

SB 230 by **Dean (CO-INTRODUCERS) Gaetz**; (Similar to H 0081) Public Utilities

CS/SB 258 by **BI, Brandes**; (Similar to CS/H 0165) Property and Casualty Insurance

770740 A S L RCS AGG, Simpson btw L.199 - 200: 03/04 02:13 PM

CS/SB 396 by **GO, Detert (CO-INTRODUCERS) Gaetz**; (Similar to H 0821) Florida Historic Capitol

SB 7022 by **GO (CO-INTRODUCERS) Galvano, Hukill**; Individuals With Disabilities

634262 A S RCS AGG, Hays btw L.250 - 251: 03/04 02:13 PM

SB 7024 by **GO**; (Similar to H 0913) State Board of Administration

The Florida Senate
COMMITTEE MEETING EXPANDED AGENDA
APPROPRIATIONS SUBCOMMITTEE ON GENERAL
GOVERNMENT
Senator Hays, Chair
Senator Braynon, Vice Chair

MEETING DATE: Wednesday, March 4, 2015
TIME: 10:00 a.m.—12:00 noon
PLACE: *Toni Jennings Committee Room*, 110 Senate Office Building

MEMBERS: Senator Hays, Chair; Senator Braynon, Vice Chair; Senators Altman, Dean, Lee, Margolis, and Simpson

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
1	SB 230 Dean (Similar H 81)	Public Utilities; Requiring that any proposed change in a public utility's billing cycle be approved by the Florida Public Service Commission by a specified period before the effective date of the change; requiring the commission to consider the public impact of a proposed change; prohibiting the extension of a billing cycle by more than a specified period; prohibiting a public utility from charging a consumer or user a higher rate in certain circumstances; providing an exception, etc. CU 02/17/2015 Favorable AGG 03/04/2015 Favorable FP	Favorable Yeas 7 Nays 0
2	CS/SB 258 Banking and Insurance / Brandes (Similar CS/H 165, Compare CS/H 273, H 1053, CS/CS/S 202, S 1250)	Property and Casualty Insurance; Increasing the length of time during which an insurer is not required to adhere to certain models found by the Commission on Hurricane Loss Projection Methodology to be accurate or reliable in determining probable maximum loss levels with respect to certain rate filings; revising provisions for the making and use of rates for motor vehicle insurance; increasing the amount of prior notice required with respect to the nonrenewal, cancellation, or termination of certain insurance policies, etc. BI 02/17/2015 Fav/CS AGG 03/04/2015 Fav/CS AP	Fav/CS Yeas 7 Nays 0
3	CS/SB 396 Governmental Oversight and Accountability / Detert (Similar H 821)	Florida Historic Capitol; Removing references to the Legislative Research Center and Museum at the Historic Capitol; creating the Florida Historic Capitol Museum Council; providing for the appointment and qualifications of council members; renaming the position of Capitol Curator as the Florida Historic Capitol Museum Director; revising the composition of the board of directors governing the Florida Historic Capitol Museum's direct-support organization, etc. GO 02/17/2015 Fav/CS AGG 03/04/2015 Favorable AP	Favorable Yeas 7 Nays 0

COMMITTEE MEETING EXPANDED AGENDA

Appropriations Subcommittee on General Government
Wednesday, March 4, 2015, 10:00 a.m.—12:00 noon

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
4	SB 7022 Governmental Oversight and Accountability	Individuals With Disabilities; Revising definitions and defining the term "individual who has a disability"; revising the state's equal employment opportunity policy to include individuals who have a disability; requiring each executive agency to annually report to the Department of Management Services regarding the agency's progress in increasing employment among certain underrepresented groups; requiring the department to develop and implement certain programs geared toward individuals who have a disability, etc. AGG 03/04/2015 Fav/CS FP	Fav/CS Yeas 6 Nays 0
5	SB 7024 Governmental Oversight and Accountability (Similar H 913)	State Board of Administration; Repealing provisions relating to restrictions on investments in institutions doing business in or with Northern Ireland; establishing conditions for the transfer of any residual balance in the Fund B Surplus Funds Trust Fund upon self-liquidation; requiring that additional income received after distribution of the residual balance be deposited in the Local Government Surplus Funds Trust Fund, etc. AGG 03/04/2015 Favorable AP	Favorable Yeas 6 Nays 0
6	Presentation on Florida's Springs Department of Environmental Protection Department of Agriculture and Consumer Services		Presented
Other Related Meeting Documents			

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Appropriations Subcommittee on General Government

BILL: SB 230

INTRODUCER: Senators Dean and Gaetz

SUBJECT: Public Utilities

DATE: March 3, 2015

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Wiehle</u>	<u>Caldwell</u>	<u>CU</u>	Favorable
2.	<u>Betta</u>	<u>DeLoach</u>	<u>AGG</u>	Recommend: Favorable
3.	_____	_____	<u>FP</u>	_____

I. Summary:

SB 230 prohibits a public utility from charging a higher rate based on an increase in energy usage when that increased usage is attributable solely to an extension in the billing cycle. It also prohibits a public utility from making any change in a billing cycle without obtaining approval from the Florida Public Service Commission (PSC) at least one month before the effective date of the change. In reviewing a proposed billing cycle change, the PSC must consider the impact on the public. It cannot approve more than a seven-day extension of a billing cycle.

These provisions do not apply to a change in a billing cycle necessitated by a state of emergency declared by the Governor.

The bill has no fiscal impact.

The bill will be effective July 1, 2015.

II. Present Situation:

Section 366.05, F.S, provides the powers of the Florida Public Service Commission including the power to prescribe fair and reasonable rates and charges.

Public utilities¹ are allowed to use tiered billing, in which a higher rate is charged for higher levels of use, as a way to encourage conservation. They also are allowed to vary their billing period from the standard month-long period. Recently, a utility adjusted its billing period for one billing cycle “as part of an ongoing process started in May 2013 to streamline the company’s

¹ The term “public utility,” is defined to mean every person or legal entity supplying electricity to or for the public within this state, expressly excluding both a rural electric cooperative and a municipality or any agency thereof. Section 366.02(1), F.S.

routes for meter-reading throughout central and northern Florida.”² The extended billing period meant that some customers’ total usage for the extended billing period increased such that a tiered rate was applicable, even though their average daily use did not increase during that period. After many complaints, the utility agreed to refund all increased charges.³

III. Effect of Proposed Changes:

The bill amends s. 366.05, F.S., relating to the powers of the PSC. It prohibits a public utility from charging a higher rate based on an increase in energy usage when that increased usage is attributable solely to an extension in the billing cycle. It also prohibits a public utility from making any change in a billing cycle without obtaining approval from the PSC at least one month before the effective date of the change. In reviewing a proposed billing cycle change, the PSC must consider the impact on the public. It cannot approve more than a seven-day extension of a billing cycle.

The provisions related to the change in a billing cycle do not apply when necessitated by a state of emergency declared by the Governor.

The bill takes effect July 1, 2015.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Under SB 230, public utilities’ ratepayers will be protected against imposition of higher, tiered rates in situations where total usage over the extended billing cycle was high

² Jim Turner, *Duke Energy called to explain billing change*, Tallahassee Democrat, August 25, 2014, <http://www.tallahassee.com/story/news/politics/2014/08/25/duke-energy-called-explain-billing-change/14594563/>

³ Ivan Penn, *Duke Energy refunds \$1.7 million to customers because of meter issue*, Tampa Bay Times, September 10, 2014, <http://www.tampabay.com/news/business/energy/duke-energy-refunds-17-million-to-customers-because-of-meter-issue/2197029>.

enough for imposition of the tiered rate, but the average daily usage during that period did not increase. A public utility may find it more difficult to change a billing cycle and may incur costs by being required to file a request for approval each time with the commission. Such costs would be passed on to its ratepayers.

C. Government Sector Impact:

The PSC has indicated the bill does not have a fiscal impact and any additional workload can be absorbed with existing staff.

VI. Technical Deficiencies:

None.

VII. Related Issues:

The bill states: “These provisions do not apply to a change in a billing cycle necessitated by a state of emergency declared by the Governor.” The effect of this exclusion is unclear. One possibility is that it may simply exempt a change in billing cycle resulting from a declared state of emergency from the requirement of obtaining approval at least one month before the effective date of the change. Alternatively, it may fully exempt from the prohibition any application of tiered rates resulting from a declared emergency, even if the increased usage is due solely to the extended billing period. Additionally, the specific language of the exemption may preempt the PSC review under its current, general authority over rates and billing.

VIII. Statutes Affected:

This bill substantially amends section 366.05 of the Florida Statutes.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

By Senator Dean

5-00159B-15

2015230__

1 A bill to be entitled
2 An act relating to public utilities; amending s.
3 366.05, F.S.; requiring that any proposed change in a
4 public utility's billing cycle be approved by the
5 Florida Public Service Commission by a specified
6 period before the effective date of the change;
7 requiring the commission to consider the public impact
8 of a proposed change; prohibiting the extension of a
9 billing cycle by more than a specified period;
10 prohibiting a public utility from charging a consumer
11 or user a higher rate in certain circumstances;
12 providing an exception; providing an effective date.
13
14 Be It Enacted by the Legislature of the State of Florida:
15
16 Section 1. Subsection (12) is added to section 366.05,
17 Florida Statutes, to read:
18 366.05 Powers.—
19 (12) A proposed change in a public utility's billing cycle
20 must be approved by the commission at least 1 month before the
21 effective date of the change. In reviewing a proposal, the
22 commission shall consider the public impact of the proposed
23 change. The commission may not approve more than a 7-day
24 extension of a billing cycle. An increase in energy usage
25 attributable solely to an extension may not result in the
26 charging of a higher rate to a consumer or user. This subsection
27 does not apply to a change in a billing cycle which is
28 necessitated by a state of emergency declared by the Governor.
29 Section 2. This act shall take effect July 1, 2015.

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/4/15

Meeting Date

SB 230

Bill Number (if applicable)

Topic Public Utilities

Amendment Barcode (if applicable)

Name Laura Cantwell

Job Title Associate State Director Advocacy

Address 200 W College Av.

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Street

Tallahassee

FL

32301

Email lcantwell@aarpa.org

City

State

Zip

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing AARP

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/4/15
Meeting Date

230
Bill Number (if applicable)

Topic Public Utilities

Amendment Barcode (if applicable)

Name DAVID COLLIER

Job Title _____

Address 1674 UNIVERSITY PARK #296
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City State Zip

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Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing SIERRA CLUB FL

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:
Environmental Preservation and Conservation, *Chair*
Agriculture, *Vice Chair*
Appropriations Subcommittee on General Government
Children, Families, and Elder Affairs
Community Affairs
Ethics and Elections

SENATOR CHARLES S. DEAN, SR.
5th District

February 18, 2015

The Honorable Alan Hays
320 Senate Office Building
404 South Monroe Street
Tallahassee, FL 32399-1100

Dear Chairman Hays,

I respectfully request you place Senate Bill 230, relating to Public Utilities, on your Appropriations Subcommittee on General Government agenda at your earliest convenience.

If you have any concerns, please do not hesitate to contact me personally.

Sincerely,

Charles S. Dean
State Senator District 5

cc: Jamie DeLoach, Staff Director

SENATE APPROPRIATIONS
RECEIVED
15 FEB 18 PM 12: 22
SENT TO: CHAIRMAN
STAFF DIR. _____ STAFF _____

REPLY TO:

- 405 Tompkins Street, Inverness, Florida 34450 (352) 860-5175
- 311 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5005
- 315 SE 25th Avenue, Ocala, Florida 34471-2689 (352) 873-6513

Senate's Website: www.flsenate.gov

ANDY GARDINER
President of the Senate

GARRETT RICHTER
President Pro Tempore

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Appropriations Subcommittee on General Government

BILL: PCS/CS/SB 258 (610218)

INTRODUCER: Appropriations Subcommittee on General Government; Banking and Insurance Committee; and Senator Brandes

SUBJECT: Property and Casualty Insurance

DATE: March 4, 2015

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Billmeier</u>	<u>Knudson</u>	<u>BI</u>	<u>Fav/CS</u>
2.	<u>Betta</u>	<u>DeLoach</u>	<u>AGG</u>	<u>Recommend: Fav/CS</u>
3.	_____	_____	<u>AP</u>	_____

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

PCS/CS/SB 258 makes various changes to statutes relating to property and casualty insurance. Current law provides that the use of a single United States Postal Service zip code as a rating territory for auto insurance is unfairly discriminatory. This bill allows the use of a single zip code as a rating territory if the territory incorporates sufficient actual or expected loss and loss adjustment expenses experience so as to be actuarially measurable and credible.

Current law requires the Office of Insurance Regulation to consider projected hurricane losses using a model or method found reliable by the Florida Commission on Hurricane Loss Methodology when reviewing a rate filing. This bill increases from 60 days to 180 days the time an insurer is not required to use the newest version of an approved hurricane model.

In addition, this bill:

- Establishes a uniform 120 day advance written notice of nonrenewal, cancellation, or termination for personal and commercial lines residential property insurance policies;
- Authorizes the licensed company adjuster of an insurer that provides liability insurance coverage to provide the sworn statement required by s. 627.4137, F.S.;
- Allows a personal lines policyholder to elect electronic delivery of documents;
- Provides that an insurer has to notify a policyholder of the availability of neutral evaluation of a sinkhole claim when there is coverage available under the policy and the claim was submitted within the statutory timeframe;

- Amends a provision in the personal injury protection statute to resolve an ambiguity relating to the applicability of medical fee schedules;
- Creates exemptions to preinsurance inspection requirements for private passenger automobiles; and
- Repeals a prohibition against using the existence of the Florida Insurance Guaranty Association for the purpose of sales, solicitation, or inducement to purchase insurance.

This bill takes effect July 1, 2015.

The bill has no fiscal impact.

II. Present Situation:

Insurance Rate Standards

Insurance rates for property and casualty insurance may not be excessive, inadequate, or unfairly discriminatory.¹ Proposed rates must be filed with the Office of Insurance Regulation (OIR) and the OIR must determine whether the rates comply with the law.² When reviewing the rate filing, the OIR must consider loss experience, expenses, competition, investment income, the cost of reinsurance, and other factors.³

Hurricane Loss Projection Models

Section 627.062(2)(b)11, F.S., requires the OIR to consider projected hurricane losses. The losses must be estimated using a model or models found to be acceptable or reliable by the Florida Commission on Hurricane Loss Projection Methodology (Commission).⁴ The Commission was established by the Legislature to serve as an independent body to provide expert evaluation of computer models that project hurricane losses.⁵ The Commission is assigned to the State Board of Administration.⁶ The Commission adopts findings on the accuracy or reliability of the methods, standards, principles, models and other means used to project hurricane losses.⁷ Members of the Commission include:

- The Insurance Consumer Advocate;
- The person responsible for Florida Hurricane Catastrophe Fund operations;
- The Executive Director of Citizens Property Insurance Corporation (Citizens);
- The Director of the Division of Emergency Management;
- An actuary member from the Florida Hurricane Catastrophe Fund Advisory Council;
- An actuary employed by the OIR;
- An appointment by the state Chief Financial Officer who is an actuary employed with a property and casualty insurer;

¹ s. 627.062(1), F.S.

² s. 627.062(2)(b), F.S.

³ s. 627.062(2)(b)

⁴ s. 627.062(2)(b)11., F.S.

⁵ s. 627.0628, F.S.

⁶ s. 627.0628(2)(a), F.S.

⁷ s. 627.0628(3)(a), F.S.

- An appointment by the state Chief Financial Officer who is an insurance finance expert and who is a full-time faculty member in the State University System;
- An appointment by the state Chief Financial Officer who is a statistics expert and who is a full-time faculty member in the State University System;
- An appointment by the state Chief Financial Officer who is a meteorology expert and who is a full-time faculty member in the State University System;
- An appointment by the state Chief Financial Officer who is an expert in computer system design and who is a full-time faculty member in the State University System and
- An appointment by the Governor who is a licensed professional structural engineer and who is a full-time faculty member in the State University System.

The Commission sets standards for loss projection methodology and examines the methods employed in hurricane loss models used by private insurers in setting rates to determine whether they meet the Commission's standards. Only hurricane loss models or methods that the Commission has found to be accurate can be used by insurers to estimate the hurricane losses that are used to set property insurance rates.⁸ After the Commission finds a model to be accurate, an insurer has 60 days to use the model to predict the insurer's probable maximum loss "with respect to a rate filing."⁹

Zip Codes and Rating Territories for Motor Vehicle Insurance

Section 627.0651, F.S., provides that the use of a single zip code as a rating territory for motor vehicle insurance rates is deemed unfairly discriminatory and is thus prohibited.

Notice of Cancellation or Nonrenewal

The requirements for an insurer to give notice of cancelling or nonrenewing a residential property insurance policy are contained in s. 627.4133(2), F.S. The specific notice depends on the particular circumstances of the policy being nonrenewed, as follows:

- Generally, an insurer must give the insured 100 days' written notice of nonrenewal or cancellation;¹⁰
- For any nonrenewal or cancellation effective between June 1 and November 30 (hurricane season), an insurer must give notice by June 1, or 100 days' notice, whichever is earlier;¹¹
- If the nonrenewal or cancellation would be effective between June 1 and November 30 but the reason is a revision in sinkhole coverage, the insurer must give the insured 100 days written notice of nonrenewal;¹²
- If the nonrenewal or cancellation would be effective between June 1 and November 30, but the policy is to be nonrenewed by Citizens pursuant to an approved assumption plan by an authorized insurer, Citizens must give the insured 45 days written notice of nonrenewal;¹³

⁸ s. 627.0628(3)(d), F.S.

⁹ s. 627.062(3)(d), F.S.

¹⁰ s. 627.4133(2)(b), F.S.

¹¹ s. 627.4133(2)(b), F.S.

¹² s. 627.4133(2)(b)5.a., F.S.

¹³ s. 627.4133(2)(b)5.b., F.S.

- If the insured structure has been insured by the insurer or an affiliate for at least five years, the insurer must give 120 days' notice of nonrenewal or cancellation;¹⁴
- If the cancellation is for nonpayment of premium, the insurer must give 10 days' notice of cancellation accompanied by the reason for the cancellation;¹⁵
- If the OIR finds that the early cancellation is necessary to protect the best interests of the public or policyholders, the insurer must give the insured 45 days' written notice of cancellation or nonrenewal;¹⁶
- If a policy covers both home and motor vehicle, the insurer must give the insured 90 days' written notice of nonrenewal.¹⁷

Disclosure of Liability Insurance Information

Section 627.4137, F.S., requires a liability insurer to provide to a claimant a statement containing the following information within 30 days of a written request by the claimant:

- The name of the insurer;
- The name of each insured;
- The limits of the liability coverage;
- A statement of any policy or coverage defense which such insurer reasonably believes is available to the such insurer at the time of filing such statement; and
- A copy of the policy.

The required statement must be under oath by a corporate officer or the insurer's claims manager or superintendent.

Electronic Delivery of a Policy

Section 627.421, F.S., requires every insurance policy¹⁸ to be mailed or delivered to the insured within 60 days after the insurance takes effect. Insurance policies are typically only delivered when the policy is issued and are not delivered each time the policy is renewed. The Federal Electronic Signatures in Global and National Commerce Act (E-SIGN) applies to electronic transactions involving interstate commerce.¹⁹ Insurance is specifically included in E-SIGN.²⁰ E-SIGN provides contracts formed using electronic signatures on electronic records will not be denied legal effect only because they are electronic. However, E-SIGN requires consumer disclosure and consent to electronic records in certain instances before electronic records will be given legal effect. Under E-SIGN, if a statute requires information to be provided or made available to a consumer in writing, the use of an electronic record to provide or make the information available to the consumer will satisfy the statute's requirement of writing if the

¹⁴ s. 627.4133(2)(b)1., F.S.

¹⁵ s. 627.4133(2)(b)2., F.S.

¹⁶ s. 627.4133(2)(b)6., F.S.

¹⁷ s. 627.4133(2)(b)7., F.S.

¹⁸ Section 627.402, F.S., defines policy to include endorsements, riders, and clauses. Reinsurance, wet marine and transportation insurance, title insurance, and credit disability insurance policies do not have to be mailed or delivered. *See* s. 627.401, F.S.

¹⁹ Section 101, Electronic Signatures in Global and National Commerce Act, Pub. L. No. 106-229, 114 Stat. 464 (2000). Many of the provisions of E-SIGN took effect October 1, 2000.

²⁰ *Id.*

consumer affirmatively consents to use of an electronic record. The consumer must also be provided with a statement notifying the consumer of the right to have the electronic information made available in a paper format and of the right to withdraw consent to electronic records, among other notifications.

In addition, s. 668.50, F.S., Florida's Uniform Electronic Transaction Act (UETA), is similar to the federal E-SIGN law. The UETA specifically applies to insurance and provides a requirement in statute that information that must be delivered in writing to another person can be satisfied by delivering the information electronically if the parties have agreed to conduct the transaction by electronic means.

Neutral Evaluation

Sections 627.707-627.7074, F.S., create requirements for investigation of sinkhole claims and a neutral evaluation program to help resolve sinkhole claims. Section 627.707, F.S., requires an insurer, upon receipt of a sinkhole claim, to inspect the policyholder's premises to determine if there is structural damage that may be the result of sinkhole activity. If the insurer confirms that structural damage exists but is unable to identify the cause or discovers that such damage is consistent with sinkhole loss, the insurer shall engage a professional engineer or a professional geologist to conduct testing²¹ to determine the cause of the loss if sinkhole loss is covered under the policy.²² If the insurer determines that there is no sinkhole loss, the insurer may deny the claim.²³

Neutral evaluation is available to either party if a sinkhole report has been issued.²⁴ Neutral evaluation must determine causation, all methods of stabilization and repair both above and below ground, and the costs of stabilization and all repairs.²⁵ Following the receipt of the sinkhole report or the denial of a claim for a sinkhole loss, the insurer notifies the policyholder of the right to participate in the neutral evaluation program.²⁶

Neutral evaluation is nonbinding, but mandatory if requested by either the insurer or the insured.²⁷ A request for neutral evaluation is filed with the Department of Financial Services. The request for neutral evaluation must state the reason for the request and must include an explanation of all the issues in dispute at the time of the request.²⁸ The neutral evaluator receives information from the parties and may have access to the structure. The neutral evaluator evaluates the claim and prepares a report describing whether a sinkhole loss occurred and, if necessary, the costs of repairs or stabilization.²⁹ The report is admissible in subsequent court

²¹ s. 627.7072, F.S., contains testing standards in sinkhole claims.

²² s. 627.707(2), F.S.

²³ s. 627.707(4)(a), F.S.

²⁴ s. 627.7073, F.S., requires that a report be issued if testing required under s. 627.707-7074, F.S., is performed.

²⁵ s. 627.7074(2), F.S.

²⁶ s. 627.7074(3), F.S.

²⁷ s. 627.7074(4), F.S.

²⁸ s. 627.7074, F.S. The statute also requires the Department of Financial Services to maintain a list of neutral evaluators and provides for disqualification of neutral evaluators in specified circumstances.

²⁹ ss. 627.7074(5), (12), F.S.

proceedings.³⁰ Section 627.7074(6), F.S., requires the insurer to pay reasonable costs associated with the neutral evaluation.

Personal Injury Protection Insurance

In 2012, the personal injury protection (PIP) reform bill established the date on which Medicare fee schedule changes are effective.³¹ The amended section 627.736(5)(a)2, F.S., provides, in part:

[T]he applicable fee schedule or payment limitation under Medicare is the fee schedule or payment limitation in effect on March 1 of the year in which the services, supplies, or care is rendered...and the applicable fee schedule or payment limitation applies throughout the remainder of that year....

It is uncertain whether the Medicare fee schedule in place on March 1 applied to the end of the calendar year or applied through the end of February of the following year. On November 6, 2012, the OIR issued Informational Memorandum OIR-12-06M stating that the plain language of the section requires the fee schedule in place on March 1, to apply throughout the following 365 days, or until March 1, of the following year.

Preinsurance Inspections

Section 627.744, F.S., requires preinsurance inspections of private passenger motor vehicles, but lists various exemptions, including for new, used motor vehicles “purchased” from a licensed motor vehicle dealer or leasing company when the insurer is provided with the bill of sale, buyer’s order, or copy of the title and certain other documentation. Despite the exemptions, an insurer may require a preinsurance inspection of any motor vehicle as a condition of issuance of physical damage coverage. Applicants for insurance may be required to pay the cost of the preinsurance inspection, not to exceed five dollars.

Prohibition on Certain Advertising

When a property and casualty insurance company becomes insolvent, the Florida Insurance Guaranty Association (FIGA) is required by law to take over the claims of the insurer and pay the claims of the company’s policyholders.³² This ensures policyholders that have paid premiums for insurance are not left without valid claims being paid. FIGA is responsible for claims on residential and commercial property insurance, automobile insurance, and liability insurance, among others. It is a nonprofit corporation.³³

If a property and casualty insurance company has been declared insolvent, covered claims will be paid by FIGA. The maximum amount FIGA will cover is \$300,000 with special limits applying to: (1) damages to structure and contents on homeowners’ claims; and (2) on

³⁰ s. 627.7074(13), F.S.

³¹ Ch. 212-151, L.O.F.

³² s. 631.57, F.S.

³³ s. 631.55, F.S.

condominium and homeowners' association claims.³⁴ For damages to structure and contents on homeowners' claims, the FIGA cap is an additional \$200,000, for a total of \$500,000. For condominium and homeowners' association claims, the cap will be the lesser of policy limits or \$100,000 multiplied by the number of units in the association.³⁵ All claims are subject to a \$100 FIGA deductible in addition to any deductible identified in the insurance policy.

Section 631.65, F.S., prohibits any advertisement for insurance to use the existence of FIGA for the purpose of the sale of insurance. The prohibition was enacted in 1970, and similar prohibitions are contained in s. 631.735, F.S. (relating to the Florida Life and Health Guaranty Association (FLHIGA)), s. 631.827, F.S. (relating to the Florida Health Maintenance Organization Consumer Assistance Plan), and s. 631.919, F.S. (relating to the Florida Workers' Compensation Insurance Guaranty Association). A number of other states have similar prohibitions³⁶ and the prohibition appears in the National Association of Insurance Commissioners (NAIC) Life and Health Insurance Guaranty Model Act,³⁷ but is not found in the NAIC Property and Casualty Insurance Guaranty Association Model Act.³⁸ The proceedings citations for the NAIC Life and Health Insurance Guaranty Model Act indicates that during the original creation of the property and casualty model act in 1970, insurance industry commenters at the time favored the prohibition to prevent agents from indicating to potential customers that the assets of an insurer are unimportant since the assets of other companies in the state would provide protection.³⁹ The prohibition was substantially rewritten in the 1985 NAIC Life and Health Insurance Guaranty Association Model Act, which called for guaranty associations to create a document to deliver to policyholders to explain the availability and limitations of the guaranty fund.⁴⁰ This was done because the breadth of the prohibition had caused confusion to the public regarding the purposes and limitations of the guaranty association.⁴¹ Florida law currently requires FLHIGA to provide documentation regarding the availability of life and health guaranty fund coverage, but does not require FIGA to do so for property and casualty guaranty fund coverage. A document providing such an explanation has been created by FIGA, however, and is available on its Internet page.⁴²

III. Effect of Proposed Changes:

Hurricane Loss Projection Models

Section 1 of this bill amends s. 627.0628, F.S., to increase from 60 days to 180 days the time an insurer may make rate filings with a prior accepted version of a hurricane model.

³⁴ s. 631.57, F.S.

³⁵ s. 631.57, F.S.

³⁶ According to information provided by the American Guaranty Fund Group, 21 other states have similar prohibitions on advertising.

³⁷ National Association of Insurance Commissioners Life and Health Guaranty Association Model Act MDL-520 (2009) at pg. 520-34. <http://www.naic.org/store/free/MDL-520.pdf> (accessed February 18, 2015).

³⁸ NAIC Association of Insurance Commissioners Property and Casualty Guaranty Association Model Act MDL-540 (2009). <http://www.naic.org/store/free/MDL-540.pdf> (accessed February 18, 2015).

³⁹ See fn. 37 at pg. PC-520-53.

⁴⁰ See id.

⁴¹ See fn. 37 at pg. PC-520-24

⁴² See Florida Insurance Guaranty Association: How Florida's Insurance Safety Net Protects Consumers (August 2009). <http://www.figafacts.com/media/files/FIGA%20Brouchure%20for%20Website%20pages.pdf> (accessed February 18, 2015).

Zip Codes and Rating Territories for Motor Vehicle Insurance

Section 2 of this bill amends s. 627.0651, F.S., to provide that the use of a single United States Postal Service zip code as a rating territory is not unfairly discriminatory if the territory incorporates sufficient actual or expected loss and loss adjustment expense experience so as to be actuarially measurable and credible. The OIR would determine if the rates for such territories are excessive, inadequate, or unfairly discriminatory.

Notice of Cancellation and Nonrenewal

Section 4 of this bill amends s. 627.4133(2)(b), F.S., to reduce to 120 days the advance written notice of nonrenewal, cancellation, or termination an insurer must give the first-named insured of a personal lines or commercial residential property insurance policy.

Section 3 of this bill changes a citation to conform to the changes made by section 4 of this bill.

Disclosure of Liability Insurance Information

Section 5 of this bill authorizes the licensed company adjuster of an insurer that provides liability insurance coverage to provide the sworn statement required by s. 627.4137, F.S. Current law allows the sworn statement to be provided by only the insurer's claims manager or superintendent, or a corporate officer of the insurer.

Electronic Delivery of a Policy

Section 6 of this bill amends s. 627.421, F.S., to provide that an insurer may allow a policyholder of personal lines insurance to affirmatively elect delivery of policy documents, including policies, endorsements, documents or notices by electronic means.

Notice to Policyholder of Availability of Sinkhole Neutral Evaluations

Section 7 of this bill amends s. 627.7074(3), F.S., to limit the circumstances when an insurer must notify a policyholder of the right to participate in neutral evaluation of a sinkhole claim. The insurer must provide the notice only if there is sinkhole coverage on the damaged property and if the sinkhole claim was submitted within the statute of limitations period which is two years after the policyholder knew or reasonably should have known about the sinkhole loss. There are no parameters under current law about notification of neutral evaluation. Thus, insurers are required under current law to notify a policyholder about neutral evaluation in cases where there is no sinkhole coverage or when the sinkhole claim is untimely filed.

Personal Injury Protection Insurance Medical Fee Schedule

Section 8 of this bill amends s. 627.736(5)(a), F.S., to clarify that the Personal Injury Protection medical fee schedule that is effective on March 1 of each year applies until the last day of the following February.

Preinsurance Motor Vehicle Inspections

Section 9 of this bill amends s. 627.744, F.S., to exempt from preinsurance inspection new, unused motor vehicles that are leased from a licensed motor vehicle dealer or leasing company, if the insurer is provided with a lease agreement that contains a full description of the motor vehicle or a copy of the title or registration and a copy of the window sticker. In addition, this section deletes the preinsurance inspection exemption for new, unused motor vehicles purchased if the following conditions apply:

- If the bill of sale or buyer's order contains a full description of all options and accessories, or
- If the dealer invoice showing the itemized options, equipment, and total retail price is submitted as documentation.

Repeal of Prohibition on Certain Advertising Related to FIGA

Section 10 of this bill repeals the prohibition on advertisements which uses the existence of FIGA for the purpose of sales, solicitation, or inducement to purchase insurance covered by Part II of ch. 631, F.S. Part II applies to all insurance except:

- Life, annuity, health, or disability insurance;
- Mortgage guaranty, financial guaranty, or other forms of insurance offering protection against investment risks;
- Fidelity or surety bonds, or any other bonding obligations;
- Credit insurance, vendors' single interest insurance, or collateral protection insurance or any similar insurance protecting the interests of a creditor arising out of a creditor-debtor transaction;
- Warranty, including motor vehicle service, home warranty, or service warranty;
- Ambulance service, health care service, or preneed funeral merchandise or service;
- Optometric service plan, pharmaceutical service plan, or dental service plan;
- Legal expense;
- Health maintenance, prepaid health clinic, or continuing care;
- Ocean marine or wet marine insurance;
- Self-insurance and any kind of self-insurance fund, liability pool, or risk management fund;
- Title insurance;
- Surplus lines;
- Workers' compensation, including claims under employer liability coverage;
- Any transaction or combination of transactions between a person, including affiliates of such person, and an insurer, including affiliates of such insurer, which involves the transfer of investment or credit risk unaccompanied by the transfer of insurance risk; or
- Any insurance provided by or guaranteed by government.

This bill does not remove the prohibitions contained in contained in s. 631.735, F.S. (relating to the Florida Life and Health Guaranty Association), s. 631.827, F.S. (relating to the Florida Health Maintenance Organization Consumer Assistance Plan), and s. 631.919, F.S. (relating to the Florida Workers' Compensation Insurance Guaranty Association).

Section 10 of this bill provides an effective date of July 1, 2015.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The Department of Financial Services bill analysis, dated January 13, 2015 (on file with the Committee), states that the provision in PCS/SB 258 that insurers are not required to notify insureds about neutral evaluation in situations where sinkhole coverage is not available or where the claim was not timely reported should reduce the cost associated with notification and the costs associated with neutral evaluations in those cases.

C. Government Sector Impact:

Bill analyses from the OIR, the State Board of Administration Hurricane Catastrophe Fund, and the Department of Financial Services indicate no fiscal impact on those agencies.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 627.0628, 627.0651, 627.3518, 627.4133, 627.4137, 627.421, 627.7074, 627.736, and 627.744.

This bill repeals section 631.65 of the Florida Statutes.

IX. Additional Information:

- A. **Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

Recommended CS/CS by Appropriations Subcommittee on General Government on March 4, 2015:

The committee substitute authorizes the licensed company adjuster of an insurer that provides liability insurance coverage to provide the sworn statement required by s. 627.4137, F.S.

CS by Banking and Insurance on February 17, 2015:

The Committee adopted four amendments. The amendments removed a provision allowing for the use of a straight average of hurricane models in rate filings, added a provision repealing s. 631.65, F.S., and made technical changes.

- B. **Amendments:**

None.



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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/04/2015	.	
	.	
	.	
	.	

Appropriations Subcommittee on General Government (Simpson)
recommended the following:

Senate Amendment (with title amendment)

Between lines 199 and 200

insert:

Section 5. Subsection (1) of section 627.4137, Florida
Statutes, is amended to read:

627.4137 Disclosure of certain information required.-

(1) Each insurer that provides ~~which does~~ or may provide
liability insurance coverage to pay all or a portion of a ~~any~~
claim that ~~which~~ might be made shall provide, within 30 days



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11 after ~~of~~ the written request of the claimant, a statement, under
12 oath, of a corporate officer or the insurer's claims manager, ~~or~~
13 superintendent, or licensed company adjuster setting forth the
14 following information with regard to each known policy of
15 insurance, including excess or umbrella insurance:

- 16 (a) The name of the insurer.
- 17 (b) The name of each insured.
- 18 (c) The limits of the liability coverage.
- 19 (d) A statement of any policy or coverage defense that the
20 ~~which such~~ insurer reasonably believes is available to the such
21 insurer at the time of filing such statement.
- 22 (e) A copy of the policy.

23
24 In addition, the insured, or her or his insurance agent, upon
25 written request of the claimant or the claimant's attorney,
26 shall disclose the name and coverage of each known insurer to
27 the claimant and shall forward such request for information as
28 required by this subsection to all affected insurers. The
29 insurer shall then supply the information required in this
30 subsection to the claimant within 30 days after ~~of~~ receipt of
31 such request.

32
33 ===== T I T L E A M E N D M E N T =====

34 And the title is amended as follows:
35 Delete line 21
36 and insert:
37 circumstances; amending s. 627.4137, F.S.; adding
38 licensed company adjusters to the list of persons who
39 may respond to a claimant's written request for



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40 information relating to liability insurance coverage;
41 amending s. 627.421, F.S.; authorizing

By the Committee on Banking and Insurance; and Senator Brandes

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1 A bill to be entitled
 2 An act relating to property and casualty insurance;
 3 amending s. 627.0628, F.S.; increasing the length of
 4 time during which an insurer is not required to adhere
 5 to certain models found by the Commission on Hurricane
 6 Loss Projection Methodology to be accurate or reliable
 7 in determining probable maximum loss levels with
 8 respect to certain rate filings; amending s. 627.0651,
 9 F.S.; revising provisions for the making and use of
 10 rates for motor vehicle insurance; amending s.
 11 627.3518, F.S.; conforming a cross-reference; amending
 12 s. 627.4133, F.S.; increasing the amount of prior
 13 notice required with respect to the nonrenewal,
 14 cancellation, or termination of certain insurance
 15 policies; deleting certain provisions that require
 16 extended periods of prior notice with respect to the
 17 nonrenewal, cancellation, or termination of certain
 18 insurance policies; prohibiting the cancellation of
 19 certain policies that have been in effect for a
 20 specified amount of time except under certain
 21 circumstances; amending s. 627.421, F.S.; authorizing
 22 a policyholder of personal lines insurance to
 23 affirmatively elect delivery of policy documents by
 24 electronic means; amending s. 627.7074, F.S.; revising
 25 notification requirements for participation in the
 26 neutral evaluation program; amending s. 627.736, F.S.;
 27 revising the applicability of certain Medicare fee
 28 schedules or payment limitations; defining the term
 29 "service year"; amending s. 627.744, F.S.; revising

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30 the preinsurance inspection requirements for private
 31 passenger motor vehicles; repealing s. 631.65, F.S.,
 32 relating to prohibited advertisement or solicitation;
 33 providing an effective date.
 34

35 Be It Enacted by the Legislature of the State of Florida:
 36

37 Section 1. Paragraph (d) of subsection (3) of section
 38 627.0628, Florida Statutes, is amended to read:
 39 627.0628 Florida Commission on Hurricane Loss Projection
 40 Methodology; public records exemption; public meetings
 41 exemption.—

42 (3) ADOPTION AND EFFECT OF STANDARDS AND GUIDELINES.—
 43 (d) With respect to a rate filing under s. 627.062, an
 44 insurer shall employ and may not modify or adjust actuarial
 45 methods, principles, standards, models, or output ranges found
 46 by the commission to be accurate or reliable in determining
 47 hurricane loss factors for use in a rate filing under s.
 48 627.062. An insurer shall employ and may not modify or adjust
 49 models found by the commission to be accurate or reliable in
 50 determining probable maximum loss levels pursuant to paragraph
 51 (b) with respect to a rate filing under s. 627.062 made more
 52 than 180 ~~60~~ days after the commission has made such findings.
 53 This paragraph does not prohibit an insurer from using a
 54 straight average of model results or output ranges for the
 55 purposes of a rate filing for personal lines residential flood
 56 insurance coverage under s. 627.062.

57 Section 2. Subsection (8) of section 627.0651, Florida
 58 Statutes, is amended to read:

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59 627.0651 Making and use of rates for motor vehicle
60 insurance.-

61 (8) Rates are not unfairly discriminatory if averaged
62 broadly among members of a group; nor are rates unfairly
63 discriminatory even though they are lower than rates for
64 nonmembers of the group. However, such rates are unfairly
65 discriminatory if they are not actuarially measurable and
66 credible and sufficiently related to actual or expected loss and
67 expense experience of the group so as to ensure ~~assure~~ that
68 nonmembers of the group are not unfairly discriminated against.
69 Use of a single United States Postal Service zip code as a
70 rating territory shall be deemed unfairly discriminatory unless
71 filed pursuant to paragraph (1)(a) and such territory
72 incorporates sufficient actual or expected loss and loss
73 adjustment expense experience so as to be actuarially measurable
74 and credible.

75 Section 3. Subsection (9) of section 627.3518, Florida
76 Statutes, is amended to read:

77 627.3518 Citizens Property Insurance Corporation
78 policyholder eligibility clearinghouse program.-The purpose of
79 this section is to provide a framework for the corporation to
80 implement a clearinghouse program by January 1, 2014.

81 (9) The 45-day notice of nonrenewal requirement set forth
82 in s. 627.4133(2)(b)5. ~~s. 627.4133(2)(b)5.b.~~ applies when a
83 policy is nonrenewed by the corporation because the risk has
84 received an offer of coverage pursuant to this section which
85 renders the risk ineligible for coverage by the corporation.

86 Section 4. Paragraph (b) of subsection (2) of section
87 627.4133, Florida Statutes, is amended to read:

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88 627.4133 Notice of cancellation, nonrenewal, or renewal
89 premium.-

90 (2) With respect to any personal lines or commercial
91 residential property insurance policy, including, but not
92 limited to, any homeowner, mobile home owner, farmowner,
93 condominium association, condominium unit owner, apartment
94 building, or other policy covering a residential structure or
95 its contents:

96 (b) The insurer shall give the first-named insured written
97 notice of nonrenewal, cancellation, or termination at least 120
98 ~~100~~ days before the effective date of the nonrenewal,
99 cancellation, or termination. ~~However, the insurer shall give at~~
100 ~~least 100 days' written notice, or written notice by June 1,~~
101 ~~whichever is earlier, for any nonrenewal, cancellation, or~~
102 ~~termination that would be effective between June 1 and November~~
103 ~~30.~~ The notice must include the reason for the nonrenewal,
104 cancellation, or termination, except that:

105 ~~1. The insurer shall give the first-named insured written~~
106 ~~notice of nonrenewal, cancellation, or termination at least 120~~
107 ~~days before the effective date of the nonrenewal, cancellation,~~
108 ~~or termination for a first-named insured whose residential~~
109 ~~structure has been insured by that insurer or an affiliated~~
110 ~~insurer for at least 5 years before the date of the written~~
111 ~~notice.~~

112 ~~1.2.~~ If cancellation is for nonpayment of premium, at least
113 10 days' written notice of cancellation accompanied by the
114 reason therefor must be given. As used in this subparagraph, the
115 term "nonpayment of premium" means failure of the named insured
116 to discharge when due her or his obligations for paying the

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117 premium on a policy or an installment of such premium, whether
 118 the premium is payable directly to the insurer or its agent or
 119 indirectly under a premium finance plan or extension of credit,
 120 or failure to maintain membership in an organization if such
 121 membership is a condition precedent to insurance coverage. The
 122 term also means the failure of a financial institution to honor
 123 an insurance applicant's check after delivery to a licensed
 124 agent for payment of a premium even if the agent has previously
 125 delivered or transferred the premium to the insurer. If a
 126 dishonored check represents the initial premium payment, the
 127 contract and all contractual obligations are void ab initio
 128 unless the nonpayment is cured within the earlier of 5 days
 129 after actual notice by certified mail is received by the
 130 applicant or 15 days after notice is sent to the applicant by
 131 certified mail or registered mail. If the contract is void, any
 132 premium received by the insurer from a third party must be
 133 refunded to that party in full.

134 ~~2.3-~~ If cancellation or termination occurs during the first
 135 90 days the insurance is in force and the insurance is canceled
 136 or terminated for reasons other than nonpayment of premium, at
 137 least 20 days' written notice of cancellation or termination
 138 accompanied by the reason therefor must be given unless there
 139 has been a material misstatement or misrepresentation or a
 140 failure to comply with the underwriting requirements established
 141 by the insurer.

142 3. After the policy has been in effect for 90 days, the
 143 policy may not be canceled by the insurer unless there has been
 144 a material misstatement, a nonpayment of premium, a failure to
 145 comply, within 90 days after the date of effectuation of

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146 coverage, with the underwriting requirements established by the
 147 insurer before the effectuation of coverage, or a substantial
 148 change in the risk covered by the policy or unless the
 149 cancellation is for all insureds under such policies for a given
 150 class of insureds. This subparagraph does not apply to
 151 individually rated risks that have a policy term of less than 90
 152 days.

153 4. After a policy or contract has been in effect for more
 154 than 90 days, the insurer may not cancel or terminate the policy
 155 or contract based on credit information available in public
 156 records.

157 ~~5. The requirement for providing written notice by June 1~~
 158 ~~of any nonrenewal that would be effective between June 1 and~~
 159 ~~November 30 does not apply to the following situations, but the~~
 160 ~~insurer remains subject to the requirement to provide such~~
 161 ~~notice at least 100 days before the effective date of~~
 162 ~~nonrenewal:~~

163 a. ~~A policy that is nonrenewed due to a revision in the~~
 164 ~~coverage for sinkhole losses and catastrophic ground cover~~
 165 ~~collapse pursuant to s. 627.706.~~

166 ~~5.b-~~ A policy that is nonrenewed by Citizens Property
 167 Insurance Corporation, pursuant to s. 627.351(6), for a policy
 168 that has been assumed by an authorized insurer offering
 169 replacement coverage to the policyholder is exempt from the
 170 notice requirements of paragraph (a) and this paragraph. In such
 171 cases, the corporation must give the named insured written
 172 notice of nonrenewal at least 45 days before the effective date
 173 of the nonrenewal.

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175 ~~After the policy has been in effect for 90 days, the policy may~~
 176 ~~not be canceled by the insurer unless there has been a material~~
 177 ~~misstatement, a nonpayment of premium, a failure to comply with~~
 178 ~~underwriting requirements established by the insurer within 90~~
 179 ~~days after the date of effectuation of coverage, a substantial~~
 180 ~~change in the risk covered by the policy, or the cancellation is~~
 181 ~~for all insureds under such policies for a given class of~~
 182 ~~insureds. This paragraph does not apply to individually rated~~
 183 ~~risks that have a policy term of less than 90 days.~~

184 6. Notwithstanding any other provision of law, an insurer
 185 may cancel or nonrenew a property insurance policy after at
 186 least 45 days' notice if the office finds that the early
 187 cancellation of some or all of the insurer's policies is
 188 necessary to protect the best interests of the public or
 189 policyholders and the office approves the insurer's plan for
 190 early cancellation or nonrenewal of some or all of its policies.
 191 The office may base such finding upon the financial condition of
 192 the insurer, lack of adequate reinsurance coverage for hurricane
 193 risk, or other relevant factors. The office may condition its
 194 finding on the consent of the insurer to be placed under
 195 administrative supervision pursuant to s. 624.81 or to the
 196 appointment of a receiver under chapter 631.

197 7. A policy covering both a home and a motor vehicle may be
 198 nonrenewed for any reason applicable to the property or motor
 199 vehicle insurance after providing 90 days' notice.

200 Section 5. Subsection (1) of section 627.421, Florida
 201 Statutes, is amended to read:

202 627.421 Delivery of policy.—

203 (1) Subject to the insurer's requirement as to payment of

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204 premium, every policy shall be mailed, delivered, or
 205 electronically transmitted to the insured or to the person
 206 entitled thereto not later than 60 days after the effectuation
 207 of coverage. Notwithstanding any other provision of law, an
 208 insurer may allow a policyholder of personal lines insurance to
 209 affirmatively elect delivery of the policy documents, including,
 210 but not limited to, policies, endorsements, notices, or
 211 documents, by electronic means in lieu of delivery by mail.

212 Electronic transmission of a policy for commercial risks,
 213 including, but not limited to, workers' compensation and
 214 employers' liability, commercial automobile liability,
 215 commercial automobile physical damage, commercial lines
 216 residential property, commercial nonresidential property,
 217 farmowners insurance, and the types of commercial lines risks
 218 set forth in s. 627.062(3)(d), constitutes ~~shall constitute~~
 219 delivery to the insured or to the person entitled to delivery,
 220 unless the insured or the person entitled to delivery
 221 communicates to the insurer in writing or electronically that he
 222 or she does not agree to delivery by electronic means.
 223 Electronic transmission shall include a notice to the insured or
 224 to the person entitled to delivery of a policy of his or her
 225 right to receive the policy via United States mail rather than
 226 via electronic transmission. A paper copy of the policy shall be
 227 provided to the insured or to the person entitled to delivery at
 228 his or her request.

229 Section 6. Subsection (3) of section 627.7074, Florida
 230 Statutes, is amended to read:

231 627.7074 Alternative procedure for resolution of disputed
 232 sinkhole insurance claims.—

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233 (3) Following the receipt of the report provided under s.
 234 627.7073 or the denial of a claim for a sinkhole loss, the
 235 insurer shall notify the policyholder of his or her right to
 236 participate in the neutral evaluation program under this section
 237 if there is coverage available under the policy and the claim
 238 was submitted within the timeframe provided in s. 627.706(5).
 239 Neutral evaluation supersedes the alternative dispute resolution
 240 process under s. 627.7015 but does not invalidate the appraisal
 241 clause of the insurance policy. The insurer shall provide to the
 242 policyholder the consumer information pamphlet prepared by the
 243 department pursuant to subsection (1) electronically or by
 244 United States mail.

245 Section 7. Paragraph (a) of subsection (5) of section
 246 627.736, Florida Statutes, is amended to read:

247 627.736 Required personal injury protection benefits;
 248 exclusions; priority; claims.—

249 (5) CHARGES FOR TREATMENT OF INJURED PERSONS.—

250 (a) A physician, hospital, clinic, or other person or
 251 institution lawfully rendering treatment to an injured person
 252 for a bodily injury covered by personal injury protection
 253 insurance may charge the insurer and injured party only a
 254 reasonable amount pursuant to this section for the services and
 255 supplies rendered, and the insurer providing such coverage may
 256 pay for such charges directly to such person or institution
 257 lawfully rendering such treatment if the insured receiving such
 258 treatment or his or her guardian has countersigned the properly
 259 completed invoice, bill, or claim form approved by the office
 260 upon which such charges are to be paid for as having actually
 261 been rendered, to the best knowledge of the insured or his or

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262 her guardian. However, such a charge may not exceed the amount
 263 the person or institution customarily charges for like services
 264 or supplies. In determining whether a charge for a particular
 265 service, treatment, or otherwise is reasonable, consideration
 266 may be given to evidence of usual and customary charges and
 267 payments accepted by the provider involved in the dispute,
 268 reimbursement levels in the community and various federal and
 269 state medical fee schedules applicable to motor vehicle and
 270 other insurance coverages, and other information relevant to the
 271 reasonableness of the reimbursement for the service, treatment,
 272 or supply.

273 1. The insurer may limit reimbursement to 80 percent of the
 274 following schedule of maximum charges:

275 a. For emergency transport and treatment by providers
 276 licensed under chapter 401, 200 percent of Medicare.

277 b. For emergency services and care provided by a hospital
 278 licensed under chapter 395, 75 percent of the hospital's usual
 279 and customary charges.

280 c. For emergency services and care as defined by s. 395.002
 281 provided in a facility licensed under chapter 395 rendered by a
 282 physician or dentist, and related hospital inpatient services
 283 rendered by a physician or dentist, the usual and customary
 284 charges in the community.

285 d. For hospital inpatient services, other than emergency
 286 services and care, 200 percent of the Medicare Part A
 287 prospective payment applicable to the specific hospital
 288 providing the inpatient services.

289 e. For hospital outpatient services, other than emergency
 290 services and care, 200 percent of the Medicare Part A Ambulatory

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291 Payment Classification for the specific hospital providing the
292 outpatient services.

293 f. For all other medical services, supplies, and care, 200
294 percent of the allowable amount under:

295 (I) The participating physicians fee schedule of Medicare
296 Part B, except as provided in sub-sub-subparagraphs (II) and
297 (III).

298 (II) Medicare Part B, in the case of services, supplies,
299 and care provided by ambulatory surgical centers and clinical
300 laboratories.

301 (III) The Durable Medical Equipment Prosthetics/Orthotics
302 and Supplies fee schedule of Medicare Part B, in the case of
303 durable medical equipment.

304

305 However, if such services, supplies, or care is not reimbursable
306 under Medicare Part B, as provided in this sub-subparagraph, the
307 insurer may limit reimbursement to 80 percent of the maximum
308 reimbursable allowance under workers' compensation, as
309 determined under s. 440.13 and rules adopted thereunder which
310 are in effect at the time such services, supplies, or care is
311 provided. Services, supplies, or care that is not reimbursable
312 under Medicare or workers' compensation is not required to be
313 reimbursed by the insurer.

314 2. For purposes of subparagraph 1., the applicable fee
315 schedule or payment limitation under Medicare is the fee
316 schedule or payment limitation in effect on March 1 of the
317 service year in which the services, supplies, or care is
318 rendered and for the area in which such services, supplies, or
319 care is rendered, and the applicable fee schedule or payment

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320 limitation applies to services, supplies, or care rendered
321 ~~during throughout the remainder of that service~~ year,
322 notwithstanding any subsequent change made to the fee schedule
323 or payment limitation, except that it may not be less than the
324 allowable amount under the applicable schedule of Medicare Part
325 B for 2007 for medical services, supplies, and care subject to
326 Medicare Part B. As used in this subparagraph, the term "service
327 year" means the period from March 1 through the last day of
328 February of the following year.

329 3. Subparagraph 1. does not allow the insurer to apply any
330 limitation on the number of treatments or other utilization
331 limits that apply under Medicare or workers' compensation. An
332 insurer that applies the allowable payment limitations of
333 subparagraph 1. must reimburse a provider who lawfully provided
334 care or treatment under the scope of his or her license,
335 regardless of whether such provider is entitled to reimbursement
336 under Medicare due to restrictions or limitations on the types
337 or discipline of health care providers who may be reimbursed for
338 particular procedures or procedure codes. However, subparagraph
339 1. does not prohibit an insurer from using the Medicare coding
340 policies and payment methodologies of the federal Centers for
341 Medicare and Medicaid Services, including applicable modifiers,
342 to determine the appropriate amount of reimbursement for medical
343 services, supplies, or care if the coding policy or payment
344 methodology does not constitute a utilization limit.

345 4. If an insurer limits payment as authorized by
346 subparagraph 1., the person providing such services, supplies,
347 or care may not bill or attempt to collect from the insured any
348 amount in excess of such limits, except for amounts that are not

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349 covered by the insured's personal injury protection coverage due
350 to the coinsurance amount or maximum policy limits.

351 5. ~~Effective July 1, 2012,~~ An insurer may limit payment as
352 authorized by this paragraph only if the insurance policy
353 includes a notice at the time of issuance or renewal that the
354 insurer may limit payment pursuant to the schedule of charges
355 specified in this paragraph. A policy form approved by the
356 office satisfies this requirement. If a provider submits a
357 charge for an amount less than the amount allowed under
358 subparagraph 1., the insurer may pay the amount of the charge
359 submitted.

360 Section 8. Paragraphs (a) and (b) of subsection (2) of
361 section 627.744, Florida Statutes, are amended to read:

362 627.744 Required preinsurance inspection of private
363 passenger motor vehicles.—

364 (2) This section does not apply:

365 (a) To a policy for a policyholder who has been insured for
366 2 years or longer, without interruption, under a private
367 passenger motor vehicle policy that ~~which~~ provides physical
368 damage coverage for any vehicle, if the agent of the insurer
369 verifies the previous coverage.

370 (b) To a new, unused motor vehicle purchased or leased from
371 a licensed motor vehicle dealer or leasing company, ~~if~~ The
372 insurer may require ~~is provided with~~:

373 1. A bill of sale, ~~or~~ buyer's order, or lease agreement
374 that ~~which~~ contains a full description of the motor vehicle,
375 ~~including all options and accessories;~~ or

376 2. A copy of the title or registration that ~~which~~
377 establishes transfer of ownership from the dealer or leasing

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378 company to the customer and a copy of the window sticker ~~or the~~
379 ~~dealer invoice showing the itemized options and equipment and~~
380 ~~the total retail price of the vehicle.~~

381
382 For the purposes of this paragraph, the physical damage coverage
383 on the motor vehicle may not be suspended during the term of the
384 policy due to the applicant's failure to provide or the
385 insurer's option not to require the ~~required~~ documents. However,
386 if the insurer requires a document under this paragraph at the
387 time the policy is issued, payment of a claim may be ~~is~~
388 conditioned upon the receipt by the insurer of the required
389 documents, and no physical damage loss occurring after the
390 effective date of the coverage may be ~~is~~ payable until the
391 documents are provided to the insurer.

392 Section 9. Section 631.65, Florida Statutes, is repealed.

393 Section 10. This act shall take effect July 1, 2015.

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3-4-15

Meeting Date

258

Bill Number (if applicable)

Topic Insurance

Amendment Barcode (if applicable)

Name Monte Stevens

Job Title DEPUTY CHIEF OF STAFF

Address 200 E. GAINES ST

Phone 413-3003

Street

TALLY

FL

32399

Email Monte.Stevens@fla.senate.gov

City

State

Zip

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing OIR

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.



The Florida Senate

Committee Agenda Request

To: Senator Alan Hays, Chair
Appropriations Subcommittee on General Government

Subject: Committee Agenda Request

Date: February 17, 2015

I respectfully request that **Senate Bill #258**, relating to **Property and Casualty Insurance**, be placed on the:

- committee agenda at your earliest possible convenience.
- next committee agenda.

A handwritten signature in black ink, appearing to read "Jeff Brandes", with a long horizontal line extending to the right.

Senator Jeff Brandes
Florida Senate, District 22

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Appropriations Subcommittee on General Government

BILL: CS/SB 396

INTRODUCER: Governmental Oversight and Accountability Committee and Senator Detert and others

SUBJECT: Florida Historic Capitol

DATE: March 3, 2015 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Kim</u>	<u>McVaney</u>	<u>GO</u>	Fav/CS
2.	<u>Davis</u>	<u>DeLoach</u>	<u>AGG</u>	Recommend: Favorable
3.	_____	_____	<u>AP</u>	_____

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 396 creates the Florida Historic Capitol Museum Council (Council) within the legislative branch. The Council will work with the Florida Historic Capitol Museum's (Capitol Museum) staff to create a strategic plan to guide the Council's mission, ensure that the Capitol Museum preserves legislative history and operates according to best practices, meet with the board of directors of the Capitol Museum's direct support organization, and assist the staff in planning legislative reunions.

The bill updates statutes to reflect the current structure of the Florida Historic Capitol Museum. The bill abolishes the Florida Legislative Research Center at the Historic Capitol and its citizen's support organization. Funding and advisory efforts will be transferred to the currently existing Florida Historical Capitol Foundation (Foundation) and the Capitol Museum. The bill increases the number of board members of the Foundation to 21 members.

The bill provides that the funds from the sale of specialty license plates which were previously disbursed to the citizen's support organization will be distributed to the direct support organization.

This bill changes the title of the Capitol Curator to Museum Director.

According to the Florida Historic Capitol Museum and the Department of Highway Safety and Motor Vehicles, the bill has an insignificant fiscal impact.

The bill is effective July 1, 2015.

II. Present Situation:

The current Florida Historic Capitol (Historic Capitol) was built in 1845, and several additions were made since that time. In 1981, the Legislature provided for the restoration of the Historic Capitol to its 1902 appearance and made provisions for its use as a museum.¹ The mission of the Florida Historic Capitol Museum, as it is known today, is:

...to illuminate the past, present and future connection between the people of Florida and their political institutions through programs of civic education, historic interpretation, and preservation.²

The Historic Capitol is run operationally by the Capitol Curator, a position that was also created in 1981.³ Currently, the Capitol Curator is appointed by the President of the Senate and the Speaker of the House of Representatives.⁴ The Capitol Curator is tasked with promoting and maintaining the Florida Historic Capitol and preserving artifacts.⁵ The Capitol Curator also assists the Florida Legislative Research Center at the Historic Capitol (Center), with raising funds and making expenditures.⁶ In keeping with the position's duties, the term "Capitol Curator" is no longer used, and the title "Coordinator" is used instead.⁷

The Center was incorporated in 2003, and the mission of the Center is to collect and preserve Florida's legislative history.⁸ The Center provides advice to staff and also functions as a nonprofit citizens support organization (CSO).⁹ The Center originally started as an advisory committee in 1998 and was located on the campus of Tallahassee Community College.¹⁰

In 2006, the Center moved to the Historic Capitol, and the two entities merged to create the Florida Historic Capitol Museum (Capitol Museum).¹¹ That same year, the Legislature

¹ Ch. 81-232, s. 1, Laws of Fla.

² Florida Historic Capitol Museum, <http://www.flhistoriccapitol.gov/about.cfm#mission> (last visited Feb. 13, 2015).

³ Ch. 81-231, s. 2, Laws of Fla.

⁴ Ch. 2006-111, s. 6, Laws of Fla. Section 272.135(1), F.S.

⁵ Section 272.135(2), F.S.

⁶ Section 272.135(3), F.S.

⁷ 2015 Legislative Bill Analysis, Florida Historic Capitol Museum, SB 396, on file with the Senate Committee on Governmental Oversight and Accountability.

⁸ Florida Legislative Research Center, <http://www.flrcm.gov/about.cfm#mission> (last visited Feb. 13, 2015).

⁹ Section 272.129(4), F.S. The Florida Legislative Research Center is the business name used by The Florida Legislative Historic Preservation Corporation. The Articles of Incorporation of The Florida Legislative Historic Preservation Corporation, A Florida Nonprofit Corporation, can be found at

<http://search.sunbiz.org/Inquiry/CorporationSearch/SearchResultDetail?inquirytype=EntityName&directionType=PreviousList&searchNameOrder=FLORIDAHISTORICCAPITOLFOUNDATI%20N100000041000&aggregateId=domnp-n10000004100-adb8da5e-b0dd-4973-93bb-7dbd6ac60cf5&searchTerm=florida%20historic&listNameOrder=FLORIDAHISTORICALAVIATIONMUSEU%20N144290> (last visited Feb. 13, 2015).

¹⁰ 2015 Legislative Bill Analysis, Florida Historic Capitol Museum, SB 396, on file with the Senate Committee on Governmental Oversight and Accountability.

¹¹ 2015 Legislative Bill Analysis, Florida Historic Capitol Museum, SB 396, on file with the Senate Committee on Governmental Oversight and Accountability.

transferred responsibilities for the Center and the Capitol Museum from the Department of State.¹²

In 2009, the Legislature authorized the Center and the Capitol Curator to establish a direct support organization (DSO) to provide assistance and fundraising for the Center and the Historic Capitol.¹³ (The statute has not been updated to reflect that the two entities merged in 2006 and were operating as the Capitol Museum.) The Florida Historical Capitol Foundation (Foundation) was created at that time and currently acts as an advisory board and a nonprofit DSO for the Center and the Historic Capitol. The Foundation was created to promote and support the Florida Historic Capitol.¹⁴ The Foundation is governed by a board of directors consisting of up to 11 members who are appointed to three year terms.¹⁵ Board members serve without compensation but are entitled to be reimbursed for per diem and travel expenses.

Additional funding for the Florida Historic Capitol comes from specialty license plates for former members of Congress and former members of the Legislature.¹⁶ A specialty license plate costs \$500.00, \$450.00 of which benefits the Center and \$50.00 is deposited in the Highway Safety Operating Trust Fund.

Current statutes do not reflect the changes in the function and status of the Center (and its CSO), the Foundation, the Capitol Museum, and the Curator that have evolved over time.¹⁷

III. Effect of Proposed Changes:

The bill repeals the statutory authority of the Center relating to CSO and the DSO associated with the Historic Capitol. The term “Florida Historic Capitol Museum” will replace references to the Center and the Historic Capitol as two separate entities, thereby reflecting the merger that occurred in 2006. While not directed by law, the CSO’s funds will be transferred to the Foundation.¹⁸ This consolidation will reduce duplication of effort and expenditures incurred by the Capitol Museum. The bill provides that funds from specialty license plates will be directed to the Foundation rather than to the Center.

The bill creates the Florida Historic Capitol Museum Council (Council). The Council is composed of the following 12 members: the Secretary of the Senate, the Clerk of the House of Representatives, the Sergeants at Arms of both chambers, and three members appointed by the President of the Senate and three members appointed by the Speaker of the House. Of those appointed by each presiding officer, one member must be a current member of the Legislature, and two members must be former legislators or officers of the Legislature. The board of directors of the Foundation will appoint two of its members to the Council. Council members will act as advocates for the Capitol Museum and serve without compensation.

¹² Ch. 2006-111, s. 5, Laws of Fla.

¹³ Section 272.136, F.S.

¹⁴ Florida Historic Capitol Museum, <http://www.flhistoriccapitol.gov/foundation.cfm> (last visited on Feb. 11, 2015).

¹⁵ Section 272.136(1), F.S.

¹⁶ Section 320.0807(6), F.S.

¹⁷ 2015 Legislative Bill Analysis, Florida Historic Capitol Museum, SB 396, on file with the Senate Committee on Governmental Oversight and Accountability.

¹⁸ Florida Historic Capitol Museum Summary of Strategic Restructuring Proposal, dated August 4, 2014, on file with the Senate Committee on Governmental Oversight and Accountability.

The Council will ensure that the Capitol Museum focuses on preserving legislative history and ensure that the Capitol Museum operates according to the best practices to maintain the public trust. The Council will prepare a strategic plan and present the plan to the presiding officers of each chamber. The bill also requires the Council to periodically review the Capitol Museum's strategic plan, and ensure that the Capitol Museum stays focused on preserving legislative history and operates according the ethical standards and best practices of the field. The Council will also meet with the board of directors of the Capitol Museum's DSO annually.

The bill renames the position of Capitol Curator to Florida Historic Capitol Museum Director (Director). This change reflects the expansion of the duties associated with the position.

The bill provides that the Council and the Director may establish a DSO, which will be governed by a board of directors. The bill maintains the substantive language in current law providing for a DSO with two changes. First, the board may increase its membership to as many as 21 members, rather than the 11 currently allowed by law. Second, the bill amends the current statute by specifying that DSO funds are to be used to reimburse per diem and travel expenses. The current law does not state who is responsible for making reimbursements. In effect, these changes will alter the structure of the Foundation's board and clarify that Foundation funds will be used for reimbursements.

The Capitol Museum will not be eligible for accreditation unless its governance documentation accurately reflect its current structure and funding sources.¹⁹

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

¹⁹ 2015 Legislative Bill Analysis, Florida Historic Capitol Museum, SB 396, on file with the Senate Committee on Governmental Oversight.

B. Private Sector Impact:

None.

C. Government Sector Impact:

The Capitol Museum estimates that the fiscal impact of CS/SB 396 will be minimal, as costs related to running two support organizations will be reduced and staffing requirements will remain the same.²⁰

The Department of Highway Safety and Motor Vehicles' Information Systems Administration Office will require approximately 30 hours of non-recurring programming modifications in order to implement the provisions of this bill. The cost of \$1,200 will be absorbed within existing resources.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends sections 272.129, 272.135, 272.136, and 320.0807 of the Florida Statutes.

This bill creates section 272.131 of the Florida Statutes.

IX. Additional Information:**A. Committee Substitute – Statement of Substantial Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Governmental Oversight and Accountability on February 17, 2015:

The CS clarifies that of the three appointees to the Council, the presiding officer of each chamber must choose one current legislator, and the other two appointees must be either former legislators or former officers of the Legislature. The CS amends the title to reflect that the Center does not currently exist as entity and is therefore, not being renamed.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

²⁰ *Id.*

By the Committee on Governmental Oversight and Accountability;
and Senators Detert and Gaetz

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1 A bill to be entitled
2 An act relating to the Florida Historic Capitol;
3 amending s. 272.129, F.S.; removing references to the
4 Legislative Research Center and Museum at the Historic
5 Capitol; removing provisions authorizing establishment
6 of a citizen support organization to support the
7 Legislative Research Center and Museum; creating s.
8 272.131, F.S.; creating the Florida Historic Capitol
9 Museum Council; providing for the appointment and
10 qualifications of council members; prescribing duties
11 and responsibilities for the council and individual
12 council members; amending s. 272.135, F.S.; renaming
13 the position of Capitol Curator as the Florida
14 Historic Capitol Museum Director; conforming
15 provisions; amending s. 272.136, F.S.; revising the
16 composition of the board of directors governing the
17 Florida Historic Capitol Museum's direct-support
18 organization; providing that per diem and travel
19 expenses must be paid from direct-support organization
20 funds; conforming provisions; amending s. 320.0807,
21 F.S.; redirecting a portion of the proceeds from the
22 fee for special license plates for former federal or
23 state legislators to the Florida Historic Capitol
24 Museum's direct-support organization; providing an
25 effective date.

26
27 Be It Enacted by the Legislature of the State of Florida:

28
29 Section 1. Section 272.129, Florida Statutes, is amended to

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30 read:
31 272.129 Florida Historic Capitol; space allocation;
32 maintenance, repair, and security.—
33 (1) The Legislature shall ensure that all space in the
34 Florida Historic Capitol is restored in a manner consistent with
35 the 1902 form and made available for allocation. Notwithstanding
36 the provisions of ss. 255.249 and 272.04 that relate to space
37 allocation in state-owned buildings, the President of the Senate
38 and the Speaker of the House of Representatives shall have
39 responsibility and authority for the allocation of all space in
40 the restored Florida Historic Capitol, provided:
41 (a) The rotunda, corridors, Senate chamber, House of
42 Representatives chamber, and Supreme Court chamber may ~~shall~~ not
43 be used as office space.
44 (b) The Legislature shall be allocated sufficient space for
45 program and administrative functions relating to the
46 preservation, museum, and cultural programs of the Legislature.
47 (2) The Florida Historic Capitol shall be maintained in
48 accordance with good historic preservation practices as
49 specified in the National Park Service Preservation Briefs and
50 the Secretary of the Interior's Standards for Rehabilitation and
51 Guidelines for Rehabilitating Historic Buildings.
52 (3) Custodial and preventive maintenance and repair of the
53 entire Florida Historic Capitol and the grounds located adjacent
54 thereto shall be the responsibility of the Department of
55 Management Services, subject to the special requirements of the
56 building as determined by the director of the Florida Historic
57 Capitol Museum ~~Capitol Curator~~.
58 ~~(4)(a) The Legislative Research Center and Museum at the~~

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59 Historic Capitol, hereinafter referred to as "center," may
60 support the establishment of a citizen support organization to
61 provide assistance, funding, and promotional support for the
62 center. For the purposes of this subsection, "citizen support
63 organization" means an organization that is:

64 1. A Florida corporation not for profit incorporated under
65 the provisions of chapter 617 and approved by the Department of
66 State.

67 2. Organized and operated to conduct programs and
68 activities; raise funds; request and receive grants, gifts, and
69 bequests of money; acquire, receive, hold, invest, and
70 administer in its own name securities, funds, objects of value,
71 or other real and personal property; and make expenditures to or
72 for the direct or indirect benefit of the center.

73 3. Determined by the center to be consistent with the goals
74 of the center and in the best interests of the state.

75 4. Annually approved in writing by the center to operate
76 for the direct or indirect benefit of the center. Such approval
77 shall be given in a letter of agreement from the center.

78 (b)1. The Legislative Research Center and Museum at the
79 Historic Capitol may permit, without charge, appropriate use of
80 fixed property and facilities of the center by the citizen
81 support organization, subject to the provisions of this
82 subsection. Such use must be directly in keeping with the
83 approved purposes of the citizen support organization and may
84 not be made at times or places that would unreasonably interfere
85 with normal operations of the center.

86 2. The center may prescribe by rule any condition with
87 which the citizen support organization must comply in order to

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88 use fixed property or facilities of the center.

89 3. The center may not permit the use of any fixed property
90 or facilities by any citizen support organization if such
91 organization does not provide equal membership and employment
92 opportunities to all persons regardless of race, color,
93 religion, gender, age, or national origin.

94 (c) A citizen support organization shall provide for an
95 annual financial audit in accordance with s. 215.981.

96 (d) All records of a citizen support organization
97 constitute public records for the purposes of chapter 119.

98 (e) The citizen support organization for the Legislative
99 Research Center and Museum at the Historic Capitol is authorized
100 to collect rental fees, apply for and receive grants, and
101 receive gifts and donations for the direct or indirect benefit
102 of the center.

103 (f) All funds obtained through rental fees, grants, gifts,
104 and donations to the citizen support organization shall be
105 deposited into the account of the citizen support organization
106 and used for the direct or indirect benefit of the Legislative
107 Research Center and Museum at the Historic Capitol unless the
108 citizen support organization is no longer authorized as required
109 by this subsection, fails to comply with the requirements of
110 this subsection, fails to maintain its tax-exempt status
111 pursuant to s. 501(c)(3) of the Internal Revenue Code, or ceases
112 to exist. If the citizen support organization is no longer
113 authorized as required by this subsection, fails to comply with
114 the requirements of this subsection, fails to maintain its tax-
115 exempt status pursuant to s. 501(c)(3) of the Internal Revenue
116 Code, or ceases to exist, all funds obtained through rental

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117 ~~fees, grants, gifts, and donations in the citizen support~~
 118 ~~organization account shall revert to the state and be deposited~~
 119 ~~into an account designated by the Legislature.~~

120 Section 2. Section 272.131, Florida Statutes, is created to
 121 read:

122 272.131 Florida Historic Capitol Museum Council.—The
 123 Florida Historic Capitol Museum Council is created within the
 124 legislative branch of state government.

125 (1) The council is composed of 12 members. Council members
 126 shall be selected based on their dedication to preserving the
 127 Florida Historic Capitol and advancing the mission of the
 128 Florida Historic Capitol Museum. Council members must
 129 demonstrate an interest in documenting the institutional
 130 knowledge and historic traditions of state governance with an
 131 emphasis on legislative history, the advancement of civics
 132 education, and the encouragement of residents of this state to
 133 engage with state government. The Florida Historic Capitol
 134 Museum Director shall serve in an advisory capacity to the
 135 council. The council shall consist of the following members:

136 (a) The Secretary of the Senate.

137 (b) The Clerk of the House of Representatives.

138 (c) The Sergeants at Arms of both houses of the
 139 Legislature.

140 (d) The President of the Senate and the Speaker of the
 141 House of Representatives each shall appoint three members. Of
 142 the three appointments, one must be a current member of the
 143 presiding officer's respective chamber and two must be former
 144 legislators or officers of the Legislature.

145 (e) The board of directors of the Florida Historic Capitol

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146 Museum's direct-support organization shall appoint two members
 147 from its membership.

148 (2) A council member shall:

149 (a) Serve without compensation, except that he or she is
 150 entitled to receive reimbursement for per diem and travel
 151 expenses in accordance with s. 112.061. Such expenses must be
 152 paid out of funds of the Florida Historic Capitol Museum's
 153 direct-support organization.

154 (b) Attend a majority of council meetings each calendar
 155 quarter.

156 (c) Serve as an advocate and ambassador for the museum.

157 (d) Serve as a liaison to the Governor, the President of
 158 the Senate, and the Speaker of the House of Representatives.

159 (e) Cultivate relationships with legislative staff to
 160 advance the mission and activities of the museum.

161 (f) Lend expertise and use his or her personal and
 162 professional contacts for the advancement of the museum.

163 (g) Participate in key museum events.

164 (h) Become a member of the museum.

165 (3) The council shall:

166 (a) Designate a chair.

167 (b) Work with museum staff to prepare and recommend a
 168 strategic plan to guide the council's mission. The council shall
 169 submit a copy of the strategic plan to the President of the
 170 Senate and the Speaker of the House of Representatives by
 171 December 31, 2017, and any updates to the strategic plan must be
 172 submitted every 2 years thereafter.

173 (c) Periodically review the museum's strategic plan.

174 (d) Ensure that the museum retains an emphasis on

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175 preserving legislative history and traditions by cultivating
 176 relationships with current and former legislators, collecting
 177 historic materials, and encouraging public participation in the
 178 museum's programs.

179 (e) Ensure that the museum operates as a public trust in
 180 accordance with the Ethics, Standards, and Best Practices and
 181 the Code of Ethics for Museums adopted by the American Alliance
 182 of Museums.

183 (f) Meet annually with the board of directors of the
 184 Florida Historic Capitol Museum's direct-support organization to
 185 jointly evaluate how the direct-support organization's outreach
 186 and development plan complements and supports the museum and the
 187 council's strategic plan.

188 (g) Assist museum staff in planning any legislative
 189 reunions.

190 Section 3. Section 272.135, Florida Statutes, is amended to
 191 read:

192 272.135 Florida Historic Capitol Museum Director Curator.-

193 (1) The position of the Florida Historic Capitol Museum
 194 Director Capitol Curator is created within the Legislature,
 195 which shall establish the qualifications for the position. The
 196 director curator shall be appointed by and serve at the pleasure
 197 of the President of the Senate and the Speaker of the House of
 198 Representatives.

199 (2) The director Capitol Curator shall:

200 (a) Promote and encourage throughout the state knowledge
 201 and appreciation of the Florida Historic Capitol.

202 (b) Collect, research, exhibit, interpret, preserve, and
 203 protect the history, artifacts, objects, furnishings, and other

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204 materials related to the Florida Historic Capitol, except for
 205 archaeological research and resources.

206 (c) Develop, direct, supervise, and maintain the interior
 207 design and furnishings of all space within the Florida Historic
 208 Capitol in a manner consistent with the restoration of the
 209 Florida Historic Capitol in its 1902 form.

210 (3) In conjunction with ~~the Legislative Research Center and~~
 211 ~~Museum at the Florida Historic Capitol Museum Council~~, the
 212 director Capitol Curator may assist the Florida Historic Capitol
 213 Museum in the performance of its mission by:

214 (a) Raising money.~~+~~

215 (b) Submitting requests for and receiving grants.~~+~~

216 (c) Receiving, holding, investing, and administering in the
 217 name of the Florida Historic Capitol Museum ~~and the Legislative~~
 218 ~~Research Center and Museum~~ securities, funds, objects of value,
 219 or other real and personal property.~~+~~

220 (d) Receiving gifts and donations for the direct or
 221 indirect benefit of the Florida Historic Capitol.~~+~~ ~~and~~

222 (e) Making expenditures to or for the direct or indirect
 223 benefit of the Florida Historic Capitol.

224 Section 4. Section 272.136, Florida Statutes, is amended to
 225 read:

226 272.136 Direct-support organization.-~~The Legislative~~
 227 ~~Research Center and Museum at the Florida Historic Capitol~~
 228 Museum Council and the Florida Historic Capitol Museum Director
 229 Capitol Curator may establish a direct-support organization to
 230 provide assistance and promotional support through fundraising
 231 for the Florida Historic Capitol Museum ~~and the Legislative~~
 232 ~~Research Center and Museum~~, including, but not limited to, its

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233 ~~their~~ educational programs and initiatives.

234 (1) The direct-support organization shall be governed by a
235 board of directors. Board members must demonstrate who have
236 ~~demonstrated~~ a capacity for supporting the mission of the
237 Florida Historic Capitol.

238 (a) Initial appointments to the board shall be made by the
239 President of the Senate and the Speaker of the House of
240 Representatives at the recommendation of the council center and
241 the director curator. Appointments to the board shall thereafter
242 be made by the board.

243 (b) The initial board shall consist of nine members who
244 shall be appointed to 3-year terms, except that the terms of
245 such the initial appointees shall be designated accomplished so
246 that three members are appointed for 1 year, three members are
247 appointed for 2 years, and three members are appointed for 3
248 years, in order to achieve staggered terms, as determined by the
249 presiding officers.

250 (c) The board may add up to 12 ~~two~~ additional members.

251 (d) ~~The~~ Board members shall serve without compensation, but
252 ~~except that they~~ are entitled to receive reimbursement for per
253 diem and travel expenses in accordance with s. 112.061. Such
254 expenses must be paid out of funds of the direct-support
255 organization.

256 (e) The board may use the fixed property and facilities of
257 the Florida Historic Capitol, subject to the provisions of this
258 subsection. Such use must be directly in keeping with the
259 approved purposes of the direct-support organization and may not
260 be made at times or places that would unreasonably interfere
261 with the normal operations of the Florida Historic Capitol.

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262 (2) The direct-support organization must be a Florida
263 corporation, not for profit, incorporated under chapter 617, and
264 approved by the Department of State.

265 (3) The council and director curator and center may
266 prescribe any condition with which the direct-support
267 organization must comply.

268 (4) The council and director curator and the center may not
269 authorize permit the use of any fixed property or facilities by
270 the direct-support organization if the organization does not
271 provide equal membership and employment opportunities to all
272 persons regardless of race, color, religion, gender, age, or
273 national origin.

274 (5) The direct-support organization shall provide for an
275 annual financial audit in accordance with s. 215.981.

276 (6) If the direct-support organization is no longer
277 authorized by this section, fails to comply with the
278 requirements of this section, fails to maintain its tax-exempt
279 status pursuant to s. 501(c)(3) of the Internal Revenue Code, or
280 ceases to exist, all funds obtained through grants, gifts, and
281 donations in the direct-support organization account shall
282 revert to the state and be deposited into an account designated
283 by the Legislature for the support of the Florida Historic
284 Capitol, provided that donations made for specific purposes in
285 an original donor agreement shall be applied only to those
286 purposes.

287 (7) (a) The identity of a donor or prospective donor to the
288 direct-support organization who desires to remain anonymous, and
289 all information identifying such donor or prospective donor, is
290 confidential and exempt from s. 119.07(1) and s. 24(a), Art. I

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CODING: Words ~~stricken~~ are deletions; words underlined are additions.

585-01657-15

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291 of the State Constitution. Such anonymity shall be maintained in
292 any auditor's report created pursuant to the annual financial
293 audit required under subsection (5).

294 (b) This subsection is subject to the Open Government
295 Sunset Review Act in accordance with s. 119.15 and shall stand
296 repealed on October 2, 2017, unless reviewed and saved from
297 repeal through reenactment by the Legislature.

298 Section 5. Paragraph (c) of subsection (6) of section
299 320.0807, Florida Statutes, is amended to read:

300 320.0807 Special license plates for Governor and federal
301 and state legislators.—

302 (6)

303 (c) Four hundred fifty dollars of the one-time fee
304 collected under paragraph (a) shall be distributed to the
305 account of the direct-support organization established pursuant
306 to s. 272.136 ~~citizen support organization established pursuant~~
307 ~~to s. 272.129~~ and used for the benefit of the Florida Historic
308 Capitol Museum Legislative Research Center and Museum at the
309 ~~Historic Capitol~~, and the remaining \$50 shall be deposited into
310 the Highway Safety Operating Trust Fund.

311 Section 6. This act shall take effect July 1, 2015.

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3-4-15
Meeting Date

396
Bill Number (if applicable)

Topic HISTORIC CAPITOL

Amendment Barcode (if applicable)

Name RON RICHMOND

Job Title Lobbyist

Address 1394 MILLSTREAM ROAD
Street

Phone 545-5964

TALLAHASSEE, FL 32312
City State Zip

Email ronaddrichmond@comcast.net

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing SELF

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.



The Florida Senate

Committee Agenda Request

To: Senator Alan Hays, Chair
Appropriations Subcommittee on General Government

Subject: Committee Agenda Request

Date: February 27, 2015

I respectfully request that **Senate Bill #396**, relating to Florida Historic Capitol, be placed on the:

- committee agenda at your earliest possible convenience.
- next committee agenda.

A handwritten signature in cursive script, reading "Nancy C. Detert".

Senator Nancy C. Detert
Florida Senate, District 28

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Appropriations Subcommittee on General Government

BILL: PCS/SB 7022 (692948)

INTRODUCER: Appropriations Subcommittee on General Government; Governmental Oversight and Accountability Committee; and Senator Galvano

SUBJECT: Individuals With Disabilities

DATE: March 4, 2015

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
	<u>Peacock</u>	<u>McVaney</u>		GO SPB 7022 as introduced
1.	<u>Davis</u>	<u>DeLoach</u>	<u>AGG</u>	Recommend: Fav/CS
2.	<u> </u>	<u> </u>	<u>FP</u>	<u> </u>

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

PCS/SB 7022 modifies the State of Florida's employment policy to provide enhanced opportunities for persons who have a disability to be employed by executive branch agencies. Specifically, the bill requires each executive agency to:

- Establish annual goals in its affirmative action plan that ensures full utilization of underrepresented groups in agency's workforce, including individuals who have a disability;
- Annually report its progress toward increasing employment of individuals who have a disability; and
- By January 1, 2016, develop agency-specific plan on promoting employment opportunities for individuals who have a disability.

Additionally, the bill directs the Department of Management Services to:

- Develop and implement programs geared toward individuals who have a disability in consultation with the Agency for Persons with Disabilities, the Division of Vocational Rehabilitation within the Department of Education, the Department of Economic Opportunity, and the Executive Office of the Governor;
- Develop mandatory training programs for human resources personnel and hiring managers of executive agencies that support the employment of individuals who have a disability;
- Assist executive agencies with implementing the agency-specific plans and strategies for retaining employees who have a disability;

- Compile data on hiring practices of executive agencies regarding hiring of individuals who have a disability and post this information on agency website; and
- Adopt rules relating to forms providing for voluntary self-identification of individuals who have a disability who are employed by executive agency.

The bill appropriates \$138,692 in recurring funds and \$26,264 in nonrecurring funds from the State Personnel Trust Fund and authorizes two positions for the Department of Management Services to implement this act.

The bill takes effect July 1, 2015.

II. Present Situation:

Section 110.112, F.S., declares that the policy of the state is to afford equal employment opportunities through programs of affirmative and positive action allowing for the full utilization of women and minorities.

Each executive agency is required to develop and implement an affirmative action plan;¹ establish annual goals in its affirmative action plan for ensuring full utilization of groups underrepresented in the agency's workforce as compared to relevant labor market;² and appoint an affirmative action-equal employment opportunity officer.³

The Department of Management Services (DMS) is required to issue an annual workforce report⁴ and provide training to all supervisory personnel of executive agencies.⁵

Presently, s. 110.112, F.S., does not contain a definition of the term "individual who has a disability" and does not specifically address equal employment opportunity and affirmative action for this group.

III. Effect of Proposed Changes:

Section 1 reorders, amends and revises definitions contained in s. 110.107, F. S., and defines the term "individual who has a disability".

The definition of "individual who has a disability" mirrors the federal definition of "disability" contained in the American with Disabilities Act (ADA),⁶ with the exceptions of the following:

¹ Section 110.112(2) (a), F.S.

² Section 110.112(2) (b), F.S.

³ Section 110.112(2)(c), F.S., provides that the duties of the affirmative action-equal employment opportunity officer include determining annual goals, monitoring agency compliance, and providing consultation to managers regarding progress, deficiencies, and appropriate corrective action.

⁴ Section 110.112(2) (d), F.S., provides that the DMS annual workforce report shall include information relating to implementation, continuance, and updating the results of each executive agency's affirmative action plan for the previous fiscal year.

⁵ Section 110.112(2)(e), F.S., provides that the training will be in the principals of equal employment opportunity and affirmative action, the development and implementation of affirmative action plans, and establishment of annual affirmative action goals.

⁶ 42 U.S.C. s. 12102(2).

- The federal term “mental impairment”⁷ is replaced with “intellectual impairment”; and
- The federal phrase “being regarded”⁸ is replaced with “who is perceived by others”.

Section 2 amends s. 110.112, F.S., and revises and broadens the state’s equal employment opportunity policy to include individuals who have a disability.

Executive agencies are required to:

- Set annual goals in its affirmative action plan to ensure the full utilization of underrepresented groups, to specifically include individuals who have a disability as compared to the relevant labor market;
- Report annually to the DMS on the agency’s progress toward increasing employment of individuals who have a disability; and
- Develop an agency-specific plan by January 1, 2016, addressing how to promote employment opportunities for individuals who have a disability.

The DMS is required to:

- Include data for each executive agency related to employment levels among women, minorities, and individuals who have a disability in its annual workforce report;
- Develop and implement programs specifically geared toward individuals who have a disability in consultation with the Agency for Persons with Disabilities, the Division of Vocational Rehabilitation within the Department of Education, the Department of Economic Opportunity, and the Executive Office of the Governor;⁹
- Develop mandatory training programs by January 1, 2016, for human resources personnel and hiring managers of executive agencies that support the employment of individuals who have a disability;
- Assist executive agencies in implementing agency-specific plans; and identifying and implementing strategies for retaining employees who have a disability.¹⁰
- Biannually report on the progress of executive agencies in implementing their plans to the Governor, the President of the Senate, and the Speaker of the House of Representatives;
- Compile data regarding the hiring practices of executive agencies in regards to individuals who have a disability and make this data available on its website; and
- Adopt rules regarding forms that provide for voluntary self-identification of individuals who have a disability who are employed by an executive agency.

The bill also contains a provision that specifically states that no substantive or procedural right or benefit enforceable at law or in equity against the state is created by this legislation.

The bill applies to the State Personnel System comprised of positions in the Career Service, Selected Exempt Service, or Senior Management Service within all executive branch agencies.

⁷ *Id.*

⁸ *Id.*

⁹ These programs may incorporate internships, mentoring, on-the-job training, unpaid work experience, situational assessments, and other innovative strategies.

¹⁰ Some of these strategies include training programs, funding reasonable accommodations, increasing access to technologies, and ensuring accessibility of physical and virtual workplaces.

This bill is not applicable to the personnel systems of the State University System, the Florida Lottery, the Legislature, the Justice Administration System, or the State Courts System.

Section 3 provides an effective date of July 1, 2015.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Indeterminate.

C. Government Sector Impact:

The DMS staff estimates the implementation of PCS/SB 7022 will require two additional full-time positions. The total cost for two Human Resource Consultant positions with the standard expense package is \$146,456.

In addition, the People First system, the state's human resource information system, will need to be modified to add an "individual who has a disability" indicator to fully implement the reporting requirements of this bill. The DMS estimates a cost of \$18,500 to implement these changes.

The bill provides appropriations of \$138,692 in recurring funds and \$26,264 in nonrecurring funds from the State Personnel System Trust Fund to the DMS, and authorizes two positions. The bill also provides \$88,285 from the General Revenue Fund and \$76,671 in trust funds to Administered Funds that provide the revenue source to support the appropriation provided to the DMS.

VI. Technical Deficiencies:

None.

VII. Related Issues:

The DMS uses data from the Equal Employment Opportunity (EEO) Tabulation that is published by the U.S. Census Bureau for information on women and minorities. The EEO Tabulation provides detailed occupational statistics by race, ethnicity, and sex in the labor market by location-based geography. The Department of Economic Opportunity, the state agency responsible for maintaining employment data, has informed the DMS that data for individuals who have a disability is not available at the occupational level. Data is only available in broad categories (employed/unemployed, full-time/less than full-time). Accordingly, it might be difficult for agencies to establish numerical goals on such limited data.

VIII. Statutes Affected:

This bill substantially amends sections 110.107 and 110.112 of the Florida Statutes.

IX. Additional Information:

- A. **Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

Recommended CS by Appropriations Subcommittee on General Government on March 4, 2015:

The CS provides an appropriation to the DMS for Fiscal Year 2015-2016 of \$138,692 in recurring funds and \$26,264 in nonrecurring funds from the State Personnel System Trust Fund and authorizes two FTE to implement and manage the programs.

- B. **Amendments:**

None.



634262

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/04/2015	.	
	.	
	.	
	.	

Appropriations Subcommittee on General Government (Hays)
recommended the following:

Senate Amendment (with title amendment)

Between lines 250 and 251

insert:

Section 3. For the 2015-2016 fiscal year:

(1) The sum of \$138,692 in recurring funds and the sum of \$26,264 in nonrecurring funds is appropriated from the State Personnel System Trust Fund to the Department of Management Services, and two full-time equivalent positions with associated salary rate of 92,762 are authorized, for the purpose of



634262

11 implementing this act.

12 (2) The sum of \$88,285 from the General Revenue Fund and
13 the sum of \$76,671 from trust funds within the Human Resource
14 Services appropriation category are appropriated to Administered
15 Funds for the purpose of implementing this act.

16

17 ===== T I T L E A M E N D M E N T =====

18 And the title is amended as follows:

19 Delete line 29

20 and insert:

21 enforceable right or benefit; providing
22 appropriations; providing an effective

By the Committee on Governmental Oversight and Accountability

585-01470-15

20157022__

1 A bill to be entitled
 2 An act relating to individuals with disabilities;
 3 reordering and amending s. 110.107, F.S.; revising
 4 definitions and defining the term "individual who has
 5 a disability"; amending s. 110.112, F.S.; revising the
 6 state's equal employment opportunity policy to include
 7 individuals who have a disability; requiring each
 8 executive agency to annually report to the Department
 9 of Management Services regarding the agency's progress
 10 in increasing employment among certain
 11 underrepresented groups; revising the required content
 12 of the department's annual workforce report; requiring
 13 the department to develop and implement certain
 14 programs geared toward individuals who have a
 15 disability; requiring the department to develop
 16 training programs by a specified date; requiring each
 17 executive agency to develop a plan regarding the
 18 employment of individuals who have a disability by a
 19 specified date; requiring the department to report to
 20 the Governor and the Legislature regarding
 21 implementation; requiring the department to compile
 22 and post data regarding the hiring practices of
 23 executive agencies regarding the employment of
 24 individuals who have a disability; requiring the
 25 department to assist executive agencies in identifying
 26 strategies to retain employees who have a disability;
 27 requiring the department to adopt certain rules;
 28 specifying that the act does not create any
 29 enforceable right or benefit; providing an effective

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30 date.
 31
 32 Be It Enacted by the Legislature of the State of Florida:
 33
 34 Section 1. Section 110.107, Florida Statutes, is reordered
 35 and amended to read:
 36 110.107 Definitions.—As used in this chapter, the term:
 37 (5)(1) "Department" means the Department of Management
 38 Services.
 39 (28)(2) "Secretary" means the Secretary of Management
 40 Services.
 41 (11)(3) "Furlough" means a temporary reduction in the
 42 regular hours of employment in a pay period, or temporary leave
 43 without pay for one or more pay periods, with a commensurate
 44 reduction in pay, which is necessitated by a projected deficit
 45 in any fund that supports salary and benefit appropriations. The
 46 deficit must be projected by the Revenue Estimating Conference
 47 pursuant to s. 216.136(3).
 48 (30)(4) "State agency" or "agency" means any official,
 49 officer, commission, board, authority, council, committee, or
 50 department of the executive branch or the judicial branch of
 51 state government as defined in chapter 216.
 52 (21)(5) "Position" means the work, consisting of duties and
 53 responsibilities, assigned to be performed by an officer or
 54 employee.
 55 (10)(6) "Full-time position" means a position authorized
 56 for the entire normally established work period, whether daily,
 57 weekly, monthly, or annually.
 58 (18)(7) "Part-time position" means a position authorized

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59 for less than the entire normally established work period,
60 whether daily, weekly, monthly, or annually.

61 ~~(16)(8)~~ "Occupation" means all positions that which are
62 sufficiently similar in knowledge, skills, ~~and~~ abilities, and
63 ~~the sufficiently similar as to~~ kind or subject matter of work.

64 ~~(17)(9)~~ "Occupational group" means a group of occupations
65 that which are sufficiently similar in the kind of work
66 performed to warrant the use of the same performance factors in
67 determining the level of complexity for all occupations in that
68 occupational group.

69 ~~(3)(10)~~ "Classification plan" means a formal description of
70 the concepts, rules, job family definitions, occupational group
71 characteristics, and occupational profiles used in the
72 classification of positions.

73 ~~(20)(11)~~ "Pay plan" means a formal description of the
74 philosophy, methods, procedures, and salary schedules for
75 competitively compensating employees at market-based rates for
76 work performed.

77 ~~(27)(12)~~ "Salary schedule" means an official document that
78 ~~which~~ contains a complete list of occupation titles, broadband
79 level codes, and pay bands.

80 ~~(1)(13)~~ "Authorized position" means a position included in
81 an approved budget. In counting the number of authorized
82 positions, part-time positions may be converted to full-time
83 equivalents.

84 ~~(8)(14)~~ "Established position" means an authorized position
85 that which has been classified in accordance with a
86 classification and pay plan as provided by law.

87 ~~(22)(15)~~ "Position number" means the identification number

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88 assigned to an established position.

89 ~~(26)(16)~~ "Reclassification" means the changing of an
90 established position in one broadband level in an occupational
91 group to a higher or lower broadband level in the same
92 occupational group or to a broadband level in a different
93 occupational group.

94 ~~(24)(17)~~ "Promotion" means the changing of the
95 classification of an employee to a broadband level having a
96 higher maximum salary; or the changing of the classification of
97 an employee to a broadband level having the same or a lower
98 maximum salary but a higher level of responsibility.

99 ~~(4)(18)~~ "Demotion" means the changing of the classification
100 of an employee to a broadband level having a lower maximum
101 salary; or the changing of the classification of an employee to
102 a broadband level having the same or a higher maximum salary but
103 a lower level of responsibility.

104 ~~(32)(19)~~ "Transfer" means moving an employee from one
105 geographic location of the state to a different geographic
106 location more than in excess of 50 miles from the employee's
107 current work location.

108 ~~(25)(20)~~ "Reassignment" means moving an employee from a
109 position in one broadband level to a different position in the
110 same broadband level or to a different broadband level having
111 the same maximum salary.

112 ~~(6)(21)~~ "Dismissal" means a disciplinary action taken by an
113 agency pursuant to s. 110.227 against an employee which results
114 ~~resulting in the~~ termination of his or her employment.

115 ~~(31)(22)~~ "Suspension" means a disciplinary action taken by
116 an agency pursuant to s. 110.227 against an employee which ~~to~~

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117 temporarily relieves ~~relieve~~ the employee of his or her duties
118 and places ~~place~~ him or her on leave without pay.

119 ~~(15)-(23)~~ "Layoff" means termination of employment due to a
120 shortage of funds or work, or a material change in the duties or
121 organization of an agency, including the outsourcing or
122 privatization of an activity or function previously performed by
123 career service employees.

124 ~~(7)-(24)~~ "Employing agency" means any agency authorized to
125 employ personnel to carry out the responsibilities of the agency
126 under the provisions of chapter 20 or other law ~~statutory~~
127 ~~authority~~.

128 ~~(29)-(25)~~ "Shared employment" means part-time career
129 employment in which ~~whereby~~ the duties and responsibilities of a
130 full-time position in the career service are divided among part-
131 time employees who are eligible for the position and who receive
132 career service benefits and wages pro rata. The term ~~In no case~~
133 ~~shall~~ "shared employment" does not include the employment of
134 persons paid from other-personal-services funds.

135 ~~(9)-(26)~~ "Firefighter" means a firefighter certified under
136 chapter 633.

137 ~~(14)-(27)~~ "Law enforcement or correctional officer" means a
138 law enforcement officer, special agent, correctional officer,
139 correctional probation officer, or institutional security
140 specialist ~~required to be~~ certified under chapter 943.

141 ~~(23)-(28)~~ "Professional health care provider" means
142 registered nurses, physician's assistants, dentists,
143 psychologists, nutritionists or dietitians, pharmacists,
144 psychological specialists, physical therapists, and speech and
145 hearing therapists.

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146 ~~(13)-(29)~~ "Job family" means a defined grouping of one or
147 more occupational groups.

148 ~~(19)-(30)~~ "Pay band" means the minimum salary, the maximum
149 salary, and intermediate rates that ~~which~~ are payable for work
150 in a specific broadband level.

151 ~~(2)-(31)~~ "Broadband level" means all positions that ~~which~~
152 are sufficiently similar in knowledge, skills, and abilities;
153 ~~the, and sufficiently similar as to~~ kind or subject matter of
154 work; ~~the,~~ level of difficulty or the level of
155 responsibilities; ~~and the~~ qualification requirements of the
156 work so as to warrant the same treatment with respect ~~as~~ to
157 title, pay band, and other personnel transactions.

158 ~~(12)~~ "Individual who has a disability" means a person who
159 has a physical or intellectual impairment that substantially
160 limits one or more major life activities; a person who has a
161 history or record of such an impairment; or a person who is
162 perceived by others as having such an impairment.

163 Section 2. Subsections (1) and (2) of section 110.112,
164 Florida Statutes, are amended, present subsections (3) through
165 (6) of that section are redesignated as subsections (4) through
166 (7), respectively, and a new subsection (3) is added to that
167 section, to read:

168 110.112 Affirmative action; equal employment opportunity.—

169 (1) It is ~~shall be~~ the policy of this ~~the~~ state to assist
170 in providing the assurance of equal employment opportunity
171 through programs of affirmative and positive action that will
172 allow full utilization of women, and minorities, and individuals
173 who have a disability.

174 (2) (a) The head of each executive agency shall develop and

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175 implement an affirmative action plan in accordance with rules
 176 adopted by the department and approved by a majority vote of the
 177 Administration Commission before their adoption.

178 (b) Each executive agency shall establish annual goals for
 179 ensuring full utilization of groups underrepresented in the
 180 agency's ~~its~~ workforce, including women, minorities, and
 181 individuals who have a disability, as compared to the relevant
 182 labor market, as defined by the agency. Each executive agency
 183 shall design its affirmative action plan to meet its established
 184 goals.

185 (c) Each executive agency shall annually report to the
 186 department regarding the agency's progress toward increasing
 187 employment among women, minorities, and individuals who have a
 188 disability.

189 (d) ~~(e)~~ An affirmative action-equal employment opportunity
 190 officer shall be appointed by the head of each executive agency.
 191 The affirmative action-equal employment opportunity officer's
 192 responsibilities must include determining annual goals,
 193 monitoring agency compliance, and providing consultation to
 194 managers regarding progress, deficiencies, and appropriate
 195 corrective action.

196 (e) ~~(d)~~ The department shall report information in its
 197 annual workforce report relating to the implementation,
 198 continuance, updating, and results of each executive agency's
 199 affirmative action plan for the previous fiscal year. The annual
 200 workforce report must also include data for each executive
 201 agency relating to employment levels among women, minorities,
 202 and individuals who have a disability.

203 (f) ~~(e)~~ The department shall provide to all supervisory

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204 personnel of the executive agencies training in the principles
 205 of equal employment opportunity and affirmative action, the
 206 development and implementation of affirmative action plans, and
 207 the establishment of annual affirmative action goals. The
 208 department may contract for training services, and each
 209 participating agency shall reimburse the department for costs
 210 incurred through such contract. After the department approves
 211 the contents of the training program for the agencies, the
 212 department may delegate this training to the executive agencies.

213 (3) (a) The department, in consultation with the Agency for
 214 Persons with Disabilities, the Division of Vocational
 215 Rehabilitation of the Department of Education, the Department of
 216 Economic Opportunity, and the Executive Office of the Governor,
 217 shall develop and implement programs that incorporate
 218 internships, mentoring, on-the-job training, unpaid work
 219 experience, situational assessments, and other innovative
 220 strategies that are specifically geared toward individuals who
 221 have a disability.

222 (b) By January 1, 2016, the department shall develop
 223 mandatory training programs for human resources personnel and
 224 hiring managers of executive agencies which support the
 225 employment of individuals who have a disability.

226 (c) 1. By January 1, 2016, each executive agency shall
 227 develop an agency-specific plan that addresses how to promote
 228 employment opportunities for individuals who have a disability.

229 2. The department shall assist executive agencies in the
 230 implementation of agency-specific plans. The department shall
 231 regularly report to the Governor, the President of the Senate,
 232 and the Speaker of the House of Representatives the progress of

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233 executive agencies in implementing these plans. Such reports
234 shall be made at least biannually.

235 (d) The department shall compile data regarding the hiring
236 practices of executive agencies with regard to individuals who
237 have a disability and make such data available on its website.

238 (e) The department shall assist executive agencies in
239 identifying and implementing strategies for retaining employees
240 who have a disability which include, but are not limited to,
241 training programs, funding reasonable accommodations, increasing
242 access to appropriate technologies, and ensuring accessibility
243 of physical and virtual workplaces.

244 (f) The department shall adopt rules relating to forms that
245 provide for the voluntary self-identification of individuals who
246 a disability who are employed by an executive agency.

247 (g) This subsection does not create any substantive or
248 procedural right or benefit enforceable at law or in equity
249 against the state or a state agency, or an officer, employee, or
250 agent thereof.

251 Section 3. This act shall take effect July 1, 2015.

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/4/15
Meeting Date

SB 7022
Bill Number (if applicable)

Topic Individuals w/ Disabilities

Amendment Barcode (if applicable)

Name Dixie Sanson

Job Title Lobbyist

Address PO Box 98

Phone 321-543-7195

Street

Cocoa

City

FL

State

32923

Zip

Email dixiesanson@aol.com

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing The Arc of FL

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/4/15
Meeting Date

SB 7022
Bill Number (if applicable)

Topic SB 7022

Amendment Barcode (if applicable)

Name Tom GRIFFIN

Job Title Fiorentino Group

Address 200 West Adams

Phone 561-991-7122

Street
Tallahassee FL 32301
City State Zip

Email tgriffin@fg.com

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing FL Association of Agencies Serving the Blind

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Appropriations Subcommittee on General Government

BILL: SB 7024

INTRODUCER: Governmental Oversight and Accountability Committee

SUBJECT: State Board of Administration

DATE: March 3, 2015

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
	Peacock	McVaney		GO SPB 7024 as introduced
1.	Davis/McSwain	DeLoach	AGG	Recommend: Favorable
2.			AP	

I. Summary:

SB 7024 repeals the current limitation on the authority of the State Board of Administration to invest the funds of the Florida Retirement System Trust Fund in institutions doing business in or with Northern Ireland.

The bill directs the State Board of Administration to distribute any residual balance in the Fund B Surplus Funds Trust Fund, after the original principal balance has been repaid to the trust fund participants, based on each's participant's proportional share of the November 2007 interest earnings that were withheld from distribution and transferred to the Fund B Surplus Funds Trust Fund. The bill has no impact on state funds.

The bill establishes an effective date of July 1, 2015.

II. Present Situation:

State Board of Administration

The State Board of Administration (SBA) is created in Art. IV, s. 4 (e) of the State Constitution. The Governor, the Chief Financial Officer, and the Attorney General serve as the trustees of the SBA. The SBA derives its powers to oversee state funds from Art. XII, s. 9 of the State Constitution. The SBA provides a variety of investment services to various governmental entities at both the state and local government levels.

The SBA has the responsibility to invest the funds of the Florida Retirement System (FRS) Trust Fund which holds the assets of the FRS Pension Plan and the FRS Investment Plan. The FRS is the primary retirement system for employees of the state, universities, state colleges, school

boards, counties, and various other local governments in Florida. The table below shows the primary funds the SBA invests and the balances of those funds as of February 25, 2015.¹

All SBA Funds - Estimated Market Values As of February 25, 2015, Market Close	
Fund Name	Estimated Current Value
Florida Retirement System Pension Plan	\$150,169,315,001
Florida PRIME	\$7,708,345,539
Fund B Surplus Funds Trust Fund	\$43,223,777
Florida Retirement System Investment Plan	\$8,874,130,206
Lawton Chiles Endowment Fund	\$635,027,365
Other SBA Mandates	\$16,352,489,404
Total	\$183,782,531,292

In investing assets, the SBA is statutorily directed to follow the fiduciary standards of care set forth in the Employee Retirement Income Security Act (ERISA), subject to certain limitations.² Pursuant to s. 215.444, F.S., a nine-member Investment Advisory Council provides recommendations on investment policy, strategy, and procedures. The SBA's ability to invest the FRS assets is governed by s. 215.47, F.S., which provides for a "legal list" of the types of investments and for how much of the total fund may be invested in each investment type.

Restrictions on Investments in Northern Ireland

Section 121.153, F.S., was enacted by the Florida Legislature in 1988 and requires the SBA to determine the existence of affirmative action taken to eliminate the ethnic or religious discrimination practiced by the government of Northern Ireland, or with agencies or instrumentalities thereof.

Section 121.153(1)(b), F.S., lists nine (9) types of affirmative actions to eliminate the ethnic or religious discrimination practiced by the Northern Ireland government, agencies and instrumentalities thereof. These affirmative actions include:

- Increasing the representation of individuals from underrepresented religious groups in the workforce, including managerial, supervisory, administrative, clerical, and technical jobs;
- Providing adequate security for the protection of minority employees both at the workplace and while traveling to and from work;
- Banning provocative religious or political emblems from the workplace;
- Publicly advertising all job openings and making special recruitment efforts to attract applicants from underrepresented religious groups;
- Providing that layoff, recall, and termination procedures should not in practice favor particular religious groupings;
- Abolishing job reservations, apprenticeship restrictions, and differential employment criteria, which discriminate on the basis of religion or ethnic origin;

¹ State Board of Administration "Daily Estimate Report" as of February 25, 2015, provided February 26, 2015.

² Sections 215.44 and 215.47, F.S.

- Developing training programs that will prepare substantial numbers of current minority employees for skilled jobs, including the expansion of existing programs and the creation of new programs to train, upgrade, and improve the skills of minority employees;
- Establishing procedures to assess, identify, and actively recruit minority employees with potential for further advancement; and
- Appointing senior management staff members to oversee affirmative action efforts and setting up timetables to carry out affirmative action principles.

These above 9 affirmative actions are known as the MacBride Principles.³

To assure compliance with the statutory restrictions, the SBA subscribes to several research services, which collect and analyze employment and other data on businesses operating within Northern Ireland (either through direct owned businesses, wholly-owned subsidiaries, or partially-owned subsidiaries). These research services provide the SBA with summaries of corporate fair employment practices, regulatory developments, and other information relevant to the corporate governance of companies with business operations in Northern Ireland.

In regard to FRS Trust Fund assets deposited in any financial institution, the SBA requires each financial institution to report whether it makes loans or extends credit to Northern Ireland or national corporations of Northern Ireland or agencies or instrumentalities thereof. To comply, the SBA annually solicits input from Bank of America, BNY Mellon, BlackRock, and Wells Fargo. During the 2014 fiscal year, Bank of America, BNY Mellon, BlackRock, and Wells Fargo reported no Northern Ireland lending activity or operations, consistent with the last several years.

Additionally, the SBA's Corporate Governance Principles and Proxy Voting Guidelines incorporate these statutory requirements, and the SBA has historically supported any investor proposals advocating the elimination of ethnic or religious discrimination practices in Northern Ireland. Since 2011, there have been no shareowner proposals submitted covering Northern Ireland and the implementation of the MacBride principles.⁴

Local Government Surplus Trust Fund and Fund B Surplus Funds Trust Fund

The Local Government Surplus Trust Fund (now known as "Florida Prime") was created by the Florida Legislature in 1977.⁵ The Local Government Surplus Funds Trust Fund is open to all units of local government in Florida to invest their surplus funds. The primary investment objectives are safety, liquidity, and competitive returns with minimization of risks.⁶ This fund currently serves over 800 participants across the state, and the fund has pool assets of \$7.86 billion as of February 12, 2015.

In November 2007, the Local Government Surplus Funds Trust Fund experienced an unanticipated liquidity crisis when participants withdrew an unprecedented \$14 billion in funds

³ Neil J. Conway, *Investment Responsibility in Northern Ireland: The MacBride Principles of Fair Employment*, 24 Loy. L.A. Int'l & Comp. L. Rev 1 (Jan. 2002).

⁴ SBA analysis of SB 7024, dated February 11, 2015 (on file with the Committee on Governmental Oversight and Accountability).

⁵ Section 218.405, F.S.

⁶ Section 218.405(2), F.S.

in a single month. The withdrawals were triggered by fears of exposure to so-called “subprime commercial paper.”

Although less than one half of one percent of the fund was comprised of securities that, while rated top-tier at the time of purchase, subsequently became distressed, media reports fueled investor fears about the quality and security of the investments. Many participants lost confidence in the fund, leading to what can best be described as a classic “run on the bank” that significantly diminished the liquidity in the investment pool.

Faced with this liquidity crisis, the SBA’s Trustees implemented a temporary four-day freeze on withdrawals and deposits and created a separate second fund, the “Fund B Surplus Funds Trust Fund,” to hold these distressed securities. Fund B was also seeded with additional funding coming from the reserve account that existed in the Local Government Surplus Funds Trust Fund and the approximately \$95 million in November 2007 interest payments, which would have been distributed to all local government investment pool participants at month-end.

In 2008, the Florida Legislature passed a law to address the repayment of principal to Local Government Surplus Funds Trust Fund participants⁷ and statutorily created the Fund B Surplus Funds Trust Fund.⁸ Fund B’s goal was to maximize the present value of original principal balances. As of September 2014, Fund B participants have received 100% of their original principal. Since returning 100% of participant’s principal, additional returns and legal settlements have produced a residual balance within Fund B of approximately \$43 million.

The current statute has been interpreted to only allow residual proceeds to be returned to the fund from which they came (i.e., the Local Government Surplus Funds Trust Fund). The Participant Local Government Advisory Council, created in law in 2008, met to discuss the fair and appropriate distribution of residual proceeds. The Council determined the most equitable method of distribution would be the transfer of residual proceeds to those who were members in November 2007, on a pro-rata share of the interest withheld in November 2007.

III. Effect of Proposed Changes:

Section 1 repeals s. 121.153, F.S. to remove the restrictions placed on the SBA authority to invest FRS Trust Fund assets in stocks, securities, or other obligations of any institution or company doing business in or with Northern Ireland.

Section 2 amends s. 218.421, F.S., to direct the SBA to distribute the residual balance of the Fund B Surplus Funds Trust Fund to fund participants who were members in November 2007, on a pro-rata share of the interest earnings withheld in November 2007.

Section 3 provides an effective date of July 1, 2015.

⁷ Section 218.422, F.S.

⁸ Section 218.417, F.S.

IV. Constitutional Issues:**A. Municipality/County Mandates Restrictions:**

The bill does not require counties or municipalities to take an action requiring an expenditure of funds, reduce the authority that counties or municipalities have to raise revenue in the aggregate, or reduce the percentage of state tax shared with counties or municipalities.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

Section 2 of SB 7024 directs the SBA to distribute the remaining balance of the Pool B (approximately \$43.2 million as of February 25, 2015) to local governments who were participants of the Local Government Surplus Funds Trust Fund in November 2007 and did not receive an interest distribution during that month.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill repeals section 121.153 of the Florida Statutes.

This bill substantially amends section 218.421 of the Florida Statutes.

IX. Additional Information:

- A. **Committee Substitute – Statement of Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

- B. **Amendments:**

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

By the Committee on Governmental Oversight and Accountability

585-01658-15

20157024__

1 A bill to be entitled
 2 An act relating to the State Board of Administration;
 3 repealing s. 121.153, F.S., relating to restrictions
 4 on investments in institutions doing business in or
 5 with Northern Ireland; amending s. 218.421, F.S.;
 6 establishing conditions for the transfer of any
 7 residual balance in the Fund B Surplus Funds Trust
 8 Fund upon self-liquidation; specifying the method of
 9 calculating the payment amount to an entitled
 10 participant; requiring that additional income received
 11 after distribution of the residual balance be
 12 deposited in the Local Government Surplus Funds Trust
 13 Fund; providing an effective date.
 14
 15 Be It Enacted by the Legislature of the State of Florida:
 16
 17 Section 1. Section 121.153, Florida Statutes, is repealed.
 18 Section 2. Paragraph (e) of subsection (2) of section
 19 218.421, Florida Statutes, is amended to read:
 20 218.421 Fund B Surplus Funds Trust Fund; purpose;
 21 rulemaking; administration; reporting.-
 22 (2)
 23 (e) After the trust fund self-liquidates through the full
 24 return of the original principal balance to trust fund
 25 participants and the payment of all expenses related to the
 26 liquidation of assets, any residual balance shall be
 27 transferred, within a timeframe established by the board, back
 28 to each participant in the Local Government Surplus Funds Trust
 29 Fund who had been entitled to, but had not received, a November

Page 1 of 2

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

585-01658-15

20157024__

30 2007 interest payment on invested funds at any time during that
 31 month. The amount paid to such participants shall be based on
 32 each participant's proportional share of the total November 2007
 33 interest earned by such participants in the Local Government
 34 Surplus Funds Trust Fund which was not paid out but transferred
 35 to the trust fund in order to maximize the payout of principal.
 36 If income attributable to an investment held directly or
 37 indirectly at any time by the trust fund is received by the
 38 board after the residual balance has been paid out to all
 39 entitled participants, such income shall be deposited in the
 40 Local Government Surplus Funds Trust Fund, ~~any remaining reserve~~
 41 may be transferred by the trustees at their sole discretion back
 42 to the trust fund from which the assets were originally
 43 separated.
 44 Section 3. This act shall take effect July 1, 2015.

Page 2 of 2

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

MAR 4, 2015
Meeting Date

7024
Bill Number (if applicable)

Topic SBA

Amendment Barcode (if applicable)

Name LAURA YOUMANS

Job Title ADVOCATE

Address 100 S. MONROE ST
Street

Phone 850-294-1837

TAL FL 32801
City State Zip

Email LYOUMANS@FLCOUNTIES.COM

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing FLORIDA ASSOC. OF COUNTIES

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/4/15

Meeting Date

SB 7024

Bill Number (if applicable)

Topic FUND 3 of "old" LGIP (new PRIME) Amendment Barcode (if applicable)

Name BILL GRAHAM

Job Title INTERIM EXECUTIVE DIRECTOR FLA. SCHOOL BODS. ASSN

Address 203 So. Monroe St. Phone 414-2578

Street

TALLAHASSEE FL 32301 Email grahan@fsb2.org

City

State

Zip

Speaking: [] For [] Against [] Information

Waive Speaking: [x] In Support [] Against (The Chair will read this information into the record.)

Representing FLORIDA SCHOOL BOARDS ASSOCIATION

Appearing at request of Chair: [] Yes [] No

Lobbyist registered with Legislature: [x] Yes [] No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

Florida Department of Environmental Protection



Florida's Springs

Senate Appropriations Subcommittee on
General Government

March 4, 2015

Tom Frick, Director

Division of Environmental Assessment & Restoration





The Springs Governance

- **Water Quality**

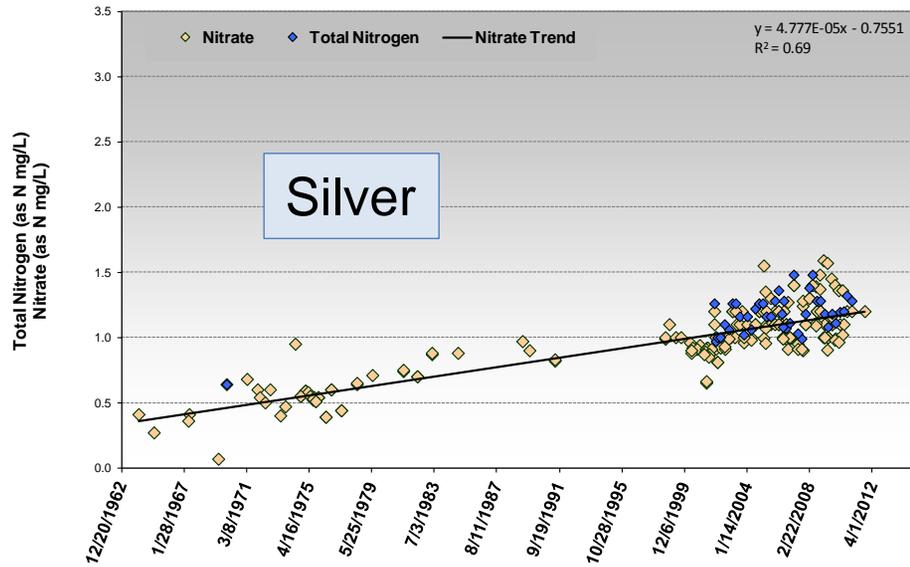
- Division of Environmental Assessment & Restoration
- s. 403.067, F.S.- Basin Management Action Plans

- **Water Quantity**

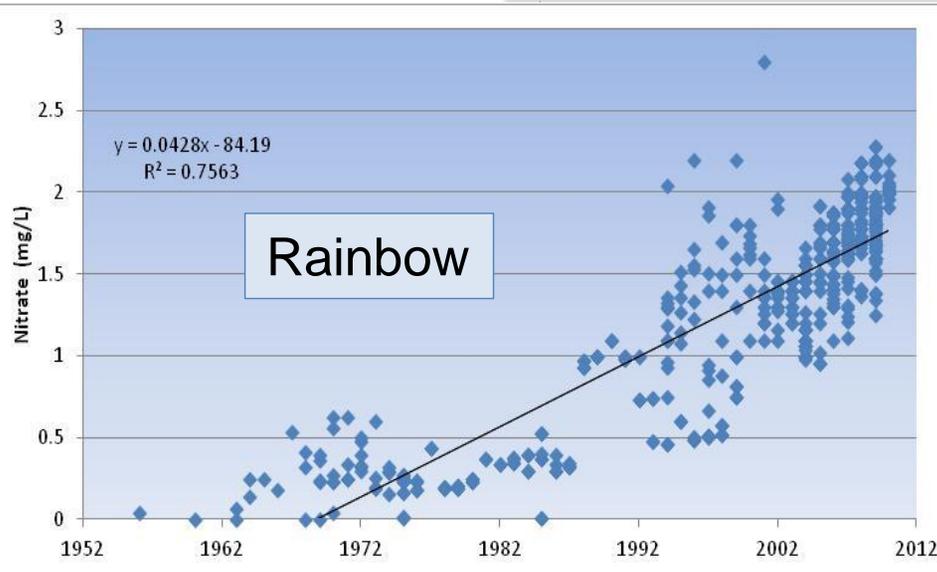
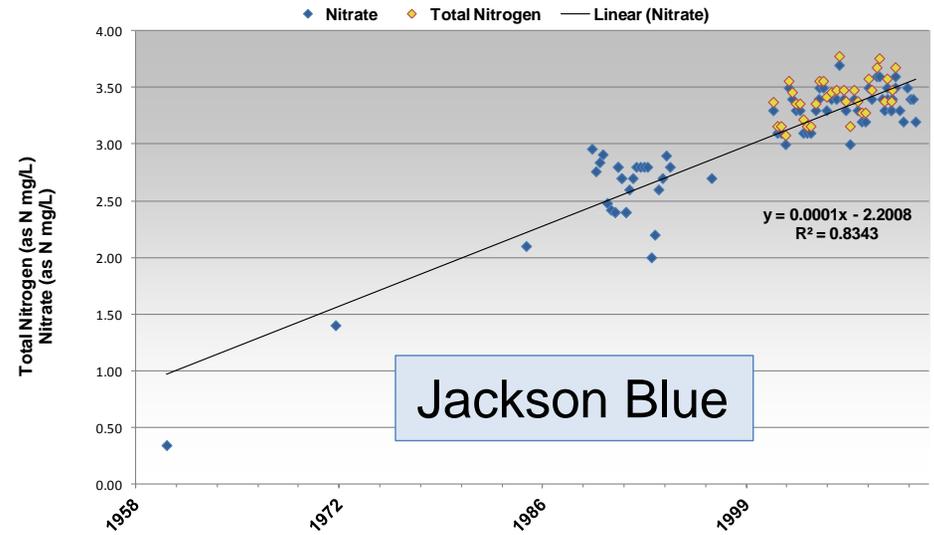
- The Water Management Districts and the DEP Office of Water Policy
- s. 373.042 F.S.- Minimum Flows and Levels
 - WMDs establish MFLs and develop recovery and prevention strategies
 - DEP oversees the establishment of MFLs and directs the statewide policy

Water Quality

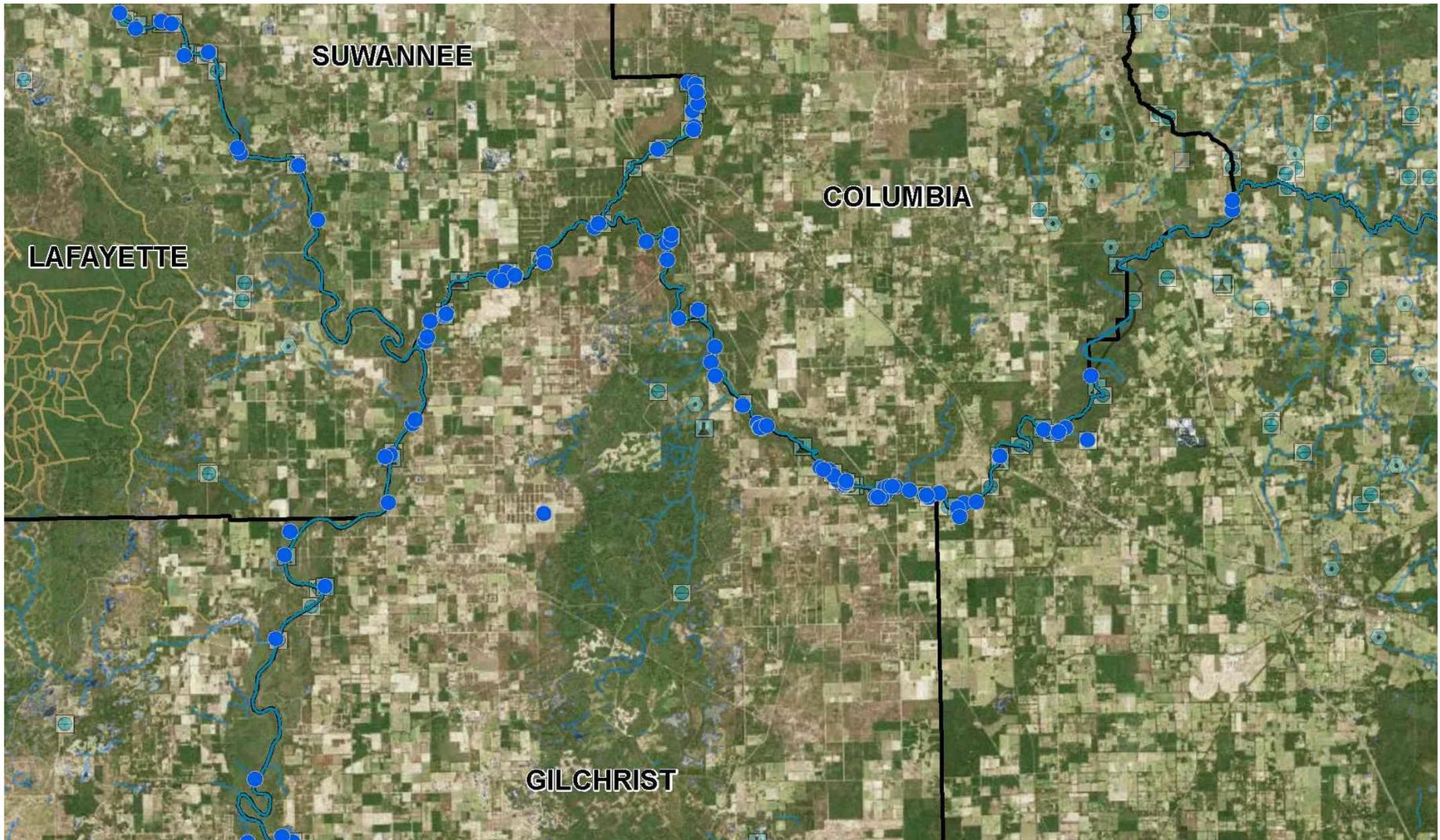
NITRATE AND TOTAL NITROGEN TRENDS (1964-2011)
SILVER SPRING MAIN - WBID 2772A



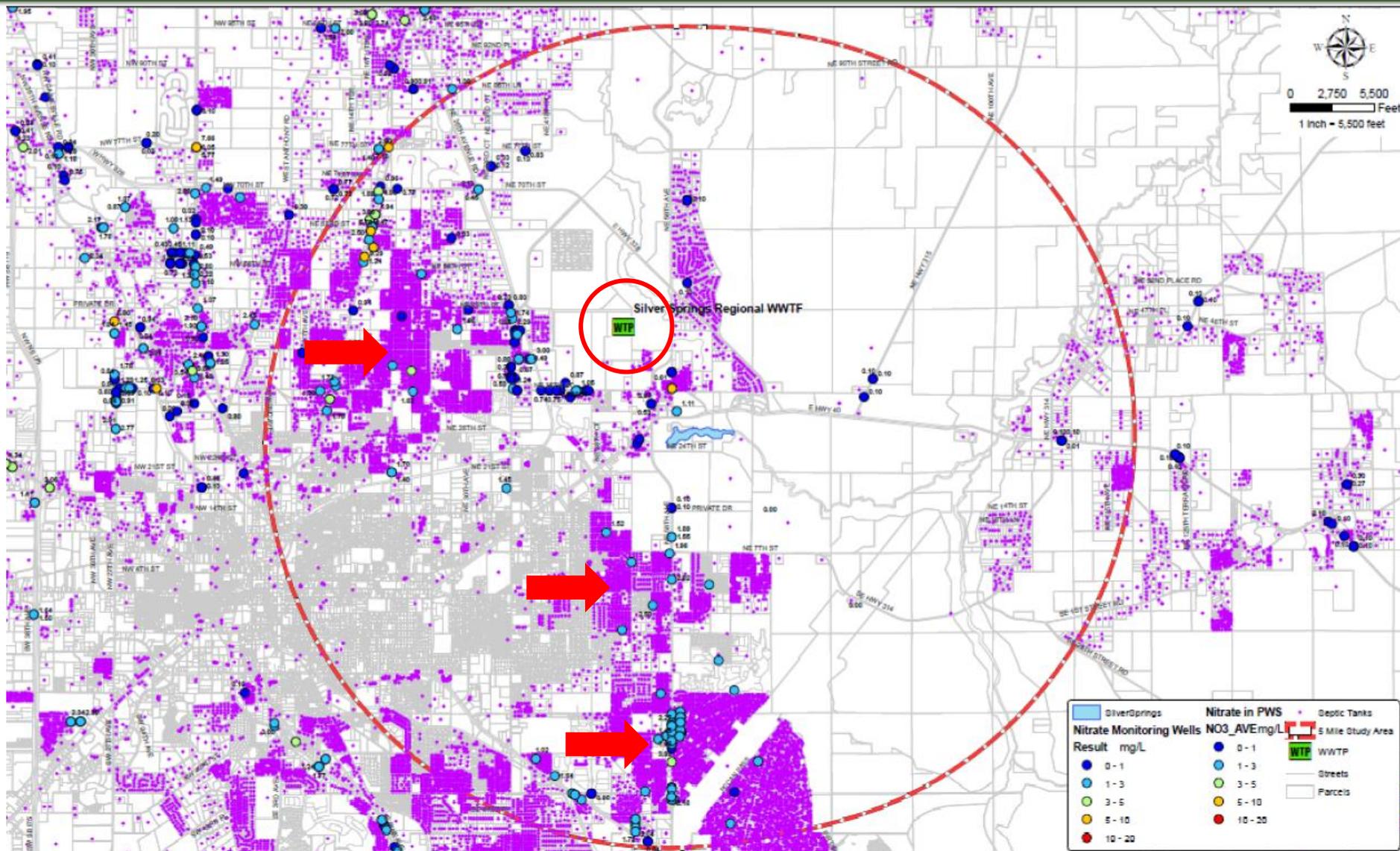
Nitrate and Total Nitrogen Trends (1960-2011)
Jackson Blue Spring - WBID 180Z



Santa Fe & Suwannee Rivers – Rural Setting



Silver Springs – Urban Setting



MARION COUNTY UTILITIES
Silver Springs Water Quality Improvement
Nitrate Content 5 miles from the Springs

FIGURE 3-2

Last Two Fiscal Years

- Regional priorities
- Public input
- Nutrients removed
- Water added/conserved
- Cost-effectiveness
- Local match
- Urban/agriculture balance
- Water quality/quantity balance





Springs Funding 2013-14 & 2014-15

Springs Project Details	Values
Appropriations	\$35 million
Awarded Amount	\$37.1 million
Local & WMD Matching Funds	\$69.3 million
Total Project Costs	\$106.4 million
State Return on Investment	287%
Anticipated Water Conservation	> 45.9 million gallons per day
Anticipated Nitrate Reduction	> 3,000,000 pounds per year

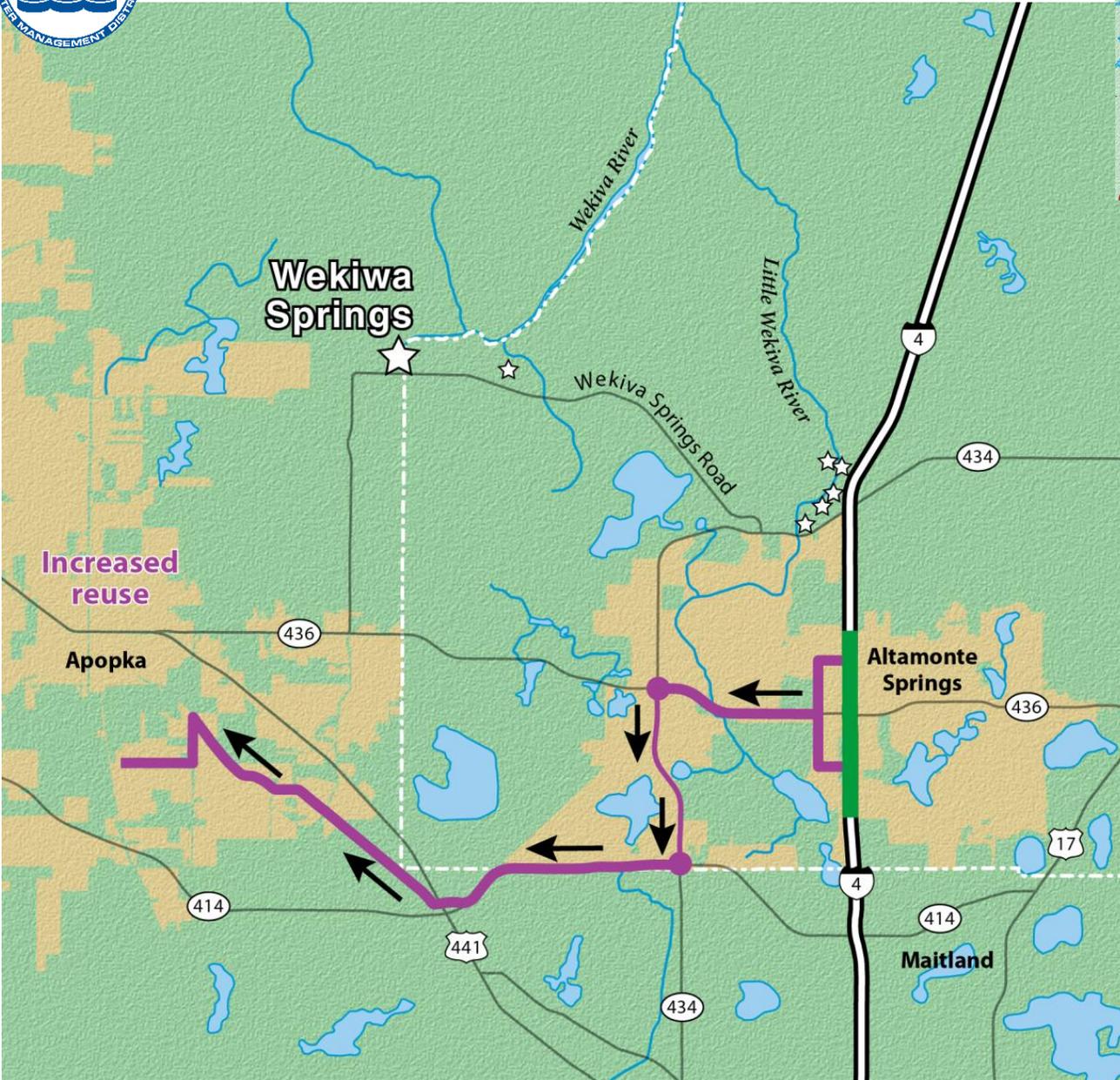
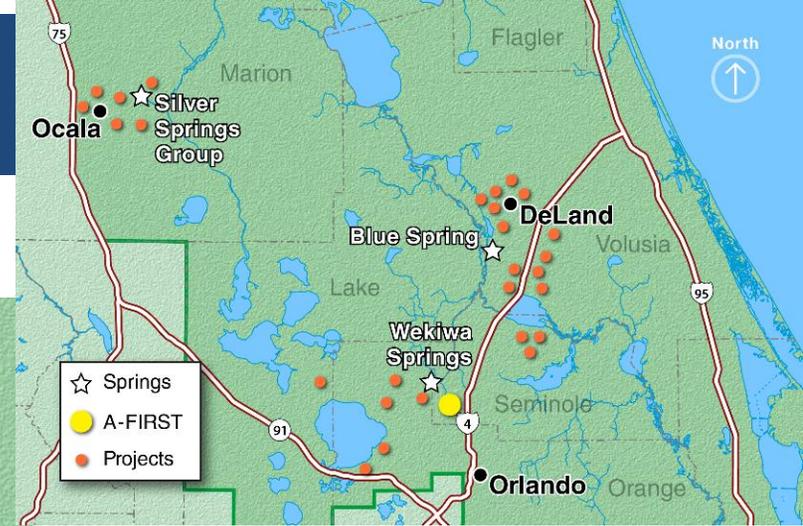


Contact Information



Tom Frick, Director
Division of Environmental Assessment & Restoration
Thomas.Frick@dep.state.fl.us, 850.245.7518

SJRWMD Springs Projects

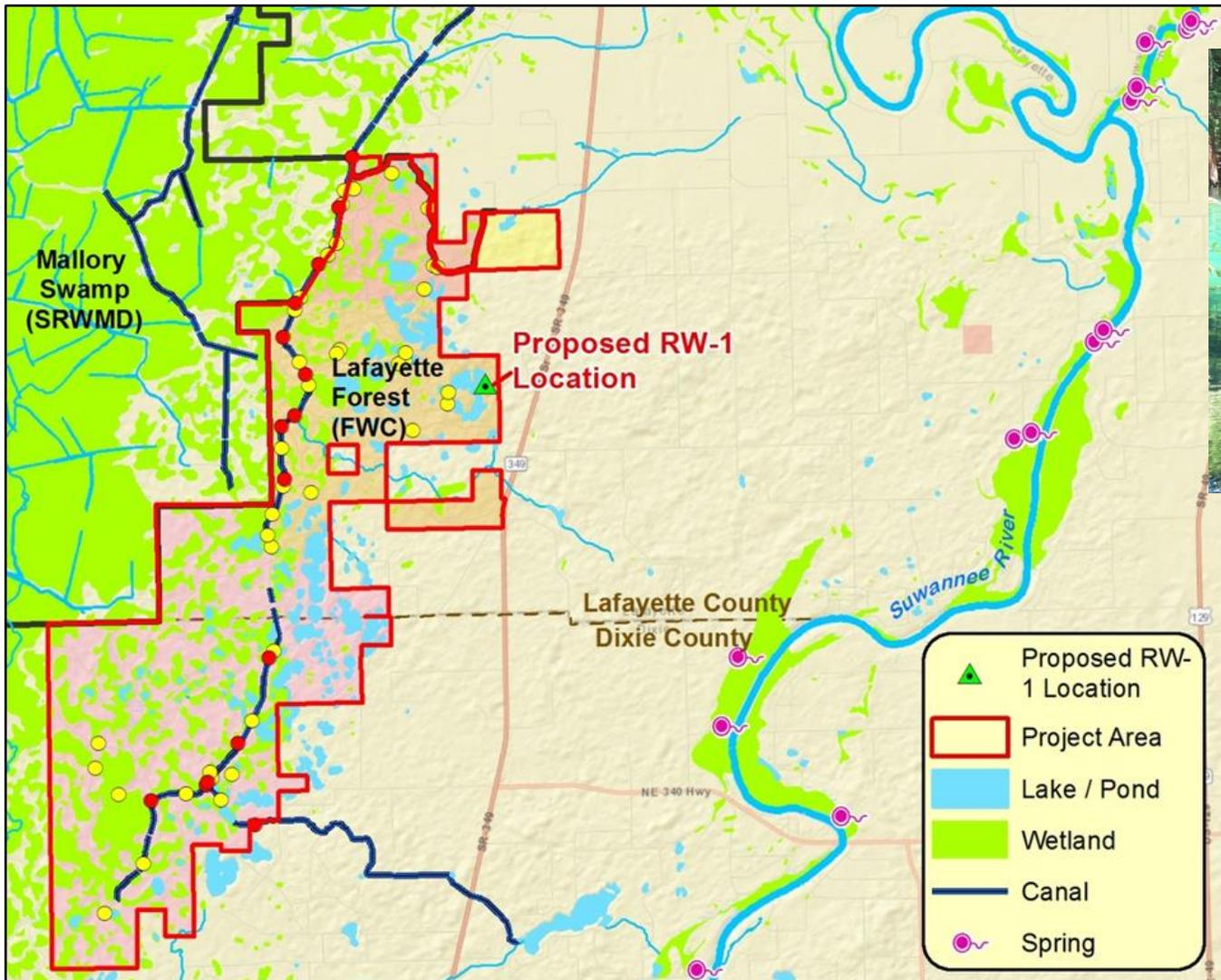


A–FIRST Project Reclaimed Water and Storm Water for Reuse

- **Multiple partners**
- **\$12.5 million**
- **4.5 million gallons per day of new water**
- **59,000 lbs. nitrogen reduction per year**
- **27,000 lbs. phosphorus reduction per year**

SRWMD Focus on Springs

Middle Suwannee River and Springs Restoration and Aquifer Recharge Project



- Wetland restoration and dispersed water storage (+2000 acres)
- Lake rehydration (~500 acres)
- Aquifer recharge and spring flows (10MGD)
- Partnerships



Jackson Blue Spring

1st-Magnitude MFL Priority Spring

Spring Management Challenges

- Agricultural irrigation demands
- Elevated nutrients primarily from agriculture

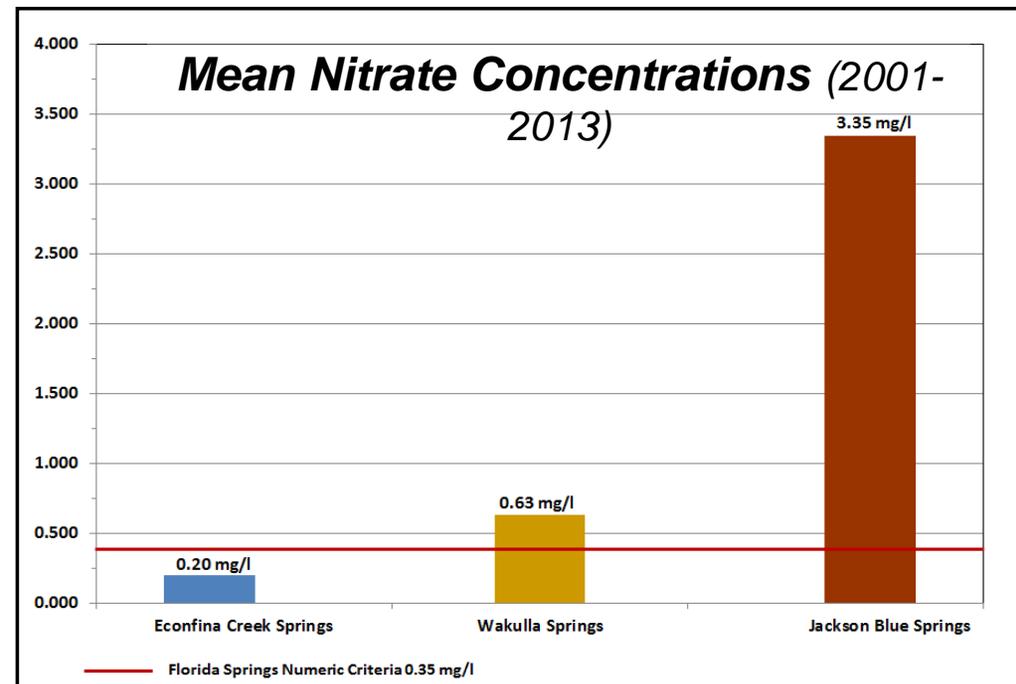
Agricultural BMPs - \$2.1 million

Agricultural Cost Share Program

- Up to 75% cost-share for equipment; 22 producers currently in program
- Estimated nitrogen reduction of 204,000 lbs/yr through improved fertilizer application practices
- Estimated water savings up to 1.3 million gallons per day from center-pivot retrofits and other water saving measures

Mobile Irrigation Lab

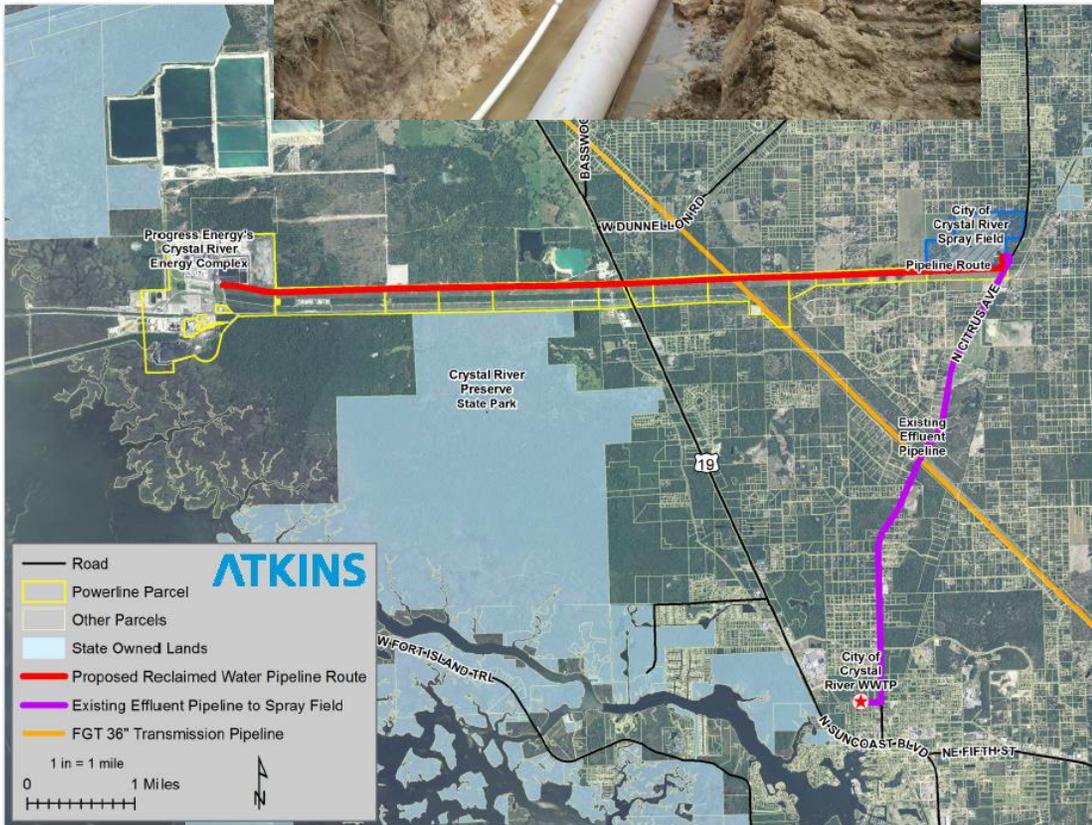
- More than 730 farm evaluations and follow-up visits
- 7.8 million gallons per day water savings



City of Crystal River Reclaimed Water Project

Southwest Florida
Water Management District

Reclaimed Transmission
Mains



Storage Tank

FDACS Role in Springs and Aquifer Protection

Florida Senate

Appropriations Subcommittee on General Government

Senator Alan Hays, Chairman

March 4, 2015

Rich Budell, Director

Office of Agricultural Water Policy



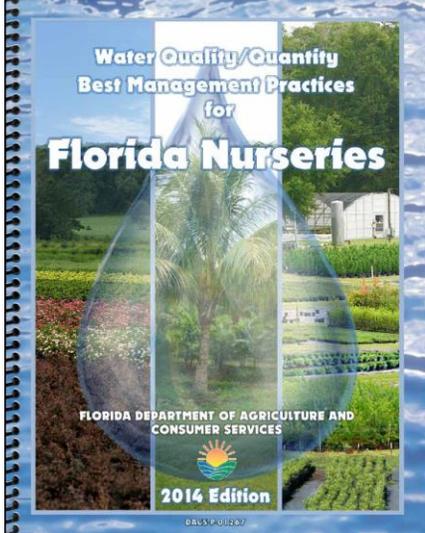
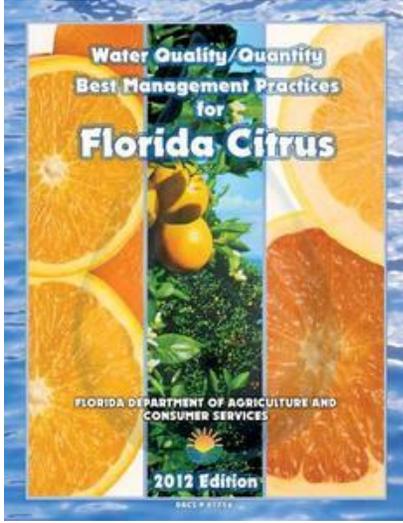
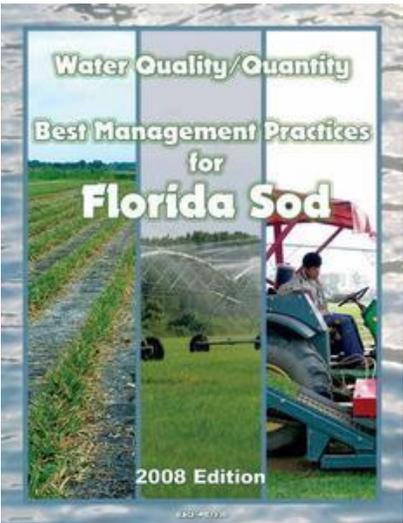
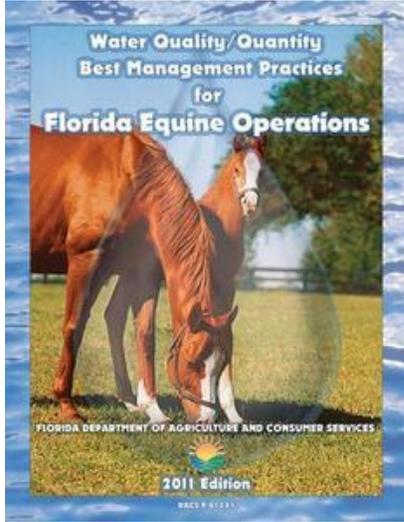
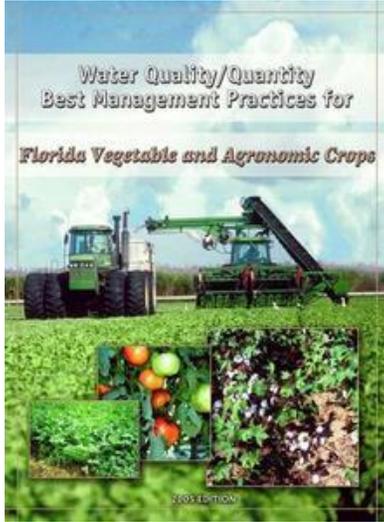
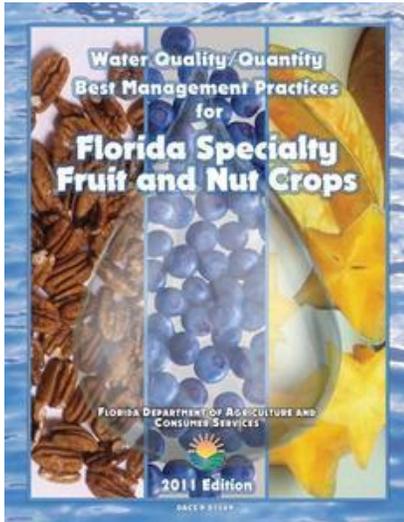
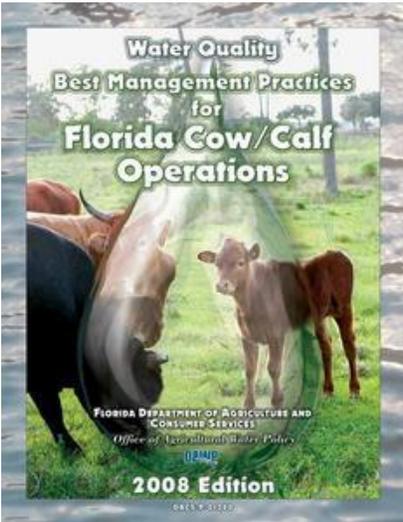
Water Resource Protection

Water Quality BMPs – What are they?

- Practice or combination of practices based on research, field-testing and expert review, to be the most effective and practicable on-location means, including economic and technological considerations, for improving water quality in agricultural and urban discharges
- Nutrient (nitrogen & phosphorus) Management
- Irrigation Management



BMP Manuals

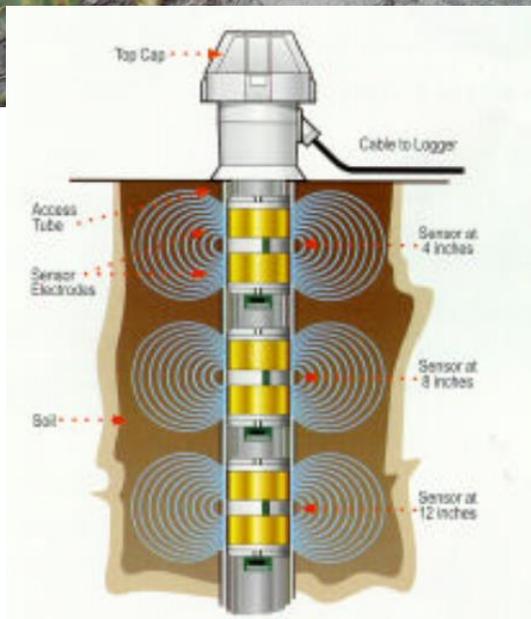


FDACS BMP Enrollment Process

- Contact landowner, make appointment, on-farm consultation
- Review BMP manual
- Identify resource concerns
- Complete Notice of Intent which includes:
 - Crop acreage
 - Specific BMPs to be implemented
 - Tax parcel identification numbers
 - Landowner signature and contact information

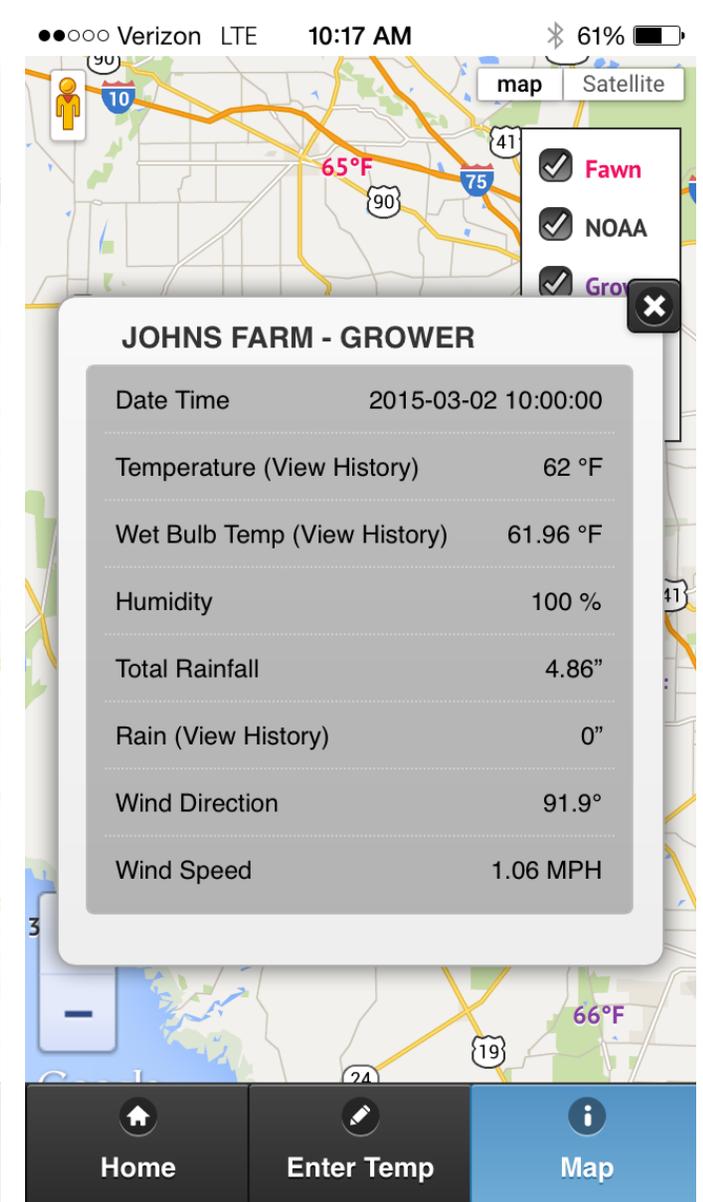
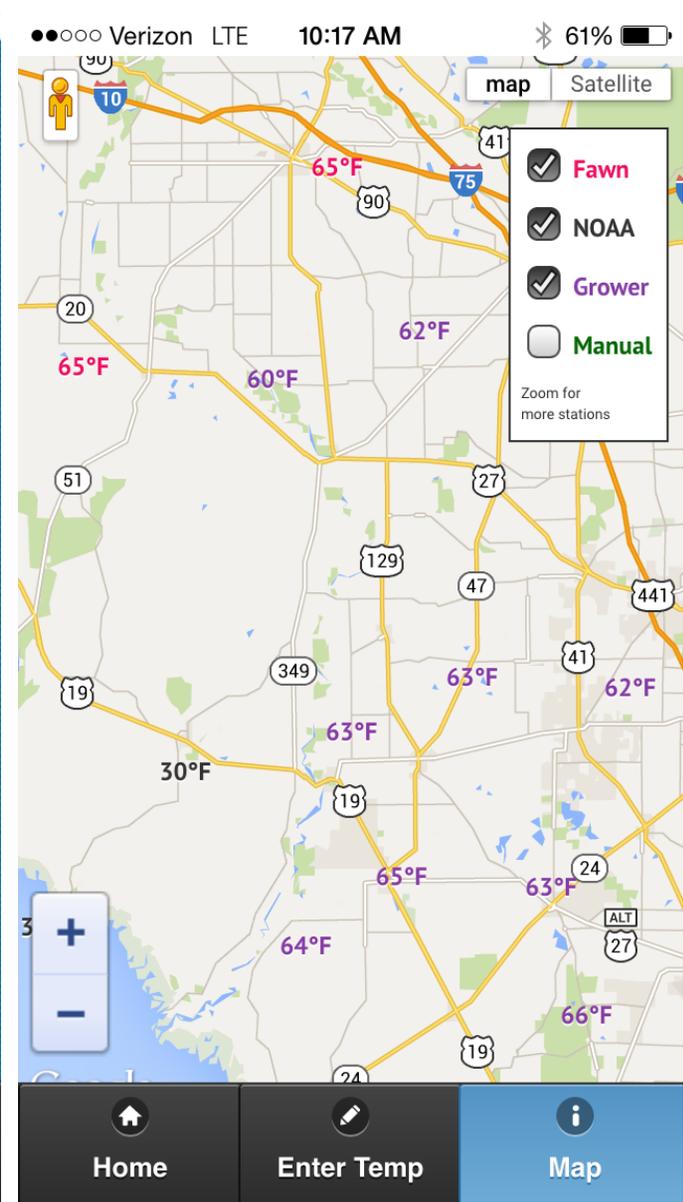
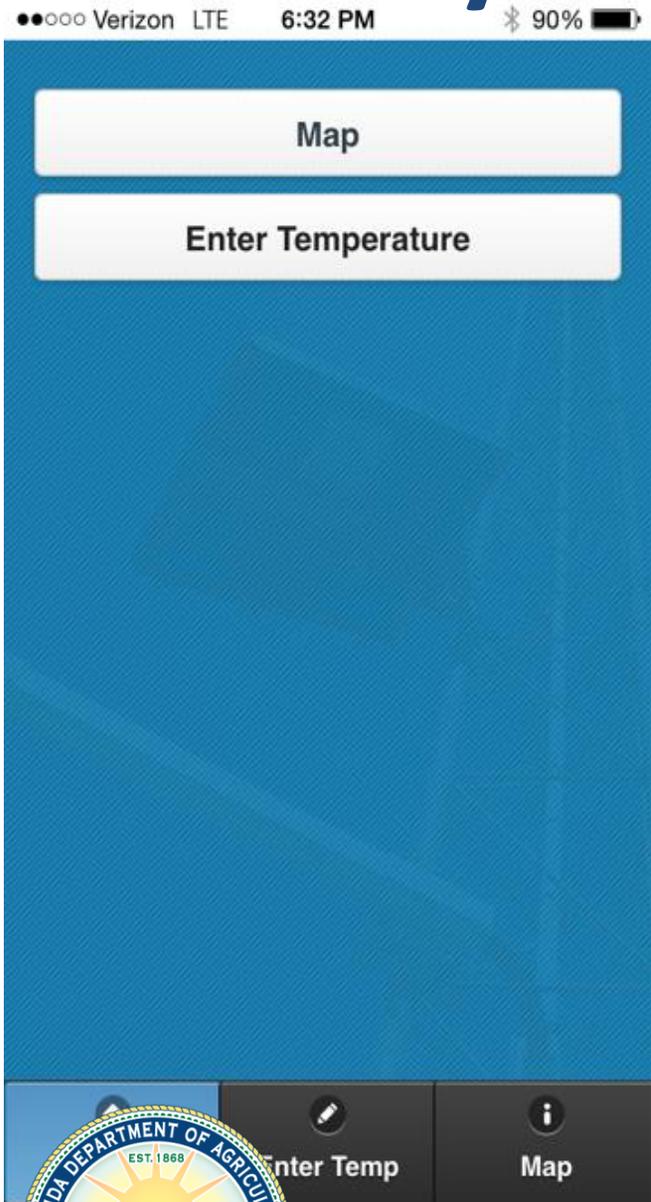


Irrigation and Nutrient Management





My Florida Farm Weather



Estimated Nitrogen Reduction from Farms Implementing BMPs

- **272 Crop farms using BMP Tools on 175,000 acres**
- **At 50 lbs N/acre reduction**
Estimated reduction in lbs of N applied per year **8,750,000**
(4,375 tons)



Examples of BMPs - Irrigation Management

Mobile Irrigation Labs



Irrigation System Retrofits



Improve Irrigation System Management



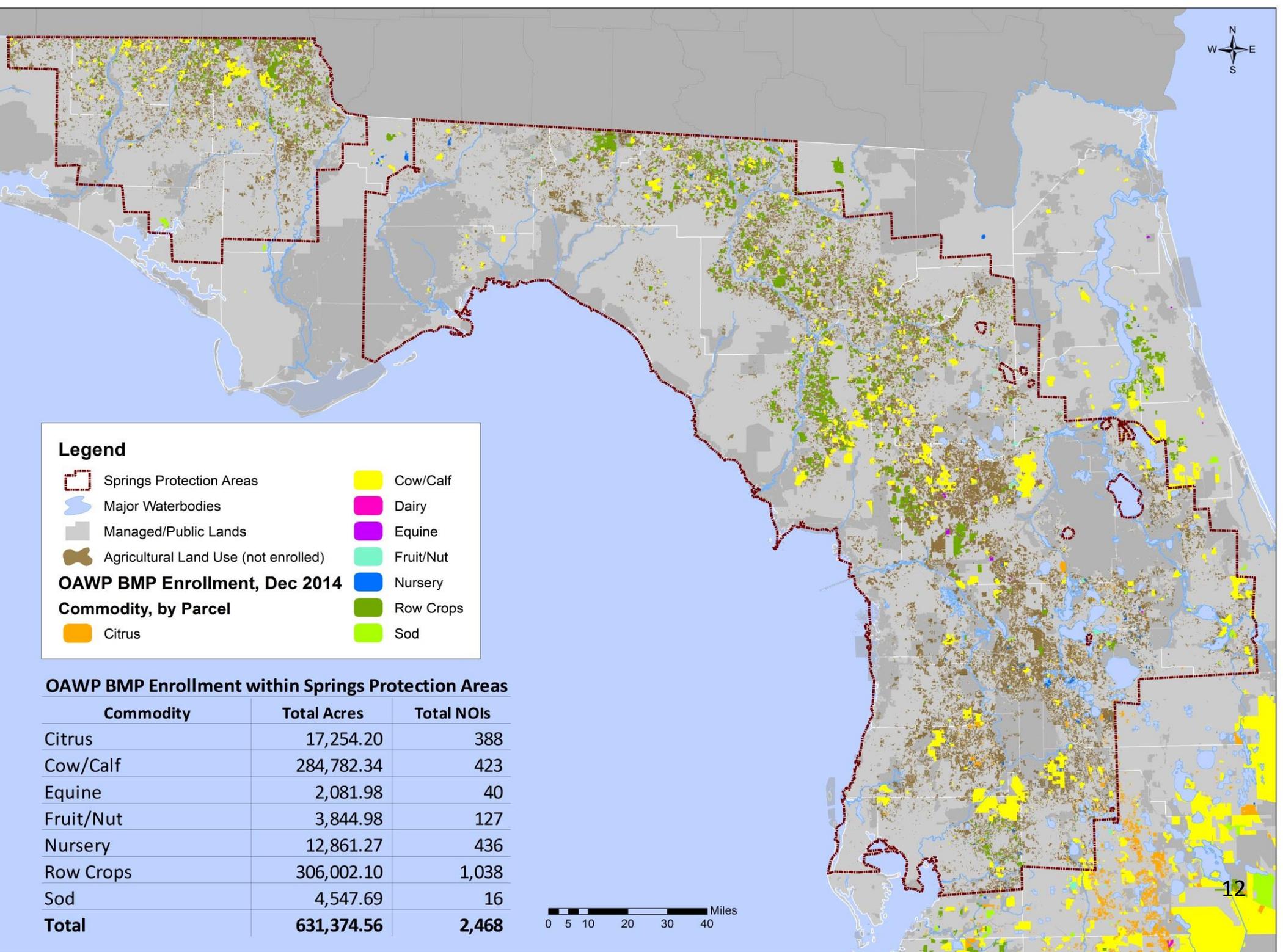
Keeping Water and Fertilizer in the Root Zone



Water Resource Conservation

- Conducted nearly 7500 system evaluations
- Covering 300,000 acres
- Documented conservation of nearly 32 mgd
- Estimated conservation of over 60 mgd





Legend

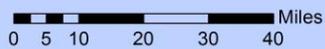
- Springs Protection Areas
- Major Waterbodies
- Managed/Public Lands
- Agricultural Land Use (not enrolled)
- Cow/Calf
- Dairy
- Equine
- Fruit/Nut
- Nursery
- Row Crops
- Sod
- Citrus

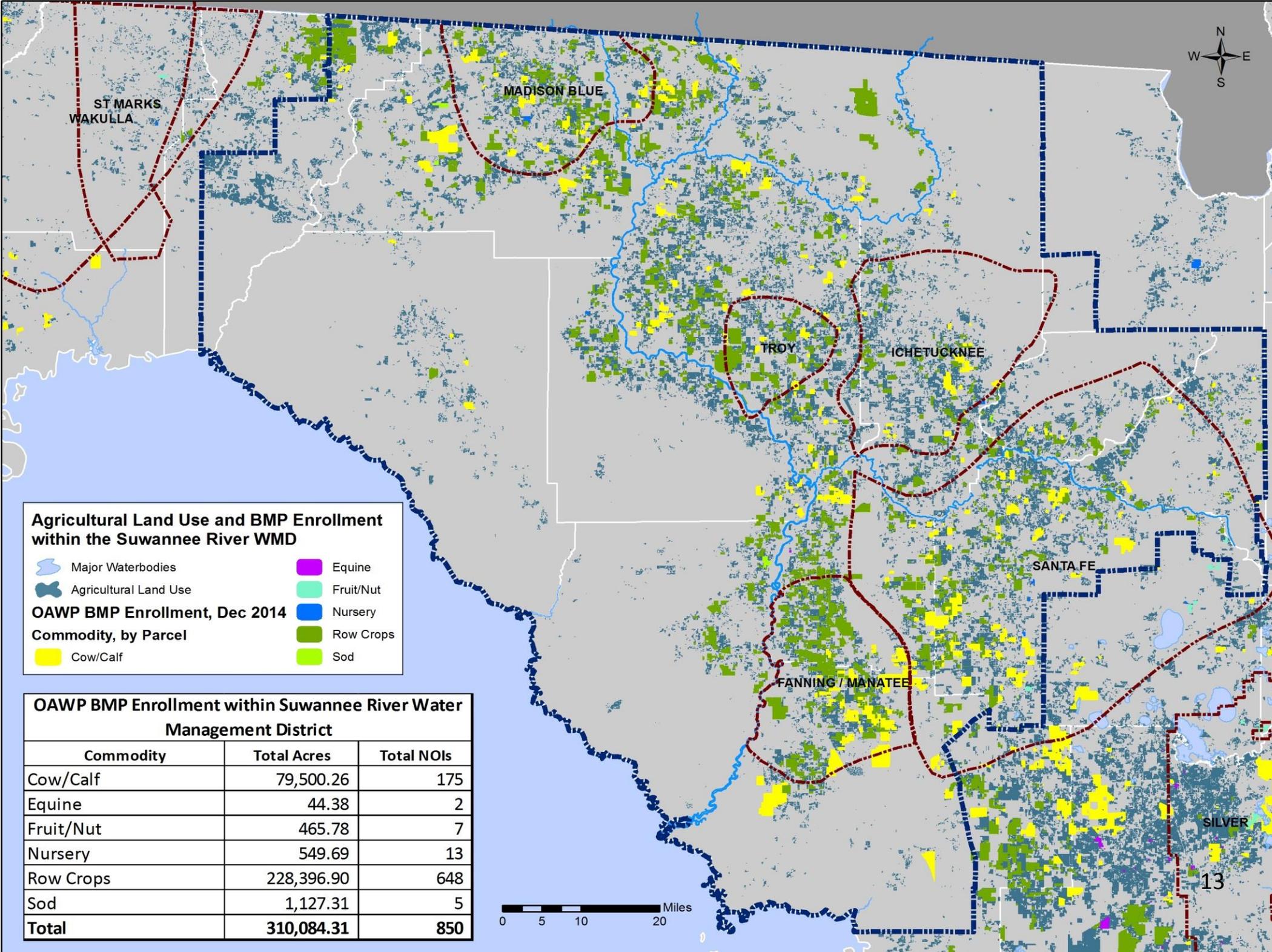
OAWP BMP Enrollment, Dec 2014

Commodity, by Parcel

OAWP BMP Enrollment within Springs Protection Areas

Commodity	Total Acres	Total NOIs
Citrus	17,254.20	388
Cow/Calf	284,782.34	423
Equine	2,081.98	40
Fruit/Nut	3,844.98	127
Nursery	12,861.27	436
Row Crops	306,002.10	1,038
Sod	4,547.69	16
Total	631,374.56	2,468





Agricultural Land Use and BMP Enrollment within the Suwannee River WMD

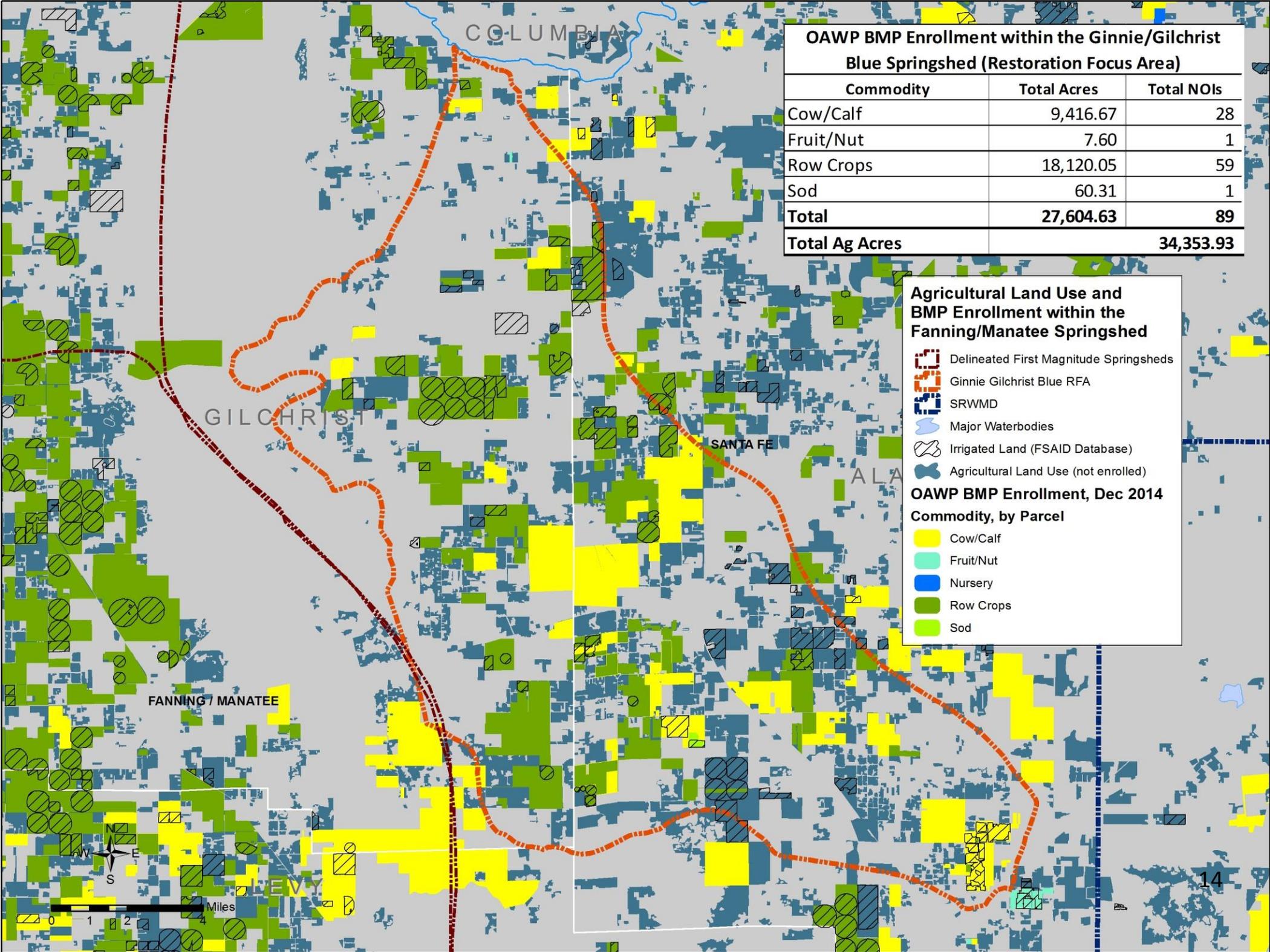
- Major Waterbodies
- Agricultural Land Use
- Equine
- Fruit/Nut
- Nursery
- Row Crops
- Sod
- Cow/Calf

OAWP BMP Enrollment, Dec 2014

Commodity, by Parcel

OAWP BMP Enrollment within Suwannee River Water Management District		
Commodity	Total Acres	Total NOIs
Cow/Calf	79,500.26	175
Equine	44.38	2
Fruit/Nut	465.78	7
Nursery	549.69	13
Row Crops	228,396.90	648
Sod	1,127.31	5
Total	310,084.31	850





OAWP BMP Enrollment within the Ginnie/Gilchrist Blue Springshed (Restoration Focus Area)

Commodity	Total Acres	Total NOIs
Cow/Calf	9,416.67	28
Fruit/Nut	7.60	1
Row Crops	18,120.05	59
Sod	60.31	1
Total	27,604.63	89
Total Ag Acres	34,353.93	

Agricultural Land Use and BMP Enrollment within the Fanning/Manatee Springshed

- Delineated First Magnitude Springsheds
- Ginnie Gilchrist Blue RFA
- SRWMD
- Major Waterbodies
- Irrigated Land (FSAID Database)
- Agricultural Land Use (not enrolled)

OAWP BMP Enrollment, Dec 2014

Commodity, by Parcel

- Cow/Calf
- Fruit/Nut
- Nursery
- Row Crops
- Sod

Agricultural Land Use and BMP Enrollment within the Fanning/Manatee Springshed

-  Delineated First Magnitude Springsheds
-  SRWMD
-  Major Waterbodies
-  Irrigated Land (FSAID Database)
-  Agricultural Land Use (not enrolled)

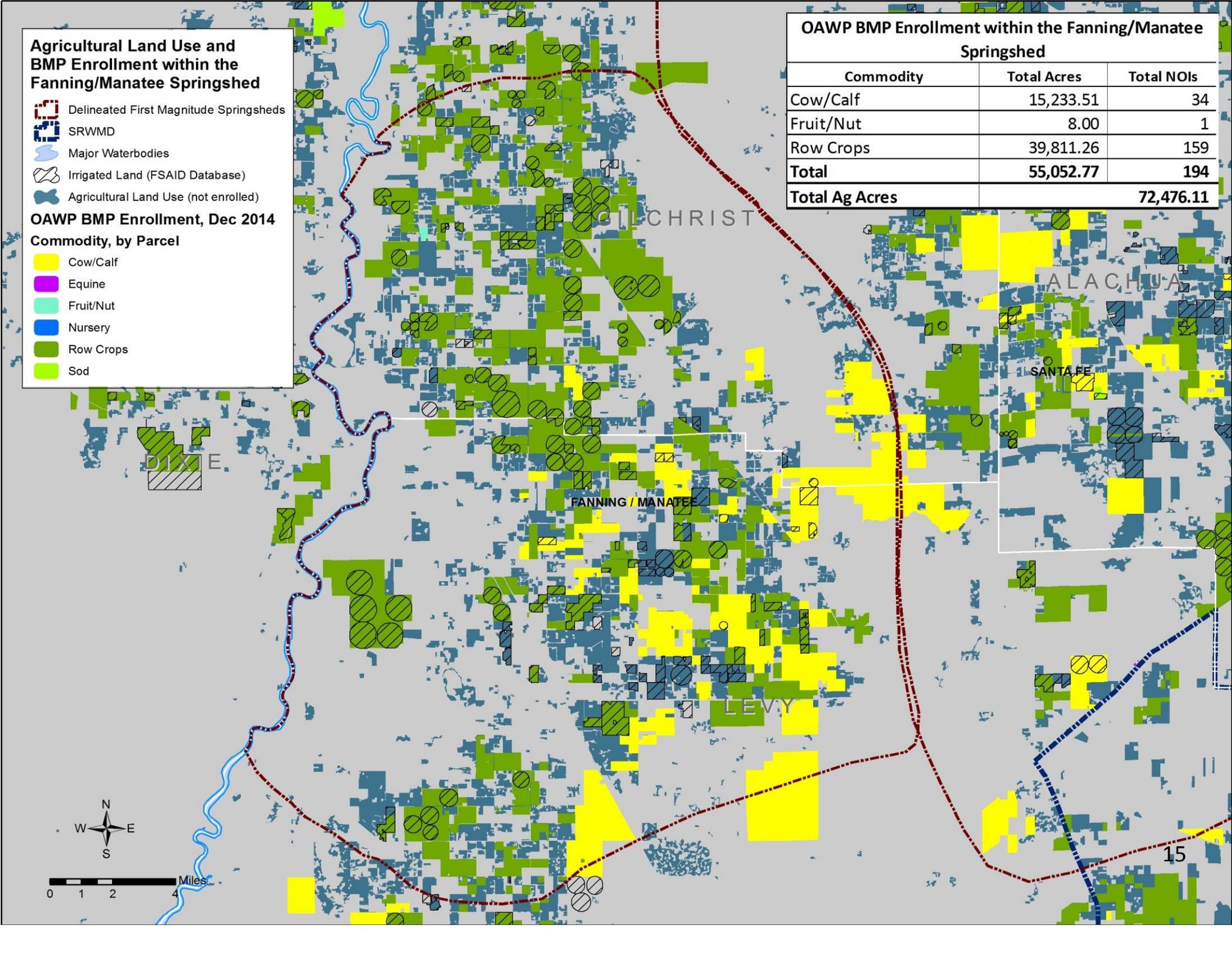
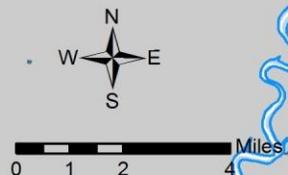
OAWP BMP Enrollment, Dec 2014

Commodity, by Parcel

-  Cow/Calf
-  Equine
-  Fruit/Nut
-  Nursery
-  Row Crops
-  Sod

OAWP BMP Enrollment within the Fanning/Manatee Springshed

Commodity	Total Acres	Total NOIs
Cow/Calf	15,233.51	34
Fruit/Nut	8.00	1
Row Crops	39,811.26	159
Total	55,052.77	194
Total Ag Acres	72,476.11	



Springs Funded Projects

• Farmer BMP Cost Share	\$5,235,900
• Technical Assistance	\$ 310,820
• Mobile Irrigation Labs	\$ 254,000
• Research & Demonstrations	\$ 231,219
– Total	\$6,031,939



Beyond Current BMPs

- Advanced Irrigation Management
- Cropping Systems
- Crop Genetics
- Controlled Release Fertilizers
- Nitrate Mitigation Systems
- Innovative Conservation Easements



Questions?

Rich Budell

850-617-1704

Rich.Budell@FreshFromFlorida.com



THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/4/15
Meeting Date

Bill Number (if applicable)

Florida
Topic Springs

Amendment Barcode (if applicable)

Name Tom Frick

Job Title Director

Address 3700 Commonwealth Blvd.
Street

Phone

City State Zip

Email

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing DEP

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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THE FLORIDA SENATE
APPEARANCE RECORD

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3/4/15

Meeting Date

Bill Number (if applicable)

Topic Spring's

Amendment Barcode (if applicable)

Name Hans Tanzler

Job Title Executive Director

Address PO Box 1429

Phone 386-329-4500

Street Palatka FL 32178

Email htanzler@sjrwm.com

City State Zip

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing St. Johns River Water Management Dist.

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

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March 4 2015
Meeting Date

Bill Number (if applicable)

Topic Springs

Amendment Barcode (if applicable)

Name Ann Shortelle

Job Title Executive Director

Address 9225 CR 49
Street

Phone 386.362.1001

Live Oak
City

FL
State

32060
Zip

Email ABSC@SRWMD.org

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Suwannee River Water Management District

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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THE FLORIDA SENATE
APPEARANCE RECORD

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3/4/15
Meeting Date

Bill Number (if applicable)

Topic Presentation on Florida Springs

Amendment Barcode (if applicable)

Name Brett Lyphers

Job Title Executive Director

Address 81 Water Management Dr

Phone 850-539-5999

Street

Havana

City

FL

State

32333

Zip

Email brett.lyphers@NWFWater.com

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Northwest Florida Water Management District

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

3/4/13

Meeting Date

Bill Number (if applicable)

Topic Springs / DEP presentation

Amendment Barcode (if applicable)

Name Robert Beltran

Job Title Executive Dir.

Address 2379 Broad St

Phone 800 423 1476

Street

Brooksville FL

33604

Email Robert.beltran@

City

State

Zip

watermatters.org

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing SWFWMD

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

March 4
Meeting Date

NA
Bill Number (if applicable)

Topic Springs Protection

Amendment Barcode (if applicable)

Name Rich Budell

Job Title Director, Agricultural Water Policy

Address PL 10 The Capitol

Phone 850 617 1704

Tallahassee FL 32399
City State Zip

Email Richard.Budell@freshfromflorida.com

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing FL Dept. of Agriculture + Consumer Services

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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This form is part of the public record for this meeting.

10:18:31 AM Sen. Dean
10:19:11 AM Sen. Hays
10:19:34 AM Sen. Dean
10:20:01 AM Sen. Hays
10:20:09 AM Laura Cantwell, Associate State Director Advocacy, AARP (waives in support)
10:20:22 AM David Cullen, Sierra Club of Florida (waives in support)
10:20:52 AM TAB 6 - Presentation of Florida's Springs
10:20:53 AM Sen. Hays
10:21:17 AM Tom Frick, Director, Division of Environmental Assessment and Restoration, Department of Environmental Protection
10:21:26 AM Sen. Hays
10:21:36 AM T. Frick
10:21:38 AM Sen. Hays
10:21:48 AM T. Frick
10:25:13 AM Sen. Hays
10:25:16 AM T. Frick
10:30:46 AM Sen. Hays
10:30:48 AM Sen. Simpson
10:30:55 AM T. Frick
10:31:12 AM Sen. Simpson
10:31:17 AM T. Frick
10:31:20 AM Sen. Simpson
10:31:25 AM T. Frick
10:31:36 AM Sen. Simpson
10:31:45 AM T. Frick
10:32:07 AM Sen. Simpson
10:32:32 AM T. Frick
10:32:45 AM Sen. Hays
10:32:54 AM Sen. Simpson
10:33:29 AM Sen. Hays
10:33:32 AM T. Frick
10:33:33 AM Sen. Hays
10:33:42 AM T. Frick
10:34:58 AM Sen. Hays
10:35:58 AM T. Frick
10:36:07 AM Sen. Hays
10:36:21 AM T. Frick
10:36:21 AM Sen. Hays
10:36:21 AM Sen. Hays
10:37:05 AM T. Frick
10:38:13 AM Sen. Hays
10:38:27 AM T. Frick
10:39:04 AM Sen. Hays
10:39:07 AM T. Frick
10:39:17 AM Sen. Hays
10:39:45 AM T. Frick
10:40:10 AM Sen. Dean
10:40:52 AM T. Frick
10:42:19 AM Sen. Dean
10:42:42 AM T. Frick
10:43:07 AM Sen. Dean
10:43:33 AM Sen. Hays
10:43:47 AM T. Frick
10:44:27 AM Sen. Hays
10:44:40 AM T. Frick
10:45:21 AM Sen. Hays
10:45:58 AM T. Frick
10:46:29 AM Sen. Hays
10:47:15 AM T. Frick
10:47:32 AM Sen. Hays
10:47:51 AM Hans Tanzler, Executive Director, St. Johns River Water Management District
10:47:58 AM Sen Altman

10:48:15 AM H. Tanzler
10:53:16 AM Sen. Hays
10:53:21 AM H. Tanzler
10:53:34 AM Sen. Hays
10:53:40 AM H. Tanzler
10:53:46 AM Sen. Hays
10:53:52 AM H. Tanzler
10:54:52 AM Sen. Hays
10:55:02 AM Ann Shortelle, Executive Director, Suwannee River Water Management District
10:59:35 AM Sen. Hays
10:59:51 AM A. Shortelle
11:00:20 AM Sen. Hays
11:00:23 AM A. Shortelle
11:01:09 AM Sen. Dean
11:01:38 AM A. Shortelle
11:02:55 AM Sen. Dean
11:03:02 AM A. Shortelle
11:03:26 AM Sen. Dean
11:04:13 AM A. Shortelle
11:04:52 AM Sen. Dean
11:05:15 AM A. Shortelle
11:05:49 AM Sen. Hays
11:07:07 AM A. Shortelle
11:07:55 AM Sen. Hays
11:08:03 AM A. Shortelle
11:08:11 AM Sen. Hays
11:08:27 AM Brett Cyphers, Executive Director, Northwest Florida Water Management District
11:11:29 AM Sen. Hays
11:11:54 AM B. Cyphers
11:12:44 AM Sen. Hay
11:12:56 AM B. Cyphers
11:13:24 AM Sen. Hays
11:13:56 AM B.Cyphers
11:14:48 AM Sen. Hays
11:15:05 AM B. Cyphers
11:15:53 AM Sen. Hays
11:15:59 AM B. Cyphers
11:16:17 AM Sen. Hays
11:17:02 AM Robert Beltran, Executive Director, Southwest Florida Water Management District
11:20:49 AM Sen. Dean
11:22:28 AM Sen. Hays
11:22:33 AM R. Beltran
11:22:46 AM Sen. Hays
11:24:16 AM R. Beltran
11:25:04 AM Sen Hays
11:25:08 AM Sen. Dean
11:26:21 AM Sen. Hays
11:26:38 AM Sen. Dean
11:27:01 AM Sen. Hays
11:27:11 AM Sen. Dean
11:27:50 AM Sen. Hays
11:28:47 AM Rich Budell, Director of Agricultural Water Policy, FL Dept. of Agriculture and Consumer Services
11:37:04 AM Sen. Hays
11:37:14 AM R. Budell
11:37:22 AM Sen. Hays
11:37:28 AM R. Budell
11:44:52 AM Sen. Hays
11:45:11 AM R. Budell
11:46:03 AM Sen. Hays
11:46:14 AM R. Budell
11:49:10 AM Sen. Margolis
11:49:47 AM R. Budell

11:50:26 AM Sen. Hays
11:50:34 AM Sen. Margolis
11:50:49 AM R. Budell
11:53:47 AM Sen. Hays
11:54:06 AM R. Budell
11:54:07 AM Sen. Hays