbered funds remaining after June 30th of each fiscal year to award additional rebates for those that have NOT received a rebate under the program.

SB 90 allows DACS to use any unencumbered funds to award additional rebates to governmental applicants which will be awarded on a first-come, first-served basis.

The difference between these two companion bills is that the House version only allows for unencumbered funds to be used for those that have NOT received a rebate under the program, while the Senate version allows for any governmental applicant to receive unencumbered funds whether they have already received a rebate or not.

HB 285 will now go to the **House Regulatory Affairs Committee.**

SB 90 will now go to the House floor 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

### **HB 7087 & SB 1686-Relating to Telehealth**

On Monday, February 8th, **HB 7087**, relating to Telehealth, by **House Select Committee on Affordable Healthcare Access** and **Rep. Chris Sprowls (R-Clearwater)** was heard by the **House Health Care Appropriations Subcommittee** and passed by a vote of 9 yeas and 0 nays. **AIF's General Counsel, Tammy Perdue, stood in support of this bill.**

HB 7087 would authorize Florida licensed health care providers to use telehealth to deliver services within their scopes of practice. It would also allow out-of-state providers to deliver services through telehealth to Florida patients if they register with the Department of Health (DOH) or the applicable board, meet specific eligibility requirements, and pay an established

fee. The out of state telehealth provider would be prohibited from opening an office in Florida and from providing in-person health care services to patients located in the state.

Additionally, a telehealth provider would be required to conduct an in-person physical exam prior to providing services through telehealth, unless the provider is capable of conducting a patient evaluation in a manner consistent with the applicable standard of care sufficient to diagnose and treat the patient when using telehealth.

HB 7087 was previously filed as SCAHA1 which was heard and passed by the House Select Committee on Affordable Healthcare Access. This bill has been referred to two committees now that it has been filed as HB 7087.

The next and final committee stop for HB 7087 will be in the **House Health & Human Services Committee**.

On Thursday, February 11th, **SB 1686**, relating to Telehealth, sponsored by **Senator Aaron Bean (R-Jacksonville)** was heard today by **Senate Appropriations Subcommittee on Health and Human Services** and unanimously passed with 8 yeas and 0 nays. **AIF stood in support of this bill.**

SB 1686 creates a Telehealth Task Force within the Agency for Health Care Administration (AHCA), authorizes healthcare practitioners in Florida to provide telehealth services, and defines telehealth. The task force is chaired by the Secretary of the AHCA or his or her designee, the State Surgeon General and 17 other members, including other health care practitioners, providers, telehealth services providers and sellers, and facilities.

The bill requires the task force to compile data and submit a report by June 30, 2017, to the Governor, the President of the Senate, and the Speaker of the House of Representatives that analyzes:

- Frequency and extent of the use of telehealth nationally and in this state;
- Costs and cost savings associated with using telehealth;
- Types of telehealth services available;
- Extent of available health insurance coverage available for telehealth services; and
- Barriers to implementing the use of, using, or accessing telehealth services.

The bill requires the task force to hold its first meeting by September 1, 2016, and to meet as frequently as necessary to complete its work.

SB 1686 will now go to its last committee stop in the **Senate Appropriations Committee**.

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

#### **HB 221-Relating to Health Insurance Coverage for Emergency Services**

On Tuesday, February 9th, **HB 221**, relating to Health Insurance Coverage for Emergency Services, by **Rep. Carlos Trujillo (R-Doral)** was heard before the **House Appropriations Committee** and unanimously passed by a vote of 25 yeas to 0 nays. **AIF's General Counsel, Tammy Perdue, stood in support of this bill.**

HB 221 is aimed at helping patients avoid unexpected charges from a procedure received at a hospital. A strike all was adopted which made several clarifying changes. The bill would prohibit balance billing in PPOs under two scenarios. The first scenario explains that a patient cannot be balance billed in an emergency situation when the patient had no ability to choose a participating provider. The second scenario would be when an inpatient scheduled procedure at an approved in network hospital that patient cannot be balance billed.

Another provision in the bill would require hospitals to publish information on their websites regarding the plans with which the hospital contracts; and providers of hospital-based services with which the hospital has contracted. The hospital would also have to provide the providers' contact information.

HB 221 will now go to the **House Health & Human Services Committee**.

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

## IT GOVERNANCE

### **HB 1033 & SB 7050-Relating to Information Technology Security**

On Wednesday, February 8th, **HB 1033**, relating to Information Technology Security, by **Rep. Frank Artiles (R-Miami)** was heard before the **House Government Operations Appropriations Subcommittee** and passed unanimously by a vote of 9 yeas and 0 nays. **AIF stood in support of this bill.**

HB 1033 will put into place procedures to, hopefully, prevent/aide state agencies in the event of a cyber-attack. The bill requires the Agency for State Technology (AST) to establish standards and processes consistent with best practices for both information technology (IT) security and cybersecurity. It also requires AST to develop and publish guidelines and processes for an IT security framework to be used by state agencies. In part, the guidelines and processes must address completing risk assessments administered by a third party, establishing a computer security incident response team (team), and establishing an IT incident reporting process.

The bill requires the information security manager of each state agency to establish a team to respond to a suspected computer security incident. It also requires each state agency head to conduct a risk assessment administered by a third party by July 31, 2017; conduct IT security and cybersecurity training for new employees; ensure that certain personnel understand their roles and responsibilities; develop notification procedures for reporting IT security incidents and breaches; and improve organizational response activities.

The bill will require the Technology Advisory Council within AST to have at least one member who is a cybersecurity expert.

The bill sponsor spoke on a recent cyber-attack in South Carolina in which thousands of resident's social security numbers have been hacked. The goal of this bill is to prevent a threat such as that in the state of Florida.

The next committee stop for HB 1033 will be in the **House State Affairs Committee.**

On Thursday, February 11th, **SB 7050**, the Senate companion to HB 1033, relating to Information Technology Security, by the **Senate Governmental Oversight and Accountability Committee** was heard before the **Senate Appropriations Subcommittee on General Government** and passed by a vote of 5 yeas to 0 nays. **AIF stood in support of this bill.**

This bill aims to revise the membership of the Technology Advisory Council to include a cybersecurity expert; requires the council, in coordination with the Florida Center for Cybersecurity, to identify and recommend STEM training opportunities; provides for the establishment of computer security incident response teams within state agencies and revises entities to adopt a unified state plan for K-20 STEM education to include the Technology Advisory Council.

While the House companion, **HB 1033**, is a bit broader, the key to this bill is the statewide requirement for security assessments by a third party and related activities under the responsibility of the AST. As the use of technology continues to grow we see the value in preventative cyber-security measures for the state of Florida.

SB 7050 will now go to the **Senate Appropriations Committee.**

**AIF supports legislation that will bring our states cyber security measures up to date to protect Floridians and Florida's businesses from potential cyber-attacks.**

### **SB 1430-Relating to State Technology**

On Tuesday, February 9th, **SB 1430**, relating to State Technology, by **Senator Jeff Brandes (R-St. Petersburg)** was heard by the **Senate Governmental Oversight and Accountability Committee** and passed by a vote of 4 yeas to 0 nays. **AIF stood in support of this bill.**

This bill is IT related and will provide additional authority to the Agency for State Technology (AST). Specifically, a chief data officer within the Agency for State Technology is to be appointed by the executive director. It authorizes the Agency for State Technology to oversee the transition of various licenses and identification cards to an optional digital proof of the licenses and identification cards for a specified fee and requires the Department of Highway Safety and Motor Vehicles, in coordination with the Agency for State Technology, to develop a system for issuing an optional digital proof of driver license for a specified fee. It also provides additional authority to the AST to establish a governance structure for the management of state data to promote openness and interoperability.

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

**AIF supports legislative changes that will designate systems and processes to be implemented and operated at an enterprise (statewide or agency grouping) level and provide operational authority and funding to the AST.**

## LEGAL & JUDICIAL

### **HB 761 & SB 912-Relating to Fraudulent Activities Associated with Payment Systems**

On Tuesday, February 9th, **HB 761**, relating to Fraudulent Activities Associated with Payment Systems, by **Rep. Dana Young (R-Tampa)** was heard before the **House Appropriations Committee** and unanimously passed with 25 yeas and 0 nays. **AIF's General Counsel, Tammy Perdue, stood in support of this bill.**

On Thursday, February 11th, **SB 912**, relating to Fraudulent Activities Associated with Payment Systems, by **Senator Anitere Flores (R-Miami)** was heard before the **Senate Appropriations Subcommittee on General Government** and 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.**

HB 761 and SB 912 address "skimming" at gas stations, specifically at gas pumps themselves, which has become a significant issue in the state of Florida. "Skimmers" are typically found on the gas pumps themselves, disguised as the usual everyday credit card reader. Unbeknownst to the customer, their credit card information is stolen.

During recent investigations, the Department of Agriculture and Consumer Services (DACS) has found that skimmed payment information is being used as part of elaborate fraud schemes to purchase hundreds of gallons of gas that is pumped into unapproved, hidden gas tanks in vans, SUVs, and trucks. Such gas is then usually resold by the criminals to independent truck drivers at a fraction of its usual cost.

To establish greater protection for consumer payment information and enhance penalties for crimes involved in the fraud schemes, the bill:

- Requires owners and operators of retail fuel pumps in this state to install a security measure that hinders or prohibits the unauthorized opening of the panel on the fuel pump which leads to the scanning device used for customer payment.
- Increases the penalty for the offense of unlawfully conveying and fraudulently obtaining fuel from an unranked third degree felony to a second degree felony ranked as a Level 5 offense on the Offense Severity Ranking Chart (OSRC).
- Reduces the number of counterfeit credit cards or related specified documents required to constitute second degree felony trafficking from 10 to 5 and ranks this felony as a Level 5 offense on the OSRC.
- Creates a second degree felony ranked as a Level 5 offense on the OSRC for the offense of possessing five or more counterfeit credit cards or related specified documents.

HB 761 will now go to the **House Judiciary Committee** for its final committee hearing.

SB 912 will now go to its last committee stop in the **Senate Fiscal Policy Committee.**

**AIF supports this legislation due to it cracking down on theft from Florida retailers while also protecting Florida's consumers.**

### **SB 196- Relating to Public Records/State –Funded Infrastructure Bank**

On Thursday, February 11th, **SB 196**, relating to Public Records/State-funded Infrastructure Bank, by **Senator Travis Hutson (R-Palm Coast)** was read for a third time on the Senate floor and passed by a vote of 31 yeas to 7 nays.

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.

SB 196 will now go to the House floor for consideration.

**AIF supports protecting the financial information of private companies.**

## PROPERTY RIGHTS

### HB 461 & SB 416- Relating to Location of Utilities

On Tuesday, February 9th, **HB 461**, relating to Location of Utilities, by **Rep. Clay Ingram (R-Pensacola)** was heard in the **House Appropriations Committee** and passed with 19 yeas and 1 nay. **AIF's General Counsel, Tammy Perdue, stood in support of this bill.**

On Thursday, February 11th, **SB 416**, relating to the Location of Utilities, by **Senator Anitere Flores (R-Miami)** was read for a third time on the Senate floor and passed by a vote of 34 yeas to 4 nays.

HB 461 and SB 416 will address who is the responsible party for the cost of relocating utility facilities in a public easement. Easements dedicated to the public for utilities are typically located along existing road or highway rights-of-way and are available for use by a variety of utility providers. The bill flips the responsibility to bear relocation costs from the utility owner to the state or local government requiring the facilities to be relocated. The owner of a utility that requires relocation will be liable for relocation costs only if their lines and facilities are across, on or "within" the right-of-way, rather than "along" any right-of-way.

HB 461 and SB 416 will now head to the House floor for consideration.

**AIF supports protecting the private property rights of Florida businesses.**

## TAXATION

### SB 802- Relating to Use Tax for Asphalt

On Monday, February 8th, **SB 802**, relating to Use Tax for Asphalt, sponsored by **Senator Lizbeth Benacquisto (R-Fort Myers)** was heard by the **Senate Finance and Tax Committee** and passed with 8 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 Appropriations Committee.**

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

## WORKFORCE

### HB 887- Relating to Computer Coding Instruction

On Tuesday, February 9th, **HB 887**, relating to Computer Coding Instruction sponsored by **Rep. Janet Adkins (R-Fernandina Beach)** was heard before the **House Education Appropriations Subcommittee** and unanimously passed with 11 yeas and 0 nays.

HB 887 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, HB 887, would require the Florida College System institutions and state universities to acknowledge computer coding course credits as foreign language credits.

HB 887 will now go to its last committee of reference, the **House Education Committee.**

**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.**