

Appropriations Committee

**Tuesday, February 6, 2018
3:00 PM – 6:00 PM
212 Knott Building**

Meeting Packet

**Richard Corcoran
Speaker**

**Carlos Trujillo
Chair**



The Florida House of Representatives

Appropriations Committee

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AGENDA

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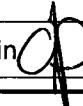

212 Knott Building

3:00 PM – 6:00 PM

- I. Call to Order/Roll Call
- II. Opening Remarks by Chair Trujillo
- III. Consideration of the following committee bill(s):
 - CS/HB 29 Military and Veterans Affairs by Commerce Committee, Ponder, Renner
 - CS/HB 351 Prescription Drug Pricing Transparency by Health Innovation Subcommittee, Santiago
 - HB 791 Regulatory Reform by Diaz, M., Ingoglia
 - HB 977 Retirement of Instructional Personnel and Administrative Personnel by Fine
 - CS/HB 1019 Financial Reporting by Local, Federal & Veterans Affairs Subcommittee, La Rosa
 - CS/HB 1361 Unclaimed Funds Held by the Clerks of Court by Civil Justice & Claims Subcommittee, Clemons
 - HB 7051 Trust Funds/Re-creation/Land Acquisition Trust Fund/DACS by Agriculture & Natural Resources Appropriations Subcommittee, Albritton
- IV. Closing Remarks and Adjournment

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 29 Military and Veterans Affairs
SPONSOR(S): Commerce Committee, Ponder, Renner and others
TIED BILLS: IDEN./SIM. **BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Commerce Committee	26 Y, 0 N, As CS	Wright	Hamon
2) Local, Federal & Veterans Affairs Subcommittee	12 Y, 0 N	Renner	Miller
3) Appropriations Committee		Potvin 	Leznoff 

SUMMARY ANALYSIS

Generally, the bill provides allowances for military members, veterans, and their spouses.

The bill eases professional licensing fees and requirements for certain military members, veterans, and their spouses, including:

- For the Department of Health (DOH) professional licensees, granting current DOH fee waivers for dentists, and providing an affirmative defense in certain unlicensed activity actions;
- For the Department of Business and Professional Regulation professional licensees, expanding license renewal fee waivers;
- For the Department of Agriculture and Consumer Services professional licensees, expanding current initial licensing fee waivers and creating renewal fee waivers;
- For the Office of Financial Regulation mortgage loan originators and associated persons licensees, creating an initial licensing and renewal fee waivers;
- For the Department of Financial Services professional licensees, relief from pre-licensure insurance coursework requirements, and expanding initial licensure fee waivers; and
- For the Department of Education (DOE) licensees, creating certain initial fee waivers, granting a temporary certificate in education, establishing a pathway for veteran officers for certification as a school principal.

The bill specifies that laws and rules regulating apprenticeships and approved apprenticeship agreements do not invalidate any special provisions for veterans, minority persons, or women, and requires the DOE to lead and coordinate outreach efforts to educate veterans about apprenticeship and career opportunities.

The bill allows Junior Reserve Officer Training instructors to participate in the Florida Teachers Classroom Supply Assistance Program.

The bill gives students who are children of an active duty member who is not stationed in this state, but whose home of record or state of legal residence is Florida, priority for attendance in the Florida Virtual School.

The bill designates March 25 every year as "Medal of Honor Day" and allows classroom instruction related to the values of the recipients of the Congressional Medal of Honor to meet certain instructional requirements on character development and the contributions of veterans to our country.

Lastly, the bill makes expands and clarifies the process for obtaining veteran training grants and instituting a veteran entrepreneurship program through Veterans Florida in the Department of Veterans' Affairs.

The bill has an indeterminate fiscal impact on state government and no fiscal impact on local governments.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Department of Health

Background

Licensure of Health Care Practitioners

The Division of Medical Quality Assurance (MQA), within the Department of Health (DOH), has general regulatory authority over health care practitioners in Florida.¹ The MQA works in conjunction with 22 boards and four councils to license and regulate seven types of health care facilities and more than 200 licenses in over 40 health care professions.² Each profession is regulated by an individual practice act and by ch. 456, F.S., which provides general regulatory and licensure authority for the MQA.

Military Spouses

Florida offers expedited licensing and fee waivers to the spouse of a person serving on active duty³ with the U.S. Armed Forces⁴ who holds an active license to practice a health care profession in another state or jurisdiction.⁵ To qualify for expedited licensure and fee waivers, the military spouse must:⁶

- submit a complete application;⁷
- submit evidence of training or experience substantially equivalent to the requirements for licensure in this state for that health care profession and evidence that he or she has obtained a passing score on an appropriate licensing examination, if required for licensure in this state;
- attest that he or she is not, at the time of submission, the subject of a disciplinary proceeding in a jurisdiction in which he or she holds a license or by the U.S. Department of Defense for a reason related to the practice of the profession for which he or she is applying;
- have actively practiced the profession for which he or she is applying for the 3 years preceding the date of application; and
- submits to a background screening, if required for the profession for which he or she is applying, and does not have any disqualifying offenses.

Under current law, military spouses who are dentists are not eligible for expedited licensing and fee waivers. No other health care profession is excluded.

The regulatory boards (or DOH if there is no board), are also authorized to issue temporary licenses to the spouse of a member of the U.S. Armed Forces to practice his or her health care profession in

¹ Pursuant to s. 456.001(4), F.S., health care practitioners are defined to include acupuncturists, physicians, physician assistants, chiropractors, podiatrists, naturopaths, dentists, dental hygienists, optometrists, nurses, nursing assistants, pharmacists, midwives, speech language pathologists, nursing home administrators, occupational therapists, respiratory therapists, dietitians, athletic trainers, orthotists, prosthetists, electrologists, massage therapists, clinical laboratory personnel, medical physicists, dispensers of optical devices or hearing aids, physical therapists, psychologists, social workers, counselors, and psychotherapists, among others.

² Florida Department of Health, Division of Medical Quality Assurance, *Annual Report and Long-Range Plan, Fiscal Year 2016-2017*, 3, available at http://www.floridahealth.gov/licensing-and-regulation/reports-and-publications/_documents/annual-report-1617.pdf (last visited Dec. 12, 2017).

³ Full-time duty in the active military service of the United States. 10 U.S.C. § 101(d)(1).

⁴ Includes the United States Army, Navy, Air Force, Marine Corps, and Coast Guard. 10 U.S.C. § 101(a)(4).

⁵ s. 456.024(3), F.S. The application fee, licensure fee, and unlicensed activity fee is waived for such applicants.

⁶ s. 456.024(3)(b), F.S.

⁷ DOH operates the Veterans Application for Licensure Online Response System (VALOR) to provide expedited licensing for active duty military members, honorably discharged veterans, and spouses of active duty military members with an active license in another state. See <http://www.flhealthsource.gov/valor> (last visited Dec. 12, 2017).

Florida, dentistry.⁸ A temporary license is valid for one year and is not renewable.⁹ To be eligible for a temporary license, a military spouse must:¹⁰

- submit a completed application and application fee;¹¹
- provide proof that he or she is married to a member of the U.S. Armed Forces serving on active duty in this state pursuant to official military orders;
- provide proof of a valid license from another state or jurisdiction to practice the health profession for which he or she is applying and that such license is not subject to any disciplinary proceeding;
- provide proof that he or she would otherwise be entitled to full licensure and is eligible to take the respective licensure examination as required in this state; and
- pass a criminal background screening.

A military spouse who holds a temporary license to practice dentistry must practice under the indirect supervision¹² of a dentist who holds an active license to practice in this state.¹³ This requirement does not apply to any other profession.

Unlicensed Practice of a Health Care Profession

Florida law prohibits an individual from practicing a regulated health care profession without a license. An individual must meet minimum education and training requirements to become licensed and practice a health care profession.¹⁴ Licensure is available by examination or, in many instances, by endorsement if the practitioner is licensed in another jurisdiction.

An unlicensed individual providing healthcare services is subject to administrative and criminal penalties. DOH may issue a cease and desist letter to such a person and impose, by citation, an administrative penalty of up to \$5,000 per offense.¹⁵ DOH may also seek a civil penalty of up to \$5,000 for each offense through the circuit court, in addition to or in lieu of the administrative penalty.¹⁶

An individual practicing, attempting to practice or offering to practice, a health care profession without an active, valid Florida license is subject to criminal penalties, in addition to any administrative and civil penalties incurred by the unlicensed individual.¹⁷

Each state may craft regulatory authority to determine who may engage in a particular profession within that state. Such authority may establish the minimum requirements for practicing an occupation, as well as whether a license is required to practice an occupation. For example, not all states regulate the practice of dietetics; however, 38 states, including Florida, require licensure to practice dietetics.¹⁸ Similarly, some activities may be regulated under one profession on one state in a different profession in another state.

⁸ s. 456.024(4), F.S.

⁹ s. 456.024(4)(f), F.S.

¹⁰ s. 456.024(4)(a)-(d), F.S.

¹¹ Pursuant to r. 64B-4.007, F.A.C., the application fee is \$65.

¹² s. 466.003(9), F.S., defines indirect supervision as supervision whereby a Florida-licensed dentist authorizes the procedure and a Florida-licensed dentist is on the premises while the procedures are performed.

¹³ s. 456.024(4)(j), F.S.

¹⁴ s. 456.065(1), F.S.

¹⁵ s. 456.065, F.S. Each day that the unlicensed practice continues after issuance of a notice to cease and desist constitutes a separate offense.

¹⁶ s. 456.065(2)(c), F.S.

¹⁷ s. 456.065(2)(d), F.S.

¹⁸ Commission on Dietetic Registration, *Laws that Regulate Dietitians/Nutritionist*, available at <https://www.cdrnet.org/vault/2459/web/files/Licensurelawsregulations.pdf> (last visited on December 14, 2017).

An individual licensed in another state who moves to Florida may find that the activities they legally engaged in under a license in that other state is governed by a different professional license in Florida, and continuing to engage in the activity in Florida would constitute unlicensed practice.

Effect of the Bill

Military Spouse Health Care Profession Licensure

The bill expands the expedited licensure application process to include the spouse of an active duty military member who holds an active license to practice dentistry in another state or jurisdiction and waives the application, licensure, and unlicensed activity fees.

The bill also repeals a provision that requires the spouse of a member of the U.S. Armed Forces serving on active duty in this state who holds a temporary license to practice dentistry to practice under the supervision of a Florida-licensed dentist.

These provisions allow dentistry to be treated in the same manner as all other health professions for which a military spouse may pursue licensure in this state.

Unlicensed Practice of a Health Care Profession

The bill provides an affirmative defense to administrative, civil, and criminal causes of action for the unlicensed practice of a health care profession. The affirmative defense is available to a spouse of an individual serving on active duty with the U.S. Armed Forces if:

- the spouse is licensed in another state or jurisdiction to provide health care services for which there is no equivalent in this state;
- the spouse is providing health care services within the scope of the out-of-state license; and
- the training or experience required for the out-of-state license is substantially similar to the licensure requirements for a similar health care profession in this state.

A person who successfully claims this affirmative defense would not be subject to any of the administrative, civil, and criminal penalties that exist for the unlicensed practice of a health profession.

Department of Business and Professional Regulation

Background

The Department of Business and Professional Regulation (DBPR), through several divisions, regulates and licenses various businesses and professionals in Florida.¹⁹

DBPR has authority over the following professional boards and programs:

- Board of Architecture and Interior Design,
- Board of Auctioneers,
- Barbers' Board,
- Building Code Administrators and Inspectors Board,
- Construction Industry Licensing Board,
- Board of Cosmetology,
- Electrical Contractors' Licensing Board,
- Board of Employee Leasing Companies,
- Board of Landscape Architecture,
- Board of Pilot Commissioners,
- Board of Professional Geologists,
- Board of Veterinary Medicine,

¹⁹ s. 20.165, F.S.

- Home inspection services licensing program;
- Mold-related services licensing program,
- Florida Board of Professional Engineers.
- Board of Accountancy,
- Florida Real Estate Commission, and
- Florida Real Estate Appraisal Board.²⁰

DBPR licenses and regulates each of the above professions in accordance with that profession's practice act. Generally, to act as a regulated professional, a person must hold an appropriate license. Applicants for licensure for each profession must meet specific statutory requirements, including education and/or experience requirements, and must pay all applicable licensing and application fees.²¹ Licensees who wish to renew their license must pay a license renewal fee²² and may be subject to continuing education requirements²³ and other conditions in the various practice acts.

Fee Waivers for Military Members and Certain Spouses

Currently, the initial application fee is waived for any of the professional licenses listed above if the applicant is:

- a member, including a veteran, of the U.S. Armed Forces who has served on active duty,
- the spouse of a member of the U.S. Armed Forces who was married to the member during a period of active duty,
- the surviving spouse of a member of the U.S. Armed Forces who at the time of death was serving on active duty,²⁴
- any honorably discharged military veteran for 60 months post discharge, or
- a spouse of such a veteran for 60 months post discharge.²⁵

Members of the U.S. Armed Forces who hold a DBPR professional license prior to active duty service will be kept in "good standing" for the duration of the member's active duty and for two years afterward. Keeping the license in "good standing" means that the member does not have to register, pay dues or fees, or perform any other act to prevent his or her license from becoming delinquent. Currently, this allowance only applies as long as the member does not practice his or her profession in the private sector for profit during his or her active duty and for two years thereafter.²⁶

An active duty U.S. Armed Forces member's spouse or surviving spouse who holds a DBPR license will also have his or her license kept in good standing, but only if he or she is absent from the state related to the member's active duty service. This allowance terminates at the end of the member's active duty service. A spouse is not required to refrain from practicing their profession in the private sector for profit in order to keep their license in good standing.²⁷

Currently, renewal fee waivers do not apply to DBPR-licensed spouses or surviving spouses of U.S. Armed Forces active duty members who are present **in Florida**.

Effect of the Bill

Similar to the current fee waiver for initial licensure applications, the bill grants a **license renewal fee waiver** to a DBPR licensee who is:

²⁰ *Id.*

²¹ s. 455.201, F.S.

²² s. 455.203, F.S.

²³ s. 455.2123, F.S.

²⁴ s. 455.219(7)(a), F.S.; and Form # DBPR MVL 002, incorporated by Rule 61-35.029, F.A.C.

²⁵ s. 455.213(12), F.S.; and Form # DBPR MVL 002, incorporated by Rule 61-35.029, F.A.C.

²⁶ s. 455.02(1), F.S.

²⁷ s. 455.02(2), F.S.

- an active duty U.S. Armed Forces member, during active duty service and for the 2 years following active duty discharge, regardless if he or she is engaged in his or her DBPR licensed profession in the private sector for profit in this state. Such member must complete all other license renewal requirements if he or she is actively engaged in the profession.
- the spouse of an active duty U.S. Armed Forces member who is present in this state because of such member's active duty. and
- a surviving spouse of a member of the U.S. Armed Forces, if such member was serving on active duty at the time of death and died within the 2 years preceding the surviving spouse's renewal due date.

Department of Agriculture and Consumer Services

Background

In addition to regulating agriculture in Florida, the Department of Agriculture and Consumer Services (DACS) also protects consumers from unfair and deceptive business practices and provides consumer information.²⁸

DACS achieves this, in part, through licensing and registering various professionals, including:

- Professional Surveyors and Mappers (ch. 472, F.S.);
- Private Investigative, Private Security, and Repossession Services (ch. 493, F.S.);
- Health Studios (ch. 501, pt. I, F.S.);
- Telemarketing Services (ch. 501, pt. IV, F.S.);
- Intrastate Movers and Brokers (ch. 507, F.S.);
- Sellers of Liquefied Petroleum Gas (ch. 527, F.S.);
- Pawnbroking (ch. 539, F.S.);
- Motor Vehicle Repair Shops (ch. 559, pt. IX, F.S.); and
- Sellers of Travel (ch. 559, pt. XI, F.S.).

DACS licenses and regulates each of the above professionals in accordance with that profession's practice act. Generally, applicants for initial licensure and licensure renewal for each profession must meet specific statutory requirements and must pay all applicable fees.

Initial Application Fee Waivers

Currently, initial applicants for the abovementioned licenses and registrations receive an application fee waiver if the applicant is:

- an honorably discharged veteran of the U.S. Armed Forces who was discharged within 60 months of the application date,
- the spouse of such a veteran, or
- a business entity that is majority owned by such a veteran or spouse.²⁹

Applicants seeking this fee waiver must provide DACS with specific documentation proving appropriate military service, marriage, and/or business ownership.

Licensure Renewal Fee Waivers

Generally, active duty members of the U.S. Armed Forces and their spouses and surviving spouses do not receive renewal fee allowances or waivers for the DACS professional licenses or registrations listed above. However, for such members there is an extension of time to renew a Class "G" concealed

²⁸ s. 20.14(2), F.S.

²⁹ ss. 472.015, 493.6105, 501.015, 501.605, 501.607, 507.03, 527.02, 539.001, 559.904, and 559.928, F.S.

weapons license³⁰ and there are allowances made for such members and spouses who are licensed under the Board of Professional Surveyors and Mappers (BPSM).

Members of the U.S. Armed Forces who hold a license from the BPSM prior to active duty service are kept in "good standing" for the duration of the member's active duty and for six months afterward. Keeping the license in "good standing" means that the member does not have to register, pay dues or fees, or perform any other act to prevent the license from becoming delinquent. This allowance only applies as long as the member does not practice as a surveyor or mapper in the private sector for profit during their active duty and for two years thereafter.³¹

An active duty U.S. Armed Forces member's spouse who holds a license from BPSM will also have his or her license kept in good standing, but only if he or she is absent from the state related to the member's active duty service. This allowance terminates at the end of the member's active duty service. A spouse is not required to refrain from practicing surveying and mapping in order to keep their licenses in good standing.³²

Currently, renewal fee waivers do not apply to BPSM-licensed spouses of active duty U.S. Armed Forces members who are present in **Florida** or for any surviving spouses of such members.

Effect of the Bill

The bill expands the current initial licensing fee waiver for all of the abovementioned DACS professions to:

- a surviving spouse of an honorably discharged veteran,
- a current member of the U.S. Armed Forces who has served on active duty,
- the spouse of such a member, and
- the surviving spouse of such a member if the member dies while serving on active duty.

The bill grants a renewal fee waiver for all of the abovementioned DACS professions to the following licensees or registrants:

- a current active duty member of the U.S. Armed Forces;
- such a member's spouse;
- a current or former member of the U.S. Armed Forces who has served on active duty within the 2 years preceding the renewal due date. A licensee who served on active duty within the 2 years preceding the renewal due date and is no longer a member of the U.S. Armed Forces must have received an honorable discharge upon separation or discharge; and
- a surviving spouse of a member of the U.S. Armed Forces if such a member was serving on active duty at the time of death and died within the 2 years preceding the surviving spouse's renewal due date.

The bill also refines the process for renewal fee waivers for BPSM licensees by:

- extending the time that an active duty member's BPSM license remains in good standing after discharge from active duty from six months to two years; and
- clarifying that if an active duty U.S. Armed Forces member wishes to engage in surveying or mapping in the private sector for profit in this state for the 2 years following active duty discharge, such member must complete all other license renewal requirements except remitting the license renewal fee.

³⁰ s. 790.06(11)(b), F.S. Holders of a concealed carry weapons license (Class "G" license) who are away on active duty in the U.S. Armed Forces are granted a 180 day extension period to renew their license without incurring a late fee. This applies to U.S. Armed Forces members who use a Class "G" license for personal use or in connection with a professional license related to private investigative, private security, or repossession services.

³¹ s. 472.016(1), F.S.

³² s. 472.016(2), F.S.

In addition, the bill mandates that those seeking such initial or renewal fee waivers must apply in a format prescribed by DACS, including the applicant's signature, under penalty of perjury, and supporting documentation.

The bill removes the initial fee waiver time limitation.

Office of Financial Regulation

Background

The Florida Office of Financial Regulation (OFR) regulates state-chartered depository and non-depository financial institutions and financial service companies. One of OFR's primary goals is to provide for and promote the safety and soundness of financial institutions while preserving the integrity of Florida's markets and financial service industries.³³

Mortgage Loan Originators

Under ch. 494, F.S., the Office of Financial Regulation (OFR) licenses and regulates the following individuals and businesses engaged in the mortgage business outside of a depository financial institution:

- *Loan originator*³⁴ – An individual who, directly or indirectly, solicits or offers to solicit a mortgage loan, accepts or offers to accept an application for a mortgage loan, negotiates or offers to negotiate the terms or conditions of a new or existing mortgage loan on behalf of a borrower or lender, or negotiates or offers to negotiate the sale of an existing mortgage loan to a noninstitutional investor for compensation or gain.
- *Mortgage broker*³⁵ – A person conducting loan originator activities through one or more licensed loan originators employed by the mortgage broker or as independent contractors to the mortgage broker.
- *Mortgage lender*³⁶ – A person making a mortgage loan or servicing a mortgage loan for others, or, for compensation or gain, directly or indirectly, selling or offering to sell a mortgage loan to a noninstitutional investor. A mortgage lender may act as a mortgage broker.³⁷

In order to obtain licensure as a mortgage loan originator under ch. 494, F.S., an individual must:³⁸

- complete a 20-hour prelicensing class;
- pass a written test (cost: \$110);³⁹
- submit an application form;
- submit a nonrefundable application fee of \$195 plus a \$20 nonrefundable fee for the Mortgage Guaranty Trust Fund;
- submit fingerprints, the cost of which is borne by the applicant; and
- authorize access to his or her credit report, the cost of which is borne by the applicant.

A mortgage loan originator license must be renewed annually by December 31.⁴⁰ In order to renew such license, an individual must:

- submit a renewal form and a nonrefundable renewal fee of \$150 plus a \$20 nonrefundable fee for the Mortgage Guaranty Trust Fund;⁴¹

³³ s. 655.001, F.S.

³⁴ s. 494.001(17), F.S.

³⁵ s. 494.001(22), F.S.

³⁶ s. 494.001(23), F.S.

³⁷ s. 494.0073, F.S.

³⁸ s. 494.00312, F.S.

³⁹ Nationwide Multistate Licensing System & Registry, *Uniform State Test (UST) Implementation Information*, <http://mortgage.nationwidelicensingsystem.org/profreq/testing/Pages/UniformStateTest.aspx> (last visited Jan. 5, 2018).

⁴⁰ ss. 494.00312(7) and 494.00313(3), F.S.

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- provide documentation of completion of at least 8 hours of continuing education courses; and
- authorize access to his or her credit report, the cost of which is borne by the licensee.⁴²

Associated Persons

In addition to federal securities laws, “Blue Sky Laws” are state laws designed to protect investors against fraudulent sales practices and activities by requiring companies making offerings of securities to register their offerings before they can be sold in that state and by requiring licensure for brokerage firms, their brokers, and investment adviser representatives.⁴³

In Florida, the OFR oversees the Securities and Investor Protection Act, ch. 517, F.S. (“the Act”), which regulates the offer and sale of securities in, to, or from Florida by firms, branch offices, and individuals affiliated with these firms.

The Act requires the following individuals or businesses to be registered with the OFR under s. 517.12, F.S., in order for such persons to sell or offer to sell any securities in or from offices in this state, or to sell securities to persons in this state from offices outside this state:⁴⁴

- “Dealers,” which include:⁴⁵
 - any person, other than an associated person registered under ch. 517, F.S., who engages, either for all or part of her or his time, directly or indirectly, as broker or principal in the business of offering, buying, selling, or otherwise dealing or trading in securities issued by another person.
 - any issuer who through persons directly compensated or controlled by the issuer engages, either for all or part of her or his time, directly or indirectly, in the business of offering or selling securities which are issued or are proposed to be issued by the issuer.
- “Investment advisers,” which include any person who receives compensation, directly or indirectly, and engages for all or part of her or his time, directly or indirectly, or through publications or writings, in the business of advising others as to the value of securities or as to the advisability of investments in, purchasing of, or selling of securities, except a dealer whose performance of these services is solely incidental to the conduct of her or his business as a dealer and who receives no special compensation for such services.⁴⁶
- “Associated persons,” which include:⁴⁷
 - with respect to a dealer or investment adviser, any of the following:
 - any partner, officer, director, or branch manager of a dealer or investment adviser or any person occupying a similar status or performing similar functions;
 - any natural person directly or indirectly controlling or controlled by such dealer or investment adviser, other than an employee whose function is only clerical or ministerial; or
 - any natural person, other than a dealer, employed, appointed, or authorized by a dealer, investment adviser, or issuer to sell securities in any manner or act as an investment adviser as defined in this section.
 - with respect to a federal covered adviser, any person who is an investment adviser representative and who has a place of business in this state.

In order to register as an associated person of a securities dealer or an investment adviser, an individual must:

⁴¹ s. 494.00313(1)(a)&(b), F.S.

⁴² s. 494.00313(1)(d), F.S.

⁴³ U.S. SECURITIES AND EXCHANGE COMMISSION, *Blue Sky Laws*, <http://www.sec.gov/answers/bluesky.htm> (last visited Nov. 7, 2017).

⁴⁴ s. 517.12(1), F.S.

⁴⁵ s. 517.021(6)(a), F.S. The term “dealer”, as defined under Florida law, encompasses the definitions of “broker” and “dealer” under federal law.

⁴⁶ s. 517.021(14)(a), F.S.

⁴⁷ s. 517.021(2)(a), F.S.

- pay an assessment fee of \$50;⁴⁸
- file a written application;⁴⁹
- submit fingerprints, the cost of which shall be borne by the applicant;⁵⁰
- successfully pass oral or written examinations, unless such requirement is waived.⁵¹

The registration of an associated person expires December 31 of the year the registration became effective unless the registrant has renewed his or her registration on or before that date.⁵² Registration may be renewed by furnishing such information as the Financial Services Commission may require by rule, together with payment of a \$50 assessment fee and the payment of any amount lawfully due and owing to the OFR pursuant to any order of the OFR or pursuant to any agreement with the OFR.⁵³ An associated person who has not renewed a registration by the time the current registration expires may request reinstatement of such registration by filing with the OFR, on or before January 31 of the year following the year of expiration, such information as may be required by the Financial Services Commission by rule, together with payment of a \$50 assessment fee and a \$50 late fee.⁵⁴ Any reinstatement of registration granted by the OFR during the month of January shall be deemed effective retroactive to January 1 of that year.⁵⁵

Effect of the Bill

The bill requires the OFR to waive the following fees:

- \$195 application fee and \$20 fee for the Mortgage Guaranty Trust Fund for a mortgage loan originator, or \$50 associated person assessment fee for an applicant who:
 - is or was an active duty member of the U.S. Armed Forces. To qualify for the fee waiver, an applicant who is a former member of the U.S. Armed Forces must have received an honorable discharge upon separation or discharge from the U.S. Armed Forces.
 - is married to a current or former member of the U.S. Armed Forces and is or was married to the member during any period of active duty.
 - is the surviving spouse of a member of the U.S. Armed Forces if the member was serving on active duty at the time of death.
- \$150 renewal fee and \$20 fee for the Mortgage Guaranty Trust Fund for a mortgage loan originator, or \$50 assessment fee for an associated person renewing his or her registration who:
 - is an active duty member of the U.S. Armed Forces or the spouse of such member.
 - is or was a member of the U.S. Armed Forces and served on active duty within the two years preceding the expiration date of the license. To qualify for the fee waiver, a loan originator who is a former member of the U.S. Armed Forces who served on active duty within the two years preceding the expiration date of the license must have received an honorable discharge upon separation or discharge from the U.S. Armed Forces.
 - is the surviving spouse of a member of the U.S. Armed Forces if the member was serving on active duty at the time of death and died within the two years preceding the surviving spouse's license expiration date.

An individual seeking such fee waiver must submit proof, in a form prescribed by rule of the Financial Services Commission, that the individual meets one of the above fee waiver qualifications.

⁴⁸ s. 517.12(10), F.S.

⁴⁹ s. 517.12(6), F.S.

⁵⁰ s. 517.12(7), F.S.

⁵¹ s. 517.12(8), F.S.

⁵² s. 517.12(11), F.S.

⁵³ *Id.*

⁵⁴ *Id.*

⁵⁵ *Id.*

Department of Financial Services

Background

The Department of Financial Services (DFS) is the state agency responsible for regulation and licensure of professions related to insurance, fire safety, and funeral and cemetery services.⁵⁶ There are a number of allowances in statute for veterans and their spouses regarding many types of insurance licenses. However, there are no similar allowances in statute for other types of licenses regulated by DFS, such as bail bonds, fire safety, and funeral and cemetery services.

The existing allowances administered by DFS are:

- Waiver of application fees⁵⁷ – Application fees are waived for applicants seeking licensure as an agent, customer representative, adjuster, service representative, managing general agent, or reinsurance intermediary for military members, recent military retirees (within 24 months of retirement), and their spouses.
- Temporary licensure⁵⁸ – A temporary general lines agent license may be issued to an employee, a family member, a business associate, or a personal representative of a licensed general lines agent for the purpose of continuing or winding up the business affairs of the agent or agency in the event the licensed agent has become unable to perform his or her duties because of military service.
- Exception to additional license examination requirement⁵⁹ – Reexamination of the agent is required if they have not received an appointment within 48 months of licensure. DFS may waive this requirement if the circumstance is due to military service (limited to circumstances where the veteran's service did not exceed 3 years and the exception does not apply if 6 years have passed from their licensure date).
- Relief from continuing education requirements⁶⁰ – Licensees who are unable to comply with the continuing education requirements due to active duty in the military may submit a written request for a waiver to DFS.
- Licensing and appointment of a non-resident⁶¹ – A natural person, not a resident of this state, may be licensed and appointed to represent an authorized life insurer domiciled in this state or an authorized foreign life insurer which maintains a regional home office in this state, provided such person represents such insurer exclusively at a United States military installation located in a foreign country.
- Reappointment after military service⁶² – DFS may, without requiring a further written examination, issue an appointment as an adjuster to a formerly licensed and appointed adjuster of this state who held a current adjuster's appointment at the time of entering service in the U.S. Armed Forces, subject to certain conditions (limited to circumstances where the veteran's service did not exceed 3 years, the application and fee is filed within 12 months of honorable discharge, and the new appointment is of the same type and class).

⁵⁶ Chs. 497 (funeral and cemetery), 626 (insurance), 633 (fire), and 648 (bail bonds), F.S.

⁵⁷ s. 626.171(6), F.S.

⁵⁸ s. 626.175(1)(b) and 626.9271(1), F.S.

⁵⁹ ss. 626.181(2) and 626.8427, F.S.

⁶⁰ s. 626.2815(2), F.S.

⁶¹ s. 626.322, F.S.

⁶² s. 626.871, F.S.

Effect of the Bill

Funeral and Cemetery Services

The bill provides:

- a waiver of initial application fees,⁶³ provisional licensing fees, and temporary licensing fees, where applicable, including the \$5 per license special unlicensed activity fee paid with each license, for members of the U.S. Armed Forces, their spouses, and honorably discharged veterans (within 24 months of discharge) for licensure as:
 - Embalmer, including Temporary Embalmer, Embalmer Intern, and Embalmer Apprentice;
 - Funeral Director, including Temporary Funeral Director and Funeral Director Intern;
 - Preneed Sales (if licensed as an individual), including Preneed Sales Agent;
 - Brokers of Burial Rights;
 - Direct Disposer; and
 - Monument Establishment Sales Agent; and
- recognition of applicable military-issued credentials for purposes of licensure as an embalmer, funeral director, or direct disposer.⁶⁴

Insurance

The bill provides:

- An expansion of the waiver of application fees for insurance profession licenses. Currently the waiver applies to members of the U.S. Armed Forces, their spouses, and veterans who have retired within 24 months before application. The bill replaces the term “retired” with the term “separated,” which allows veterans who have less than 20 years of military service to receive the allowance.
- For the elimination of pre-licensure course requirements for members and honorably discharged veterans of the U.S. Armed Forces, and their spouses, if the applicant is subject to a licensing exam.

Fire Prevention and Control

The bill provides:

- That DFS may extend the four-year period in which a holder of a Firefighter Certificate of Compliance must meet specified conditions to retain the certificate. The certificate holder receiving the extension of time must be a member of the U.S. Armed Forces or an honorably discharged veteran or the spouse of a such a member or veteran. The extension is limited to 12 months from discharge and is available if the length of service did not exceed three years and the licensee or permit holder is within six years of the date of issue or reissue.
- A waiver of all living and incidental expenses associated with the Florida State Fire College for all active duty military personnel, including their spouses or surviving spouses, and honorably discharged veterans, including their spouses.

⁶³ Ch. 626, F.S. limits the amount of application fees. Such fees shall not exceed: \$200, each, for Embalmer, Temporary Embalmer, Embalmer Intern, Funeral Director, Temporary Funeral Director, Monument Establishment Sales Agent; \$500 for Preneed Sales and Direct Disposer; and \$300 for Preneed Sales Agent.

⁶⁴ Military Occupational Code 92M, Mortuary Affairs Specialist, within the U.S. Army Quartermaster Corps, describes the following functions: performs or supervises duties relating to deceased personnel to include recovery, collection, evacuation, establishment of tentative identification, escort, and temporary burial. They also inventory, safeguard, and evacuate personal effects of deceased personnel. <http://army.com/info/mos/all> (last visited Jan. 19, 2018).

Department of Education

Florida Virtual School

Background

Florida Virtual School (FLVS) was established by law to provide students in kindergarten through grade 12 with technology-based educational opportunities to gain knowledge and skills necessary to succeed.⁶⁵

Enrollment in FLVS is free for Florida residents, and non-residents may enroll but must pay tuition. Currently, there are children of military personnel who are not stationed in Florida but have a home of record or legal residence certificate stating their residence is in Florida. However, the law treats them as non-residents for purposes of FLVS enrollment, and the students must pay tuition to participate.

Currently, FLVS is required to give priority for enrollment to:

- students who need expanded access to courses to meet their educational goals, such as home education students and students in inner-city and rural high schools that do not have access to higher level courses; and
- students seeking accelerated access to obtain a high school diploma at least one semester early.⁶⁶

Effect of the Bill

The bill provides that students who are children of military personnel not stationed in Florida are considered Florida residents for purposes of FLVS enrollment if their home of record or state of legal residence certificate is Florida. This change will allow such students to enroll in FLVS without having to pay tuition. The bill also provides that such students must be given enrollment priority.

Temporary Teaching Certificate Extension

Background

Florida law establishes educator certification requirements, including requirements for earning a temporary teaching certificate.⁶⁷ In order to receive a temporary teaching certificate, an applicant must:

- meet general certification requirements;⁶⁸
- obtain full-time employment in a position that requires a Florida educator certificate by a school district program;⁶⁹ and
- demonstrate mastery of subject area knowledge⁷⁰ by:
 - passing the appropriate subject area test;⁷¹ or
 - completing the required degree or content courses specified in state board rule for subject area specialization⁷² and attaining at least a 2.5 grade point average on a 4.0 scale in the subject area courses.⁷³

⁶⁵ s. 1002.37(1), F.S.

⁶⁶ s. 1012.37(1)(b), F.S.

⁶⁷ s. 1012.56, F.S.

⁶⁸ ss. 1012.56(2)(a)-(f) and 1012.56(7)(b), F.S.

⁶⁹ s. 1012.56(1)(b), F.S.; r. 6A-4.004(1)(a)2., F.A.C.

⁷⁰ ss. 1012.56(5) and (7)(b), F.S.

⁷¹ s. 1012.56(7)(b), F.S.

⁷² s. 1012.56(7)(b), F.S. Degree and content requirements specified in ch. 6A-4, F.A.C.

⁷³ s. 1012.56(2)(c), F.S.

A temporary certificate is valid for three school fiscal years and is nonrenewable.⁷⁴ An educator who is employed under a temporary certificate must pass the general knowledge test within one calendar year after employment in order to remain employed in a position that requires a certificate. The educator then has until the end of the three-year certification to complete the requirement for a renewable professional certificate.⁷⁵ The State Board of Education (SBE) is required to adopt rules to allow the Department of Education (DOE) to extend the validity period of a temporary certificate for two years when the requirements for the professional certificate, not including the general knowledge requirement, were not completed due to serious illness or injury of the applicant, or due to other extenuating circumstances.⁷⁶

Effect of the Bill

The bill requires that state board rule allow the DOE to extend the validity period of a temporary certificate for two years if the requirements for the professional certificate, not including the general knowledge requirement,⁷⁷ have not been fulfilled due to the military service of an applicant's spouse.

Florida Teacher's Classroom Supply Assistance Program

Background

The Florida Teachers Classroom Supply Assistance Program is a fund for classroom teachers employed by a public school district or a public charter school to purchase, on behalf of the school district or charter school, classroom materials and supplies for the public school students assigned to them.⁷⁸ For purposes of the program, "classroom teacher" means a certified teacher employed by a public school district or a public charter school in that district on or before September 1 of each year whose full-time or job-share responsibility is the classroom instruction of students in prekindergarten through grade 12, including full-time media specialists and certified school counselors serving students in prekindergarten through grade 12, who are funded through the Florida Education Finance Program.⁷⁹

Instructors of junior reserve officer training (JROTC) may currently be ineligible for the program because they do not meet the definition of "classroom teacher." This is because JROTC instructors are not required to hold an educator certificate.⁸⁰ For fiscal year 2017-2018, the legislature appropriated \$45,286,750 for the Florida Teacher's Classroom Supply Assistance program.

Effect of the Bill

The bill provides that JROTC instructors are eligible to receive funding through the Florida Teachers Classroom Supply Assistance program.

Educational Leadership Certification

Background

The law requires the SBE to classify school services, designate certification subject areas, establish competencies for certification, and establish certification requirements for all school-based personnel.⁸¹

⁷⁴ s. 1012.56(7), F.S. (flush-left provisions at end of subsection).

⁷⁵ *Id.*

⁷⁶ *Id. See* r. 6A-4.004, F.A.C.

⁷⁷ s. 1015.56(2)(g), F.S.

⁷⁸ ss. 1012.71, F.S. and 6(16), F.S.; ch. 2017-234, L.O.F.

⁷⁹ s. 1012.71(1) F.S.

⁸⁰ ss. 1012.71(1) F.S. and 1012.55(4) F.S.

⁸¹ s. 1012.55(1)(b), F.S.

In Florida, aspiring school administrators⁸² must complete a state-approved school leader preparation program and attain certification as an educational leader.⁸³

The SBE has established two classes of certification for school administrators – educational leadership and school principal. Certification in educational leadership qualifies an individual for any position falling under the classification “school administrator.”⁸⁴ Generally, a Level I program offered by a postsecondary institution leads to a master’s or higher degree in educational leadership and prepares an individual for certification.⁸⁵ Such institutions may offer a modified program for individuals who already hold a master’s or higher degree. School district programs may only serve school district employees who already hold a master’s or higher degree.⁸⁶

In order to advance to certification as a school principal, the individual must first hold an educational leadership certificate.⁸⁷

There are two types of school leader preparation programs:

- Level I programs are offered by school districts and postsecondary institutions and lead to initial certification in educational leadership for the purpose of preparing individuals to serve as school administrators.
- Level II programs are offered by school districts, build upon Level I training, and lead to certification as a school principal.

To receive a Level II certification as a school principal, the individual must:

- hold a valid professional certificate covering educational leadership, administration, or administration and supervision; and
- document successful performance of the duties of the school principalship in a DOE approved district school principal certification program⁸⁸

The SBE must adopt rules to allow an individual who meets the following criteria to be eligible for a temporary certificate in educational leadership:⁸⁹

- earned a passing score on the Florida Educational Leadership Examination;
- documented three years of successful experience in an executive management or leadership position; and
- documented receipt of a bachelor’s degree or higher from an accredited institution of higher learning.

An individual operating under a temporary certificate must be under the mentorship of a state-certified school administrator during the term of the temporary certificate.⁹⁰

For an individual to qualify for admission to a Level II program, the individual must have obtained their certificate in educational leadership by completing a Level I school leadership preparation program, earned a highly effective or effective evaluation rating, and satisfactorily performed instructional leadership responsibilities as measured by the school district’s evaluation system.⁹¹ Currently there are

⁸² School administrators include school principals, school directors, and assistant principals. *See* s. 1012.01(3)(c), F.S.

⁸³ *See* s. 1012.55(1)(b), F.S.; r. 6A-4.0081, F.A.C.

⁸⁴ *See* s. 1012.562, F.S.; r. 6A-4.0081, F.A.C.

⁸⁵ The individual must still earn a passing score on the Florida Educational Leadership Examination in order to be considered as a Level I program completer and earn the educational leadership certification. *See* rule 6A-5.081(2)(a)7., F.A.C.

⁸⁶ rr. 6A-5.081(1)(b)1.; 7; (c)1.; and 3.a., F.A.C. *But see* r. 6A-4.004(5)(c), F.A.C. (allowing an approved school district Level I program to admit a candidate without a master’s or higher degree, provided that the candidate is notified that he or she is not eligible to complete the program without official documentation of the master’s degree).

⁸⁷ r. 6A-4.0083, F.A.C.

⁸⁸ *Id.*

⁸⁹ s. 1012.55(1)(d), F.S. *See* r. 6A-4.004(5), F.A.C.

⁹⁰ *Id.*

⁹¹ s.1012.562(3)(a), F.S.

71 Level II school principal preparation programs in Florida; including 67 school districts, three lab schools, and Florida Virtual School.

Effect of the Bill

The bill creates a pathway for veterans who have served either as commissioned officers or noncommissioned officers, to become school principals. The bill requires the DOE to issue a three-year temporary certificate in educational leadership to an individual whose application indicates that he or she:

- has earned a passing score on the Florida Educational Leadership Examination;
- served as a commissioned or noncommissioned military officer in the U.S. Armed Forces for at least 3 years;
- has been honorably discharged or has retired from the U.S. Armed Forces; and
- is presently employed fulltime in a position for which a Florida educators' certificate is required in a Florida school (public or nonpublic) that has a DOE-approved Level II program.

The bill also requires that an approved Level II program must admit applicants who hold such a temporary certificate and requires the DOE to issue a permanent school principal certificate to an individual who holds the temporary certificate and successfully completes the Level II program.

Medal of Honor Day

Background

The Medal of Honor is the "highest award for valor in action against an enemy force which can be bestowed upon an individual serving in the Armed Services of the United States. The Medal is generally presented to Recipients by the President of the United States."⁹²

Section 1003.42(2), F.S. establishes components of required instruction for public school students. Instructional staff must teach, among other things:

- a character-development program in kindergarten through grade 12; and
- in order to encourage patriotism, the sacrifices that veterans have made in serving our country and protecting democratic values worldwide.

The law does not establish any particular grade level or courses in which instruction on these topics must be provided. However, DOE takes steps to ensure that the content is taught in public schools. The law also encourages the SBE to "adopt standards and pursue assessment of the requirements" of subsection (2) of s. 1003.42, F.S.

Each district school board is required to develop or adopt a curriculum for the character-development program and submit it to the DOE for approval. The character-development curriculum must stress the qualities of patriotism; responsibility; citizenship; kindness; respect for authority, life, liberty, and personal property; honesty; charity; self-control; racial, ethnic and religious tolerance; and cooperation.⁹³ Further, instruction related to veterans should occur on or before Veteran's day and Memorial Day. Members of the instructional staff are also encouraged to use the assistance of local veterans when practicable.⁹⁴

There are various resources available to educate students about the Medal of Honor and the significance it can play in character development programs.⁹⁵

⁹² Congressional Medal of Honor Foundation, <http://themedalofhonor.com/cmoh-foundation/history> (last visited Dec. 20, 2017).

⁹³ s. 1003.42(2)(s), F.S.

⁹⁴ s. 1003.42(2)(t), F.S.

⁹⁵ Congressional Medal of Honor Foundation, *History*, <http://themedalofhonor.com/character-development> (last visited Dec. 15, 2017).

Effect of the Bill

The bill allows the Governor to issue a proclamation designating March 25th as “Medal of Honor Day” and encourages public officials, schools, private organizations, and all residents of the state to commemorate Medal of Honor Day and honor any Floridian who while serving as a member of the Armed Services, distinguished himself or herself while engaged in action against an enemy of the United States.

The bill also states that a character development program that incorporates the values of the Congressional Medal of Honor and that is offered as part of a social studies, English Language arts, or other school wide character building and veteran awareness initiative meets the instructional requirements related to character development and the sacrifices made by veterans.

Licensure Interruption for Active Duty Military Personnel

Background

There is no broad mandate that applies to all professional licenses that requires relevant military experience gained during a period of active duty service in the Florida National Guard or U.S. Armed Forces Reserves, which interrupted an applicant’s period of training for a professional license, to be considered during a licensure determination.

Some individual practice acts, such as the construction contracting practice act, require the licensing entity to consider such experience for licensure requirements.⁹⁶

Effect of the Bill

The bill requires boards of examiners or other qualification boards regulated under general law to accept periods of training and practical experience in the Florida National Guard or the U.S. Armed Forces Reserves in place of the interrupted or delayed periods of training, study, apprenticeship, or practical experience if the board finds the standard and type of work or training performed in the Florida National Guard or the U.S. Armed Forces Reserves to be substantially the same as the standard and type required under Florida law. To be eligible for the above process, service members must request the issuance under these provisions within six months after the release from the Florida National Guard or the U.S. Armed Forces.

Educator Certification Fees

Background

The SBE must establish, by rule, fees for applications, examinations, certification, certification renewal, late renewal, record making, and recordkeeping.⁹⁷ Fees for taking the Florida Teacher Certification Examination for the first time are as follows⁹⁸:

FTCE Test	Fee
General Knowledge Test	\$130
Subject Area Test	\$200
Professional Education Test	\$150

The fee to apply for an initial educator certificate is \$75.⁹⁹

⁹⁶ s. 489.1131, F.S.

⁹⁷ s. 1012.59(1), F.S.

⁹⁸ r. 6A-4.0021(4), F.A.C.

Effect of the Bill

The bill requires the SBE to waive initial general knowledge, professional education, and subject area examination fees and certification fees for the following individuals:

- A member of the United States Armed Forces or a reserve component thereof who is serving or has served on active duty or the spouse of such a member.
- The surviving spouse of a member of the United States Armed Forces or a reserve component thereof who was serving on active duty at the time of death.
- An honorably discharged veteran of the United States Armed Forces or a veteran of a reserve component thereof who served on active duty and the spouse or surviving spouse of such a veteran.

Apprenticeship Programs

Background

The DOE is responsible for the development of the apprenticeship and preapprenticeship standards for trades and assisting district school boards and community college district boards of trustees in developing preapprenticeship programs.¹⁰⁰

An apprenticeship program is an organized course of instruction that is registered and approved by the DOE and must address all terms and conditions for the qualification, recruitment, selection, employment, and training of apprentices.¹⁰¹ The length of an apprenticeship program varies from one to five years depending on the occupation's training requirements.¹⁰²

An apprenticeship may be offered only in occupations that:

- are customarily learned in a practical way through a structured, systematic program of on-the-job, supervised training;
- are commonly recognized throughout the industry or recognized with a positive view toward changing technology;
- involve manual, mechanical, or technical skills and knowledge that require a minimum of 2,000 hours of work and training, excluding the time spent in related instruction;
- require related instruction to supplement on-the-job training; and
- involve the development of skills sufficiently broad to be applicable in like occupations throughout an industry, rather than skills that are of restricted application to the products or services of any one company¹⁰³

The following categories of occupations may not create an apprenticeship program: selling, retailing, or similar occupations in the distributive field; managerial occupations; and professional and scientific vocations for which entrance requirements customarily require an academic degree.¹⁰⁴

To be eligible for an apprenticeship program, the person must be at least 16 years of age. Admission requirements relating to education, physical ability, work experience, and other criteria vary based on the program's training needs. As of January 2017, there were 10,464 active registered apprentices and 193 registered program sponsors in Florida.¹⁰⁵

⁹⁹ See r. 6A-4.0012(1)(a)1., F.A.C.

¹⁰⁰ s. 446.011(2), F.S.

¹⁰¹ s. 446.021(6), F.S.

¹⁰² s. 446.021(6), F.S.; r. 6A-23.004, F.A.C.

¹⁰³ s. 446.092, F.S.

¹⁰⁴ s. 446.092(6), F.S.

¹⁰⁵ Email, Florida Department of Education, Agency Legislative Bill Analysis, HB 525, (March 3, 2017).

Effect of the Bill

The bill requires the DOE to lead and coordinate outreach efforts to educate veterans about apprenticeship and career opportunities. The bill also specifies that laws and rules regulating apprenticeships and approved apprenticeship agreements do not invalidate any special provisions for veterans, minority persons, or women concerning apprenticeship programs.

Veterans Florida

Background

Veterans Florida¹⁰⁶ is a non-profit corporation within the Department of Veterans' Affairs to promote Florida as a veteran-friendly state.¹⁰⁷ Veterans Florida helps veterans transition to civilian life by providing tools for veterans to take advantage of the benefits of living and working in Florida.¹⁰⁸

Veterans Florida Board of Directors

Veterans Florida is governed by a nine-member board of directors (board). The Governor, the President of the Senate, and the Speaker of the House of Representatives each appoint three members to the board. In making appointments, the Governor, the President of the Senate, and the Speaker of the House of Representatives must consider representation of military-related persons.¹⁰⁹

Each member of the board is appointed for a term of 4 years. Currently, a member is ineligible for reappointment to the board except that a member appointed to a term of 2 years or less may be reappointed for an additional term of 4 years.¹¹⁰

Veterans Training Grants

The Veterans Employment and Training Services Program is administered by Veterans Florida to assist in linking veterans in search of employment with businesses seeking to hire dedicated, well-trained workers. The purpose of the program is to meet the workforce demands of businesses in the state by facilitating access to training and education in high-demand fields for veterans.¹¹¹

Part of how Veterans Florida effectuates its goals is to give grants to employers to hire and train veterans.¹¹² The grants provide funding to assist veterans in meeting the workforce-skill needs of businesses seeking to hire veterans by establishing criteria for approval of requests for funding and maximizing the use of funding for this program. Grant funds may be used only in the absence of available veteran-specific federally funded programs. Grants may fund specialized training specific to a particular business.¹¹³

Grant funds may be allocated to any training provider selected by the business, including a career center, a Florida College System institution, a state university, or an in-house training provider of the business. If grant funds are used to provide a technical certificate, a licensure, or a degree, funds may be allocated only upon a review that includes documentation of accreditation and licensure. Instruction

¹⁰⁶ In 2015, the Florida is For Veterans, Inc., Board of Directors approved the fictitious name "Veterans Florida." A copy of the fictitious name registration and the March 9, 2015, Board of Directors Meeting Agenda minutes are on file with Local, Federal & Veterans Affairs Subcommittee staff.

¹⁰⁷ s. 295.21, F.S.

¹⁰⁸ VETERANS FLORIDA., *About Veterans Florida*, <http://www.veteransflorida.org/about-us/> (last visited Jan. 23, 2018).

¹⁰⁹ s. 295.21(4)(a), F.S.

¹¹⁰ s. 295.21(4)(c), F.S.

¹¹¹ s. 295.22, F.S.

¹¹² s. 295.22(3)(d), F.S.

¹¹³ *Id.*

funded through the program terminates when participants demonstrate competence at the level specified in the request, but may not exceed 48 months.¹¹⁴

Grants are limited to \$8,000 per veteran trainee. Eligible costs and expenditures include:¹¹⁵

- tuition and fees;
- curriculum development;
- books and classroom materials;
- rental fees for facilities at public colleges and universities, including virtual training labs; and
- overhead or indirect costs not to exceed 5 percent of the grant amount.

Before funds are allocated for a grant, Veterans Florida must prepare a grant agreement that, at a minimum, includes:¹¹⁶

- identification of the personnel necessary to conduct the instructional program and certain related information;
- identification of the match provided by the business equal to at least 50 percent of the total grant amount;
- identification of the estimated duration of the instructional program;
- identification of all direct, training-related costs;
- identification of special program requirements; and
- permission to access aggregate information specific to the wages and performance of participants upon the completion of instruction for evaluation purposes.

Veterans Entrepreneurship Program

Veterans Florida also runs the Veterans Florida Entrepreneurship Program to provide knowledge to veterans on how to successfully launch and operate a company¹¹⁷ by connecting business leaders in the state with veterans seeking to become entrepreneurs.¹¹⁸ Veterans Florida awards each contract to administer such programs in accordance with state competitive bidding requirements set forth in s. 287.057, F.S.

The administrator of such a program must be a public or private university that:¹¹⁹

- demonstrates the ability to implement the program and the commitment of university resources, including financial resources, to such programs;
- has a military and veteran resource center;
- has a regional small business development center in the Florida Small Business Development Center Network; and
- has been nationally recognized for commitment to the military and veterans.

Each administrator must provide performance metrics, including a focus on employment and business creation, and coordinate with any entrepreneurship center located at the university. Such programs may include activities and assistance such as peer-to-peer learning sessions, mentoring, technical assistance, business roundtables, networking opportunities, support of student organizations, speaker series, or other tools within a virtual environment.¹²⁰

Effect of the Bill

¹¹⁴ s. 295.22(3)(d)1., F.S.

¹¹⁵ s. 295.22(3)(d)2., F.S.

¹¹⁶ s. 295.22(3)(d)3., F.S.

¹¹⁷ VETERANS FLORIDA, *supra* note 2 at *Get Help Starting your Veteran-Owned Business*.

¹¹⁸ s. 295.22(3)(e), F.S.

¹¹⁹ s. 295.22(3)(e)1., F.S.

¹²⁰ s. 295.22(3)2., F.S.

The bill allows Veterans Florida board members to serve an additional term of four years.

The bill changes the requirements for receiving Veterans Florida training grants by:

- clarifying that the business receiving the grant to train a veteran employee must cover the entire cost of training before receiving a 50 percent reimbursement;
- lowering the maximum time the training program may last from 48 to 12 months;
- requiring the business receiving the grant to describe the instructional program and any related vendors to be used in training in their contract with Veterans Florida; and
- removing curriculum and overhead costs from eligibility for reimbursement, and specific limitations on who may be the training provider.

The bill changes the requirements for Veterans Florida entrepreneurship initiative programs by:

- expanding those who may administer such a program from universities to include any entity who meets the requirements;
- requiring the administering entity to have demonstrated experience working with veteran entrepreneurs, and be recognized for its ability to help Florida entrepreneurs launch successful businesses; and
- removing the requirement that the administering entity have certain onsite centers.

B. SECTION DIRECTORY:

- Section 1 Creates s. 250.483, F.S., providing requirements relating to licensure or qualification of persons ordered into active duty or state active duty.
- Section 2 Amends s. 295.21, F.S., providing that Veterans Florida board members may be reappointed.
- Section 3 Amends s. 295.22, F.S., revising provisions relating to Veterans Florida programs.
- Section 4 Amends s. 446.041, F.S., providing duties of DOE.
- Section 5 Amends s. 446.081, F.S., clarifying that new apprentice agreements do not invalidate certain special provisions for the standards, qualifications, or operations of an apprenticeship program.
- Section 6 Amends s. 455.02, F.S., requiring the DBPR to waive certain licensing fees for certain applicants and licensees.
- Section 7 Amends s. 456.024, F.S., revising DOH licensure requirements and providing an exemption from certain penalties.
- Section 8 Amends s. 472.015, F.S., requiring DACS to waive certain fees relating to certain surveyor and mapper license applicants and licensees.
- Section 9 Amends s. 472.016, F.S., requiring DACS to waive certain fees relating to certain surveyor and mapper license applicants and licensees.
- Section 10 Amends s. 493.6105, F.S., requiring DACS to waive certain fees relating to certain private investigator, private security, and repossession license applicants and licensees.
- Section 11 Amends s. 493.6107, F.S., requiring DACS to waive certain fees relating to certain private investigator, private security, and repossession license applicants and licensees.

- Section 12 Amends s. 493.6113, F.S., requiring DACS to waive certain fees relating to certain private investigator, private security, and repossession license applicants and licensees.
- Section 13 Amends s. 494.00312, F.S., requiring OFR to waive certain fees relating to certain loan originator license applicants and licensees.
- Section 14 Amends s. 494.00313, F.S., requiring OFR to waive certain fees relating to certain loan originator license applicants and licensees.
- Section 15 Amends s. 497.140, F.S., requiring DFS to waive certain fees relating to funeral and cemetery licenses.
- Section 16 Amends s. 497.141, F.S., requiring DFS to waive certain fees relating to funeral and cemetery licenses.
- Section 17 Amends s. 497.281, F.S., requiring DFS to waive certain fees relating to certain burial rights broker license applicants.
- Section 18 Amends s. 497.368, F.S., requiring DFS to waive certain fees relating to certain embalmer license applicants.
- Section 19 Amends s. 497.369, F.S., requiring DFS to waive certain fees relating to certain embalmer license applicants.
- Section 20 Amends s. 497.370, F.S., requiring DFS to waive certain fees relating to certain embalmer intern license applicants.
- Section 21 Amends s. 497.371, F.S., requiring DFS to waive certain fees relating to certain embalmer apprentice license applicants.
- Section 22 Amends s. 497.373, F.S., requiring DFS to waive certain fees relating to certain funeral directing license applicants.
- Section 23 Amends s. 497.374, F.S., requiring DFS to waive certain fees relating to certain funeral directing license applicants.
- Section 24 Amends s. 497.375, F.S., requiring DFS to waive certain fees relating to certain funeral directing license applicants.
- Section 25 Creates s. 497.393, F.S., requiring DFS to recognize military-issued credentials relating to funeral and cemetery services for purposes of licensure as a funeral director or embalmer.
- Section 26 Amends s. 497.453, F.S., requiring DFS to waive certain fees relating certain preneed sales agent license applicants.
- Section 27 Amends s. 497.466, F.S., requiring DFS to waive certain fees relating to certain preneed sales agent license applicants.
- Section 28 Amends s. 497.554, F.S., requiring DFS to waive certain fees relating to certain monument establishment sales agent license applicants.
- Section 29 Amends s. 497.602, F.S., requiring DFS to waive certain fees relating to certain direct disposer license applicants.

- Section 30 Amends s. 501.015, F.S., requiring DACS to waive certain fees relating to certain health studio registration applicants and registrants.
- Section 31 Amends s. 501.605, F.S., requiring DACS to waive certain fees relating to certain telemarketer registration applicants and registrants.
- Section 32 Amends s. 501.607, F.S., requiring DACS to waive certain fees relating to certain telemarketer registration applicants and registrants.
- Section 33 Amends s. 501.609, F.S., requiring DACS to waive certain fees relating to certain telemarketer registration applicants and registrants.
- Section 34 Amends s. 507.03, F.S., requiring DACS to waive certain fees relating to certain intrastate movers and brokers registration applicants or registrants.
- Section 35 Amends s. 517.12, F.S., requiring OFR to waive certain fees relating to associated persons registration applicants or registrants.
- Section 36 Amends s. 527.02, F.S., requiring DACS to waive certain fees relating to certain sellers of liquefied petroleum gas license applicants and licensees.
- Section 37 Amends s. 539.001, F.S., requiring DACS to waive certain fees relating to certain pawnbroking license applicants and licensees.
- Section 38 Amends s. 559.904, F.S., requiring DACS to waive certain fees relating to certain motor vehicle repair registration applicants and registrants.
- Section 39 Amends s. 559.928, F.S., requiring DACS to waive certain fees relating to certain sellers of travel registration applicants and registrants.
- Section 40 Amends s. 626.171, F.S., requiring DFS to waive fingerprinting requirements for certain insurance license applicants.
- Section 41 Amends s. 626.732, F.S., providing that prelicensure coursework is not required for certain insurance license applicants.
- Section 42 Amends s. 626.7851, F.S., providing that prelicensure coursework is not required for certain insurance license applicants.
- Section 43 Amends s. 626.8311, F.S., providing that prelicensure coursework is not required for certain insurance license applicants.
- Section 44 Amends s. 626.8417, F.S., providing that prelicensure coursework is not required for certain insurance license applicants.
- Section 45 Amends s. 626.927, F.S., providing that prelicensure coursework is not required for certain insurance license applicants.
- Section 46 Amends s. 633.414, F.S., providing a time extension for certain firefighter certification renewals.
- Section 47 Amends s. 633.444, F.S., providing expense waivers for certain attendees of the Florida State Fire College.
- Section 48 Creates s. 683.147, F.S., designating March 25 of each year as "Medal of Honor Day."

- Section 49 Amends s. 1002.37, F.S., revising priority for Florida Virtual Schools.
- Section 50 Amends s. 1003.42, F.S., approving education about the Medal of Honor to meet the standards for a character-development program.
- Section 51 Amends s. 1012.55, F.S., establishing educational leadership certification requirements.
- Section 52 Amends s. 1012.56, F.S., requiring the State Board of Education to issue rules related temporary certificates.
- Section 53 Amends s. 1012.59, F.S., requiring the State Board of Education to waive certain fees for certain education certificate applicants.
- Section 54 Provides an effective date of July 1, 2018.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The bill will have an indeterminate, negative fiscal impact on the affected agencies. The bill will reduce licensing revenues to the affected agencies but the exact amount is indeterminate. It will depend on the number of people who take advantage of the new fee waivers, although the agencies have provided preliminary fiscal estimates.

DACS estimates that the fiscal impact to the agency will be \$206,568 for Fiscal Year 2018-2019, \$216,896 for Fiscal Year 2019-2020, and \$227,741 for Fiscal Year 2020-2021. This is based on the actual number of active duty military members and an estimated number of spouses. These population totals were divided by the adult population of Florida to find their proportion of Florida's total population. The three-year average of licenses issued was multiplied by the population rates to forecast the respective license issuance totals. These estimated license totals were multiplied by the license fee to calculate the cost of issuing the waiver. It is not likely that all eligible applicants would apply for the licenses and exercise the waiver, so the fiscal impact was multiplied by 50% to find the impact at a 50% utilization rate.¹²¹

OFR receives 63,529 licensure applications and processes 330,395 licensure renewals per year as specified in the bill.¹²² The waiver would apply for new licensure applications for military veterans, active duty members of the military, and the spouses of each. Based on veterans and active duty military members living in Florida, the impact could reduce licensure application fees by \$361,697. For licensure renewals, the waiver would apply to active duty members of the military or members who were active within two years of the license renewal and their spouses. Based on active duty military members in Florida, this could reduce license renewal fees by \$50,352. The total reduction for both renewals and new licensure is \$412,049. However, assuming a 50% utilization rate of the waiver, the total reduction in fees for the office will likely be approximately \$206,025.

DOH will incur a nonrecurring cost for rulemaking, which current budget authority is adequate to absorb.¹²³

¹²¹ Email from Derek Buchanan, Director of the Office of Policy & Budget, Florida Department of Agriculture and Consumer Services, FWD: SB 1884 - Military and Veterans Affairs - 2018, regarding their estimated fiscal impact for HB 29 (Feb. 1, 2018).

¹²² Florida Office of Financial Regulation, Agency Analysis of 2018 HB 29, pp. 6-7 (Jan. 19, 2018).

¹²³ Email from Paul Runk, Director of the Office of Legislative Planning, Florida Department of Health, RE: Proposed Language for Military Spouses, regarding the fiscal impact of HB 29 (Feb. 1, 2018).

DBPR indicated that their fiscal impact is indeterminate at this time, but noted that there are currently 440 licensees under DBPR that are identified as military personnel.¹²⁴ Therefore, any additional loss of revenue should be insignificant.

DOE indicated that for FY 2016-2017, there were 386 teacher certification exams administered on a military installation; however, the fiscal impact for DOE is indeterminate because the number of eligible applicants of the 386 is unknown. The current total fees for the initial certification of a teacher for one subject area (examination and application fees) is \$665 and the fee for renewal of the certification is \$75.¹²⁵

2. Expenditures:

There is an indeterminate fiscal impact on agency expenditures.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The bill will ease the transition from military life for those who aim to become a Florida professional licensee by waiving initial license fees. The bill will help military families by waiving fees.

D. FISCAL COMMENTS:

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to affect county or municipal governments.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

Section 3 of the bill requires the State Board of Education to modify its rules to allow the DOE to extend the validity period of a temporary teaching certificate holder for two years when the requirements for the professional certificate were not completed due to the military service of an applicant's spouse. This will require the modification of rule 6A- 4.004, F.A.C.

Sections 11, 12, and 34 of the bill require an individual seeking the fee waiver to submit proof, in a form prescribed by rule of the Financial Services Commission, that the individual meets one of the specified fee waiver qualifications.

¹²⁴ Florida Department of Business and Professional Regulation, Agency Analysis of 2018 House Bill 29, p. 4 (Jan.22, 2018).

¹²⁵ Email from Tanya Cooper, Director of Governmental Relations, Florida Department of Education, RE: Military, regarding the expected fiscal impact of HB 29 (Dec. 14, 2017).

Many license application forms and licensing procedures will need to be amended by the affected agencies in order to implement this bill.

There is sufficient rulemaking authority for each agency to make these changes.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On January 24, 2018, the Commerce Committee adopted four amendments and reported the bill favorably as a committee substitute. The amendments:

- allow members of the board of directors for Veterans Florida, to be eligible for reappointment to the board,
- provide additional requirements or limitations for receiving training grants for or instituting a veteran entrepreneurship program with Veterans Florida,
- delete the waiver of fingerprinting requirements for certain veterans who are applicants for funeral and cemetery, insurance, or fire safety-related licenses,
- revise the waiver of prelicensure coursework requirements for insurance license applicants to include current members of the U.S. Armed Forces and their spouses,
- remove the waiver of prelicensure coursework requirements in those instances where the coursework is the only knowledge acquisition/demonstration element prior to receiving an insurance license,
- delete the proposed extension of time prior for reexamination for two fire safety-related licenses for those eligible for an "inactive" status,
- limit the application fee waiver for a preneed (funeral services) license to individuals, and
- provide a method for a member or veteran to certify their knowledge, training, and experience to gain credit in licensing for funeral directing, embalming, and direct disposing.

This analysis is drafted to the committee substitute as passed by the Commerce Committee.

1 A bill to be entitled
 2 An act relating to military and veterans affairs;
 3 creating s. 250.483, F.S.; providing requirements
 4 relating to licensure or qualification of persons
 5 ordered into active duty or state active duty;
 6 amending s. 295.21, F.S.; providing that a member of
 7 the board of directors for Florida is for Veterans,
 8 Inc., shall be eligible for reappointment under
 9 certain circumstances; amending s. 295.22, F.S.;
 10 revising provisions relating to receiving training
 11 grants from Florida is for Veterans, Inc.; amending s.
 12 446.041, F.S.; providing duties of the Department of
 13 Education; amending s. 446.081, F.S.; providing
 14 construction; amending s. 455.02, F.S.; requiring the
 15 Department of Business and Professional Regulation to
 16 waive certain fees; amending s. 456.024, F.S.;
 17 revising licensure eligibility requirements; providing
 18 an exemption from certain penalties; amending ss.
 19 472.015, 472.016, 493.6105, 493.6107, and 493.6113,
 20 F.S.; requiring the Department of Agriculture and
 21 Consumer Services to waive certain fees; amending ss.
 22 494.00312 and 494.00313, F.S.; requiring the Office of
 23 Financial Regulation to waive certain fees; amending
 24 s. 497.140, F.S.; providing an exemption from a
 25 certain fee; amending s. 497.141, F.S.; providing an

26 exemption from a certain fee; amending ss. 497.281,
 27 497.368, 497.369, 497.370, 497.371, 497.373, 497.374,
 28 and 497.375, F.S.; providing exemptions from certain
 29 fees; creating s. 497.393, F.S.; authorizing the
 30 licensing authority to recognize certain military-
 31 issued credentials for purposes of licensure; amending
 32 ss. 497.453, 497.466, and 497.554, F.S.; providing
 33 exemptions from certain fees; amending s. 497.602,
 34 F.S.; providing an exemption from an application fee;
 35 authorizing the licensing authority to recognize
 36 certain military-issued credentials for purposes of
 37 licensure; amending s. 501.015, F.S.; requiring the
 38 Department of Agriculture and Consumer Services to
 39 waive a registration fee; amending ss. 501.605,
 40 501.607, 501.609, and 507.03, F.S.; requiring the
 41 Department of Agriculture and Consumer Services to
 42 waive certain fees for certain licensees; amending s.
 43 517.12, F.S.; requiring the Office of Financial
 44 Regulation to waive certain fees; amending ss. 527.02
 45 and 539.001, F.S.; waiving certain licensing fees;
 46 amending ss. 559.904 and 559.928, F.S.; requiring the
 47 Department of Agriculture and Consumer Services to
 48 waive certain registration fees; amending s. 626.171,
 49 F.S.; revising fee waiver qualification requirements
 50 for certain applicants; amending ss. 626.732,

51 626.7851, 626.8311, 626.8417, and 626.927, F.S.;

52 revising prelicensure course requirements for certain

53 applicants; amending s. 633.414, F.S.; authorizing an

54 extension for firefighter certification renewal for

55 certain persons; amending s. 633.444, F.S.; requiring

56 the Division of State Fire Marshal to waive certain

57 expenses associated with attending the Florida State

58 Fire College; creating s. 683.147, F.S.; designating

59 March 25 of each year as "Medal of Honor Day";

60 amending s. 1002.37, F.S.; revising priority of

61 Florida Virtual Schools; amending s. 1003.42, F.S.;

62 providing for a character development program that

63 incorporates the values of the Congressional Medal of

64 Honor; amending s. 1012.55, F.S.; requiring the State

65 Board of Education to issue a temporary certificate in

66 educational leadership to certain persons; revising

67 certain exemptions from requirements for teacher

68 certification for certain individuals; amending s.

69 1012.56, F.S.; requiring the State Board of Education

70 to adopt certain rules; amending s. 1012.59, F.S.;

71 requiring the State Board of Education to waive

72 certain fees; providing an effective date.

73

74 Be It Enacted by the Legislature of the State of Florida:

75

76 Section 1. Section 250.483, Florida Statutes, is created
 77 to read:

78 250.483 Active duty; licensure or qualification.-

79 (1) If a member of the Florida National Guard or the
 80 United States Armed Forces Reserves seeking licensure or
 81 qualification for a trade, occupation, or profession is ordered
 82 into state active duty or into active duty as defined in this
 83 chapter, and his or her period of training, study,
 84 apprenticeship, or practical experience is interrupted or the
 85 start thereof is delayed, he or she is entitled to licensure or
 86 qualification under the laws covering his or her licensure or
 87 qualification at the time of entrance into active duty pursuant
 88 to subsection (2).

89 (2) A board of examiners or other qualification board
 90 regulated under general law shall accept periods of training and
 91 practical experience in the Florida National Guard or the United
 92 States Armed Forces Reserves in place of the interrupted or
 93 delayed periods of training, study, apprenticeship, or practical
 94 experience if the board finds the standard and type of work or
 95 training performed in the Florida National Guard or the United
 96 States Armed Forces Reserves to be substantially the same as the
 97 standard and type required under the laws of this state.

98 (3) A member of the National Guard or the United States
 99 Armed Forces Reserves must request licensure or qualification
 100 pursuant to this section by the respective board of examiners or

101 other qualification board within 6 months after release from
 102 active duty with the Florida National Guard or the United States
 103 Armed Forces Reserves.

104 Section 2. Paragraph (c) of subsection (4) of section
 105 295.21, Florida Statutes, is amended to read:

106 295.21 Florida Is For Veterans, Inc.—

107 (4) GOVERNANCE.—

108 (c) Each member of the board of directors shall be
 109 appointed for a term of 4 years, except that, to achieve
 110 staggered terms, the initial appointees of the Governor shall
 111 serve terms of 2 years. A member is eligible ~~ineligible~~ for
 112 reappointment to the board ~~except that a member appointed to a~~
 113 ~~term of 2 years or less may be reappointed~~ for one ~~an~~ additional
 114 term of 4 years. ~~The initial appointments to the board must be~~
 115 ~~made by July 15, 2014.~~ Vacancies on the board shall be filled in
 116 the same manner as the original appointment. A vacancy that
 117 occurs before the scheduled expiration of the term of the member
 118 shall be filled for the remainder of the unexpired term.

119 Section 3. Paragraphs (d) and (e) of subsection (3) of
 120 section 295.22, Florida Statutes, are amended to read:

121 295.22 Veterans Employment and Training Services Program.—

122 (3) ADMINISTRATION.—Florida Is For Veterans, Inc., shall
 123 administer the Veterans Employment and Training Services Program
 124 and perform all of the following functions:

125 (d) Create a grant program to provide funding to assist

126 veterans in meeting the workforce-skill needs of businesses
 127 seeking to hire, promote, or generally improve specialized
 128 skills of veterans, establish criteria for approval of requests
 129 for funding, and maximize the use of funding for this program.
 130 Grant funds may be used only in the absence of available
 131 veteran-specific federally funded programs. Grants may fund
 132 specialized training specific to a particular business.

133 1. ~~Grant funds may be allocated to any training provider~~
 134 ~~selected by the business, including a career center, a Florida~~
 135 ~~College System institution, a state university, or an in-house~~
 136 ~~training provider of the business.~~ If grant funds are used to
 137 provide a technical certificate, a licensure, or a degree, funds
 138 may be allocated only upon a review that includes, but is not
 139 limited to, documentation of accreditation and licensure.
 140 Instruction funded through the program terminates when
 141 participants demonstrate competence at the level specified in
 142 the request but may not exceed 12 ~~48~~ months. Preference shall be
 143 given to target industry businesses, as defined in s. 288.106,
 144 and to businesses in the defense supply, cloud virtualization,
 145 or commercial aviation manufacturing industries.

146 2. ~~Costs and expenditures for the grant program must be~~
 147 ~~documented and separated from those incurred by the training~~
 148 ~~provider.~~ Costs and expenditures shall be limited to \$8,000 per
 149 veteran trainee. Qualified businesses must cover the entire cost
 150 for all of the training provided before receiving reimbursement

151 from the corporation equal to 50 percent of the cost to train a
 152 veteran who is a permanent, full-time employee. Eligible costs
 153 and expenditures include:

- 154 a. Tuition and fees.
- 155 ~~b. Curriculum development.~~
- 156 b.e. Books and classroom materials.
- 157 ~~c.d.~~ Rental fees for facilities ~~at public colleges and~~
 158 ~~universities, including virtual training labs.~~
- 159 ~~e. Overhead or indirect costs not to exceed 5 percent of~~
 160 ~~the grant amount.~~

161 3. Before funds are allocated for a request pursuant to
 162 this section, the corporation shall prepare a grant agreement
 163 between the business requesting funds, ~~the educational~~
 164 ~~institution or training provider receiving funding through the~~
 165 ~~program,~~ and the corporation. Such agreement must include, but
 166 need not be limited to:

- 167 a. Identification of the personnel necessary to conduct
 168 the instructional program, instructional program description,
 169 and any vendors used to conduct the instructional program ~~the~~
 170 ~~qualifications of such personnel, and the respective~~
 171 ~~responsibilities of the parties for paying costs associated with~~
 172 ~~the employment of such personnel.~~
- 173 ~~b. Identification of the match provided by the business,~~
 174 ~~including cash and in-kind contributions, equal to at least 50~~
 175 ~~percent of the total grant amount.~~

176 ~~b.e.~~ Identification of the estimated duration of the
 177 instructional program.

178 ~~c.d.~~ Identification of all direct, training-related costs.

179 ~~d.e.~~ Identification of special program requirements that
 180 are not otherwise addressed in the agreement.

181 ~~e.f.~~ Permission to access aggregate information specific
 182 to the wages and performance of participants upon the completion
 183 of instruction for evaluation purposes. The agreement must
 184 specify that any evaluation published subsequent to the
 185 instruction may not identify the employer or any individual
 186 participant.

187 4. A business may receive a grant under the Quick-Response
 188 Training Program created under s. 288.047 and a grant under this
 189 section for the same veteran trainee. If a business receives
 190 funds under both programs, one grant agreement may be entered
 191 into with CareerSource Florida, Inc., as the grant
 192 administrator.

193 (e) Contract with one or more entities to administer an
 194 entrepreneur initiative program for veterans in this state which
 195 connects business leaders in the state with veterans seeking to
 196 become entrepreneurs.

197 1. The corporation shall award each contract in accordance
 198 with the competitive bidding requirements in s. 287.057 to one
 199 or more public or private entities ~~universities~~ that:

200 a. Demonstrate the ability to implement the program and

201 the commitment of ~~university~~ resources, including financial
 202 resources, to such programs.

203 b. Have a demonstrated experience working with military
 204 ~~and~~ veteran entrepreneurs ~~resource center~~.

205 ~~e. Have a regional small business development center in~~
 206 ~~the Florida Small Business Development Center Network.~~

207 ~~c.d.~~ As determined by the corporation, have been
 208 ~~nationally~~ recognized for their performance in assisting
 209 entrepreneurs to launch successful businesses in the state
 210 ~~commitment to the military and veterans.~~

211 2. Each contract must include performance metrics,
 212 including a focus on employment and business creation. ~~Each~~
 213 ~~university must coordinate with any entrepreneurship center~~
 214 ~~located at the university.~~ The entity ~~university~~ may also work
 215 with a university or college ~~an entity~~ offering related programs
 216 to refer veterans or to provide services. The entrepreneur
 217 initiative program may include activities and assistance such as
 218 peer-to-peer learning sessions, mentoring, technical assistance,
 219 business roundtables, networking opportunities, support of
 220 student organizations, speaker series, or other tools within a
 221 virtual environment.

222 Section 4. Subsections (7) through (12) of section
 223 446.041, Florida Statutes, are renumbered as subsections (8)
 224 through (13), respectively, and a new subsection (7) is added to
 225 that section, to read:

226 446.041 Apprenticeship program, duties of the department.-
 227 The department shall:

228 (7) Lead and coordinate outreach efforts to educate
 229 veterans about apprenticeship and career opportunities.

230 Section 5. Subsection (4) is added to section 446.081,
 231 Florida Statutes, to read:

232 446.081 Limitation.-

233 (4) Nothing in ss. 446.011-446.092 or in any rules adopted
 234 or contained in any approved apprentice agreement under such
 235 sections invalidates any special provision for veterans,
 236 minority persons, or women in the standards, qualifications, or
 237 operation of the apprenticeship program which is not otherwise
 238 prohibited by any applicable general law, rule, or regulation.

239 Section 6. Subsections (1) and (2) of section 455.02,
 240 Florida Statutes, are amended to read:

241 455.02 Licensure of members of the Armed Forces in good
 242 standing and their spouses or surviving spouses with
 243 administrative boards or programs.-

244 (1) Any member of the United States Armed Forces ~~of the~~
 245 ~~United States~~ now or hereafter on active duty who, at the time
 246 of becoming such a member, was in good standing with any of the
 247 boards or programs listed in s. 20.165 and was entitled to
 248 practice or engage in his or her profession or occupation
 249 ~~vocation~~ in the state shall be kept in good standing by the
 250 applicable board or program, without registering, paying dues or

251 fees, or performing any other act on his or her part to be
 252 performed, as long as he or she is a member of the United States
 253 ~~Armed Forces of the United States~~ on active duty and for a
 254 period of 2 years after discharge from active duty ~~as a member~~
 255 ~~of the Armed Forces of the United States, if he or she is not~~
 256 ~~engaged in his or her licensed profession or vocation in the~~
 257 ~~private sector for profit.~~ A member, during active duty and for
 258 a period of 2 years after discharge from active duty, engaged in
 259 his or her licensed profession or occupation in the private
 260 sector for profit in this state must complete all license
 261 renewal provisions except remitting the license renewal fee,
 262 which shall be waived by the department.

263 (2) A spouse of a member of the ~~Armed Services of the~~
 264 United States Armed Forces who is married to a member during a
 265 period of active duty, or a surviving spouse of a member who at
 266 the time of death was serving on active duty, who is in good
 267 standing with any of the boards or programs listed in s. 20.165
 268 shall be kept in good standing by the applicable board or
 269 program as described in subsection (1) and shall be exempt from
 270 licensure renewal provisions, but only in cases of his or her
 271 absence from the state because of his or her spouse's duties
 272 with the United States Armed Forces. The department or the
 273 appropriate board or program shall waive any license renewal fee
 274 for such spouse when he or she is present in this state because
 275 of such member's active duty and for a surviving spouse of a

276 member who at the time of death was serving on active duty and
 277 died within the 2 years preceding the date of renewal.

278 Section 7. Paragraphs (a) and (b) of subsection (3) and
 279 paragraph (j) of subsection (4) of section 456.024, Florida
 280 Statutes, are amended, and subsection (5) is added to that
 281 section, to read:

282 456.024 Members of Armed Forces in good standing with
 283 administrative boards or the department; spouses; licensure.—

284 (3)(a) A person is eligible for licensure as a health care
 285 practitioner in this state if he or she:

286 1. Serves or has served as a health care practitioner in
 287 the United States Armed Forces, the United States Reserve
 288 Forces, or the National Guard;

289 2. Serves or has served on active duty with the United
 290 States Armed Forces as a health care practitioner in the United
 291 States Public Health Service; or

292 3. Is a health care practitioner, ~~other than a dentist,~~ in
 293 another state, the District of Columbia, or a possession or
 294 territory of the United States and is the spouse of a person
 295 serving on active duty with the United States Armed Forces.

296
 297 The department shall develop an application form, and each
 298 board, or the department if there is no board, shall waive the
 299 application fee, licensure fee, and unlicensed activity fee for
 300 such applicants. For purposes of this subsection, "health care

301 practitioner" means a health care practitioner as defined in s.
 302 456.001 and a person licensed under part III of chapter 401 or
 303 part IV of chapter 468.

304 (b) The board, or the department if there is no board,
 305 shall issue a license to practice in this state to a person who:

306 1. Submits a complete application.

307 2. If he or she is a member of the United States Armed
 308 Forces, the United States Reserve Forces, or the National Guard,
 309 submits proof that he or she has received an honorable discharge
 310 within 6 months before, or will receive an honorable discharge
 311 within 6 months after, the date of submission of the
 312 application.

313 3.a. Holds an active, unencumbered license issued by
 314 another state, the District of Columbia, or a possession or
 315 territory of the United States and who has not had disciplinary
 316 action taken against him or her in the 5 years preceding the
 317 date of submission of the application;

318 b. Is a military health care practitioner in a profession
 319 for which licensure in a state or jurisdiction is not required
 320 to practice in the United States Armed Forces, if he or she
 321 submits to the department evidence of military training or
 322 experience substantially equivalent to the requirements for
 323 licensure in this state in that profession and evidence that he
 324 or she has obtained a passing score on the appropriate
 325 examination of a national or regional standards organization if

326 required for licensure in this state; or

327 c. Is the spouse of a person serving on active duty in the
 328 United States Armed Forces and is a health care practitioner in
 329 a profession, ~~excluding dentistry,~~ for which licensure in
 330 another state or jurisdiction is not required, if he or she
 331 submits to the department evidence of training or experience
 332 substantially equivalent to the requirements for licensure in
 333 this state in that profession and evidence that he or she has
 334 obtained a passing score on the appropriate examination of a
 335 national or regional standards organization if required for
 336 licensure in this state.

337 4. Attests that he or she is not, at the time of
 338 submission of the application, the subject of a disciplinary
 339 proceeding in a jurisdiction in which he or she holds a license
 340 or by the United States Department of Defense for reasons
 341 related to the practice of the profession for which he or she is
 342 applying.

343 5. Actively practiced the profession for which he or she
 344 is applying for the 3 years preceding the date of submission of
 345 the application.

346 6. Submits a set of fingerprints for a background
 347 screening pursuant to s. 456.0135, if required for the
 348 profession for which he or she is applying.

349
 350 The department shall verify information submitted by the

351 applicant under this subsection using the National Practitioner
 352 Data Bank.

353 (4)

354 ~~(j) An applicant who is issued a temporary professional~~
 355 ~~license to practice as a dentist pursuant to this section must~~
 356 ~~practice under the indirect supervision, as defined in s.~~
 357 ~~466.003, of a dentist licensed pursuant to chapter 466.~~

358 (5) The spouse of a person serving on active duty with the
 359 United States Armed Forces shall have a defense to any citation
 360 and related cause of action brought under s. 456.065 if the
 361 following conditions are met:

362 (a) The spouse holds an active, unencumbered license
 363 issued by another state or jurisdiction to provide health care
 364 services for which there is no equivalent license in this state.

365 (b) The spouse is providing health care services within
 366 the scope of practice of the out-of-state license.

367 (c) The training or experience required by the out-of-
 368 state license is substantially similar to the license
 369 requirements to practice a similar health care profession in
 370 this state.

371 Section 8. Paragraph (b) of subsection (3) of section
 372 472.015, Florida Statutes, is amended to read:

373 472.015 Licensure.—

374 (3)

375 (b) The department shall waive the initial license fee for

376 an honorably discharged veteran of the United States Armed
 377 Forces, the spouse or surviving spouse of such a veteran, a
 378 current member of the United States Armed Forces who has served
 379 on active duty or the spouse of such a member, the surviving
 380 spouse of a member of the United States Armed Forces who died
 381 while serving on active duty, or a business entity that has a
 382 majority ownership held by such a veteran or spouse or surviving
 383 spouse if the department receives an application~~7~~ in a format
 384 prescribed by the department. The application format must
 385 include the applicant's signature, under penalty of perjury, and
 386 supporting documentation, ~~within 60 months after the date of the~~
 387 ~~veteran's discharge from any branch of the United States Armed~~
 388 ~~Forces.~~ To qualify for the waiver:~~7~~

389 1. A veteran must provide to the department a copy of his
 390 or her DD Form 214, as issued by the United States Department of
 391 Defense, or another acceptable form of identification as
 392 specified by the Department of Veterans' Affairs;

393 2. The spouse or surviving spouse of a veteran must
 394 provide to the department a copy of the veteran's DD Form 214,
 395 as issued by the United States Department of Defense, or another
 396 acceptable form of identification as specified by the Department
 397 of Veterans' Affairs, and a copy of a valid marriage license or
 398 certificate verifying that he or she was lawfully married to the
 399 veteran at the time of discharge; or

400 3. A business entity must provide to the department proof

401 that a veteran or the spouse or surviving spouse of a veteran
 402 holds a majority ownership in the business, a copy of the
 403 veteran's DD Form 214, as issued by the United States Department
 404 of Defense, or another acceptable form of identification as
 405 specified by the Department of Veterans' Affairs, and, if
 406 applicable, a copy of a valid marriage license or certificate
 407 verifying that the spouse or surviving spouse of the veteran was
 408 lawfully married to the veteran at the time of discharge.

409 Section 9. Section 472.016, Florida Statutes, is amended
 410 to read:

411 472.016 Members of Armed Forces in good standing with the
 412 board.—

413 (1) Any member of the United States Armed Forces ~~of the~~
 414 ~~United States~~ who is now or in the future on active duty and
 415 who, at the time of becoming such a member of the United States
 416 Armed Forces, was in good standing with the board and entitled
 417 to practice or engage in surveying and mapping in the state
 418 shall be kept in good standing by the board, without
 419 registering, paying dues or fees, or performing any other act on
 420 his or her part to be performed, as long as he or she is a
 421 member of the United States Armed Forces ~~of the United States~~ on
 422 active duty and for a period of 2 years ~~6 months~~ after discharge
 423 from active duty, ~~provided that he or she is not engaged in the~~
 424 ~~practice of surveying or mapping in the private sector for~~
 425 ~~profit.~~ A member, during active duty and for a period of 2 years

426 after discharge from active duty, engaged in the practice of
 427 surveying or mapping in the private sector for profit in this
 428 state must complete all licensure renewal provisions except
 429 remitting the license renewal fee, which shall be waived by the
 430 department.

431 (2) The board shall adopt rules exempting the spouses of
 432 members of the United States Armed Forces ~~of the United States~~
 433 from licensure renewal provisions, but only in cases of absence
 434 from the state because of their spouses' duties with the United
 435 States Armed Forces. The department or the appropriate board or
 436 program shall waive any license renewal fee for the spouse of a
 437 member of the United States Armed Forces when such member is
 438 present in this state because of the member's active duty with
 439 the United States Armed Forces, and for the surviving spouse of
 440 a member who at the time of death was serving on active duty and
 441 died within the 2 years preceding the date of renewal.

442 Section 10. Subsection (1) of section 493.6105, Florida
 443 Statutes, is amended to read:

444 493.6105 Initial application for license.—

445 (1) Each individual, partner, or principal officer in a
 446 corporation, shall file with the department a complete
 447 application accompanied by an application fee not to exceed \$60,
 448 except that an ~~the~~ applicant for a Class "D" or Class "G"
 449 license is not required to submit an application fee. An
 450 application fee is not required for an applicant who qualifies

451 for the fee waiver in s. 493.6107(6). The application fee is not
 452 refundable.

453 (a) The application submitted by any individual, partner,
 454 or corporate officer must be approved by the department before
 455 the individual, partner, or corporate officer assumes his or her
 456 duties.

457 (b) Individuals who invest in the ownership of a licensed
 458 agency but do not participate in, direct, or control the
 459 operations of the agency are not required to file an
 460 application.

461 ~~(c) The initial application fee for a veteran, as defined~~
 462 ~~in s. 1.01, shall be waived if he or she applies for a Class~~
 463 ~~"C," Class "CC," Class "DI," Class "E," Class "EE," Class "K,"~~
 464 ~~Class "M," Class "MA," Class "MB," Class "MR," or Class "RI"~~
 465 ~~license within 24 months after being discharged from a branch of~~
 466 ~~the United States Armed Forces. An eligible veteran must include~~
 467 ~~a copy of his or her DD Form 214, as issued by the United States~~
 468 ~~Department of Defense, or another acceptable form of~~
 469 ~~identification as specified by the Department of Veterans'~~
 470 ~~Affairs with his or her application in order to obtain a waiver.~~

471 Section 11. Subsection (6) of section 493.6107, Florida
 472 Statutes, is amended to read:

473 493.6107 Fees.—

474 (6) The initial application license fee for a veteran, as
 475 defined in s. 1.01, the spouse or surviving spouse of such

476 veteran, a member of the United States Armed Forces who has
 477 served on active duty, or the spouse or surviving spouse of such
 478 member who at the time of death was serving on active duty and
 479 died within the 2 years preceding the initial application, shall
 480 be waived if he or she applies for a Class "C," Class "CC,"
 481 Class "DI," Class "E," Class "EE," Class "K," Class "M," Class
 482 "MA," Class "MB," Class "MR," or Class "RI" license in a format
 483 prescribed by the department. The application format must
 484 include the applicant's signature, under penalty of perjury, and
 485 supporting documentation ~~Class "M" or Class "K" license within~~
 486 ~~24 months after being discharged from any branch of the United~~
 487 ~~States Armed Forces.~~ An eligible veteran must include a copy of
 488 his or her DD Form 214, as issued by the United States
 489 Department of Defense, or another acceptable form of
 490 identification as specified by the Department of Veterans'
 491 Affairs with his or her application in order to obtain a waiver.

492
 493 A licensee seeking such waiver must apply in a format prescribed
 494 by the department, including the applicant's signature, under
 495 penalty of perjury, and supporting documentation.

496 Section 12. Subsection (7) is added to section 493.6113,
 497 Florida Statutes, is amended to read:

498 493.6113 Renewal application for licensure.—

499 (7) The department shall waive the respective fees for a
 500 licensee who:

501 (a) Is an active duty member of the United States Armed
 502 Forces or the spouse of such member;

503 (b) Is or was a member of the United States Armed Forces
 504 and served on active duty within the 2 years preceding the
 505 expiration date of the license. A licensee who is a former
 506 member of the United States Armed Forces who served on active
 507 duty within the 2 years preceding the application must have
 508 received an honorable discharge upon separation or discharge
 509 from the United States Armed Forces; or

510 (c) Is the surviving spouse of a member of the United
 511 States Armed Forces who was serving on active duty at the time
 512 of death and died within the 2 years preceding the expiration
 513 date of the license.

514
 515 A licensee seeking such waiver must apply in a format prescribed
 516 by the department, including the applicant's signature, under
 517 penalty of perjury, and supporting documentation.

518 Section 13. Subsection (8) is added to section 494.00312,
 519 Florida Statutes, to read:

520 494.00312 Loan originator license.—

521 (8) The office shall waive the fees required by paragraph
 522 (2)(e) for an applicant who:

523 (a) Is or was an active duty member of the United States
 524 Armed Forces. To qualify for the fee waiver, an applicant who is
 525 a former member of the United States Armed Forces must have

526 received an honorable discharge upon separation or discharge
 527 from the United States Armed Forces;

528 (b) Is married to a current or former member of the United
 529 States Armed Forces and is or was married to the member during
 530 any period of active duty; or

531 (c) Is the surviving spouse of a member of the United
 532 States Armed Forces if the member was serving on active duty at
 533 the time of death.

534

535 An applicant seeking such fee waiver must submit proof, in a
 536 form prescribed by commission rule, that the applicant meets one
 537 of the qualifications in this subsection.

538 Section 14. Subsection (4) is added to section 494.00313,
 539 Florida Statutes, to read:

540 494.00313 Loan originator license renewal.-

541 (4) The office shall waive the fees required by paragraph
 542 (1)(b) for a loan originator who:

543 (a) Is an active duty member of the United States Armed
 544 Forces or the spouse of such member;

545 (b) Is or was a member of the United States Armed Forces
 546 and served on active duty within the 2 years preceding the
 547 expiration date of the license pursuant to s. 494.00312(7). To
 548 qualify for the fee waiver, a loan originator who is a former
 549 member of the United States Armed Forces who served on active
 550 duty within the 2 years preceding the expiration date of the

551 license must have received an honorable discharge upon
 552 separation or discharge from the United States Armed Forces; or
 553 (c) Is the surviving spouse of a member of the United
 554 States Armed Forces if the member was serving on active duty at
 555 the time of death and died within the 2 years preceding the
 556 surviving spouse's license expiration date pursuant to s.
 557 494.00312(7).

558
 559 A loan originator seeking such fee waiver must submit proof, in
 560 a form prescribed by commission rule, that the loan originator
 561 meets one of the qualifications in this subsection.

562 Section 15. Paragraph (a) of subsection (6) of section
 563 497.140, Florida Statutes, is amended to read:

564 497.140 Fees.—

565 (6)(a)1. The department shall impose, upon initial
 566 licensure and each renewal thereof, a special unlicensed
 567 activity fee of \$5 per licensee, in addition to all other fees
 568 provided for in this chapter. Such fee shall be used by the
 569 department to fund efforts to identify and combat unlicensed
 570 activity which violates this chapter. Such fee shall be in
 571 addition to all other fees collected from each licensee and
 572 shall be deposited in a separate account of the Regulatory Trust
 573 Fund; however, the department is not limited to the funds in
 574 such an account for combating improper unlicensed activity in
 575 violation of this chapter.

576 2. A member of the United States Armed Forces, such
 577 member's spouse, and a veteran of the United States Armed Forces
 578 who separated from service within 2 years preceding the
 579 application for licensure are exempt from the special unlicensed
 580 activity fee associated with initial licensure. To qualify for
 581 the fee exemption under this subparagraph, a licensee must
 582 provide a copy of a military identification card, military
 583 dependent identification card, military service record, military
 584 personnel file, veteran record, discharge paper, or separation
 585 document that indicates such member is currently in good
 586 standing or such veteran was honorably discharged.

587 Section 16. Subsection (4) of section 497.141, Florida
 588 Statutes, is amended to read:

589 497.141 Licensing; general application procedures.—

590 (4) Before the issuance of any license, the department
 591 shall collect such initial fee as specified by this chapter or,
 592 where authorized, by rule of the board, unless an applicant is
 593 exempted as specified by this chapter. Upon receipt of a
 594 completed application and the appropriate fee, and certification
 595 by the board that the applicant meets the applicable
 596 requirements of law and rules, the department shall issue the
 597 license applied for. However, an applicant who is not otherwise
 598 qualified for licensure is not entitled to licensure solely
 599 based on a passing score on a required examination.

600 Section 17. Subsection (1) of section 497.281, Florida

601 Statutes, is amended to read:

602 497.281 Licensure of brokers of burial rights.-

603 (1) (a) No person shall receive compensation to act as a
 604 third party to the sale or transfer of three or more burial
 605 rights in a 12-month period unless the person pays a license fee
 606 as determined by licensing authority rule but not to exceed \$250
 607 and is licensed with the department as a burial rights broker in
 608 accordance with this section.

609 (b) A member of the United States Armed Forces, such
 610 member's spouse, and a veteran of the United States Armed Forces
 611 who separated from service within the 2 years preceding
 612 application for licensure are exempt from the initial license
 613 fee. To qualify for the initial license fee exemption, an
 614 applicant must provide a copy of a military identification card,
 615 military dependent identification card, military service record,
 616 military personnel file, veteran record, discharge paper, or
 617 separation document that indicates such member is currently in
 618 good standing or such veteran was honorably discharged.

619 Section 18. Paragraph (a) of subsection (1) and subsection
 620 (3) of section 497.368, Florida Statutes, are amended to read:

621 497.368 Embalmers; licensure as an embalmer by
 622 examination; provisional license.-

623 (1) Any person desiring to be licensed as an embalmer
 624 shall apply to the licensing authority to take the licensure
 625 examination. The licensing authority shall examine each

626 applicant who has remitted an examination fee set by rule of the
627 licensing authority not to exceed \$200 plus the actual per
628 applicant cost to the licensing authority for portions of the
629 examination and who has:

630 (a) Completed the application form and remitted a
631 nonrefundable application fee set by the licensing authority not
632 to exceed \$200. A member of the United States Armed Forces, such
633 member's spouse, and a veteran of the United States Armed Forces
634 who separated from service within the 2 years preceding
635 application for licensure, are exempt from the application fee.
636 To qualify for the application fee exemption, an applicant must
637 provide a copy of a military identification card, military
638 dependent identification card, military service record, military
639 personnel file, veteran record, discharge paper, or separation
640 document that indicates such member is currently in good
641 standing or such veteran was honorably discharged.

642 (3) Any applicant who has completed the required 1-year
643 internship and has been approved for examination as an embalmer
644 may qualify for a provisional license to work in a licensed
645 funeral establishment, under the direct supervision of a
646 licensed embalmer for a limited period of 6 months as provided
647 by rule of the licensing authority. The fee for provisional
648 licensure shall be set by rule of the licensing authority, but
649 may not exceed \$200, and shall be nonrefundable and in addition
650 to the fee required in subsection (1). This provisional license

651 | may be renewed no more than one time. A member of the United
 652 | States Armed Forces, such member's spouse, and a veteran of the
 653 | United States Armed Forces who separated from service within the
 654 | 2 years preceding application for licensure are exempt from the
 655 | initial provisional licensure fee. To qualify for the initial
 656 | provisional licensure fee exemption, an applicant must provide a
 657 | copy of a military identification card, military dependent
 658 | identification card, military service record, military personnel
 659 | file, veteran record, discharge paper, or separation document
 660 | that indicates such member is currently in good standing or such
 661 | veteran was honorably discharged.

662 | Section 19. Paragraph (a) of subsection (1) and subsection
 663 | (5) of section 497.369, Florida Statutes, are amended to read:

664 | 497.369 Embalmers; licensure as an embalmer by
 665 | endorsement; licensure of a temporary embalmer.—

666 | (1) The licensing authority shall issue a license by
 667 | endorsement to practice embalming to an applicant who has
 668 | remitted an examination fee set by rule of the licensing
 669 | authority not to exceed \$200 and who the licensing authority
 670 | certifies:

671 | (a) Has completed the application form and remitted a
 672 | nonrefundable application fee set by rule of the licensing
 673 | authority not to exceed \$200. A member of the United States
 674 | Armed Forces, such member's spouse, and a veteran of the United
 675 | States Armed Forces who separated from service within the 2

676 years preceding application for licensure are exempt from the
 677 application fee. To qualify for the application fee exemption,
 678 an applicant must provide a copy of a military identification
 679 card, military dependent identification card, military service
 680 record, military personnel file, veteran record, discharge
 681 paper, or separation document that indicates such member is
 682 currently in good standing or such veteran was honorably
 683 discharged.

684 (5) (a) There may be adopted by the licensing authority
 685 rules authorizing an applicant who has met the requirements of
 686 paragraphs (1) (b) and (c) and who is awaiting an opportunity to
 687 take the examination required by subsection (4) to be licensed
 688 as a temporary licensed embalmer. A temporary licensed embalmer
 689 may work as an embalmer in a licensed funeral establishment
 690 under the general supervision of a licensed embalmer. Such
 691 temporary license shall expire 60 days after the date of the
 692 next available examination required under subsection (4);
 693 however, the temporary license may be renewed one time under the
 694 same conditions as initial issuance. The fee for issuance or
 695 renewal of an embalmer temporary license shall be set by rule of
 696 the licensing authority but may not exceed \$200. The fee
 697 required in this subsection shall be nonrefundable and in
 698 addition to the fee required in subsection (1).

699 (b) A member of the United States Armed Forces, such
 700 member's spouse, and a veteran of the United States Armed Forces

701 who separated from service within the 2 years preceding
 702 application for licensure are exempt from the initial issuance
 703 fee. To qualify for the initial issuance fee exemption, an
 704 applicant must provide a copy of a military identification card,
 705 military dependent identification card, military service record,
 706 military personnel file, veteran record, discharge paper, or
 707 separation document that indicates such member is currently in
 708 good standing or such veteran was honorably discharged.

709 Section 20. Subsection (1) of section 497.370, Florida
 710 Statutes, is amended to read:

711 497.370 Embalmers; licensure of an embalmer intern.—

712 (1) (a) Any person desiring to become an embalmer intern
 713 shall make application to the licensing authority on forms
 714 specified by rule, together with a nonrefundable fee determined
 715 by rule of the licensing authority but not to exceed \$200.

716 (b) A member of the United States Armed Forces, such
 717 member's spouse, and a veteran of the United States Armed Forces
 718 who separated from service within the 2 years preceding
 719 application for licensure are exempt from the application fee.
 720 To qualify for the application fee exemption under this
 721 paragraph, an applicant must provide a copy of a military
 722 identification card, military dependent identification card,
 723 military service record, military personnel file, veteran
 724 record, discharge paper, or separation document that indicates
 725 such member is currently in good standing or such veteran was

726 honorably discharged.

727

728 The application shall indicate the name and address of the
 729 licensed embalmer under whose supervision the intern will
 730 receive training and the name of the licensed funeral
 731 establishment or centralized embalming facility where such
 732 training is to be conducted. The embalmer intern shall intern
 733 under the direct supervision of a licensed embalmer who has an
 734 active, valid license under s. 497.368 or s. 497.369.

735 Section 21. Section 497.371, Florida Statutes, is amended
 736 to read:

737 497.371 Embalmers; establishment of embalmer apprentice
 738 program.—

739 (1) The licensing authority adopts rules establishing an
 740 embalmer apprentice program. An embalmer apprentice may perform
 741 only those tasks, functions, and duties relating to embalming
 742 which are performed under the direct supervision of an embalmer
 743 who has an active, valid license under s. 497.368 or s. 497.369.
 744 An embalmer apprentice is eligible to serve in an apprentice
 745 capacity for a period not to exceed 3 years as may be determined
 746 by licensing authority rule or for a period not to exceed 5
 747 years if the apprentice is enrolled in and attending a course in
 748 mortuary science or funeral service education at any mortuary
 749 college or funeral service education college or school. An
 750 embalmer apprentice shall be issued a license upon payment of a

751 licensure fee as determined by licensing authority rule but not
 752 to exceed \$200.

753 (2) A member of the United States Armed Forces, such
 754 member's spouse, and a veteran of the United States Armed Forces
 755 who separated from service within the 2 years preceding
 756 application for licensure are exempt from the licensure fee. To
 757 qualify for the licensure fee exemption under this subsection,
 758 an applicant must provide a copy of a military identification
 759 card, military dependent identification card, military service
 760 record, military personnel file, veteran record, discharge
 761 paper, or separation document that indicates such member is
 762 currently in good standing or such veteran was honorably
 763 discharged.

764
 765 An applicant for the embalmer apprentice program may not be
 766 issued a license unless the licensing authority determines that
 767 the applicant is of good character and has not demonstrated a
 768 history of lack of trustworthiness or integrity in business or
 769 professional matters.

770 Section 22. Paragraph (a) of subsection (1) and subsection
 771 (3) of section 497.373, Florida Statutes, are amended to read:

772 497.373 Funeral directing; licensure as a funeral director
 773 by examination; provisional license.-

774 (1) Any person desiring to be licensed as a funeral
 775 director shall apply to the licensing authority to take the

776 licensure examination. The licensing authority shall examine
 777 each applicant who has remitted an examination fee set by rule
 778 of the licensing authority not to exceed \$200 plus the actual
 779 per applicant cost to the licensing authority for portions of
 780 the examination and who the licensing authority certifies has:

781 (a) Completed the application form and remitted a
 782 nonrefundable application fee set by rule of the licensing
 783 authority not to exceed \$200. A member of the United States
 784 Armed Forces, such member's spouse, and a veteran of the United
 785 States Armed Forces who separated from service within the 2
 786 years preceding application for licensure are exempt from the
 787 application fee. To qualify for the application fee exemption,
 788 an applicant must provide a copy of a military identification
 789 card, military dependent identification card, military service
 790 record, military personnel file, veteran record, discharge
 791 paper, or separation document that indicates such member is
 792 currently in good standing or such veteran was honorably
 793 discharged.

794 (3) Any applicant who has completed the required 1-year
 795 internship and has been approved for examination as a funeral
 796 director may qualify for a provisional license to work in a
 797 licensed funeral establishment, under the direct supervision of
 798 a licensed funeral director for 6 months as provided by rule of
 799 the licensing authority. However, a provisional licensee may
 800 work under the general supervision of a licensed funeral

801 director upon passage of the laws and rules examination required
 802 under paragraph (2)(b). The fee for provisional licensure shall
 803 be set by rule of the licensing authority but may not exceed
 804 \$200. The fee required in this subsection shall be nonrefundable
 805 and in addition to the fee required by subsection (1). This
 806 provisional license may be renewed no more than one time. A
 807 member of the United States Armed Forces, such member's spouse,
 808 and a veteran of the United States Armed Forces who separated
 809 from service within the 2 years preceding application for
 810 licensure are exempt from the initial provisional licensure fee.
 811 To qualify for the initial provisional licensure fee exemption,
 812 a licensee must provide a copy of a military identification
 813 card, military dependent identification card, military service
 814 record, military personnel file, veteran record, discharge
 815 paper, or separation document that indicates such member is
 816 currently in good standing or such veteran was honorably
 817 discharged.

818 Section 23. Paragraph (a) of subsection (1) and subsection
 819 (5) of section 497.374, Florida Statutes, are amended to read:

820 497.374 Funeral directing; licensure as a funeral director
 821 by endorsement; licensure of a temporary funeral director.—

822 (1) The licensing authority shall issue a license by
 823 endorsement to practice funeral directing to an applicant who
 824 has remitted a fee set by rule of the licensing authority not to
 825 exceed \$200 and who:

826 (a) Has completed the application form and remitted a
827 nonrefundable application fee set by rule of the licensing
828 authority not to exceed \$200. A member of the United States
829 Armed Forces, such member's spouse, and a veteran of the United
830 States Armed Forces who separated from service within the 2
831 years preceding application for licensure are exempt from the
832 nonrefundable application fee. To qualify for the exemption, an
833 applicant must provide a copy of a military identification card,
834 military dependent identification card, military service record,
835 military personnel file, veteran record, discharge paper, or
836 separation document that indicates such member is currently in
837 good standing or such veteran was honorably discharged.

838 (5) There may be adopted rules authorizing an applicant
839 who has met the requirements of paragraphs (1)(b) and (c) and
840 who is awaiting an opportunity to take the examination required
841 by subsection (4) to obtain a license as a temporary funeral
842 director. A licensed temporary funeral director may work as a
843 funeral director in a licensed funeral establishment under the
844 general supervision of a funeral director licensed under
845 subsection (1) or s. 497.373. Such license shall expire 60 days
846 after the date of the next available examination required under
847 subsection (4); however, the temporary license may be renewed
848 one time under the same conditions as initial issuance. The fee
849 for initial issuance or renewal of a temporary license under
850 this subsection shall be set by rule of the licensing authority

851 but may not exceed \$200. The fee required in this subsection
 852 shall be nonrefundable and in addition to the fee required in
 853 subsection (1). A member of the United States Armed Forces, such
 854 member's spouse, and a veteran of the United States Armed Forces
 855 who separated from service within the 2 years preceding
 856 application for licensure are exempt from the initial issuance
 857 fee. To qualify for the initial issuance fee exemption, an
 858 applicant must provide a copy of a military identification card,
 859 military dependent identification card, military service record,
 860 military personnel file, veteran record, discharge paper, or
 861 separation document that indicates such member is currently in
 862 good standing or such veteran was honorably discharged.

863 Section 24. Paragraph (a) of subsection (1) of section
 864 497.375, Florida Statutes, is amended to read:

865 497.375 Funeral directing; licensure of a funeral director
 866 intern.—

867 (1)(a) Any person desiring to become a funeral director
 868 intern must apply to the licensing authority on forms prescribed
 869 by rule of the licensing authority, together with a
 870 nonrefundable fee set by rule of the licensing authority not to
 871 exceed \$200. A member of the United States Armed Forces, such
 872 member's spouse, and a veteran of the United States Armed Forces
 873 who separated from service within the 2 years preceding
 874 application for licensure are exempt from the application fee.
 875 To qualify for the application fee exemption, an applicant must

876 provide a copy of a military identification card, military
 877 dependent identification card, military service record, military
 878 personnel file, veteran record, discharge paper, or separation
 879 document that indicates such member is currently in good
 880 standing or such veteran was honorably discharged.

881 Section 25. Section 497.393, Florida Statutes, is created
 882 to read:

883 497.393 Licensure; military-issued credentials for
 884 licensure.—The licensing authority shall recognize military-
 885 issued credentials relating to funeral and cemetery services for
 886 purposes of licensure as a funeral director or embalmer. A
 887 member of the United States Armed Forces and a veteran of the
 888 United States Armed Forces seeking licensure as a funeral
 889 director or embalmer under this section shall submit to the
 890 licensing authority a certification that the military-issued
 891 credential reflects knowledge, training, and experience
 892 substantially similar to the requirements of this chapter for
 893 licensure as a funeral director or embalmer. The licensing
 894 authority shall adopt rules specifying forms and procedures to
 895 be used by persons seeking licensure under this section. The
 896 licensing authority may conduct an investigation and further
 897 inquiry of any person regarding any military-issued credential
 898 sought to be recognized.

899 Section 26. Paragraph (n) of subsection (1) of section
 900 497.453, Florida Statutes, is amended to read:

901 497.453 Application for preneed license, procedures and
 902 criteria; renewal; reports.-

903 (1) PRENEED LICENSE APPLICATION PROCEDURES.-

904 (n) The application shall be accompanied by a
 905 nonrefundable fee as determined by licensing authority rule but
 906 not to exceed \$500. A member of the United States Armed Forces,
 907 such member's spouse, and a veteran of the United States Armed
 908 Forces who separated from service within the 2 years preceding
 909 application for licensure are exempt from the application fee
 910 when applying as an individual. To qualify for the application
 911 fee exemption, an applicant must provide a copy of a military
 912 identification card, military dependent identification card,
 913 military service record, military personnel file, veteran
 914 record, discharge paper, or separation document that indicates
 915 such member is currently in good standing or such veteran was
 916 honorably discharged.

917 Section 27. Paragraph (h) of subsection (2) of section
 918 497.466, Florida Statutes, is amended to read:

919 497.466 Preneed sales agents, license required;
 920 application procedures and criteria; appointment of agents;
 921 responsibility of preneed licensee.-

922 (2) PRENEED SALES AGENT LICENSE; APPLICATION PROCEDURES.-

923 (h) The application shall be accompanied by a
 924 nonrefundable fee of \$150 if made through the department's
 925 online licensing system or \$175 if made using paper forms.

926 Payment of either fee shall entitle the applicant to one initial
 927 appointment without payment of further fees by the preneed sales
 928 agent or the appointing preneed licensee if a preneed sales
 929 agent license is issued. The licensing authority may from time
 930 to time increase such fees but not to exceed \$300. A member of
 931 the United States Armed Forces, such member's spouse, and a
 932 veteran of the United States Armed Forces who separated from
 933 service within the 2 years preceding application for licensure
 934 are exempt from the application fee. To qualify for the
 935 application fee exemption, an applicant must provide a copy of a
 936 military identification card, military dependent identification
 937 card, military service record, military personnel file, veteran
 938 record, discharge paper, or separation document that indicates
 939 such member is currently in good standing or such veteran was
 940 honorably discharged.

941 Section 28. Paragraph (e) of subsection (2) of section
 942 497.554, Florida Statutes, is amended to read:

943 497.554 Monument establishment sales representatives.—

944 (2) APPLICATION PROCEDURES.—Licensure as a monument
 945 establishment sales agent shall be by submission of an
 946 application for licensure to the department on a form prescribed
 947 by rule.

948 (e) The monument establishment sales agent application
 949 shall be accompanied by a fee of \$50. The licensing authority
 950 may from time to time increase the application fee by rule but

951 | not to exceed \$200. A member of the United States Armed Forces,
 952 | such member's spouse, and a veteran of the United States Armed
 953 | Forces who separated from service within the 2 years preceding
 954 | application for licensure are exempt from the application fee.
 955 | To qualify for the application fee exemption, an applicant must
 956 | provide a copy of a military identification card, military
 957 | dependent identification card, military service record, military
 958 | personnel file, veteran record, discharge paper, or separation
 959 | document that indicates such member is currently in good
 960 | standing or such veteran was honorably discharged.

961 | Section 29. Paragraph (i) of subsection (2) and subsection
 962 | (4) of section 497.602, Florida Statutes, are amended to read:

963 | 497.602 Direct disposers, license required; licensing
 964 | procedures and criteria; regulation.-

965 | (2) APPLICATION PROCEDURES.-

966 | (i) The application shall be accompanied by a
 967 | nonrefundable fee of \$300. The licensing authority may from time
 968 | to time increase the fee by rule but not to exceed more than
 969 | \$500. A member of the United States Armed Forces, such member's
 970 | spouse, and a veteran of the United States Armed Forces who
 971 | separated from service within the 2 years preceding application
 972 | for licensure are exempt from the application fee. To qualify
 973 | for the application fee exemption, an applicant must provide a
 974 | copy of a military identification card, military dependent
 975 | identification card, military service record, military personnel

976 file, veteran record, discharge paper, or separation document
 977 that indicates such member is currently in good standing or such
 978 veteran was honorably discharged.

979 (4) ISSUANCE OF LICENSE.—Upon approval of the application
 980 by the licensing authority, the license shall be issued. The
 981 licensing authority shall recognize military-issued credentials
 982 relating to funeral and cemetery services for purposes of
 983 licensure as a direct disposer. A member of the United States
 984 Armed Forces and a veteran of the United States Armed Forces
 985 seeking licensure as a direct disposer under this section shall
 986 submit to the licensing authority a certification that the
 987 military-issued credential reflects knowledge, training, and
 988 experience substantially similar to the requirements of this
 989 chapter for licensure as a direct disposer. The licensing
 990 authority shall adopt rules specifying forms and procedures to
 991 be used by members and veterans of the United States Armed
 992 Forces seeking licensure under this section. The licensing
 993 authority may conduct investigation and further inquiry of any
 994 person regarding any military-issued credential sought to be
 995 recognized.

996 Section 30. Subsection (2) of section 501.015, Florida
 997 Statutes, is amended to read:

998 501.015 Health studios; registration requirements and
 999 fees.—Each health studio shall:

1000 (2) Remit an annual registration fee of \$300 to the

1001 department at the time of registration for each of the health
 1002 studio's business locations.

1003 (a) The department shall waive the initial registration
 1004 fee for an honorably discharged veteran of the United States
 1005 Armed Forces, the spouse or surviving spouse of such a veteran,
 1006 a current member of the United States Armed Forces who has
 1007 served on active duty, the spouse of such a member, the
 1008 surviving spouse of a member of the United States Armed Forces
 1009 if the member died while serving on active duty, or a business
 1010 entity that has a majority ownership held by such a veteran or
 1011 spouse or surviving spouse if the department receives an
 1012 application, in a format prescribed by the department. The
 1013 application format must include the applicant's signature, under
 1014 penalty of perjury, and supporting documentation, within 60
 1015 ~~months after the date of the veteran's discharge from any branch~~
 1016 ~~of the United States Armed Forces.~~ To qualify for the waiver: 7

1017 1. A veteran must provide to the department a copy of his
 1018 or her DD Form 214, as issued by the United States Department of
 1019 Defense, or another acceptable form of identification as
 1020 specified by the Department of Veterans' Affairs;

1021 2. The spouse or surviving spouse of a veteran must
 1022 provide to the department a copy of the veteran's DD Form 214,
 1023 as issued by the United States Department of Defense, or another
 1024 acceptable form of identification as specified by the Department
 1025 of Veterans' Affairs, and a copy of a valid marriage license or

1026 certificate verifying that he or she was lawfully married to the
 1027 veteran at the time of discharge; or

1028 3. A business entity must provide to the department proof
 1029 that a veteran or the spouse or surviving spouse of a veteran
 1030 holds a majority ownership in the business, a copy of the
 1031 veteran's DD Form 214, as issued by the United States Department
 1032 of Defense, or another acceptable form of identification as
 1033 specified by the Department of Veterans' Affairs, and, if
 1034 applicable, a copy of a valid marriage license or certificate
 1035 verifying that the spouse or surviving spouse of the veteran was
 1036 lawfully married to the veteran at the time of discharge.

1037 (b) The department shall waive the registration renewal
 1038 fee for a registrant who:

1039 1. Is an active duty member of the United States Armed
 1040 Forces or the spouse of such member;

1041 2. Is or was a member of the United States Armed Forces
 1042 and served on active duty within the 2 years preceding the
 1043 renewal date. To qualify for the fee waiver, a registrant who is
 1044 a former member of the United States Armed Forces who served on
 1045 active duty within the 2 years preceding the expiration date of
 1046 the registration must have received an honorable discharge upon
 1047 separation or discharge from the United States Armed Forces; or

1048 3. Is the surviving spouse of a member of the United
 1049 States Armed Forces if the member was serving on active duty at
 1050 the time of death and died within the 2 years preceding the date

1051 of renewal.

1052

1053 A registrant seeking such waiver must apply in a format
 1054 prescribed by the department, including the applicant's
 1055 signature, under penalty of perjury, and supporting
 1056 documentation.

1057 Section 31. Paragraph (b) of subsection (5) of section
 1058 501.605, Florida Statutes, is amended to read:

1059 501.605 Licensure of commercial telephone sellers and
 1060 entities providing substance abuse marketing services.—

1061 (5) An application filed pursuant to this part must be
 1062 verified and accompanied by:

1063 (b) A fee for licensing in the amount of \$1,500. The fee
 1064 shall be deposited into the General Inspection Trust Fund. The
 1065 department shall waive the initial license fee for an honorably
 1066 discharged veteran of the United States Armed Forces, the spouse
 1067 or surviving spouse of such a veteran, a current member of the
 1068 United States Armed Forces who has served on active duty, the
 1069 spouse of such a member, the surviving spouse of a member of the
 1070 United States Armed Forces if such member died while serving on
 1071 active duty, or a business entity that has a majority ownership
 1072 held by such a veteran or spouse or surviving spouse if the
 1073 department receives an application, in a format prescribed by
 1074 the department. The application format must include the
 1075 applicant's signature, under penalty of perjury, and supporting

1076 ~~documentation, within 60 months after the date of the veteran's~~
 1077 ~~discharge from any branch of the United States Armed Forces. To~~
 1078 ~~qualify for the waiver:~~

1079 1. A veteran must provide to the department a copy of his
 1080 or her DD Form 214, as issued by the United States Department of
 1081 Defense, or another acceptable form of identification as
 1082 specified by the Department of Veterans' Affairs;

1083 2. The spouse or surviving spouse of a veteran must
 1084 provide to the department a copy of the veteran's DD Form 214,
 1085 as issued by the United States Department of Defense, or another
 1086 acceptable form of identification as specified by the Department
 1087 of Veterans' Affairs, and a copy of a valid marriage license or
 1088 certificate verifying that he or she was lawfully married to the
 1089 veteran at the time of discharge; or

1090 3. A business entity must provide to the department proof
 1091 that a veteran or the spouse or surviving spouse of a veteran
 1092 holds a majority ownership in the business, a copy of the
 1093 veteran's DD Form 214, as issued by the United States Department
 1094 of Defense, or another acceptable form of identification as
 1095 specified by the Department of Veterans' Affairs, and, if
 1096 applicable, a copy of a valid marriage license or certificate
 1097 verifying that the spouse or surviving spouse of the veteran was
 1098 lawfully married to the veteran at the time of discharge.

1099 Section 32. Paragraph (b) of subsection (2) of section
 1100 501.607, Florida Statutes, is amended to read:

1101 501.607 Licensure of salespersons.—
 1102 (2) An application filed pursuant to this section must be
 1103 verified and be accompanied by:
 1104 (b) A fee for licensing in the amount of \$50 per
 1105 salesperson. The fee shall be deposited into the General
 1106 Inspection Trust Fund. The fee for licensing may be paid after
 1107 the application is filed, but must be paid within 14 days after
 1108 the applicant begins work as a salesperson. The department shall
 1109 waive the initial license fee for an honorably discharged
 1110 veteran of the United States Armed Forces, the spouse or
 1111 surviving spouse of such a veteran, a current member of the
 1112 United States Armed Forces who has served on active duty, the
 1113 spouse of such a member, the surviving spouse of a member of the
 1114 United States Armed Forces if the member died while serving on
 1115 active duty, or a business entity that has a majority ownership
 1116 held by such a veteran or spouse or surviving spouse if the
 1117 department receives an application, in a format prescribed by
 1118 the department. The application format must include the
 1119 applicant's signature, under penalty of perjury, and supporting
 1120 documentation, ~~within 60 months after the date of the veteran's~~
 1121 ~~discharge from any branch of the United States Armed Forces.~~ To
 1122 qualify for the waiver:7
 1123 1. A veteran must provide to the department a copy of his
 1124 or her DD Form 214, as issued by the United States Department of
 1125 Defense, or another acceptable form of identification as

1126 specified by the Department of Veterans' Affairs;

1127 2. The spouse or surviving spouse of a veteran must
 1128 provide to the department a copy of the veteran's DD Form 214,
 1129 as issued by the United States Department of Defense, or another
 1130 acceptable form of identification as specified by the Department
 1131 of Veterans' Affairs, and a copy of a valid marriage license or
 1132 certificate verifying that he or she was lawfully married to the
 1133 veteran at the time of discharge; or

1134 3. A business entity must provide to the department proof
 1135 that a veteran or the spouse or surviving spouse of a veteran
 1136 holds a majority ownership in the business, a copy of the
 1137 veteran's DD Form 214, as issued by the United States Department
 1138 of Defense, or another acceptable form of identification as
 1139 specified by the Department of Veterans' Affairs, and, if
 1140 applicable, a copy of a valid marriage license or certificate
 1141 verifying that the spouse or surviving spouse of the veteran was
 1142 lawfully married to the veteran at the time of discharge.

1143 Section 33. Subsection (5) is added to section 501.609,
 1144 Florida Statutes, is amended to read:

1145 501.609 License renewal.—

1146 (5) The department shall waive the annual fee to renew for
 1147 a licensee who:

1148 (a) Is an active duty member of the United States Armed
 1149 Forces or the spouse of such member;

1150 (b) Is or was a member of the United States Armed Forces,

1151 and served on active duty within the 2 years preceding the
 1152 renewal date. To qualify for the fee waiver, a licensee who is a
 1153 former member of the United States Armed Forces who served on
 1154 active duty within the 2 years preceding the expiration date of
 1155 the registration must have received an honorable discharge upon
 1156 separation or discharge from the United States Armed Forces; or

1157 (c) Is the surviving spouse of a member of the United
 1158 States Armed Forces if the member was serving on active duty at
 1159 the time of death and died within the 2 years preceding the
 1160 renewal.

1161
 1162 A licensee seeking such waiver must apply in a format prescribed
 1163 by the department, including the applicant's signature, under
 1164 penalty of perjury, and supporting documentation.

1165 Section 34. Paragraph (b) of subsection (3) of section
 1166 507.03, Florida Statutes, is amended, and paragraph (c) is added
 1167 to that subsection, to read:

1168 507.03 Registration.—

1169 (3)

1170 (b) The department shall waive the initial registration
 1171 fee for an honorably discharged veteran of the United States
 1172 Armed Forces, the spouse or surviving spouse of such a veteran,
 1173 a current member of the United States Armed Forces who has
 1174 served on active duty, the spouse of such a member, the
 1175 surviving spouse of a member of the United States Armed Forces

1176 if the member died while serving on active duty, or a business
 1177 entity that has a majority ownership held by such a veteran or
 1178 spouse or surviving spouse if the department receives an
 1179 application, in a format prescribed by the department. The
 1180 application format must include the applicant's signature, under
 1181 penalty of perjury, and supporting documentation, ~~within 60~~
 1182 ~~months after the date of the veteran's discharge from any branch~~
 1183 ~~of the United States Armed Forces.~~ To qualify for the waiver:7
 1184 1. A veteran must provide to the department a copy of his
 1185 or her DD Form 214, as issued by the United States Department of
 1186 Defense, or another acceptable form of identification as
 1187 specified by the Department of Veterans' Affairs;
 1188 2. The spouse or surviving spouse of a veteran must
 1189 provide to the department a copy of the veteran's DD Form 214,
 1190 as issued by the United States Department of Defense, or another
 1191 acceptable form of identification as specified by the Department
 1192 of Veterans' Affairs, and a copy of a valid marriage license or
 1193 certificate verifying that he or she was lawfully married to the
 1194 veteran at the time of discharge; or
 1195 3. A business entity must provide to the department proof
 1196 that a veteran or the spouse or surviving spouse of a veteran
 1197 holds a majority ownership in the business, a copy of the
 1198 veteran's DD Form 214, as issued by the United States Department
 1199 of Defense, or another acceptable form of identification as
 1200 specified by the Department of Veterans' Affairs, and, if

1201 applicable, a copy of a valid marriage license or certificate
 1202 verifying that the spouse or surviving spouse of the veteran was
 1203 lawfully married to the veteran at the time of discharge.

1204 (c) The department shall waive the biennial fee to renew
 1205 for a registrant who:

1206 1. Is an active duty member of the United States Armed
 1207 Forces or the spouse of such member;

1208 2. Is or was a member of the United States Armed Forces
 1209 and served on active duty within the 2 years preceding the
 1210 expiration date. To qualify for the fee waiver, a registrant who
 1211 is a former member of the United States Armed Forces who served
 1212 on active duty within the 2 years preceding the expiration date
 1213 of the registration must have received an honorable discharge
 1214 upon separation or discharge from the United States Armed
 1215 Forces; or

1216 3. Is the surviving spouse of a member of the United
 1217 States Armed Forces if the member was serving on active duty at
 1218 the time of death and died within the 2 years preceding the
 1219 renewal.

1220
 1221 A registrant seeking such waiver must apply in a format
 1222 prescribed by the department, including the applicant's
 1223 signature, under penalty of perjury, and supporting
 1224 documentation.

1225 Section 35. Subsections (10) and (11) of section 517.12,

1226 Florida Statutes, are amended to read:

1227 517.12 Registration of dealers, associated persons,
1228 intermediaries, and investment advisers.—

1229 (10) (a) An applicant for registration shall pay an
1230 assessment fee of \$200, in the case of a dealer or investment
1231 adviser, or \$50, in the case of an associated person. An
1232 associated person may be assessed an additional fee to cover the
1233 cost for the fingerprints to be processed by the office. Such
1234 fee shall be determined by rule of the commission. Such fees
1235 become the revenue of the state, except for those assessments
1236 provided for under s. 517.131(1) until such time as the
1237 Securities Guaranty Fund satisfies the statutory limits, and are
1238 not returnable in the event that registration is withdrawn or
1239 not granted.

1240 (b) The office shall waive the \$50 assessment fee for an
1241 associated person required by paragraph (a) for an applicant
1242 who:

1243 1. Is or was an active duty member of the United States
1244 Armed Forces. To qualify for the fee waiver, an applicant who is
1245 a former member of the United States Armed Forces must have
1246 received an honorable discharge upon separation or discharge
1247 from the United States Armed Forces;

1248 2. Is married to a current or former member of the United
1249 States Armed Forces and is or was married to the member during
1250 any period of active duty; or

1251 3. Is the surviving spouse of a member of the United
 1252 States Armed Forces if the member was serving on active duty at
 1253 the time of death.

1254
 1255 An applicant seeking such fee waiver must submit proof, in a
 1256 form prescribed by commission rule, that the applicant meets one
 1257 of the qualifications in this paragraph.

1258 (11) (a) If the office finds that the applicant is of good
 1259 repute and character and has complied with the provisions of
 1260 this chapter and the rules made pursuant hereto, it shall
 1261 register the applicant. The registration of each dealer,
 1262 investment adviser, and associated person expires on December 31
 1263 of the year the registration became effective unless the
 1264 registrant has renewed his or her registration on or before that
 1265 date. Registration may be renewed by furnishing such information
 1266 as the commission may require, together with payment of the fee
 1267 required in paragraph (10) (a) ~~subsection (10)~~ for dealers,
 1268 investment advisers, or associated persons and the payment of
 1269 any amount lawfully due and owing to the office pursuant to any
 1270 order of the office or pursuant to any agreement with the
 1271 office. Any dealer, investment adviser, or associated person who
 1272 has not renewed a registration by the time the current
 1273 registration expires may request reinstatement of such
 1274 registration by filing with the office, on or before January 31
 1275 of the year following the year of expiration, such information

1276 as may be required by the commission, together with payment of
 1277 the fee required in paragraph (10) (a) ~~subsection (10)~~ for
 1278 dealers, investment advisers, or associated persons and a late
 1279 fee equal to the amount of such fee. Any reinstatement of
 1280 registration granted by the office during the month of January
 1281 shall be deemed effective retroactive to January 1 of that year.

1282 (b) The office shall waive the \$50 assessment fee for an
 1283 associated person required by paragraph (10) (a) for a registrant
 1284 renewing his or her registration who:

1285 1. Is an active duty member of the United States Armed
 1286 Forces or the spouse of such member;

1287 2. Is or was a member of the United States Armed Forces
 1288 and served on active duty within the 2 years preceding the
 1289 expiration date of the registration pursuant to paragraph (a).

1290 To qualify for the fee waiver, a registrant who is a former
 1291 member of the United States Armed Forces who served on active
 1292 duty within the 2 years preceding the expiration date of the
 1293 registration must have received an honorable discharge upon
 1294 separation or discharge from the United States Armed Forces; or

1295 3. Is the surviving spouse of a member of the United
 1296 States Armed Forces if the member was serving on active duty at
 1297 the time of death and died within the 2 years preceding the
 1298 surviving spouse's registration expiration date pursuant to
 1299 paragraph (a).

1300

1301 A registrant seeking such fee waiver must submit proof, in a
 1302 form prescribed by commission rule, that the registrant meets
 1303 one of the qualifications in this paragraph.

1304 Section 36. Paragraph (b) of subsection (3) of section
 1305 527.02, Florida Statutes, is amended, and paragraph (c) is added
 1306 to that subsection, to read:

1307 527.02 License; penalty; fees.—

1308 (3)

1309 (b) The department shall waive the initial license fee for
 1310 an honorably discharged veteran of the United States Armed
 1311 Forces, the spouse or surviving spouse of such a veteran, a
 1312 current member of the United States Armed Forces who has served
 1313 on active duty, the spouse of such a member, the surviving
 1314 spouse of a member of the United States Armed Forces if the
 1315 member died while serving on active duty, or a business entity
 1316 that has a majority ownership held by such a veteran or spouse
 1317 or surviving spouse if the department receives an application,
 1318 in a format prescribed by the department. The application format
 1319 must include the applicant's signature, under penalty of
 1320 perjury, and supporting documentation, ~~within 60 months after~~
 1321 ~~the date of the veteran's discharge from any branch of the~~
 1322 ~~United States Armed Forces.~~ To qualify for the waiver:7

1323 1. A veteran must provide to the department a copy of his
 1324 or her DD Form 214, as issued by the United States Department of
 1325 Defense or another acceptable form of identification as

1326 specified by the Department of Veterans' Affairs;

1327 2. The spouse or surviving spouse of a veteran must
 1328 provide to the department a copy of the veteran's DD Form 214,
 1329 as issued by the United States Department of Defense, or another
 1330 acceptable form of identification as specified by the Department
 1331 of Veterans' Affairs, and a copy of a valid marriage license or
 1332 certificate verifying that he or she was lawfully married to the
 1333 veteran at the time of discharge; or

1334 3. A business entity must provide to the department proof
 1335 that a veteran or the spouse or surviving spouse of a veteran
 1336 holds a majority ownership in the business, a copy of the
 1337 veteran's DD Form 214, as issued by the United States Department
 1338 of Defense, or another acceptable form of identification as
 1339 specified by the Department of Veterans' Affairs, and, if
 1340 applicable, a copy of a valid marriage license or certificate
 1341 verifying that the spouse or surviving spouse of the veteran was
 1342 lawfully married to the veteran at the time of discharge.

1343 (c) The department shall waive license renewal fees for a
 1344 licensee who:

1345 1. Is an active duty member of the United States Armed
 1346 Forces or the spouse of such member;

1347 2. Is or was a member of the United States Armed Forces
 1348 and served on active duty within the 2 years preceding the
 1349 renewal date. To qualify for the fee waiver under this
 1350 subparagraph, a licensee who is a former member of the United

1351 States Armed Forces who served on active duty within the 2 years
 1352 preceding the annual renewal date must have received an
 1353 honorable discharge upon separation or discharge from the United
 1354 States Armed Forces; or

1355 3. Is the surviving spouse of a member of the United
 1356 States Armed Forces if such member was serving on active duty at
 1357 the time of death and died within the 2 years preceding the
 1358 surviving spouse's renewal.

1359
 1360 A licensee seeking such waiver must apply in a format prescribed
 1361 by the department, including the applicant's signature, under
 1362 penalty of perjury, and supporting documentation.

1363 Section 37. Paragraph (c) of subsection (3) of section
 1364 539.001, Florida Statutes, is amended, and paragraph (g) is
 1365 added to that subsection, to read:

1366 539.001 The Florida Pawnbroking Act.—

1367 (3) LICENSE REQUIRED.—

1368 (c) Each license is valid for a period of 1 year unless it
 1369 is earlier relinquished, suspended, or revoked. Each license
 1370 shall be renewed annually, and each licensee shall, initially
 1371 and annually thereafter, pay to the agency a license fee of \$300
 1372 for each license held. The agency shall waive the initial
 1373 license fee for an honorably discharged veteran of the United
 1374 States Armed Forces, the spouse or surviving spouse of such a
 1375 veteran, a current member of the United States Armed Forces who

1376 has served on active duty, the spouse of such a member, the
 1377 surviving spouse of a member of the United States Armed Forces
 1378 if the member died while serving on active duty, or a business
 1379 entity that has a majority ownership held by such a veteran or
 1380 spouse or surviving spouse if the agency receives an
 1381 application, in a format prescribed by the agency. The
 1382 application format must include the applicant's signature, under
 1383 penalty of perjury, and supporting documentation, ~~within 60~~
 1384 ~~months after the date of the veteran's discharge from any branch~~
 1385 ~~of the United States Armed Forces.~~ To qualify for the waiver:7
 1386 1. A veteran must provide to the agency a copy of his or
 1387 her DD Form 214, as issued by the United States Department of
 1388 Defense, or another acceptable form of identification as
 1389 specified by the Department of Veterans' Affairs;
 1390 2. The spouse or surviving spouse of a veteran must
 1391 provide to the agency a copy of the veteran's DD Form 214, as
 1392 issued by the United States Department of Defense, or another
 1393 acceptable form of identification as specified by the Department
 1394 of Veterans' Affairs, and a copy of a valid marriage license or
 1395 certificate verifying that he or she was lawfully married to the
 1396 veteran at the time of discharge; or
 1397 3. A business entity must provide to the agency proof that
 1398 a veteran or the spouse or surviving spouse of a veteran holds a
 1399 majority ownership in the business, a copy of the veteran's DD
 1400 Form 214, as issued by the United States Department of Defense,

1401 or another acceptable form of identification as specified by the
1402 Department of Veterans' Affairs, and, if applicable, a copy of a
1403 valid marriage license or certificate verifying that the spouse
1404 or surviving spouse of the veteran was lawfully married to the
1405 veteran at the time of discharge.

1406 (g) The agency shall waive license renewal fee for a
1407 licensee who:

1408 1. Is an active duty member of the United States Armed
1409 Forces or the spouse of such member;

1410 2. Is or was a member of the United States Armed Forces,
1411 and served on active duty within the 2 years preceding the
1412 renewal date. To qualify for the fee waiver under this
1413 subparagraph, a licensee who is a former member of the United
1414 States Armed Forces who served on active duty within the 2 years
1415 preceding the annual renewal date must have received an
1416 honorable discharge upon separation or discharge from the United
1417 States Armed Forces; or

1418 3. Is the surviving spouse of a member of the United
1419 States Armed Forces if the member was serving on active duty at
1420 the time of death and died within the 2 years preceding the
1421 renewal.

1422
1423 A licensee seeking such waiver must apply in a format prescribed
1424 by the agency, including the applicant's signature, under
1425 penalty of perjury, and supporting documentation.

1426 Section 38. Paragraph (b) of subsection (3) of section
 1427 559.904, Florida Statutes, is amended, and paragraph (c) is
 1428 added to that subsection, to read:

1429 559.904 Motor vehicle repair shop registration;
 1430 application; exemption.—

1431 (3)

1432 (b) The department shall waive the initial registration
 1433 fee for an honorably discharged veteran of the United States
 1434 Armed Forces, the spouse or surviving spouse of such a veteran,
 1435 a current member of the United States Armed Forces who has
 1436 served on active duty, the spouse of such a member, the
 1437 surviving spouse of a member of the United States Armed Forces
 1438 if the member died while serving on active duty, or a business
 1439 entity that has a majority ownership held by such a veteran or
 1440 spouse or surviving spouse if the department receives an
 1441 application, in a format prescribed by the department. The
 1442 application format must include the applicant's signature, under
 1443 penalty of perjury, and supporting documentation, ~~within 60~~
 1444 ~~months after the date of the veteran's discharge from any branch~~
 1445 ~~of the United States Armed Forces.~~ To qualify for the waiver: ~~7~~

1446 1. A veteran must provide to the department a copy of his
 1447 or her DD Form 214, as issued by the United States Department of
 1448 Defense, or another acceptable form of identification as
 1449 specified by the Department of Veterans' Affairs;

1450 2. The spouse or surviving spouse of a veteran must

1451 provide to the department a copy of the veteran's DD Form 214,
 1452 as issued by the United States Department of Defense, or another
 1453 acceptable form of identification as specified by the Department
 1454 of Veterans' Affairs, and a copy of a valid marriage license or
 1455 certificate verifying that he or she was lawfully married to the
 1456 veteran at the time of discharge; or

1457 3. A business entity must provide to the department proof
 1458 that a veteran or the spouse or surviving spouse of a veteran
 1459 holds a majority ownership in the business, a copy of the
 1460 veteran's DD Form 214, as issued by the United States Department
 1461 of Defense or another acceptable form of identification as
 1462 specified by the Department of Veterans' Affairs, and, if
 1463 applicable, a copy of a valid marriage license or certificate
 1464 verifying that the spouse or surviving spouse of the veteran was
 1465 lawfully married to the veteran at the time of discharge.

1466 (c) The department shall waive registration renewal fees
 1467 for a registrant who:

1468 1. Is an active duty member of the United States Armed
 1469 Forces or the spouse of such member;

1470 2. Is or was a member of the United States Armed Forces
 1471 and served on active duty within the 2 years preceding the
 1472 renewal date. To qualify for the fee waiver under this
 1473 subparagraph, a registrant who is a former member of the United
 1474 States Armed Forces who served on active duty within the 2 years
 1475 preceding the biennial renewal date must have received an

1476 honorable discharge upon separation or discharge from the United
 1477 States Armed Forces; or

1478 3. Is the surviving spouse of a member of the United
 1479 States Armed Forces if the member was serving on active duty at
 1480 the time of death and died within the 2 years preceding the
 1481 renewal.

1482
 1483 A registrant seeking such waiver must apply in a format
 1484 prescribed by the department, including the applicant's
 1485 signature, under penalty of perjury, and supporting
 1486 documentation.

1487 Section 39. Paragraph (c) of subsection (2) of section
 1488 559.928, Florida Statutes, is amended, and paragraph (d) is
 1489 added to that subsection, to read:

1490 559.928 Registration.—

1491 (2)

1492 (c) The department shall waive the initial registration
 1493 fee for an honorably discharged veteran of the United States
 1494 Armed Forces, the spouse or surviving spouse of such a veteran,
 1495 a current member of the United States Armed Forces who has
 1496 served on active duty, the spouse of such a member, the
 1497 surviving spouse of a member of the United States Armed Forces
 1498 if the member died while serving on active duty, or a business
 1499 entity that has a majority ownership held by such a veteran or
 1500 spouse or surviving spouse if the department receives an

1501 application, in a format prescribed by the department. The
1502 application format must include the applicant's signature, under
1503 penalty of perjury, and supporting documentation, ~~within 60~~
1504 ~~months after the date of the veteran's discharge from any branch~~
1505 ~~of the United States Armed Forces.~~ To qualify for the waiver: 7

1506 1. A veteran must provide to the department a copy of his
1507 or her DD Form 214, as issued by the United States Department of
1508 Defense, or another acceptable form of identification as
1509 specified by the Department of Veterans' Affairs;

1510 2. The spouse or surviving spouse of a veteran must
1511 provide to the department a copy of the veteran's DD Form 214,
1512 as issued by the United States Department of Defense, or another
1513 acceptable form of identification as specified by the Department
1514 of Veterans' Affairs, and a copy of a valid marriage license or
1515 certificate verifying that he or she was lawfully married to the
1516 veteran at the time of discharge; or

1517 3. A business entity must provide to the department proof
1518 that a veteran or the spouse or surviving spouse of a veteran
1519 holds a majority ownership in the business, a copy of the
1520 veteran's DD Form 214, as issued by the United States Department
1521 of Defense, or another acceptable form of identification as
1522 specified by the Department of Veterans' Affairs, and, if
1523 applicable, a copy of a valid marriage license or certificate
1524 verifying that the spouse or surviving spouse of the veteran was
1525 lawfully married to the veteran at the time of discharge.

1526 (d) The department shall waive the registration renewal
 1527 fee for a registrant who:

1528 1. Is an active duty member of the United States Armed
 1529 Forces or the spouse of such member;

1530 2. Is or was a member of the United States Armed Forces
 1531 and served on active duty within the 2 years preceding the
 1532 renewal date. To qualify for the fee waiver under this
 1533 subparagraph, a registrant who is a former member of the United
 1534 States Armed Forces who served on active duty within the 2 years
 1535 preceding the annual registration renewal date must have
 1536 received an honorable discharge upon separation or discharge
 1537 from the United States Armed Forces; or

1538 3. Is the surviving spouse of a member of the United
 1539 States Armed Forces if the member was serving on active duty at
 1540 the time of death and died within the 2 years preceding the
 1541 renewal.

1542
 1543 A registrant seeking such waiver must apply in a format
 1544 prescribed by the department, including the applicant's
 1545 signature, under penalty of perjury, and supporting
 1546 documentation.

1547 Section 40. Subsection (6) of section 626.171, Florida
 1548 Statutes, is amended to read:

1549 626.171 Application for license as an agent, customer
 1550 representative, adjuster, service representative, managing

1551 general agent, or reinsurance intermediary.-

1552 (6) Members of the United States Armed Forces and their
 1553 spouses, and veterans of the United States Armed Forces who have
 1554 separated from service ~~retired~~ within 24 months before
 1555 application for licensure, are exempt from the application
 1556 filing fee prescribed in s. 624.501. Qualified individuals must
 1557 provide a copy of a military identification card, military
 1558 dependent identification card, military service record, military
 1559 personnel file, veteran record, discharge paper, ~~or separation~~
 1560 ~~document,~~ or ~~a~~ separation document that indicates such members
 1561 ~~of the United States Armed Forces~~ are currently in good standing
 1562 or such veterans were honorably discharged.

1563 Section 41. Subsection (6) of section 626.732, Florida
 1564 Statutes, is renumbered as subsection (7), and a new subsection
 1565 (6) is added to that section, to read:

1566 626.732 Requirement as to knowledge, experience, or
 1567 instruction.-

1568 (6) Prelicensure coursework is not required for an
 1569 applicant who is a member or veteran of the United States Armed
 1570 Forces or the spouse of such a member or veteran. A qualified
 1571 individual must provide a copy of a military identification
 1572 card, military dependent identification card, military service
 1573 record, military personnel file, veteran record, discharge
 1574 paper, or separation document that indicates such member is
 1575 currently in good standing or such veteran is honorably

1576 discharged.

1577 Section 42. Section 626.7851, Florida Statutes, is amended
1578 to read:

1579 626.7851 Requirement as to knowledge, experience, or
1580 instruction.—An applicant for a license as a life agent, except
1581 for a chartered life underwriter (CLU), shall not be qualified
1582 or licensed unless within the 4 years immediately preceding the
1583 date the application for a license is filed with the department
1584 he or she has:

1585 (1) Successfully completed 40 hours of coursework in life
1586 insurance, annuities, and variable contracts approved by the
1587 department, 3 hours of which shall be on the subject matter of
1588 ethics. Courses must include instruction on the subject matter
1589 of unauthorized entities engaging in the business of insurance;

1590 (2) Successfully completed a minimum of 60 hours of
1591 coursework in multiple areas of insurance, which included life
1592 insurance, annuities, and variable contracts, approved by the
1593 department, 3 hours of which shall be on the subject matter of
1594 ethics. Courses must include instruction on the subject matter
1595 of unauthorized entities engaging in the business of insurance;

1596 (3) Earned or maintained an active designation as
1597 Chartered Financial Consultant (ChFC) from the American College
1598 of Financial Services; or Fellow, Life Management Institute
1599 (FLMI) from the Life Management Institute;

1600 (4) Held an active license in life insurance in another

1601 state. This provision may not be used unless the other state
 1602 grants reciprocal treatment to licensees formerly licensed in
 1603 the state; or

1604 (5) Been employed by the department or office for at least
 1605 1 year, full time in life insurance regulatory matters and who
 1606 was not terminated for cause, and application for examination is
 1607 made within 4 years after the date of termination of his or her
 1608 employment with the department or office.

1609

1610 Prelicensure coursework is not required for an applicant who is
 1611 a member or veteran of the United States Armed Forces or the
 1612 spouse of such a member or veteran. A qualified individual must
 1613 provide a copy of a military identification card, military
 1614 dependent identification card, military service record, military
 1615 personnel file, veteran record, discharge paper, or separation
 1616 document that indicates such member is currently in good
 1617 standing or such veteran is honorably discharged.

1618 Section 43. Section 626.8311, Florida Statutes, is amended
 1619 to read:

1620 626.8311 Requirement as to knowledge, experience, or
 1621 instruction.—An applicant for a license as a health agent,
 1622 except for a chartered life underwriter (CLU), shall not be
 1623 qualified or licensed unless within the 4 years immediately
 1624 preceding the date the application for license is filed with the
 1625 department he or she has:

1626 (1) Successfully completed 40 hours of coursework in
 1627 health insurance, approved by the department, 3 hours of which
 1628 shall be on the subject matter of ethics. Courses must include
 1629 instruction on the subject matter of unauthorized entities
 1630 engaging in the business of insurance, to include the Florida
 1631 Nonprofit Multiple-Employer Welfare Arrangement Act and the
 1632 Employee Retirement Income Security Act, 29 U.S.C. ss. 1001 et
 1633 seq., as it relates to the provision of health insurance by
 1634 employers to their employees and the regulation thereof;

1635 (2) Successfully completed a minimum of 60 hours of
 1636 coursework in multiple areas of insurance, which included health
 1637 insurance, approved by the department, 3 hours of which shall be
 1638 on the subject matter of ethics. Courses must include
 1639 instruction on the subject matter of unauthorized entities
 1640 engaging in the business of insurance;

1641 (3) Earned or maintained an active designation as a
 1642 Registered Health Underwriter (RHU), Chartered Healthcare
 1643 Consultant (ChHC), or Registered Employee Benefits Consultant
 1644 (REBC) from the American College of Financial Services;
 1645 Certified Employee Benefit Specialist (CEBS) from the Wharton
 1646 School of the University of Pennsylvania; or Health Insurance
 1647 Associate (HIA) from America's Health Insurance Plans;

1648 (4) Held an active license in health insurance in another
 1649 state. This provision may not be utilized unless the other state
 1650 grants reciprocal treatment to licensees formerly licensed in

1651 Florida; or

1652 (5) Been employed by the department or office for at least
1653 1 year, full time in health insurance regulatory matters and who
1654 was not terminated for cause, and application for examination is
1655 made within 4 years after the date of termination of his or her
1656 employment with the department or office.

1657

1658 Prelicensure coursework is not required for an applicant who is
1659 a member or veteran of the United States Armed Forces or the
1660 spouse of such a member or veteran. A qualified individual must
1661 provide a copy of a military identification card, military
1662 dependent identification card, military service record, military
1663 personnel file, veteran record, discharge paper, or separation
1664 document that indicates such member is currently in good
1665 standing or such veteran is honorably discharged.

1666 Section 44. Subsection (7) is added to section 626.8417,
1667 Florida Statutes, to read:

1668 626.8417 Title insurance agent licensure; exemptions.—

1669 (7) Prelicensure coursework is not required for an
1670 applicant who is a member or veteran of the United States Armed
1671 Forces or the spouse of such a member or veteran. A qualified
1672 individual must provide a copy of a military identification
1673 card, military dependent identification card, military service
1674 record, military personnel file, veteran record, discharge
1675 paper, or separation document that indicates such member is

1676 currently in good standing or such veteran is honorably
 1677 discharged.

1678 Section 45. Subsection (7) is added to section 626.927,
 1679 Florida Statutes, to read:

1680 626.927 Licensing of surplus lines agent.—

1681 (7) Prelicensure coursework is not required for an
 1682 applicant who is a member or veteran of the United States Armed
 1683 Forces or the spouse of such a member or veteran. A qualified
 1684 individual must provide a copy of a military identification
 1685 card, military dependent identification card, military service
 1686 record, military personnel file, veteran record, discharge
 1687 paper, or separation document that indicates such member is
 1688 currently in good standing or such veteran is honorably
 1689 discharged.

1690 Section 46. Section 633.414, Florida Statutes, is amended
 1691 to read:

1692 633.414 Retention of firefighter and volunteer firefighter
 1693 certifications.—

1694 (1) In order for a firefighter to retain her or his
 1695 Firefighter Certificate of Compliance, every 4 years he or she
 1696 must meet the requirements for renewal provided in this chapter
 1697 and by rule, which must include at least one of the following:

1698 (a) Be active as a firefighter.

1699 (b) Maintain a current and valid fire service instructor
 1700 certificate, instruct at least 40 hours during the 4-year

1701 period, and provide proof of such instruction to the division,
1702 which proof must be registered in an electronic database
1703 designated by the division.

1704 (c) Within 6 months before the 4-year period expires,
1705 successfully complete a Firefighter Retention Refresher Course
1706 consisting of a minimum of 40 hours of training to be prescribed
1707 by rule.

1708 (d) Within 6 months before the 4-year period expires,
1709 successfully retake and pass the Minimum Standards Course
1710 examination pursuant to s. 633.408.

1711 (2) In order for a volunteer firefighter to retain her or
1712 his Volunteer Firefighter Certificate of Completion, every 4
1713 years he or she must:

1714 (a) Be active as a volunteer firefighter; or

1715 (b) Successfully complete a refresher course consisting of
1716 a minimum of 40 hours of training to be prescribed by rule.

1717 (3) Subsection (1) does not apply to state-certified
1718 firefighters who are certified and employed full-time, as
1719 determined by the fire service provider, as firesafety
1720 inspectors or fire investigators, regardless of their employment
1721 status as firefighters or volunteer firefighters.

1722 (4) For the purposes of this section, the term "active"
1723 means being employed as a firefighter or providing service as a
1724 volunteer firefighter for a cumulative period of 6 months within
1725 a 4-year period.

1726 (5) The 4-year period begins upon issuance of the
 1727 certificate or separation from employment.

1728 (6) A certificate for a firefighter or volunteer
 1729 firefighter expires if he or she fails to meet the requirements
 1730 of this section.

1731 (7) The State Fire Marshal may deny, refuse to renew,
 1732 suspend, or revoke the certificate of a firefighter or volunteer
 1733 firefighter if the State Fire Marshal finds that any of the
 1734 following grounds exists:

1735 (a) Any cause for which issuance of a certificate could
 1736 have been denied if it had then existed and had been known to
 1737 the division.

1738 (b) A violation of any provision of this chapter or any
 1739 rule or order of the State Fire Marshal.

1740 (c) Falsification of a record relating to any certificate
 1741 issued by the division.

1742

1743 The 4-year period may, in the discretion of the department, be
 1744 extended to 12 months after discharge from military service if
 1745 the military service does not exceed 3 years, but in no event
 1746 more than 6 years from the date of issue or renewal, if
 1747 applicable, for an honorably discharged veteran of the United
 1748 States Armed Forces or the spouse of such a veteran. A qualified
 1749 individual must provide a copy of a military identification
 1750 card, military dependent identification card, military service

1751 record, military personnel file, veteran record, discharge
 1752 paper, or separation document that indicates such member is
 1753 currently in good standing or such veteran is honorably
 1754 discharged.

1755 Section 47. Subsection (3) is added to section 633.444,
 1756 Florida Statutes, to read:

1757 633.444 Division powers and duties; Florida State Fire
 1758 College.—

1759 (3) The division shall waive all living and incidental
 1760 expenses associated with attending the Florida State Fire
 1761 College for an active duty member of the United States Armed
 1762 Forces, the spouse of such a member who was serving on active
 1763 duty at the time of death and died within the 2 years preceding
 1764 the spouse attending the college, an honorably discharged
 1765 veteran of the United States Armed Forces, or the spouse or
 1766 surviving spouse of such a veteran. A qualified individuals must
 1767 provide a copy of a military identification card, military
 1768 dependent identification card, military service record, military
 1769 personnel file, veteran record, discharge paper, or separation
 1770 document that indicates such member is currently in good
 1771 standing or such veteran is honorably discharged.

1772 Section 48. Section 683.147, Florida Statutes, is created
 1773 to read:

1774 683.147 Medal of Honor Day.—

1775 (1) March 25 of each year is designated as "Medal of Honor

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Day."
(2) The Governor may annually issue a proclamation
designating March 25 as Medal of Honor Day and calling upon
public officials, schools, private organizations, and all
residents of the state to commemorate Medal of Honor Day and
honor recipients of the Congressional Medal of Honor who
distinguished themselves through their conspicuous bravery and
gallantry during wartime, and at considerable risk to their own
lives, while serving as members of the United States Armed
Forces.

Section 49. Paragraph (b) of subsection (1) of section 1002.37, Florida Statutes, is amended to read:

1002.37 The Florida Virtual School.—

(1)

(b) The mission of the Florida Virtual School is to provide students with technology-based educational opportunities to gain the knowledge and skills necessary to succeed. The school shall serve any student in the state who meets the profile for success in this educational delivery context and shall give priority to:

1. Students who need expanded access to courses in order to meet their educational goals, such as home education students and students in inner-city and rural high schools who do not have access to higher-level courses.

2. Students seeking accelerated access in order to obtain

1801 a high school diploma at least one semester early.

1802 3. Students who are children of an active duty member of
 1803 the United States Armed Forces who is not stationed in this
 1804 state whose home of record or state of legal residence is
 1805 Florida.

1806

1807 The board of trustees of the Florida Virtual School shall
 1808 identify appropriate performance measures and standards based on
 1809 student achievement that reflect the school's statutory mission
 1810 and priorities, and shall implement an accountability system for
 1811 the school that includes assessment of its effectiveness and
 1812 efficiency in providing quality services that encourage high
 1813 student achievement, seamless articulation, and maximum access.

1814 Section 50. Subsection (2) of section 1003.42, Florida
 1815 Statutes, is amended to read:

1816 1003.42 Required instruction.—

1817 (2) Members of the instructional staff of the public
 1818 schools, subject to the rules of the State Board of Education
 1819 and the district school board, shall teach efficiently and
 1820 faithfully, using the books and materials required that meet the
 1821 highest standards for professionalism and historical accuracy,
 1822 following the prescribed courses of study, and employing
 1823 approved methods of instruction, the following:

1824 (a) The history and content of the Declaration of
 1825 Independence, including national sovereignty, natural law, self-

1826 evident truth, equality of all persons, limited government,
 1827 popular sovereignty, and inalienable rights of life, liberty,
 1828 and property, and how they form the philosophical foundation of
 1829 our government.

1830 (b) The history, meaning, significance, and effect of the
 1831 provisions of the Constitution of the United States and
 1832 amendments thereto, with emphasis on each of the 10 amendments
 1833 that make up the Bill of Rights and how the constitution
 1834 provides the structure of our government.

1835 (c) The arguments in support of adopting our republican
 1836 form of government, as they are embodied in the most important
 1837 of the Federalist Papers.

1838 (d) Flag education, including proper flag display and flag
 1839 salute.

1840 (e) The elements of civil government, including the
 1841 primary functions of and interrelationships between the Federal
 1842 Government, the state, and its counties, municipalities, school
 1843 districts, and special districts.

1844 (f) The history of the United States, including the period
 1845 of discovery, early colonies, the War for Independence, the
 1846 Civil War, the expansion of the United States to its present
 1847 boundaries, the world wars, and the civil rights movement to the
 1848 present. American history shall be viewed as factual, not as
 1849 constructed, shall be viewed as knowable, teachable, and
 1850 testable, and shall be defined as the creation of a new nation

1851 based largely on the universal principles stated in the
 1852 Declaration of Independence.

1853 (g) The history of the Holocaust (1933-1945), the
 1854 systematic, planned annihilation of European Jews and other
 1855 groups by Nazi Germany, a watershed event in the history of
 1856 humanity, to be taught in a manner that leads to an
 1857 investigation of human behavior, an understanding of the
 1858 ramifications of prejudice, racism, and stereotyping, and an
 1859 examination of what it means to be a responsible and respectful
 1860 person, for the purposes of encouraging tolerance of diversity
 1861 in a pluralistic society and for nurturing and protecting
 1862 democratic values and institutions.

1863 (h) The history of African Americans, including the
 1864 history of African peoples before the political conflicts that
 1865 led to the development of slavery, the passage to America, the
 1866 enslavement experience, abolition, and the contributions of
 1867 African Americans to society. Instructional materials shall
 1868 include the contributions of African Americans to American
 1869 society.

1870 (i) The elementary principles of agriculture.

1871 (j) The true effects of all alcoholic and intoxicating
 1872 liquors and beverages and narcotics upon the human body and
 1873 mind.

1874 (k) Kindness to animals.

1875 (l) The history of the state.

- 1876 (m) The conservation of natural resources.
- 1877 (n) Comprehensive health education that addresses concepts
 1878 of community health; consumer health; environmental health;
 1879 family life, including an awareness of the benefits of sexual
 1880 abstinence as the expected standard and the consequences of
 1881 teenage pregnancy; mental and emotional health; injury
 1882 prevention and safety; Internet safety; nutrition; personal
 1883 health; prevention and control of disease; and substance use and
 1884 abuse. The health education curriculum for students in grades 7
 1885 through 12 shall include a teen dating violence and abuse
 1886 component that includes, but is not limited to, the definition
 1887 of dating violence and abuse, the warning signs of dating
 1888 violence and abusive behavior, the characteristics of healthy
 1889 relationships, measures to prevent and stop dating violence and
 1890 abuse, and community resources available to victims of dating
 1891 violence and abuse.
- 1892 (o) Such additional materials, subjects, courses, or
 1893 fields in such grades as are prescribed by law or by rules of
 1894 the State Board of Education and the district school board in
 1895 fulfilling the requirements of law.
- 1896 (p) The study of Hispanic contributions to the United
 1897 States.
- 1898 (q) The study of women's contributions to the United
 1899 States.
- 1900 (r) The nature and importance of free enterprise to the

1901 United States economy.

1902 (s) A character-development program in the elementary
 1903 schools, similar to Character First or Character Counts, which
 1904 is secular in nature. Beginning in school year 2004-2005, the
 1905 character-development program shall be required in kindergarten
 1906 through grade 12. Each district school board shall develop or
 1907 adopt a curriculum for the character-development program that
 1908 shall be submitted to the department for approval. The
 1909 character-development curriculum shall stress the qualities of
 1910 patriotism; responsibility; citizenship; kindness; respect for
 1911 authority, life, liberty, and personal property; honesty;
 1912 charity; self-control; racial, ethnic, and religious tolerance;
 1913 and cooperation. The character-development curriculum for grades
 1914 9 through 12 shall, at a minimum, include instruction on
 1915 developing leadership skills, interpersonal skills, organization
 1916 skills, and research skills; creating a resume; developing and
 1917 practicing the skills necessary for employment interviews;
 1918 conflict resolution, workplace ethics, and workplace law;
 1919 managing stress and expectations; and developing skills that
 1920 enable students to become more resilient and self-motivated.

1921 (t) In order to encourage patriotism, the sacrifices that
 1922 veterans and Medal of Honor recipients have made in serving our
 1923 country and protecting democratic values worldwide. Such
 1924 instruction must occur on or before Medal of Honor Day,
 1925 Veterans' Day, and Memorial Day. Members of the instructional

1926 staff are encouraged to use the assistance of local veterans and
 1927 Medal of Honor recipients when practicable.

1928
 1929 The State Board of Education is encouraged to adopt standards
 1930 and pursue assessment of the requirements of this subsection. A
 1931 character development program that incorporates the values of
 1932 the recipients of the Congressional Medal of Honor and that is
 1933 offered as part of a social studies, English Language Arts, or
 1934 other schoolwide character building and veteran awareness
 1935 initiative meets the requirements of paragraphs (s) and (t).

1936 Section 51. Subsection (4) of section 1012.55, Florida
 1937 Statutes, is amended, and paragraph (e) is added to subsection
 1938 (1) of that section, to read:

1939 1012.55 Positions for which certificates required.-

1940 (1)

1941 (e)1. The department shall issue a 3-year temporary
 1942 certificate in educational leadership under s. 1012.56(7) to an
 1943 individual who:

1944 a. Earned a passing score on the Florida Educational
 1945 Leadership Examination.

1946 b. Served as a commissioned or noncommissioned military
 1947 officer in the United States Armed Forces for at least 3 years.

1948 c. Was honorably discharged or has retired from the United
 1949 States Armed Forces.

1950 d. Is employed full time in a position for which an

1951 educator certificate is required in a Florida public school,
 1952 state-supported school, or nonpublic school that has a Level II
 1953 program under s. 1012.562.

1954 2. A Level II program under s. 1012.562 must accept an
 1955 applicant who holds a temporary certificate under subparagraph
 1956 1. The department shall issue a permanent certification as a
 1957 school principal to an individual who holds a temporary
 1958 certificate under subparagraph 1. and successfully completes the
 1959 Level II program.

1960 (4) A commissioned or noncommissioned military officer who
 1961 is an instructor of junior reserve officer training shall be
 1962 exempt from requirements for teacher certification, except for
 1963 the background screening pursuant to s. 1012.32, if he or she
 1964 meets the following qualifications:

1965 (a) Is retired from active military duty, pursuant to
 1966 chapter 102 of Title 10 U.S.C.

1967 (b) Satisfies criteria established by the appropriate
 1968 military service for certification by the service as a junior
 1969 reserve officer training instructor.

1970 (c) Has an exemplary military record.

1971
 1972 If such instructor is assigned instructional duties other than
 1973 junior reserve officer training, he or she shall hold the
 1974 certificate required by law and rules of the state board for the
 1975 type of service rendered. An instructor of junior reserve

1976 officer training under this subsection may receive funding
 1977 through the Florida Teachers Classroom Supply Assistance Program
 1978 under s. 1012.71.

1979 Section 52. Subsection (7) of section 1012.56, Florida
 1980 Statutes, is amended to read:

1981 1012.56 Educator certification requirements.-

1982 (7) TYPES AND TERMS OF CERTIFICATION.-

1983 (a) The Department of Education shall issue a professional
 1984 certificate for a period not to exceed 5 years to any applicant
 1985 who fulfills one of the following:

1986 1. Meets all the requirements outlined in subsection (2).

1987 2. For a professional certificate covering grades 6
 1988 through 12:

1989 a. Meets the requirements of paragraphs (2)(a)-(h).

1990 b. Holds a master's or higher degree in the area of
 1991 science, technology, engineering, or mathematics.

1992 c. Teaches a high school course in the subject of the
 1993 advanced degree.

1994 d. Is rated highly effective as determined by the
 1995 teacher's performance evaluation under s. 1012.34, based in part
 1996 on student performance as measured by a statewide, standardized
 1997 assessment or an Advanced Placement, Advanced International
 1998 Certificate of Education, or International Baccalaureate
 1999 examination.

2000 e. Achieves a passing score on the Florida professional

2001 education competency examination required by state board rule.
 2002 3. Meets the requirements of paragraphs (2)(a)-(h) and
 2003 completes a professional preparation and education competence
 2004 program approved by the department pursuant to paragraph (8)(c).
 2005 An applicant who completes the program and is rated highly
 2006 effective as determined by his or her performance evaluation
 2007 under s. 1012.34 is not required to take or achieve a passing
 2008 score on the professional education competency examination in
 2009 order to be awarded a professional certificate.
 2010 (b) The department shall issue a temporary certificate to
 2011 any applicant who completes the requirements outlined in
 2012 paragraphs (2)(a)-(f) and completes the subject area content
 2013 requirements specified in state board rule or demonstrates
 2014 mastery of subject area knowledge pursuant to subsection (5) and
 2015 holds an accredited degree or a degree approved by the
 2016 Department of Education at the level required for the subject
 2017 area specialization in state board rule.
 2018 (c) The department shall issue one nonrenewable 2-year
 2019 temporary certificate and one nonrenewable 5-year professional
 2020 certificate to a qualified applicant who holds a bachelor's
 2021 degree in the area of speech-language impairment to allow for
 2022 completion of a master's degree program in speech-language
 2023 impairment.
 2024
 2025 Each temporary certificate is valid for 3 school fiscal years

2026 and is nonrenewable. However, the requirement in paragraph
2027 (2)(g) must be met within 1 calendar year of the date of
2028 employment under the temporary certificate. Individuals who are
2029 employed under contract at the end of the 1 calendar year time
2030 period may continue to be employed through the end of the school
2031 year in which they have been contracted. A school district shall
2032 not employ, or continue the employment of, an individual in a
2033 position for which a temporary certificate is required beyond
2034 this time period if the individual has not met the requirement
2035 of paragraph (2)(g). At least 1 year before an individual's
2036 temporary certificate is set to expire, the department shall
2037 electronically notify the individual of the date on which his or
2038 her certificate will expire and provide a list of each method by
2039 which the qualifications for a professional certificate can be
2040 completed. The State Board of Education shall adopt rules to
2041 allow the department to extend the validity period of a
2042 temporary certificate for 2 years when the requirements for the
2043 professional certificate, not including the requirement in
2044 paragraph (2)(g), were not completed due to the serious illness
2045 or injury of the applicant, the military service of an
2046 applicant's spouse, or other extraordinary extenuating
2047 circumstances. The rules must authorize the department to extend
2048 the validity period of a temporary certificate ~~or~~ for 1 year if
2049 the ~~temporary~~ certificateholder is rated effective or highly
2050 effective based solely on a student learning growth formula

2051 approved by the Commissioner of Education pursuant to s.
 2052 1012.34(8). The department shall reissue the temporary
 2053 certificate for 2 additional years upon approval by the
 2054 Commissioner of Education. A written request for reissuance of
 2055 the certificate shall be submitted by the district school
 2056 superintendent, the governing authority of a university lab
 2057 school, the governing authority of a state-supported school, or
 2058 the governing authority of a private school.

2059 Section 53. Subsection (3) is added to section 1012.59,
 2060 Florida Statutes, to read:

2061 1012.59 Certification fees.—

2062 (3) The State Board of Education shall waive initial
 2063 general knowledge, professional education, and subject area
 2064 examination fees and certification fees for:

2065 (a) A member of the United States Armed Forces or a
 2066 reserve component thereof who is serving or has served on active
 2067 duty or the spouse of such a member.

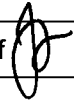
2068 (b) The surviving spouse of a member of the United States
 2069 Armed Forces or a reserve component thereof who was serving on
 2070 active duty at the time of death.

2071 (c) An honorably discharged veteran of the United States
 2072 Armed Forces or a veteran of a reserve component thereof who
 2073 served on active duty and the spouse or surviving spouse of such
 2074 a veteran.

2075 Section 54. This act shall take effect July 1, 2018.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 351 Prescription Drug Pricing Transparency
SPONSOR(S): Health Innovation Subcommittee; Santiago and others
TIED BILLS: IDEN./SIM. BILLS: SB 1494

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Health Innovation Subcommittee	14 Y, 0 N, As CS	Grabowski	Crosier
2) Appropriations Committee		Delaney <i>and</i>	Leznoff 
3) Health & Human Services Committee			

SUMMARY ANALYSIS

Health insurers increasingly rely on pharmacy benefit managers (PBMs) to provide a range of specified services related to the acquisition and distribution of prescription drugs. PBMs negotiate with pharmaceutical manufacturers in an effort to acquire drugs at the lowest possible price. PBMs also negotiate with pharmacies to develop reliable distribution networks for those drugs. These services are provided on behalf of a PBM's client.

CS/HB 351 requires PBMs that conduct business in Florida to register with the Office of Insurance Regulation (OIR) by providing identifying organizational information, submitting an application for registration, and submitting an annual registration fee. An expanded definition of the term "pharmacy benefit manager" is included in the bill.

The bill requires that a contract between a PBM and a health plan include prohibitions on certain practices that limit patient access to pricing information. The bill specifies that a contract must require the PBM to update maximum allowable cost (MAC) pricing information at least once every seven days. This requirement was previously in the Pharmacy Practice Act; the bill moves this language to the Insurance Code, which gives OIR enforcement authority. The bill also requires a contract to limit patient cost sharing for a drug to the lesser of the applicable cost sharing amount, the total submitted charges, or the retail price.

The bill creates an affirmative duty for a pharmacist to communicate to a patient the availability of a lower cost alternative drug if one exists and whether the patient's cost sharing obligation exceeds the retail price of a drug in the absence of prescription drug coverage.

The bill applies to contracts entered into or renewed on or after July 1, 2018.

The bill has an insignificant fiscal impact on state government and an indeterminate fiscal impact on local governments. See Fiscal Comments.

The bill has an effective date of July 1, 2018.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

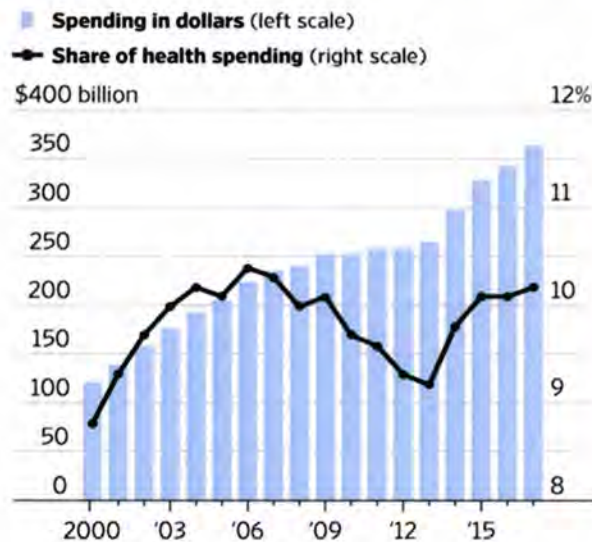
A. EFFECT OF PROPOSED CHANGES:

Background

Prescription Drug Cost and Pricing

Spending on prescription drugs has risen sharply in the United States over the past few years.¹ From 2013 to 2015, out-of-pocket costs for prescription drugs rose 20 percent,² to an average cost of \$44 per brand name prescription drug.³ Additionally, prescription drug prices increased an average of almost 10 percent from June 2015 to May 2016.⁴ Specialty prescription drug prices are projected to increase 18.7 percent in 2017, accounting for 35 percent of the prescription drug spending trend even though they account for less than one percent of prescriptions.⁵ Recent increases in prescription drug prices are not only an increase in spending in terms of dollars, but also as a percentage of total healthcare spending.⁶

Prescription Drug Spending as a Share of Health Spending 2000-2017⁷



¹ Ameet Sarpatwari, Jerry Avorn, and Aaron S. Kesselheim, *State Initiatives to Control Medication Costs — Can Transparency Legislation Help?*, N. ENGL. J. MED. 2016; 374:2301-2304 Jun. 16, 2016, <http://www.nejm.org/doi/full/10.1056/NEJMp1605100#t=article> (last visited March 13, 2017).

² Troy Parks, *Drug pricing needs transparency, physicians say*, AMA WIRE, Jan. 26, 2017,

<https://wire.ama-assn.org/ama-news/drug-pricing-needs-transparency-physicians-say> (last visited March 10, 2017).

³ 2017 Segal Health Plan Cost Trend Survey, available at, <https://www.segalco.com/media/2716/me-trend-survey-2017.pdf> (last visited March 13, 2017)

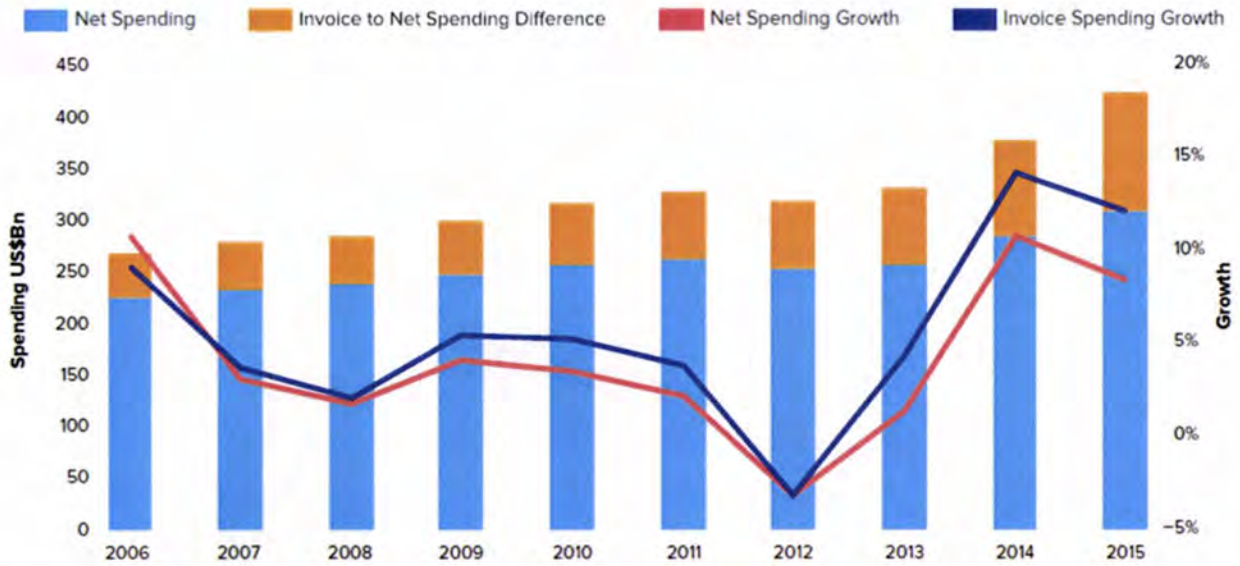
⁴ TRUVERIS, *Americans faced double digit increases in prescription drug prices in 2014, according to Truveris National Drug Index*, <https://truveris.com/press-releases/ndi-americans-faced-double-digit-increases-in-prescription-drug-prices-in-2014/> (last visited March 13, 2017)

⁵ *Supra*, note 3. Specialty drugs are high-cost prescription medications used to treat complex, chronic conditions and often require special handling and administration.

⁶ CENTERS FOR MEDICARE AND MEDICAID SERVICES, *National Health Expenditures by Type of Service and Source of Funds: Calendar Years 1960 to 2015*, .zip file available at, <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/NationalHealthAccountsHistorical.html> (Last visited March 13, 2017).

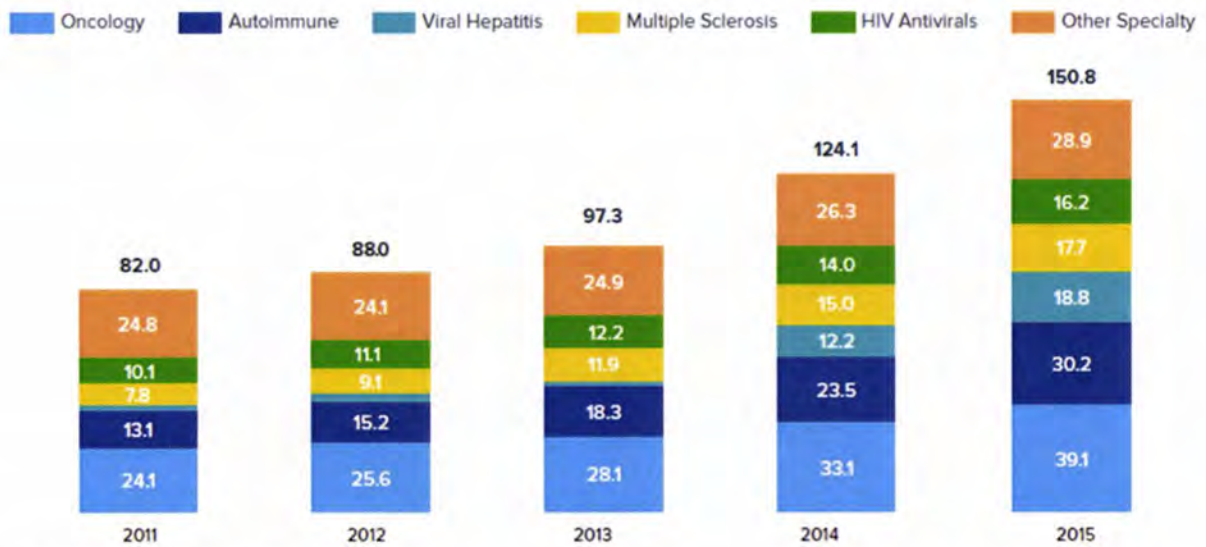
⁷ Jonathan D. Rockoff, *How Do We Deal With Rising Drug Costs?*, THE WALL STREET JOURNAL, Apr. 10, 2016, <https://www.wsj.com/articles/how-do-we-deal-with-rising-drug-costs-1460340357> (last visited March 13, 2017).

Total U.S. Spending on Prescription Drugs, 2015⁸



Source: IMS Health, National Sales Perspectives, Jan 2016; U.S. Census Bureau, U.S. Bureau of Economic Analysis

Total U.S. Spending on Specialty Prescription Drugs, 2015⁹



Source: IMS Health, National Sales Perspectives, Jan 2016

Pharmacy Benefit Managers

Health insurers and HMOs increasingly utilize pharmacy benefit managers (PBMs) to provide a range of specified services related to the acquisition and distribution of prescription drugs.¹⁰ PBMs enter into

⁸ Medicines Use and Spending in the U.S. – A Review of 2015 and Outlook to 2020, QUINTILESIMS, APR. 2016, <http://www.imshealth.com/en/thought-leadership/quintilesims-institute/reports/medicines-use-and-spending-in-the-us-a-review-of-2015-and-outlook-to-2020> (last visited March 13, 2017).

⁹ Id.

¹⁰ The term “pharmacy benefit manager” is defined in S. 465.1862(b), F.S.

contracts with both health plans and pharmacies. PBMs negotiate with drug manufacturers, on behalf of health plans, in an effort to purchase drugs at reduced prices or with the promise of additional rebates. This negotiation process often involves the development of drug formularies, which are tiered drug lists that incentivize the use of some drugs over others.¹¹ PBMs simultaneously negotiate with pharmacies to establish reimbursements for dispensing prescription drugs to patients.

PBMs have become major participants in the pharmaceutical supply chain. These entities first emerged as claims processors in the late-1960s and early 1970s, but began to assume much more complex responsibilities in the 1990s in concert with advancements in information technology.¹² By 2016, PBMs were responsible for managing the pharmacy benefits of about 266 million Americans.¹³ Around 60 PBMs are currently operational in the United States, and the three largest – Express Scripts, CVS Caremark, and OptumRx – have a combined market share of more than 60%.¹⁴ PBMs assert that their services result in significant savings for both insurers and patients.¹⁵ Broadly, PBMs generate revenue from the following sources:

- (1) Fees from their clients (insurers, self-insured employers, union health plans, and government) for the administration of claims and drug dispensing;
- (2) A share of the savings from rebates negotiated from drug companies – in most cases, the rebates are shared between the PBM and the health insurer or plan sponsor; and
- (3) A combination of revenues and savings from maintaining pharmacy networks, including per prescription fees¹⁶ from network pharmacies and volume-based contracting.

Each PBM generates revenues from all or some combination of these sources. In theory, the negotiating leverage of PBMs should translate into savings for patients, employers and insurers in the form of reduced drug costs. In addition, health insurers benefit from sharing in the increased manufacturer rebates that PBMs are often able to realize,¹⁷ which may also reduce costs for consumers and employers.

Drug Price Transparency

An insured patient generally fills prescriptions with a reasonable expectation of the costs that he or she will incur upon doing so. Depending on the nature of an insured's prescription drug benefit, the patient can expect to incur a copayment, coinsurance, and/or deductible when filling a prescription.¹⁸ Although patients often assume that their cost-sharing responsibility will be less than the retail cost (or non-insured "cash" price) of a drug, this is not always the case.¹⁹ In cases where the retail price of a drug is less than a patient's applicable cost-share, numerous outcomes are possible. In some cases, a

¹¹ Academy of Managed Care Pharmacy (AMCP). *Formulary Management*. Available at <http://www.amcp.org/WorkArea/DownloadAsset.aspx?id=9298> (last accessed December 20, 2017). See also, Pharmaceutical Care Management Association (PCMA). *Pharmacy Contracting & Reimbursement*. Available at <https://www.pcmnet.org/policy-issues/pharmacy-contracting-reimbursement/> (last accessed December 20, 2017).

¹² "The ABCs of PBMs: Issue Brief." National Health Policy Forum. October 27, 1999. Available at http://www.nhpf.org/library/issue-briefs/IB749_ABCsofPBMs_10-27-99.pdf (last accessed December 20, 2017).

¹³ Pharmaceutical Care Management Association (PCMA). "That's What PBMs Do." Available at <http://thatswhatpbmsdo.com/> (last accessed December 20, 2017).

¹⁴ Fein, Adam J. *2017 Economic Report on U.S. Pharmacies and Pharmacy Benefit Managers*. Drug Channels Institute. February 2017. Available at http://drugchannelsinstitute.com/products/industry_report/pharmacy/ (last accessed December 20, 2017).

¹⁵ Visante. *The Return on Investment (ROI) on PBM Services*. November 2016. Available at <https://www.pcmnet.org/wp-content/uploads/2016/11/ROI-on-PBM-Services-FINAL.pdf> (last accessed December 20, 2017).

¹⁶ "Health Policy Brief: Pharmacy Benefits Managers," *Health Affairs*, September 14, 2017. Pharmacies are generally expected to submit a fee for each prescription to PBMs in order to participate in the PBM's network. DOI: 10.1377/hpb2017.13 (last accessed December 20, 2017).

¹⁷ *Id.*

¹⁸ Kaiser Family Foundation/Health Research & Education Trust. *2017 Employer Health Benefits Survey*. Section 9: Prescription Drug Benefits. Available at <https://www.kff.org/health-costs/report/2017-employer-health-benefits-survey/> (last accessed December 20, 2017).

¹⁹ Hiltzik, Michael. "The 'Clawback': Another hidden scam driving up your prescription prices." *Los Angeles Times*. August 9, 2017. Available at <http://www.latimes.com/business/hiltzik/la-fi-hiltzik-clawback-drugs-20170809-story.html> (last accessed December 20, 2017).

pharmacist may simply charge the patient the lower retail price. In other cases, however, the pharmacist may be obligated by contract with a PBM or health plan to charge the patient the full, applicable cost-share. If a pharmacist is obligated to charge this higher price, the PBM may then collect as revenue the difference between a patient's cost-share and the lower retail price.²⁰

While it is health insurers – and not PBMs – that are responsible for setting applicable cost-sharing amounts for patients, PBM practices have become the target of litigation in numerous jurisdictions around the United States.²¹ These lawsuits, filed in California, Illinois, and Rhode Island, among other states, allege that practices employed by various PBMs violate federal racketeering and state consumer protection laws.²²

Pharmacies and pharmacists have alleged that PBMs use contract clauses to restrict the flow of pricing information to patients. In a statement prepared for the U.S. House Committee on Oversight and Government Reform, the National Community Pharmacists Association asserted that pharmacies have been subject to “take it or leave it” contracts with PBMs that include “clauses that restrict their (pharmacists) ability to communicate with patients”.²³

In practice, restricting a pharmacist from conveying pricing information to a patient may result in an insured patient paying a higher price for a drug than a patient without pharmacy benefits. In circumstances where the retail price of a drug is less than a patient's applicable cost-share, the patient could pay the lower price if the pharmacist were allowed to proactively offer the drug at that price.²⁴

Regulation of PBMs in Florida

PBMs are not regulated by the State of Florida. However, the Pharmacy Practice Act, chapter 465, F.S., regulates pharmacies and includes standards that guide the prescribing and dispensing of prescription drugs. Section 465.1862, F.S., in the Pharmacy Practice Act, subjects contracts between PBMs and pharmacies to certain requirements. Contracts between PBMs and pharmacies must include obligations that the PBM update Maximum Allowable Cost (MAC) pricing at least every seven days and maintain a process that will, in a timely manner, eliminate drugs from MAC lists or modify drug prices to remain consistent with changes in pricing data used in formulating MAC prices and product availability.²⁵

Section 465.025, F.S., in the Pharmacy Practice Act, requires pharmacists in receipt of a prescription for a brand name drug to substitute a less expensive generic drug, unless requested otherwise by the purchaser. This requirement does not apply in cases where a generic is unavailable or is not included in a pharmacy's formulary.²⁶

The Department of Health (DOH), in conjunction with the Board of Pharmacy, implements the Pharmacy Protection Act; however, the MAC list requirements of s. 465.1862 and the generic

²⁰ Barlas, Stephen. “Employers and Drugstores Press for PBM Transparency: A Labor Department Advisory Committee Has Recommended Changes.” *Pharmacy and Therapeutics* 40.3 (2015): 206–208. Available at <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4357353/> (last accessed January 22, 2018).

²¹ See, for example, *Megan Schultz v. CVS Health Corporation*, 17-cv-359, U.S. District Court for the District of Rhode Island (Providence).

²² Feeley, Jef and Hopkins, Jared S. “CVS Health Is Sued Over ‘Clawbacks’ of Prescription Drug Co-Pays.” *Bloomberg*. August 8, 2017. Available at <https://www.bloomberg.com/news/articles/2017-08-08/cvs-health-is-sued-over-clawbacks-of-prescription-drug-co-pays> (last accessed December 20, 2017).

²³ National Community Pharmacists Association. *Statement for the Record: National Community Pharmacists Association*. U.S. House Committee on Oversight and Government Reform. February 4, 2016. Available at <http://www.ncpa.co/pdf/ncpa-ogr-statement.pdf> (last accessed December 21, 2017).

²⁴ *Supra* note 12.

²⁵ S. 465.1862, F.S. and U.S. Department of Health and Human Services. *Medicaid Drug Pricing in State Maximum Allowable Cost Programs*. Report of the Office of Inspector General. August 2013. Available at <https://oig.hhs.gov/oei/reports/oei-03-11-00640.pdf> (last accessed January 11, 2018). MAC price lists set the upper limit amount that a PBM plan will reimburse a contracted pharmacy for generic drugs and some brand-name drugs with generic versions, known as multi-source brands.

²⁶ S. 465.025, F.S.

substitution requirements of s. 465.025, F.S., are only enforceable against the pharmacy. DOH and the Board do not have authority to enforce this requirement against PBMs.

Regulation of PBMs in Other States

Florida is not unique in its lack of regulation related to PBMs. Generally, state regulation of PBMs has been aimed at improving the transparency of PBM operations, and can be categorized in two ways:

- 1) Licensure or registration requirements for PBMs; and,
- 2) Patient protections, price transparency requirements, or prohibitions on certain practices by PBMs.²⁷

While this categorization is not intended to be a comprehensive accounting of the actions taken by states to regulate PBM practices, it is reflective of a nationwide trend that has emerged in the past several years. States enacting regulations of PBMs are as follows.²⁸

Licensure/Registration of PBMs		Patient Protections and Pricing Transparency	Both Licensure and Patient Protections
Iowa (2007) Kansas (2006) Kentucky (2016) Maryland (2003) New Mexico (2016)	North Dakota (2005) Rhode Island (2004) South Dakota (2004) Wyoming (2016)	Georgia (2017) Louisiana (2016) North Carolina (2017) Tennessee (2009) Texas (2017)	Arkansas (2015) Connecticut (2007, 2017) Washington (2014)

Effect of Proposed Changes

Regulation of Pharmacy Benefit Managers

CS/HB 351 creates new registration program for PBMs. OIR would, by rule, create an application form and set a registration and renewal fee sufficient to cover the cost to administer the registration program. PBMs would register with the Board of Pharmacy by providing identifying information on the organization and submitting an application and fee for registration. Specifically, PBMs would be required to submit identifying information on:

- The organization itself;
- The chief executive officer or similarly titled person of the organization;
- The chief financial officer or similarly titled person of the organization; and,
- Each person or entity responsible for the affairs of the organization.

In addition, the PBM seeking registration must report any changes in this information to OIR within 60 days of changes having occurred. The bill sets the term of registration at two years.

The bill revises the Pharmacy Practice Act to create an affirmative duty for a pharmacist to communicate to a patient the availability of a lower cost alternative drug if one exists and whether the patient's cost sharing obligation exceeds the retail price of a drug in the absence of prescription drug coverage.

The bill also repeals an existing section²⁹ of the Pharmacy Practice Act that requires PBMs to update MAC pricing lists at least every seven days as a condition of contracts entered into with pharmacies.

²⁷ PBM Watch. "Pharmacy Benefit Manager Legislation". Available at <http://www.pbmwatch.com/pbm-legislation.html> (last accessed December 21, 2017).

²⁸ See also Pharmacists United for Truth and Transparency. *State Regulations in Pharmacy Benefit Management*. Available at https://www.marleydrug.com/wp-content/uploads/2016/05/PUTT_State-Regulations_061713a.pdf (last accessed December 21, 2017) and National Association of Community Pharmacists. *State Laws Reforming the Practices of Pharmacy Benefit Managers (PBMs)*. Available at http://www.ncpanet.org/pdf/leg/nov12/pbm_enacted_legislation.pdf (last accessed December 21, 2017).

²⁹ S. 465.1862, F.S.

The bill moves this requirement and associated definitions to the Insurance Code for enforcement purposes. Similarly, the bill translates the current pharmacy licensure generic substitution requirement into an insurance regulatory requirement. It requires that contracts between PBMs and insurers or HMOs prohibit PBMs from limiting the ability of pharmacies and pharmacists to substitute less expensive generic drugs in place of brand name drugs, when available. This ensures that pharmacies can implement generic substitution and should provide patients access to medications at the lowest prices. In effect, the bill consolidates statutory requirements related to PBMs into the sections of the Insurance Code that regulate contracts between health plans and their subcontractors. The bill dictates that OIR has the authority to oversee aspects of contracts between PBMs and their clients, and not the Board of Pharmacy.

The bill requires that contracts between PBMs and insurers or HMOs include a prohibition on PBM practices that may limit the ability of a pharmacy or pharmacist to communicate with patients. Each contract must prohibit PBMs from disclosing to a patient whether his or her cost sharing obligation under an insurance benefits exceeds the retail price of a drug. This prohibition would prevent PBMs from taking actions that limit the ability of pharmacists to share cost-related information.

The bill requires that contracts between PBMs and insurers or HMOs include specific limits on the cost sharing that will be incurred by patients at the point of sale. Each contract must specify that a patient's cost share shall equal the lowest of the following three prices:

- The applicable cost sharing obligation under a patient's insurance;
- The total charges submitted by the pharmacy for the drug prescribed; or
- The retail (or "cash") price of the drug prescribed.

This requirement would prohibit PBMs from applying any mechanisms that would prevent a patient from paying the lowest applicable price for a particular drug.

The bill applies to contracts entered into on renewed on or after July 1, 2018.

The bill has an effective date of July 1, 2018.

B. SECTION DIRECTORY:

- Section 1:** Amends s. 465.0244, F.S.; relating to information disclosure.
- Section 2:** Repeals s. 465.1862, F.S.; relating to pharmacy benefits manager contracts.
- Section 3:** Creates s. 624.490, F.S.; relating to registration of pharmacy benefit managers.
- Section 4:** Creates s. 627.64741, F.S.; relating to pharmacy benefit manager contracts.
- Section 5:** Creates s. 627.6572, F.S.; relating to pharmacy benefit manager contracts.
- Section 6:** Creates s. 641.314, F.S.; relating to pharmacy benefit manager contracts.
- Section 7:** Establishes that the bill's requirements are applicable to insurance policies entered into or renewed on or after July 1, 2018.
- Section 8:** Provides an effective date of July 1, 2018.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

OIR would experience a significant indeterminate increase in revenue in the form of registration fees paid by PBMs. This revenue would be used to cover the costs of the PBM registration program.

2. Expenditures:

There will be an insignificant fiscal impact to the Office of Insurance Regulation associated with the registration of PBMs required in the bill. As the number of PBMS doing business in the state number 10 or less, the costs are expected to be insignificant and readily absorbed by the Office.

According to a bill analysis by the Division of State Group Insurance (DSGI), the bill will have no impact on the State Employee Health Insurance Program.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

The bill may have a significant indeterminate fiscal impact on local government health plans, many of which contract with PBMs for pharmacy benefits. Those PBM may experience a reduction in rebates from pharmaceutical manufacturers due to changes in the bill and may also lose some leverage in negotiating price concessions from pharmaceutical manufacturers. To the extent that these costs are passed from impacted PBMs to their clients, local governments would incur additional costs.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The bill may have a significant indeterminate negative fiscal impact on health insurers, HMOs, and PBMs. To the extent that these entities must take action to comply with the new registration and contracting requirements in the bill, they will incur additional costs.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to require counties or municipalities to spend funds or take action requiring the expenditures of funds; reduce the authority that counties or municipalities have to raise revenues in the aggregate; or reduce the percentage of state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The bill provides the Office of Insurance Regulation sufficient rulemaking authority to implement the PBM registration program.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On January 17, 2018, the Health Innovation Subcommittee adopted a strike-all amendment that tailored the bill to address registration and regulation of PBMs under the Florida Insurance Code. Specifically, the amendment:

- Requires pharmacists to inform patients of lower cost alternatives at the point of sale;
- Requires PBMs to register with OIR as a condition of doing business in Florida;
- Requires that contracts between PBMs and insurers or HMOs require the PBM to update MAC pricing lists every 7 days;
- Requires that contracts between PBMs and insurers or HMOs do not limit the ability of pharmacies and pharmacists to substitute less expensive generic drugs for equivalent brand name drugs;
- Requires that contracts between PBMs and insurers or HMOs prohibit PBMs from restricting cost-related communication between pharmacists and patients; and,
- Requires that contracts between PBMs and insurers or HMOs set parameters on cost sharing applicable to patients at the point of sale.

The bill was reported favorably as a committee substitute. The analysis is drafted to the committee substitute as passed by the Health Innovation Subcommittee.

1 A bill to be entitled
 2 An act relating to prescription drug pricing
 3 transparency; amending s. 465.0244, F.S.; requiring
 4 pharmacists to inform customers of certain generically
 5 equivalent drug products and whether her or his cost-
 6 sharing obligation exceeds the retail price of the
 7 prescription; repealing s. 465.1862, F.S., relating to
 8 pharmacy benefit manager contracts; creating s.
 9 624.490, F.S.; requiring registration of pharmacy
 10 benefit managers with the Office of Insurance
 11 Regulation; requiring rulemaking; creating ss.
 12 627.64741 and 627.6572, F.S.; requiring certain terms
 13 in health insurer contracts with pharmacy benefit
 14 managers; creating s. 641.314, F.S.; requiring certain
 15 terms in health maintenance organization contracts
 16 with pharmacy benefit managers; providing
 17 applicability; providing an effective date.

18
 19 Be It Enacted by the Legislature of the State of Florida:

20
 21 Section 1. Section 465.0244, Florida Statutes, is amended
 22 to read:

23 465.0244 Information disclosure.—

24 (1) Every pharmacy shall make available on its website a
 25 hyperlink to the health information that is disseminated by the

26 | Agency for Health Care Administration pursuant to s. 408.05(3)
 27 | and shall place in the area where customers receive filled
 28 | prescriptions notice that such information is available
 29 | electronically and the address of its Internet website.

30 | (2) In addition to the requirements of section 465.025, a
 31 | pharmacist shall inform customers of a less expensive,
 32 | generically equivalent drug product for her or his prescription
 33 | and whether her or his cost-sharing obligation exceeds the
 34 | retail price of the prescription in the absence of prescription
 35 | drug coverage.

36 | Section 2. Section 465.1862, Florida Statutes, is
 37 | repealed.

38 | Section 3. Section 624.490, Florida Statutes, is created
 39 | to read:

40 | 624.490 Registration of pharmacy benefit managers.-

41 | (1) As used in this section, the term "pharmacy benefit
 42 | manager" means a person or entity doing business in this state
 43 | which contracts to administer prescription drug benefits on
 44 | behalf of a health insurer or a health maintenance organization
 45 | to residents of this state.

46 | (2) To conduct business in this state, a pharmacy benefit
 47 | manager must register with the office. To register, a pharmacy
 48 | benefit manager shall submit:

49 | (a) A fee determined by the office.

50 | (b) A copy of the registrant's corporate charter, articles

51 of incorporation, or other charter document.

52 (c) A form established by the office containing the
 53 identity, address, and taxpayer identification number, when
 54 applicable, of:

55 1. The registrant.

56 2. The chief executive officer or a similarly titled
 57 person responsible for the executive oversight of the
 58 registrant.

59 3. The chief financial officer or a similarly titled
 60 person responsible for the financial oversight of the
 61 registrant.

62 4. Each person or entity responsible for the affairs of
 63 the registrant, including, but not limited to, the day-to-day
 64 operations of the registrant.

65 (3) The registrant shall report any change in information
 66 required by subsection (2) to the office in writing within 60
 67 days after the change occurs.

68 (4) Upon receipt of a completed registration form and the
 69 registration fee, the office shall issue a registration
 70 certificate. The certificate may be in paper or electronic form,
 71 and shall clearly indicate the expiration date of the
 72 registration. Registration certificates are nontransferable.

73 (5) A registration certificate is valid for two years from
 74 its date of issue. The office shall set an initial registration
 75 fee and a registration renewal fee, both of which shall be

76 nonrefundable. Total fees may not exceed the cost of
 77 administering this section.

78 (6) The office shall adopt rules necessary to implement
 79 the provisions of this section.

80 Section 4. Section 627.64741, Florida Statutes, is created
 81 to read:

82 627.64741 Pharmacy benefit manager contracts.-

83 (1) As used in this section, the term:

84 (a) "Maximum allowable cost" means the per-unit amount
 85 that a pharmacy benefit manager reimburses a pharmacist for a
 86 prescription drug, excluding dispensing fees, prior to the
 87 application of copayments, coinsurance, and other cost-sharing
 88 charges, if any.

89 (b) "Pharmacy benefit manager" means a person or entity
 90 doing business in this state which contracts to administer or
 91 manage prescription drug benefits on behalf of a health insurer
 92 to residents of this state.

93 (2) A contract between a health insurer and a pharmacy
 94 benefit manager must include requirements that the pharmacy
 95 benefit manager:

96 (a) Update maximum allowable cost pricing information at
 97 least every 7 calendar days.

98 (b) Maintain a process that will, in a timely manner,
 99 eliminate drugs from maximum allowable cost lists or modify drug
 100 prices to remain consistent with changes in pricing data used in

101 formulating maximum allowable cost prices and product
 102 availability.

103 (3) A contract between a health insurer and a pharmacy
 104 benefit manager shall prohibit the pharmacy benefit manager
 105 from:

106 (a) Limiting a pharmacy's or pharmacist's ability to
 107 substitute a less expensive, generically equivalent drug product
 108 for a brand name drug, pursuant to section 465.025; or

109 (b) Disclosing to a subscriber whether the subscriber's
 110 cost-sharing obligation exceeds the retail price for a covered
 111 prescription drug, and the availability of a more affordable
 112 alternative drug, pursuant to s. 465.0244.

113 (4) A contract between a health insurer and a pharmacy
 114 benefit manager shall prohibit the pharmacy benefit manager from
 115 requiring an insured to make a payment for a prescription drug
 116 at the point of sale in an amount greater than the lesser of:

117 (a) The applicable cost-sharing amount;

118 (b) The total submitted charges for the prescription drug;

119 or

120 (c) The retail price of the drug in the absence of
 121 prescription drug coverage or programs that reduce the cost of a
 122 drug to the patient.

123 Section 5. Section 627.6572, Florida Statutes, is created
 124 to read:

125 627.6572 Pharmacy benefit manager contracts.-

126 (1) As used in this section, the term:

127 (a) "Maximum allowable cost" means the per-unit amount
 128 that a pharmacy benefit manager reimburses a pharmacist for a
 129 prescription drug, excluding dispensing fees, prior to the
 130 application of copayments, coinsurance, and other cost-sharing
 131 charges, if any.

132 (b) "Pharmacy benefit manager" means a person or entity
 133 doing business in this state which contracts to administer or
 134 manage prescription drug benefits on behalf of a health insurer
 135 to residents of this state.

136 (2) A contract between a health insurer and a pharmacy
 137 benefit manager must include requirements that the pharmacy
 138 benefit manager:

139 (a) Update maximum allowable cost pricing information at
 140 least every 7 calendar days.

141 (b) Maintain a process that will, in a timely manner,
 142 eliminate drugs from maximum allowable cost lists or modify drug
 143 prices to remain consistent with changes in pricing data used in
 144 formulating maximum allowable cost prices and product
 145 availability.

146 (3) A contract between a health insurer and a pharmacy
 147 benefit manager shall prohibit the pharmacy benefit manager
 148 from:

149 (a) Limiting a pharmacy's or pharmacist's ability to
 150 substitute a less expensive, generically equivalent drug product

151 for a brand name drug, pursuant to section 465.025; or

152 (b) Disclosing to a subscriber whether the subscriber's
 153 cost-sharing obligation exceeds the retail price for a covered
 154 prescription drug, and the availability of a more affordable
 155 alternative drug, pursuant to s. 465.0244.

156 (4) A contract between a health insurer and a pharmacy
 157 benefit manager shall prohibit the pharmacy benefit manager from
 158 requiring an insured to make a payment for a prescription drug
 159 at the point of sale in an amount greater than the lesser of:

160 (a) The applicable cost-sharing amount;

161 (b) The total submitted charges for the prescription drug;

162 or

163 (c) The retail price of the drug in the absence of
 164 prescription drug coverage or programs that reduce the cost of a
 165 drug to the patient.

166 Section 6. Section 641.314, Florida Statutes, is created
 167 to read:

168 641.314 Pharmacy benefit manager contracts.-

169 (1) As used in this section, the term:

170 (a) "Maximum allowable cost" means the per-unit amount
 171 that a pharmacy benefit manager reimburses a pharmacist for a
 172 prescription drug, excluding dispensing fees, prior to the
 173 application of copayments, coinsurance, and other cost-sharing
 174 charges, if any.

175 (b) "Pharmacy benefit manager" means a person or entity

176 doing business in this state which contracts to administer or
177 manage prescription drug benefits on behalf of a health
178 maintenance organization to residents of this state.

179 (2) A contract between a health maintenance organization
180 and a pharmacy benefit manager must include requirements that
181 the pharmacy benefit manager:

182 (a) Update maximum allowable cost pricing information at
183 least every 7 calendar days.

184 (b) Maintain a process that will, in a timely manner,
185 eliminate drugs from maximum allowable cost lists or modify drug
186 prices to remain consistent with changes in pricing data used in
187 formulating maximum allowable cost prices and product
188 availability.

189 (3) A contract between a health maintenance organization
190 and a pharmacy benefit manager shall prohibit the pharmacy
191 benefit manager from:

192 (a) Limiting a pharmacy's or pharmacist's ability to
193 substitute a less expensive, generically equivalent drug product
194 for a brand name drug, pursuant to section 465.025; or

195 (b) Disclosing to a subscriber whether the subscriber's
196 cost-sharing obligation exceeds the retail price for a covered
197 prescription drug, and the availability of a more affordable
198 alternative drug, pursuant to section 465.0244.

199 (4) A contract between a health maintenance organization
200 and a pharmacy benefit manager shall prohibit the pharmacy

201 benefit manager from requiring a subscriber to make a payment
 202 for a prescription drug at the point of sale in an amount
 203 greater than the lesser of:

- 204 (a) The applicable cost-sharing amount;
- 205 (b) The total submitted charges for the prescription drug;

206 or


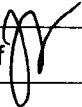
- 207 (c) The retail price of the drug in the absence of
 208 prescription drug coverage or programs that reduce the cost of a
 209 drug to the patient.

210 Section 7. This act applies to contracts entered into or
 211 renewed on or after July 1, 2018.

212 Section 8. This act shall take effect July 1, 2018.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 791 Regulatory Reform
SPONSOR(S): Diaz, M., Ingoglia and others
TIED BILLS: IDEN./SIM. **BILLS:** SB 1268

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Oversight, Transparency & Administration Subcommittee	7 Y, 3 N	Toliver	Harrington
2) Appropriations Committee		Delaney 	Leznoff 
3) Government Accountability Committee			

SUMMARY ANALYSIS

The Administrative Procedure Act (APA) sets forth a uniform set of procedures that agencies must follow when exercising delegated rulemaking authority. A rule is an agency statement of general applicability that interprets, implements, or prescribes law or policy, including the procedure and practice requirements of an agency as well as certain types of forms. Rulemaking authority is delegated by the Legislature through statute and authorizes agencies to "adopt, develop, establish, or otherwise create" rules. Agencies do not have the discretion in and of themselves to engage in rulemaking. To adopt a rule, an agency must have a general grant of authority to implement a specific law by rulemaking. The grant of rulemaking authority itself need not be detailed. The specific statute being interpreted or implemented through rulemaking must provide specific standards and guidelines to preclude the administrative agency from exercising unbridled discretion in creating policy or applying the law.

The bill creates a Red Tape Reduction Advisory Council (Council) within the Executive Office of the Governor. The Council is required to annually review the Florida Administrative Code (FAC) to determine whether any rules are duplicative, obsolete, especially burdensome to business, or disproportionately affect businesses with fewer than 100 employees or revenue below \$5 million. If the Council finds a rule that meets one or more of these criteria and it can be repealed or amended with minimal impact on public health, safety, and welfare, the Council must recommend repealing or amending the rule. The Council must provide an annual report of its rule recommendations to the Governor, the President of the Senate, the Speaker of the House of Representatives, and to Joint Administrative Procedures Committee (JAPC) for the purposes of publishing the report in the FAC.

The bill requires JAPC to establish a regulatory baseline in the APA. The regulatory baseline is the total number of agency rules that are in effect on January 1, 2019. Once established, a proposed rule may not cause the total number of rules in the FAC to exceed the regulatory baseline. If an agency proposes a rule that would exceed the regulatory baseline, the agency must submit a rule replacement request (RRR). A RRR is a request to create a rule after the establishment of the regulatory baseline by proposing to repeal one of more existing rules to maintain the regulatory baseline. An agency may request that a proposed rule be exempted from the regulatory baseline by submitting an exemption request with the RRR to JAPC. However, JAPC may not approve an exemption request or a RRR that provides fewer than two rules for repeal or replacement until the total number of rules in FAC is 35 percent below the regulatory baseline. JAPC must submit an annual report providing the percentage reduction in the total number of rules compared to the regulatory baseline to the Governor, the President of the Senate, and the Speaker of the House of Representatives. The bill further requires that each agency's annual regulatory plan identify existing rules that may be appropriate for future repeal to maintain the regulatory baseline.

Lastly, the bill requires JAPC to examine each existing rule for compliance with the APA every four years.

The bill has a projected fiscal impact on the state of approximately \$185,000 to fund the salary and benefits of two attorneys to process the additional workload. However, no additional appropriation is necessary as JAPC has sufficient carryforward funds to cover such costs for at least 3 years. The bill may have an indeterminate, but likely insignificant fiscal impact on state government. See Fiscal Comments.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Background

Rulemaking

The Administrative Procedure Act (APA)¹ sets forth a uniform set of procedures that agencies must follow when exercising delegated rulemaking authority. A rule is an agency statement of general applicability that interprets, implements, or prescribes law or policy, including the procedure and practice requirements of an agency as well as certain types of forms.² Rulemaking authority is delegated by the Legislature through statute and authorizes agencies to “adopt, develop, establish, or otherwise create”³ rules. Agencies do not have the discretion in and of themselves to engage in rulemaking.⁴ To adopt a rule, an agency must have a general grant of authority to implement a specific law by rulemaking.⁵ The grant of rulemaking authority itself need not be detailed. The specific statute being interpreted or implemented through rulemaking must provide specific standards and guidelines to preclude the administrative agency from exercising unbridled discretion in creating policy or applying the law.⁶

An agency begins the formal rulemaking process by filing a notice of rule development of proposed rules in the Florida Administrative Register (FAR) indicating the subject area to be addressed by the rule development and including a short, plain explanation of the purpose and effect of the rule. The notice may include the preliminary text of the proposed rule, but it is not necessary. Such notice is required for all rulemaking, except for rule repeals. Next, an agency must file, upon approval of the agency head, a notice of proposed rulemaking.⁷ The notice is published by the Department of State (department) in the FAR⁸ and must contain the full text of the proposed rule or amendment and a summary thereof.⁹ If a person requests a hearing within 21 days following the publication of the notice, that agency must hold a hearing.¹⁰ The agency, based upon the comments received at the hearing, can publish a notice of change.¹¹ The agency then files for rule adoption with the department and the rule becomes effective 20 days later, unless a different date is indicated in the rule.¹² The rule is then published in the Florida Administrative Code (FAC).

Joint Administrative Procedures Committee (JAPC)

JAPC is a standing committee of the Legislature established by joint rule and created to maintain a continuous review of administrative rules, the statutory authority upon which those rules are based, and the administrative rulemaking process.¹³ Specifically, JAPC may examine any existing rule and is required to examine each proposed rule and its accompanying material and each emergency rule to determine whether:

- The rule is an invalid exercise of delegated legislative authority;
- The statutory authority for the rule has been repealed;

¹ Chapter 120, F.S.

² Section 120.52(16), F.S.

³ Section 120.52(17), F.S.

⁴ Section 120.54(1)(a), F.S.

⁵ Sections 120.52(8) and 120.536(1), F.S.

⁶ *Sloban v. Florida Board of Pharmacy*, 982 So. 2d 26, 29-30 (Fla. 1st DCA 2008); *Board of Trustees of the Internal Improvement Trust Fund v. Day Cruise Association, Inc.*, 794 So. 2d 696, 704 (Fla. 1st DCA 2001).

⁷ Section 120.54(3)(a)1., F.S.

⁸ Section 120.55(1)(b), F.S.

⁹ Section 120.54(3)(a)1., F.S.

¹⁰ Section 120.54(3)(c), F.S.

¹¹ Section 120.54(3)(d)1., F.S.

¹² Section 120.54(3)(e)6., F.S.

¹³ Fla. Leg. J. Rule 4.6; *see also* s. 120.545, F.S.

- The rule reiterates or paraphrases statutory material;
- The rule is in proper form;
- The notice given prior to adoption was sufficient;
- The rule is consistent with expressed legislative intent;
- The rule is necessary to accomplish the apparent or expressed objectives of the specific provision of law which the rule implements;
- The rule is a reasonable implementation of the law as it affects the convenience of the general public or persons particularly affected by the rule;
- The rule could be made less complex or more easily comprehensible to the general public;
- The rule's Statement of Estimated Regulatory Cost (SERC) complies with the requirements of the APA and whether the rule does not impose regulatory costs on the regulated person, county, or city which could be reduced by the adoption of less costly alternatives that substantially accomplish the statutory objectives; and
- The rule will require additional appropriations.¹⁴

Statement of Estimated Regulatory Cost (SERC)

A SERC is an agency estimate of the potential impact of a proposed rule on the public, particularly the potential costs to the public of complying with the rule as well as to the agency and other governmental entities to implement the rule.¹⁵ Agencies are encouraged to prepare a SERC before adopting, amending, or repealing any rule.¹⁶ However, a SERC is required if the proposed rule will have a negative impact on small businesses or increase regulatory costs by more than \$200,000 in the aggregate within one year after implementation of the rule.¹⁷

If the agency revises a rule before adoption and the revision increases the regulatory costs of the rule, the agency must revise the SERC to reflect that alteration.¹⁸ At least 21 days before filing a rule for adoption, an agency that is required to revise a SERC must provide the statement to the person who submitted the lower cost regulatory alternative and to JAPC and must provide notice on the agency's website that it is available to the public.¹⁹

Annual Regulatory Review

Annually, each agency must prepare a regulatory plan that includes a list of each law enacted during the previous 12 months which creates or modifies the duties or authority of the agency and state whether the agency must adopt rules to implement the newly adopted laws.²⁰ The plan must also include a list of each additional law not otherwise listed which the agency expects to implement by rulemaking before the following July 1, except emergency rules. The plan must include a certification by the agency head, or, if the agency head is a collegial body, the presiding officer, and the individual acting as principal legal advisor to the agency verifying the persons have reviewed the plan and verifying that the agency regularly reviews all of its rules and identifying the period during which all rules have most recently been reviewed to determine if the rules remain consistent with the agency's rulemaking authority and the laws implemented.²¹ By October 1 of each year, the plan must be published on the agency's website or on another state website established for publication of administrative law records with a hyperlink to the plan. The agency must also deliver a copy of the certification to JAPC and publish a notice in FAR identifying the date of publication of the agency's regulatory plan.²²

¹⁴ Section 120.545(1), F.S.

¹⁵ Section 120.541(2), F.S.

¹⁶ Section 120.54(3)(b)1., F.S.

¹⁷ Section 120.54(3)(b)1., F.S.

¹⁸ Section 120.541(1)(c), F.S.

¹⁹ Section 120.541(1)(d), F.S.

²⁰ Section 120.74(1), F.S.

²¹ Section 120.74(1)(d), F.S.

²² Section 120.74(2), F.S.

Effect of the Bill

The bill creates a Red Tape Reduction Advisory Council (Council) within the Executive Office of the Governor. The council consists of nine members, who must be residents of the state:

- Five members appointed by the Governor;
- Two members appointed by the President of the Senate; and
- Two members appointed by the Speaker of the House of Representatives.

The members are appointed for four year terms and the bill establishes a method by which the terms are staggered. Members may be reappointed but may not serve on the Council for more than eight consecutive years. The members must elect a chair and vice chair of the Council at the first meeting of the body, which must be held by August 1, 2018. Thereafter the Council must meet at the call of the chair at least quarterly. A majority of the membership of the Council constitutes a quorum. The bill prohibits a member from receiving a commission, fee, or financial benefit in connection with serving on the Council but may be reimbursed for per diem and travel expenses.

The Council is required to annually review the FAC to determine whether any rules are duplicative, obsolete, especially burdensome to business, or disproportionately affect businesses with fewer than 100 employees or revenue below \$5 million. If the Council finds a rule that meets one or more of these criteria and it can be repealed or amended with minimal impact on public health, safety, and welfare, the Council must recommend repealing or amending the rule. The Council must provide an annual report of its rule recommendations to the Governor, the President of the Senate, the Speaker of the House of Representatives, and to JAPC for the purposes of publishing the report in the FAC.

The bill requires JAPC to establish a regulatory baseline. The regulatory baseline is the total number of agency rules that are in effect on January 1, 2019. Once established, a proposed rule may not cause the total number of rules in the FAC to exceed the regulatory baseline. If an agency proposes a rule that would exceed the regulatory baseline, the agency must submit a rule replacement request (RRR). A RRR is a request to create a rule after the establishment of the regulatory baseline by proposing to repeal one or more existing rules to maintain the regulatory baseline. Each RRR must include the proposed rule and the law authorizing it, its purpose, and the rule to be repealed to maintain the regulatory baseline. JAPC must examine each proposed rule and its RRR to determine whether it complies with the APA. JAPC may approve the proposed rule if it complies with the APA and if does not cause the total number of rules to exceed the regulatory baseline. If approved, the proposed rule and the rule repeal will take effect simultaneously.

An agency may request that a proposed rule be exempted from the regulatory baseline by submitting an exemption request with the RRR to JAPC. The exemption request must include a detailed explanation of why the proposed rule should be exempt, including why the rule is necessary to protect public health, safety, and welfare. However, JAPC may not approve an exemption request or a RRR that provides fewer than two rules for repeal or replacement until the total number of rules in FAC is 35 percent below the regulatory baseline. JAPC must submit an annual report providing the percentage reduction in the total number of rules compared to the regulatory baseline to the Governor, the President of the Senate, and the Speaker of the House of Representatives. The bill requires the Department of State to include in the FAC the regulatory baseline, all changes made to the total number of rules since the establishment of the regulatory baseline, a plain language description of the purpose of each rule, and the report created annually by the Council. The bill further requires that each agency's annual regulatory plan include an identification of existing rules that may be appropriate for future repeal to maintain the regulatory baseline.

Lastly, the bill requires JAPC to examine each existing rule for compliance with the APA every four years.

B. SECTION DIRECTORY:

Section 1 creates s. 14.35, F.S., establishing a Red Tape Reduction Advisory Council.

Section 2 amends s. 120.52, F.S., relating to definitions applicable to the APA.

Section 3 amends s. 120.54, F.S., relating to rulemaking.

Section 4 amends s. 120.545, F.S., relating to JAPC review of agency rules.

Section 5 creates s. 120.546, F.S., relating to the regulatory baseline.

Section 6 amends s. 120.55, F.S., relating to publication under the APA.

Section 7 amends s. 120.74, F.S., relating to the annual regulatory plan of agencies.

Section 8 amends s. 120.80, F.S., correcting a cross reference.

Section 9 amends s. 120.81, F.S., correcting a cross reference.

Section 10 amends s. 420.9072, F.S., correcting a cross reference.

Section 11 amends s. 420.9075, F.S., correcting a cross reference.

Section 12 amends s. 443.091, F.S., correcting a cross reference.

Section 13 provides an effective date of July 1, 2018.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

See Fiscal Comments.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

The bill has a projected fiscal impact on the state of approximately \$185,000 to fund the salary and benefits of two attorneys to process the additional workload associated with the provisions of the bill.

However, no additional appropriation is necessary as JAPC has sufficient carryforward funds to cover such costs for at least 3 years. The bill may have an indeterminate, but likely insignificant fiscal impact on state agencies due to the increased requirements in the rule development process. Costs associated with the newly created Council are expected to be insignificant, as they are limited to travel expenses and the meetings are only held on a quarterly basis.

The bill may require state agencies expend additional resources in complying with its rule repeal requirement. While indeterminate, the additional workload is expected to be insignificant and can be absorbed by existing agency resources.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. The bill does not appear to affect county or municipal governments.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

Comments

The Department of Juvenile Justice has opined that the bill may limit the ability of agencies to receive federal funding if that federal funding is predicated on the agency creating certain rules to comply with federal requirements.²³

The Office of Financial Regulation (OFR) is concerned that the bill's mandatory rule replacement process does not make exceptions for newly created statutory requirements going forward.²⁴ Additionally OFR opined that the Council's quarterly meetings could substantially delay rulemaking.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

None.

²³ 2018 Agency Bill Analysis of HB 791, DEPARTMENT OF JUVENILE JUSTICE, on file with the Oversight, Transparency & Administration Subcommittee.

²⁴ 2018 Agency Bill Analysis of HB 791, OFFICE OF FINANCIAL REGULATION, on file with the Oversight, Transparency & Administration Subcommittee.

1 A bill to be entitled
 2 An act relating to regulatory reform; creating s.
 3 14.35, F.S.; establishing the Red Tape Reduction
 4 Advisory Council within the Executive Office of the
 5 Governor; providing for membership and terms;
 6 providing for meetings and organization of the
 7 council; specifying that members serve without
 8 compensation; providing for per diem and travel
 9 expenses; specifying required activities of the
 10 council; requiring an annual report; amending s.
 11 120.52, F.S.; providing definitions; amending s.
 12 120.54, F.S.; requiring an agency adopting a rule to
 13 submit a rule replacement request to the
 14 Administrative Procedures Committee; requiring a rule
 15 development or adoption notice to include a rule
 16 proposed for repeal; providing that a rule repeal
 17 necessary to maintain the regulatory baseline is
 18 effective at the same time as the proposed rule;
 19 amending s. 120.545, F.S.; requiring the committee to
 20 examine rule replacement requests and existing rules;
 21 requiring the committee to determine whether a rule
 22 replacement request complies with certain
 23 requirements; requiring the committee to determine
 24 whether adoption of a rule other than an emergency
 25 rule will exceed the regulatory baseline; creating s.

26 | 120.546, F.S.; requiring the Administrative Procedures
 27 | Committee to establish a regulatory baseline of agency
 28 | rules; providing that a proposed rule may not cause
 29 | the total number of rules to exceed the regulatory
 30 | baseline; requiring an agency proposing a rule to
 31 | submit a rule replacement request to the committee;
 32 | authorizing an agency to request an exemption;
 33 | providing that a rule replacement request or an
 34 | exemption request may not be approved until the
 35 | initial regulatory baseline has been reduced by a
 36 | specified amount; requiring an annual report; amending
 37 | s. 120.55, F.S.; requiring the inclusion of certain
 38 | information and a specified report in the Florida
 39 | Administrative Code; amending s. 120.74, F.S.;
 40 | requiring an agency regulatory plan to include
 41 | identification of certain rules; amending ss. 120.80,
 42 | 120.81, 420.9072, 420.9075, and 443.091, F.S.;
 43 | conforming cross-references; providing an effective
 44 | date.

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

Section 1. Section 14.35, Florida Statutes, is created to read:

14.35 Red Tape Reduction Advisory Council.-

51 (1) ESTABLISHMENT OF THE COUNCIL.—
 52 (a) The Red Tape Reduction Advisory Council, an advisory
 53 council as defined in s. 20.03, is established and
 54 administratively housed within the Executive Office of the
 55 Governor.
 56 (b) The council shall consist of the following nine
 57 members, who must be residents of the state:
 58 1. Five members appointed by the Governor.
 59 2. Two members appointed by the President of the Senate.
 60 3. Two members appointed by the Speaker of the House of
 61 Representatives.
 62 (c) Each member shall be appointed to a 4-year term.
 63 However, for the purpose of achieving staggered terms, the
 64 members initially appointed by the Governor shall each serve a
 65 2-year term. All subsequent appointments shall be for 4-year
 66 terms. A vacancy shall be filled in the same manner as the
 67 original appointment for the remainder of the unexpired term. A
 68 member may be reappointed, except that a member may not serve
 69 more than 8 consecutive years.
 70 (2) MEETINGS; ORGANIZATION.—
 71 (a) The members shall elect a chair and a vice chair at
 72 the first meeting of the council.
 73 (b) The first meeting of the council shall be held by
 74 August 1, 2018. Thereafter, the council shall meet at the call
 75 of the chair at least once per quarter per calendar year.

76 (c) A majority of the members of the council constitutes a
 77 quorum.

78 (d) A member may not receive a commission, fee, or
 79 financial benefit in connection with serving on the council but
 80 may be reimbursed for per diem and travel expenses pursuant to
 81 s. 112.061.

82 (3) SCOPE OF ACTIVITIES.—The council shall:

83 (a) Annually review the Florida Administrative Code to
 84 determine whether any rules:

- 85 1. Are duplicative or obsolete.
- 86 2. Are especially burdensome to business within the state.
- 87 3. Disproportionately affect businesses with fewer than
 88 100 employees.
- 89 4. Disproportionately affect businesses with annual
 90 revenue below \$5 million.

91

92 If the council determines that a rule meets at least one of the
 93 criteria in this paragraph and can be repealed or amended with
 94 minimal impact on public health, safety, and welfare, the
 95 council shall recommend repealing or amending the rule.

96 (b) Provide an annual report of the council's
 97 recommendations to the Governor, the President of the Senate,
 98 and the Speaker of the House of Representatives and to the
 99 Administrative Procedures Committee for publication in the
 100 Florida Administrative Code.

101 Section 2. Subsections (16) and (17) of section 120.52,
 102 Florida Statutes, are renumbered as subsections (17) and (18),
 103 respectively, subsections (18) through (22) are renumbered as
 104 subsections (20) through (24), respectively, and new subsections
 105 (16) and (18) are added to that section, to read:

106 120.52 Definitions.—As used in this act:

107 (16) "Regulatory baseline" means the total number of
 108 agency rules that are in effect on January 1, 2019, as
 109 determined by the committee pursuant to s. 120.546(1).

110 (18) "Rule replacement request" means a request by an
 111 agency to create a rule after the establishment of the
 112 regulatory baseline by proposing to repeal one or more existing
 113 rules to maintain the regulatory baseline.

114 Section 3. Paragraphs (b) through (k) of subsection (1) of
 115 section 120.54, Florida Statutes, are redesignated as paragraphs
 116 (c) through (l), respectively, paragraph (a) of subsection (2)
 117 and paragraphs (a) and (e) of subsection (3) are amended, and a
 118 new paragraph (b) is added to subsection (1) of that section, to
 119 read:

120 120.54 Rulemaking.—

121 (1) GENERAL PROVISIONS APPLICABLE TO ALL RULES OTHER THAN
 122 EMERGENCY RULES.—

123 (b) An agency adopting a rule that would otherwise exceed
 124 the regulatory baseline must submit a rule replacement request
 125 to the committee pursuant to s. 120.546(2).

126 (2) RULE DEVELOPMENT; WORKSHOPS; NEGOTIATED RULEMAKING.—
 127 (a) Except when the intended action is the repeal of a
 128 rule, agencies shall provide notice of the development of
 129 proposed rules by publication of a notice of rule development in
 130 the Florida Administrative Register before providing notice of a
 131 proposed rule as required by paragraph (3)(a). The notice of
 132 rule development shall indicate the subject area to be addressed
 133 by rule development, provide a short, plain explanation of the
 134 purpose and effect of the proposed rule, cite the specific legal
 135 authority for the proposed rule, identify the rule or rules
 136 proposed to be repealed, if such repeal is necessary to maintain
 137 the regulatory baseline pursuant to s. 120.546(2), and include
 138 the preliminary text of the proposed rules, if available, or a
 139 statement of how a person may promptly obtain, without cost, a
 140 copy of any preliminary draft, if available.
 141 (3) ADOPTION PROCEDURES.—
 142 (a) Notices.—
 143 1. Prior to the adoption, amendment, or repeal of any rule
 144 other than an emergency rule, an agency, upon approval of the
 145 agency head, shall give notice of its intended action, setting
 146 forth a short, plain explanation of the purpose and effect of
 147 the proposed action; the full text of the proposed rule or
 148 amendment and a summary thereof; a reference to the grant of
 149 rulemaking authority pursuant to which the rule is adopted; ~~and~~
 150 a reference to the section or subsection of the Florida Statutes

151 or the Laws of Florida being implemented or interpreted; and a
152 reference to the rule proposed for repeal, if such repeal is
153 necessary to maintain the regulatory baseline pursuant to s.
154 120.546(2). The notice must include a summary of the agency's
155 statement of the estimated regulatory costs, if one has been
156 prepared, based on the factors set forth in s. 120.541(2); a
157 statement that any person who wishes to provide the agency with
158 information regarding the statement of estimated regulatory
159 costs, or to provide a proposal for a lower cost regulatory
160 alternative as provided by s. 120.541(1), must do so in writing
161 within 21 days after publication of the notice; and a statement
162 as to whether, based on the statement of the estimated
163 regulatory costs or other information expressly relied upon and
164 described by the agency if no statement of regulatory costs is
165 required, the proposed rule is expected to require legislative
166 ratification pursuant to s. 120.541(3). The notice must state
167 the procedure for requesting a public hearing on the proposed
168 rule. Except when the intended action is the repeal of a rule,
169 the notice must include a reference both to the date on which
170 and to the place where the notice of rule development that is
171 required by subsection (2) appeared.

172 2. The notice shall be published in the Florida
173 Administrative Register not less than 28 days prior to the
174 intended action. The proposed rule shall be available for
175 inspection and copying by the public at the time of the

176 publication of notice.

177 3. The notice shall be mailed to all persons named in the
178 proposed rule and to all persons who, at least 14 days prior to
179 such mailing, have made requests of the agency for advance
180 notice of its proceedings. The agency shall also give such
181 notice as is prescribed by rule to those particular classes of
182 persons to whom the intended action is directed.

183 4. The adopting agency shall file with the committee, at
184 least 21 days prior to the proposed adoption date, a copy of
185 each rule it proposes to adopt; a copy of any material
186 incorporated by reference in the rule; a detailed written
187 statement of the facts and circumstances justifying the proposed
188 rule; a copy of any statement of estimated regulatory costs that
189 has been prepared pursuant to s. 120.541; a statement of the
190 extent to which the proposed rule relates to federal standards
191 or rules on the same subject; and the notice required by
192 subparagraph 1.

193 (e) Filing for final adoption; effective date.—

194 1. If the adopting agency is required to publish its rules
195 in the Florida Administrative Code, the agency, upon approval of
196 the agency head, shall file with the Department of State three
197 certified copies of the rule it proposes to adopt; one copy of
198 any material incorporated by reference in the rule, certified by
199 the agency; a summary of the rule; a summary of any hearings
200 held on the rule; and a detailed written statement of the facts

201 and circumstances justifying the rule. Agencies not required to
202 publish their rules in the Florida Administrative Code shall
203 file one certified copy of the proposed rule, and the other
204 material required by this subparagraph, in the office of the
205 agency head, and such rules shall be open to the public.

206 2. A rule may not be filed for adoption less than 28 days
207 or more than 90 days after the notice required by paragraph (a),
208 until 21 days after the notice of change required by paragraph
209 (d), until 14 days after the final public hearing, until 21 days
210 after a statement of estimated regulatory costs required under
211 s. 120.541 has been provided to all persons who submitted a
212 lower cost regulatory alternative and made available to the
213 public, or until the administrative law judge has rendered a
214 decision under s. 120.56(2), whichever applies. When a required
215 notice of change is published prior to the expiration of the
216 time to file the rule for adoption, the period during which a
217 rule must be filed for adoption is extended to 45 days after the
218 date of publication. If notice of a public hearing is published
219 prior to the expiration of the time to file the rule for
220 adoption, the period during which a rule must be filed for
221 adoption is extended to 45 days after adjournment of the final
222 hearing on the rule, 21 days after receipt of all material
223 authorized to be submitted at the hearing, or 21 days after
224 receipt of the transcript, if one is made, whichever is latest.
225 The term "public hearing" includes any public meeting held by

226 any agency at which the rule is considered. If a petition for an
227 administrative determination under s. 120.56(2) is filed, the
228 period during which a rule must be filed for adoption is
229 extended to 60 days after the administrative law judge files the
230 final order with the clerk or until 60 days after subsequent
231 judicial review is complete.

232 3. At the time a rule is filed, the agency shall certify
233 that the time limitations prescribed by this paragraph have been
234 complied with, that all statutory rulemaking requirements have
235 been met, and that there is no administrative determination
236 pending on the rule.

237 4. At the time a rule is filed, the committee shall
238 certify whether the agency has responded in writing to all
239 material and timely written comments or written inquiries made
240 on behalf of the committee. The department shall reject any rule
241 that is not filed within the prescribed time limits; that does
242 not comply with all statutory rulemaking requirements and rules
243 of the department; upon which an agency has not responded in
244 writing to all material and timely written inquiries or written
245 comments; upon which an administrative determination is pending;
246 or which does not include a statement of estimated regulatory
247 costs, if required.

248 5. If a rule has not been adopted within the time limits
249 imposed by this paragraph or has not been adopted in compliance
250 with all statutory rulemaking requirements, the agency proposing

251 | the rule shall withdraw the rule and give notice of its action
 252 | in the next available issue of the Florida Administrative
 253 | Register.

254 | 6. The proposed rule shall be adopted on being filed with
 255 | the Department of State and become effective 20 days after being
 256 | filed, on a later date specified in the notice required by
 257 | subparagraph (a)1., on a date required by statute, or upon
 258 | ratification by the Legislature pursuant to s. 120.541(3). Rules
 259 | not required to be filed with the Department of State shall
 260 | become effective when adopted by the agency head, on a later
 261 | date specified by rule or statute, or upon ratification by the
 262 | Legislature pursuant to s. 120.541(3). If the committee notifies
 263 | an agency that an objection to a rule is being considered, the
 264 | agency may postpone the adoption of the rule to accommodate
 265 | review of the rule by the committee. When an agency postpones
 266 | adoption of a rule to accommodate review by the committee, the
 267 | 90-day period for filing the rule is tolled until the committee
 268 | notifies the agency that it has completed its review of the
 269 | rule.

270 | 7. If a rule must be repealed to maintain the regulatory
 271 | baseline pursuant to 120.546(2), the repeal shall take effect at
 272 | the same time as the proposed rule takes effect.

273 |
 274 | For the purposes of this paragraph, the term "administrative
 275 | determination" does not include subsequent judicial review.

276 Section 4. Subsection (1) of section 120.545, Florida
 277 Statutes, is amended to read:

278 120.545 Committee review of agency rules.—

279 (1) As a legislative check on legislatively created
 280 authority, the committee shall examine each proposed rule,
 281 except for those proposed rules exempted by s. 120.81(1)(e) and
 282 (2), and its accompanying material, including, but not limited
 283 to, the rule replacement request, ~~and~~ each emergency rule, and,
 284 every 4 years, each may examine any existing rule, for the
 285 purpose of determining whether:

286 (a) The rule is an invalid exercise of delegated
 287 legislative authority.

288 (b) The statutory authority for the rule has been
 289 repealed.

290 (c) The rule reiterates or paraphrases statutory material.

291 (d) The rule is in proper form.

292 (e) The notice given prior to its adoption was sufficient
 293 to give adequate notice of the purpose and effect of the rule.

294 (f) The rule is consistent with expressed legislative
 295 intent pertaining to the specific provisions of law which the
 296 rule implements.

297 (g) The rule is necessary to accomplish the apparent or
 298 expressed objectives of the specific provision of law which the
 299 rule implements.

300 (h) The rule is a reasonable implementation of the law as

301 | it affects the convenience of the general public or persons
 302 | particularly affected by the rule.

303 | (i) The rule could be made less complex or more easily
 304 | comprehensible to the general public.

305 | (j) The rule's statement of estimated regulatory costs
 306 | complies with the requirements of s. 120.541 and whether the
 307 | rule does not impose regulatory costs on the regulated person,
 308 | county, or city which could be reduced by the adoption of less
 309 | costly alternatives that substantially accomplish the statutory
 310 | objectives.

311 | (k) The rule will require additional appropriations.

312 | (l) If the rule is an emergency rule, there exists an
 313 | emergency justifying the adoption of such rule, the agency is
 314 | within its statutory authority, and the rule was adopted in
 315 | compliance with the requirements and limitations of s.
 316 | 120.54(4).

317 | (m) The rule replacement request complies with the
 318 | requirements of s. 120.546(2) (b).

319 | (n) Adoption of the rule will cause the total number of
 320 | rules to exceed the regulatory baseline. This paragraph does not
 321 | apply to an emergency rule.

322 | Section 5. Section 120.546, Florida Statutes, is created
 323 | to read:

324 | 120.546 Regulatory baseline.-

325 | (1) ESTABLISHMENT OF BASELINE.-The committee shall review

326 the Florida Administrative Code to determine the total number of
 327 rules that are in effect and shall use this number to establish
 328 the regulatory baseline by January 1, 2019.

329 (2) LIMITATION ON PROPOSED RULES; RULE REPLACEMENT
 330 REQUEST.—

331 (a) A proposed rule may not cause the total number of
 332 rules to exceed the regulatory baseline.

333 (b) An agency proposing a rule is required to submit a
 334 rule replacement request to the committee. Each rule replacement
 335 request must include the following:

- 336 1. The proposed rule and the law authorizing such rule.
- 337 2. The purpose of the proposed rule.
- 338 3. The rule to be repealed to maintain the regulatory
 339 baseline.

340 (c) The committee shall examine each proposed rule and the
 341 accompanying rule replacement request as provided in s. 120.545.

342 (d) The committee may approve a rule replacement request
 343 only after the proposed rule and the rule replacement request
 344 have been reviewed pursuant to s. 120.545 and the committee
 345 determines that the proposed rule does not cause the total
 346 number of rules to exceed the regulatory baseline.

347 (e) An agency may request an exemption from the
 348 prohibition in paragraph (a) by submitting an exemption request
 349 with the rule replacement request. An exemption request must
 350 include a detailed explanation of why the proposed rule should

351 be exempt from the prohibition in paragraph (a), including why
 352 the rule is necessary to protect public health, safety, and
 353 welfare.

354 (f) The committee may not approve an exemption request or
 355 a rule replacement request that provides fewer than two rules
 356 for repeal or replacement until the total number of rules is 35
 357 percent below the regulatory baseline.

358 (3) ANNUAL REPORT.—Beginning November 1, 2019, the
 359 committee shall submit an annual report providing the percentage
 360 reduction in the total number of rules compared to the
 361 regulatory baseline to the Governor, the President of the
 362 Senate, and the Speaker of the House of Representatives.

363 Section 6. Paragraph (a) of subsection (1) of section
 364 120.55, Florida Statutes, is amended to read:

365 120.55 Publication.—

366 (1) The Department of State shall:

367 (a)1. Through a continuous revision and publication
 368 system, compile and publish electronically, on a website managed
 369 by the department, the "Florida Administrative Code." The
 370 Florida Administrative Code shall contain the regulatory
 371 baseline, all changes made to the total number of rules since
 372 the establishment of the regulatory baseline, all rules adopted
 373 by each agency, citing the grant of rulemaking authority and the
 374 specific law implemented pursuant to which each rule was
 375 adopted, a plain language description of the purpose of each

376 rule, all history notes as authorized in s. 120.545(7), complete
 377 indexes to all rules contained in the code, the report provided
 378 annually by the Red Tape Reduction Advisory Council, and any
 379 other material required or authorized by law or deemed useful by
 380 the department. The electronic code shall display each rule
 381 chapter currently in effect in browse mode and allow full text
 382 search of the code and each rule chapter. The department may
 383 contract with a publishing firm for a printed publication;
 384 however, the department shall retain responsibility for the code
 385 as provided in this section. The electronic publication shall be
 386 the official compilation of the administrative rules of this
 387 state. The Department of State shall retain the copyright over
 388 the Florida Administrative Code.

389 2. Rules general in form but applicable to only one school
 390 district, community college district, or county, or a part
 391 thereof, or state university rules relating to internal
 392 personnel or business and finance shall not be published in the
 393 Florida Administrative Code. Exclusion from publication in the
 394 Florida Administrative Code shall not affect the validity or
 395 effectiveness of such rules.

396 3. At the beginning of the section of the code dealing
 397 with an agency that files copies of its rules with the
 398 department, the department shall publish the address and
 399 telephone number of the executive offices of each agency, the
 400 manner by which the agency indexes its rules, a listing of all

401 rules of that agency excluded from publication in the code, and
402 a statement as to where those rules may be inspected.

403 4. Forms shall not be published in the Florida
404 Administrative Code; but any form which an agency uses in its
405 dealings with the public, along with any accompanying
406 instructions, shall be filed with the committee before it is
407 used. Any form or instruction which meets the definition of
408 "rule" provided in s. 120.52 shall be incorporated by reference
409 into the appropriate rule. The reference shall specifically
410 state that the form is being incorporated by reference and shall
411 include the number, title, and effective date of the form and an
412 explanation of how the form may be obtained. Each form created
413 by an agency which is incorporated by reference in a rule notice
414 of which is given under s. 120.54(3)(a) after December 31, 2007,
415 must clearly display the number, title, and effective date of
416 the form and the number of the rule in which the form is
417 incorporated.

418 5. The department shall allow adopted rules and material
419 incorporated by reference to be filed in electronic form as
420 prescribed by department rule. When a rule is filed for adoption
421 with incorporated material in electronic form, the department's
422 publication of the Florida Administrative Code on its website
423 must contain a hyperlink from the incorporating reference in the
424 rule directly to that material. The department may not allow
425 hyperlinks from rules in the Florida Administrative Code to any

426 material other than that filed with and maintained by the
 427 department, but may allow hyperlinks to incorporated material
 428 maintained by the department from the adopting agency's website
 429 or other sites.

430 Section 7. Paragraph (d) of subsection (1) of section
 431 120.74, Florida Statutes, is redesignated as paragraph (e),
 432 paragraph (a) of subsection (2) is amended, and a new paragraph
 433 (d) is added to subsection (1) of that section, to read:

434 120.74 Agency annual rulemaking and regulatory plans;
 435 reports.—

436 (1) REGULATORY PLAN.—By October 1 of each year, each
 437 agency shall prepare a regulatory plan.

438 (d) The plan must include an identification of existing
 439 rules that may be appropriate for future repeal to maintain or
 440 reduce the regulatory baseline pursuant to s. 120.546(2).

441 (2) PUBLICATION AND DELIVERY TO THE COMMITTEE.—

442 (a) By October 1 of each year, each agency shall:

443 1. Publish its regulatory plan on its website or on
 444 another state website established for publication of
 445 administrative law records. A clearly labeled hyperlink to the
 446 current plan must be included on the agency's primary website
 447 homepage.

448 2. Electronically deliver to the committee a copy of the
 449 certification required in paragraph (1)(e) ~~(1)(d)~~.

450 3. Publish in the Florida Administrative Register a notice

451 identifying the date of publication of the agency's regulatory
 452 plan. The notice must include a hyperlink or website address
 453 providing direct access to the published plan.

454 Section 8. Subsection (11) of section 120.80, Florida
 455 Statutes, is amended to read:

456 120.80 Exceptions and special requirements; agencies.—

457 (11) NATIONAL GUARD.—Notwithstanding s. 120.52(17) ~~s.~~
 458 ~~120.52(16)~~, the enlistment, organization, administration,
 459 equipment, maintenance, training, and discipline of the militia,
 460 National Guard, organized militia, and unorganized militia, as
 461 provided by s. 2, Art. X of the State Constitution, are not
 462 rules as defined by this chapter.

463 Section 9. Paragraph (c) of subsection (1) of section
 464 120.81, Florida Statutes, is amended to read:

465 120.81 Exceptions and special requirements; general
 466 areas.—

467 (1) EDUCATIONAL UNITS.—

468 (c) Notwithstanding s. 120.52(17) ~~s. 120.52(16)~~, any
 469 tests, test scoring criteria, or testing procedures relating to
 470 student assessment which are developed or administered by the
 471 Department of Education pursuant to s. 1003.4282, s. 1008.22, or
 472 s. 1008.25, or any other statewide educational tests required by
 473 law, are not rules.

474 Section 10. Paragraph (a) of subsection (1) of section
 475 420.9072, Florida Statutes, is amended to read:

476 420.9072 State Housing Initiatives Partnership Program.—
 477 The State Housing Initiatives Partnership Program is created for
 478 the purpose of providing funds to counties and eligible
 479 municipalities as an incentive for the creation of local housing
 480 partnerships, to expand production of and preserve affordable
 481 housing, to further the housing element of the local government
 482 comprehensive plan specific to affordable housing, and to
 483 increase housing-related employment.

484 (1)(a) In addition to the legislative findings set forth
 485 in s. 420.6015, the Legislature finds that affordable housing is
 486 most effectively provided by combining available public and
 487 private resources to conserve and improve existing housing and
 488 provide new housing for very-low-income households, low-income
 489 households, and moderate-income households. The Legislature
 490 intends to encourage partnerships in order to secure the
 491 benefits of cooperation by the public and private sectors and to
 492 reduce the cost of housing for the target group by effectively
 493 combining all available resources and cost-saving measures. The
 494 Legislature further intends that local governments achieve this
 495 combination of resources by encouraging active partnerships
 496 between government, lenders, builders and developers, real
 497 estate professionals, advocates for low-income persons, and
 498 community groups to produce affordable housing and provide
 499 related services. Extending the partnership concept to encompass
 500 cooperative efforts among small counties as defined in s.

501 120.52(21) ~~s. 120.52(19)~~, and among counties and municipalities
 502 is specifically encouraged. Local governments are also intended
 503 to establish an affordable housing advisory committee to
 504 recommend monetary and nonmonetary incentives for affordable
 505 housing as provided in s. 420.9076.

506 Section 11. Subsection (7) of section 420.9075, Florida
 507 Statutes, is amended to read:

508 420.9075 Local housing assistance plans; partnerships.—

509 (7) The moneys deposited in the local housing assistance
 510 trust fund shall be used to administer and implement the local
 511 housing assistance plan. The cost of administering the plan may
 512 not exceed 5 percent of the local housing distribution moneys
 513 and program income deposited into the trust fund. A county or an
 514 eligible municipality may not exceed the 5-percent limitation on
 515 administrative costs, unless its governing body finds, by
 516 resolution, that 5 percent of the local housing distribution
 517 plus 5 percent of program income is insufficient to adequately
 518 pay the necessary costs of administering the local housing
 519 assistance plan. The cost of administering the program may not
 520 exceed 10 percent of the local housing distribution plus 5
 521 percent of program income deposited into the trust fund, except
 522 that small counties, as defined in s. 120.52(21) ~~s. 120.52(19)~~,
 523 and eligible municipalities receiving a local housing
 524 distribution of up to \$350,000 may use up to 10 percent of
 525 program income for administrative costs.

526 Section 12. Paragraph (d) of subsection (1) of section
 527 443.091, Florida Statutes, is amended to read:

528 443.091 Benefit eligibility conditions.—

529 (1) An unemployed individual is eligible to receive
 530 benefits for any week only if the Department of Economic
 531 Opportunity finds that:

532 (d) She or he is able to work and is available for work.
 533 In order to assess eligibility for a claimed week of
 534 unemployment, the department shall develop criteria to determine
 535 a claimant's ability to work and availability for work. A
 536 claimant must be actively seeking work in order to be considered
 537 available for work. This means engaging in systematic and
 538 sustained efforts to find work, including contacting at least
 539 five prospective employers for each week of unemployment
 540 claimed. The department may require the claimant to provide
 541 proof of such efforts to the one-stop career center as part of
 542 reemployment services. A claimant's proof of work search efforts
 543 may not include the same prospective employer at the same
 544 location in 3 consecutive weeks, unless the employer has
 545 indicated since the time of the initial contact that the
 546 employer is hiring. The department shall conduct random reviews
 547 of work search information provided by claimants. As an
 548 alternative to contacting at least five prospective employers
 549 for any week of unemployment claimed, a claimant may, for that
 550 same week, report in person to a one-stop career center to meet

551 with a representative of the center and access reemployment
552 services of the center. The center shall keep a record of the
553 services or information provided to the claimant and shall
554 provide the records to the department upon request by the
555 department. However:

556 1. Notwithstanding any other provision of this paragraph
557 or paragraphs (b) and (e), an otherwise eligible individual may
558 not be denied benefits for any week because she or he is in
559 training with the approval of the department, or by reason of s.
560 443.101(2) relating to failure to apply for, or refusal to
561 accept, suitable work. Training may be approved by the
562 department in accordance with criteria prescribed by rule. A
563 claimant's eligibility during approved training is contingent
564 upon satisfying eligibility conditions prescribed by rule.

565 2. Notwithstanding any other provision of this chapter, an
566 otherwise eligible individual who is in training approved under
567 s. 236(a)(1) of the Trade Act of 1974, as amended, may not be
568 determined ineligible or disqualified for benefits due to
569 enrollment in such training or because of leaving work that is
570 not suitable employment to enter such training. As used in this
571 subparagraph, the term "suitable employment" means work of a
572 substantially equal or higher skill level than the worker's past
573 adversely affected employment, as defined for purposes of the
574 Trade Act of 1974, as amended, the wages for which are at least
575 80 percent of the worker's average weekly wage as determined for

576 | purposes of the Trade Act of 1974, as amended.

577 | 3. Notwithstanding any other provision of this section, an
 578 | otherwise eligible individual may not be denied benefits for any
 579 | week because she or he is before any state or federal court
 580 | pursuant to a lawfully issued summons to appear for jury duty.

581 | 4. Union members who customarily obtain employment through
 582 | a union hiring hall may satisfy the work search requirements of
 583 | this paragraph by reporting daily to their union hall.

584 | 5. The work search requirements of this paragraph do not
 585 | apply to persons who are unemployed as a result of a temporary
 586 | layoff or who are claiming benefits under an approved short-time
 587 | compensation plan as provided in s. 443.1116.



588 | 6. In small counties as defined in s. 120.52(21) ~~s.~~
 589 | ~~120.52(19)~~, a claimant engaging in systematic and sustained
 590 | efforts to find work must contact at least three prospective
 591 | employers for each week of unemployment claimed.

592 | 7. The work search requirements of this paragraph do not
 593 | apply to persons required to participate in reemployment
 594 | services under paragraph (e).

595 | Section 13. This act shall take effect July 1, 2018.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 977 Retirement of Instructional Personnel and Administrative Personnel
SPONSOR(S): Fine
TIED BILLS: IDEN./SIM. BILLS: CS/SB 1240

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Oversight, Transparency & Administration Subcommittee	12 Y, 0 N	Moore	Harrington
2) Appropriations Committee		Delaney 	Leznoff 
3) Government Accountability Committee			

SUMMARY ANALYSIS

The Florida Retirement System (FRS) is a multiple-employer, contributory plan that provides retirement income benefits for employees of the state and county government agencies, district school boards, state colleges, and universities and it also serves as the retirement plan for participating employees of the cities and independent hospitals and special districts that have elected to join the system. Members of the FRS have two plan options available for participation: the pension plan, which is a defined benefit plan, and the investment plan, which is a defined contribution plan.

In addition to the two primary plans, some eligible members have the choice of participating in optional retirement programs. All membership classes in the FRS Pension Plan may participate in the Deferred Retirement Option Program (DROP), which allows a member to retire without terminating employment; a member who enters DROP may extend employment for an additional five years. Certain instructional personnel may participate in DROP for up to three years beyond the initial five-year period. While in DROP, the member's retirement benefits accumulate and earn interest compounded monthly.

The bill provides that effective July 1, 2018, instructional personnel who are authorized to extend DROP participation beyond the 60-month period must have a termination date that is the last day of the last calendar month of the school year within the DROP extension granted by the employer. For those employees who have already extended DROP on or before July 1, 2018, the member's DROP participation may be extended through the last day of the last calendar month of that school year. The employer must notify the division of the change in termination date and the additional period of DROP participation for the affected instructional personnel.

In addition, administrative personnel in grades K-12 who have a DROP termination date on or after July 1, 2018, may be authorized to extend DROP participation beyond the initial 60 calendar month period if the administrative personnel's termination date is before the end of the school year. Such administrative personnel may have DROP participation extended until the last day of the last calendar month of the school year in which their original DROP termination date occurred.

The bill has no fiscal impact on state or local government. See Fiscal Comments.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Background

Florida Retirement System

The Florida Retirement System (FRS) was established in 1970 when the Legislature consolidated the Teachers' Retirement System, the State and County Officers and Employees' Retirement System, and the Highway Patrol Pension Fund. In 1972, the Judicial Retirement System was consolidated into the FRS, and in 2007, the Institute of Food and Agricultural Sciences Supplemental Retirement Program was consolidated under the Regular Class of the FRS as a closed group.¹

The FRS is a multiple-employer, contributory plan² governed by the Florida Retirement System Act.³ As of June 30, 2017, the FRS provides retirement income benefits to 637,643 active members,⁴ 406,374 retired members and beneficiaries, and 32,233 members of the Deferred Retirement Option Program (DROP).⁵ It is the primary retirement plan for employees of state and county government agencies, district school boards, state colleges, and universities. The FRS also serves as the retirement plan for participating employees of the 173 cities and 266 independent hospitals and special districts that have elected to join the system.⁶

The membership of the FRS is divided into five membership classes:⁷

- Regular Class⁸ consists of 555,716 members (87.15 percent of the membership);
- Special Risk Class⁹ includes 71,612 members (11.23 percent);
- Special Risk Administrative Support Class¹⁰ has 93 members (.01 percent);
- Elected Officers' Class¹¹ has 2,167 members (0.34 percent); and
- Senior Management Service Class¹² has 8,028 members (1.27 percent).

Each class is funded separately based upon the costs attributable to the members of that class.

¹ *Florida Retirement System Pension Plan And Other State Administered Systems Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2017*, at 33. A copy of the report can be found online at:

http://www.dms.myflorida.com/workforce_operations/retirement/publications/annual_reports (last visited January 19, 2018) [hereinafter *Annual Report*].

² Prior to 1975, members of the FRS were required to make employee contributions of either 4 percent for Regular Class members or 6 percent for Special Risk Class members. Members were again required to contribute to the system after June 30, 2011.

³ Chapter 121, F.S.

⁴ As of June 30, 2017, the FRS Pension Plan, which is a defined benefit plan, had 520,014 members, and the investment plan, which is a defined contribution plan, had 117,629 members. *Annual Report*, *supra* note 1, at 144.

⁵ *Id.*

⁶ Florida Retirement System Participating Employers for Plan Year 2017-18, prepared by the Department of Management Services, Division of Retirement, Revised February 2017, at 8. A copy of the document can be found online at: <https://www.rol.frs.state.fl.us/forms/part-emp.pdf> (last visited January 19, 2018).

⁷ *Annual Report*, *supra* note 1, at 147.

⁸ The Regular Class is for all members who are not assigned to another class. Section 121.021(12), F.S.

⁹ The Special Risk Class is for members employed as law enforcement officers, firefighters, correctional officers, probation officers, paramedics, and emergency technicians, among others. Section 121.0515, F.S.

¹⁰ The Special Risk Administrative Support Class is for a special risk member who moved or was reassigned to a nonspecial risk law enforcement, firefighting, correctional, or emergency medical care administrative support position with the same agency, or who is subsequently employed in such a position under the FRS. Section 121.0515(8), F.S.

¹¹ The Elected Officers' Class is for elected state and county officers, and for those elected municipal or special district officers whose governing body has chosen Elected Officers' Class participation for its elected officers. Section 121.052, F.S.

¹² The Senior Management Service Class is for members who fill senior management level positions assigned by law to the Senior Management Service Class or authorized by law as eligible for Senior Management Service designation. Section 121.055, F.S.

Members of the FRS have two primary plan options available for participation:

- The pension plan, which is a defined benefit plan; and
- The investment plan, which is a defined contribution plan.

Certain members, as specified by law and position title, may, in lieu of FRS participation, participate in optional retirement plans.

FRS Investment Plan

In 2000, the Legislature created the Public Employee Optional Retirement Program (investment plan), a defined contribution plan offered to eligible employees as an alternative to the pension plan. The earliest that any member could participate in the investment plan was July 1, 2002.

The State Board of Administration (SBA) is primarily responsible for administering the investment plan.¹³ The SBA is comprised of the Governor as chair, the Chief Financial Officer, and the Attorney General.¹⁴

A member vests immediately in all employee contributions paid to the investment plan.¹⁵ With respect to the employer contributions, a member vests after completing one work year with an FRS employer.¹⁶ Vested benefits are payable upon termination or death as a lump-sum distribution, direct rollover distribution, or periodic distribution.¹⁷

Benefits under the investment plan accrue in individual member accounts funded by both employee and employer contributions and investment earnings. Benefits are provided through employee-directed investments offered by approved investment providers. The amount of money contributed to each member's account varies by class as follows:

Membership Class	Percentage of Gross Compensation
Regular Class	6.30%
Special Risk Class	14.00%
Special Risk Administrative Support Class	7.95%
Elected Officers' Class	
• Justices and Judges	13.23%
• County Elected Officers	11.34%
• Others	9.38%
Senior Management Service Class	7.67%

FRS Pension Plan

The pension plan is a defined benefit plan that is administered by the secretary of the Department of Management Services (DMS) through the Division of Retirement (division).¹⁸ Investment management is handled by the SBA.

Any member initially enrolled in the pension plan before July 1, 2011, vests in the pension plan after completing six years of service with an FRS employer.¹⁹ For members initially enrolled on or after July

¹³ Section 121.4501(8), F.S.

¹⁴ Section 4(e), Art. IV, Fla. Const.

¹⁵ Section 121.4501(6)(a), F.S.

¹⁶ If a member terminates employment before vesting in the investment plan, the nonvested money is transferred from the member's account to the SBA for deposit and investment by the SBA in its suspense account for up to five years. If the member is not reemployed as an eligible employee within five years, any nonvested accumulations transferred from a member's account to the SBA's suspense account are forfeited. Section 121.4501(6)(b) – (d), F.S.

¹⁷ Section 121.591, F.S.

¹⁸ Section 121.025, F.S.

¹⁹ Section 121.021(45)(a), F.S.

1, 2011, the member vests in the pension plan after eight years of creditable service.²⁰ A member vests immediately in all employee contributions paid to the pension plan.

Benefits payable under the pension plan are calculated based on years of service x accrual rate x average final compensation.²¹ The accrual rate varies by class as follows:

Membership Class	Accrual Rate
Regular Class	1.60%, 1.63%, 1.65%, 1.68% ²²
Special Risk Class	3.00%
Special Risk Administrative Support Class	1.60%, 1.63%, 1.65%, 1.68% ²³
Elected Officers' Class	
• Justices and Judges	3.33%
• Others	3.00%
Senior Management Service Class	2.00%

For most members of the pension plan, normal retirement occurs at the earliest attainment of 30 years of service or age 62.²⁴ For members in the Special Risk and Special Risk Administrative Support Classes, normal retirement is the earliest of 25 years of service or age 55.²⁵ Members initially enrolled in the pension plan on or after July 1, 2011, must complete 33 years of service or attain age 65, and members in the Special Risk and Special Risk Administrative Support Classes must complete 30 years of service or attain age 60.²⁶

DROP

All membership classes in the FRS Pension Plan may participate in DROP, which allows a member to retire without terminating employment; a member who enters DROP may extend employment for an additional five years.²⁷ However, members who are instructional personnel employed by the Florida School for the Deaf and Blind and authorized by the Board of Trustees of the Florida School for the Deaf and Blind, who are instructional personnel as defined in s. 1012.01(2)(a)-(d), F.S., in grades K-12 and authorized by the district school superintendent, or who are instructional personnel as defined in s. 1012.01(2), F.S., employed by a developmental research school and authorized by the school's director, or if the school has no director, by the school's principal, may participate in DROP for up to three years beyond the initial five-year period.²⁸ While in DROP, the member's retirement benefits accumulate and earn interest compounded monthly.²⁹

Members in the FRS Investment Plan may not participate in DROP; investment plan members are considered retired from the FRS when the member takes a distribution from his or her account.³⁰

Effect of the Bill

The bill provides that effective July 1, 2018, instructional personnel who are authorized to extend DROP participation beyond the 60-month period must have a termination date that is the last day of the last calendar month of the school year within the DROP extension granted by the employer. For those employees who have already extended DROP on or before July 1, 2018, the member's DROP

²⁰ Section 121.021(45)(b), F.S.

²¹ Section 121.091, F.S.

²² Section 121.091(1)(a)1., F.S.

²³ Section 121.0515(8)(a), F.S.

²⁴ Section 121.021(29)(a)1., F.S.

²⁵ Section 121.021(29)(b)1., F.S.

²⁶ Section 121.021(29)(a)2. and (b)2., F.S.

²⁷ Section 121.091(13)(a) and (b), F.S.

²⁸ Section 121.091(13)(b), F.S.

²⁹ If DROP participation began prior to July 1, 2011, the effective annual interest rate was 6.5 percent. On or after July 1, 2011, the annual interest rate for DROP is 1.3 percent.

³⁰ See s. 121.4501(2)(k) and (4)(f), F.S.

participation may be extended through the last day of the last calendar month of that school year. The employer must notify the division of the change in termination date and the additional period of DROP participation for the affected instructional personnel.

In addition, administrative personnel in grades K-12 who have a DROP termination date on or after July 1, 2018, may be authorized to extend DROP participation beyond the initial 60 calendar month period if the administrative personnel's termination date is before the end of the school year. Such administrative personnel may have DROP participation extended until the last day of the last calendar month of the school year in which their original DROP termination date occurred.

B. SECTION DIRECTORY:

Section 1. amends s. 121.091, F.S., revising limitations on the maximum length of participation in DROP for certain instructional personnel and administrative personnel.

Section 2. provides a statement of important state interest.

Section 3. provides that the bill is effective on July 1, 2018.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

See Fiscal Comments.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

The bill authorizes certain school instructional personnel and administrative personnel to extend the length of their participation in DROP at the discretion of the employer. As such, any fiscal impact from the provisions of the bill will be dependent on decisions made by local employers.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to require counties or municipalities to spend funds or take action requiring the expenditure of funds; reduce the authority that counties or municipalities have to

raise revenues in the aggregate; or reduce the percentage of state tax shared with counties or municipalities.

2. Other:

Actuarial Requirements

Article X, s. 14 of the State Constitution requires that benefit improvements under public pension plans in the State of Florida be concurrently funded on a sound actuarial basis, as set forth below:

SECTION 14. State retirement systems benefit changes.--A governmental unit responsible for any retirement or pension system supported in whole or in part by public funds shall not after January 1, 1977, provide any increase in the benefits to the members or beneficiaries of such system unless such unit has made or concurrently makes provision for the funding of the increase in benefits on a sound actuarial basis.

Article X, s. 14 of the State Constitution is implemented by statute under part VII of ch. 112, F.S., the "Florida Protection of Public Employee Retirement Benefits Act" (Act). The Act establishes minimum standards for the operation and funding of public employee retirement systems and plans in the State of Florida. It prohibits the use of any procedure, methodology, or assumptions the effect of which is to transfer to future taxpayers any portion of the costs which may reasonably have been expected to be paid by the current taxpayers.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

None.

1 A bill to be entitled
 2 An act relating to retirement of instructional
 3 personnel and administrative personnel; amending s.
 4 121.091, F.S.; revising limitations on the maximum
 5 length of participation in the Deferred Retirement
 6 Option Program for certain instructional personnel and
 7 administrative personnel; requiring an employer to
 8 notify the Division of Retirement of the Department of
 9 Management Services regarding any change in
 10 termination date and program participation for each
 11 affected member; providing a statement of important
 12 state interest; providing an effective date.

13
 14 Be It Enacted by the Legislature of the State of Florida:

15
 16 Section 1. Paragraph (b) of subsection (13) of section
 17 121.091, Florida Statutes, is amended to read:

18 121.091 Benefits payable under the system.—Benefits may
 19 not be paid under this section unless the member has terminated
 20 employment as provided in s. 121.021(39)(a) or begun
 21 participation in the Deferred Retirement Option Program as
 22 provided in subsection (13), and a proper application has been
 23 filed in the manner prescribed by the department. The department
 24 may cancel an application for retirement benefits when the
 25 member or beneficiary fails to timely provide the information

26 and documents required by this chapter and the department's
 27 rules. The department shall adopt rules establishing procedures
 28 for application for retirement benefits and for the cancellation
 29 of such application when the required information or documents
 30 are not received.

31 (13) DEFERRED RETIREMENT OPTION PROGRAM.—In general, and
 32 subject to this section, the Deferred Retirement Option Program,
 33 hereinafter referred to as DROP, is a program under which an
 34 eligible member of the Florida Retirement System may elect to
 35 participate, deferring receipt of retirement benefits while
 36 continuing employment with his or her Florida Retirement System
 37 employer. The deferred monthly benefits shall accrue in the
 38 Florida Retirement System on behalf of the member, plus interest
 39 compounded monthly, for the specified period of the DROP
 40 participation, as provided in paragraph (c). Upon termination of
 41 employment, the member shall receive the total DROP benefits and
 42 begin to receive the previously determined normal retirement
 43 benefits. Participation in the DROP does not guarantee
 44 employment for the specified period of DROP. Participation in
 45 DROP by an eligible member beyond the initial 60-month period as
 46 authorized in this subsection shall be on an annual contractual
 47 basis for all participants.

48 (b) Participation in DROP.—Except as provided in this
 49 paragraph, an eligible member may elect to participate in DROP
 50 for a period not to exceed a maximum of 60 calendar months.

51 1.a. An eligible member may elect to participate in DROP
 52 for a period not to exceed a maximum of 60 calendar months.
 53 However, members who are instructional personnel employed by the
 54 Florida School for the Deaf and the Blind and authorized by the
 55 Board of Trustees of the Florida School for the Deaf and the
 56 Blind, who are instructional personnel as defined in s.
 57 1012.01(2)(a)-(d) in grades K-12 and authorized by the district
 58 school superintendent, or who are instructional personnel as
 59 defined in s. 1012.01(2)(a) employed by a developmental research
 60 school and authorized by the school's director, or if the school
 61 has no director, by the school's principal, may participate in
 62 DROP for up to 36 calendar months beyond the 60-month period.
 63 Effective July 1, 2018, instructional personnel who are
 64 authorized to extend DROP participation beyond the 60-month
 65 period must have a termination date that is the last day of the
 66 last calendar month of the school year within the DROP extension
 67 granted by the employer. If, on July 1, 2018, the member's DROP
 68 participation has already been extended for the maximum 36
 69 calendar months and the extension period concludes before the
 70 end of the school year, the member's DROP participation may be
 71 extended through the last day of the last calendar month of that
 72 school year. The employer shall notify the division of the
 73 change in termination date and the additional period of DROP
 74 participation for the affected instructional personnel.
 75 b. Administrative personnel in grades K-12, as defined in

76 s. 1012.01(3), who have a DROP termination date on or after July
 77 1, 2018, may be authorized to extend DROP participation beyond
 78 the initial 60 calendar month period if the administrative
 79 personnel's termination date is before the end of the school
 80 year. Such administrative personnel may have DROP participation
 81 extended until the last day of the last calendar month of the
 82 school year in which their original DROP termination date
 83 occurred if a date other than the last day of the last calendar
 84 month of the school year is designated. The employer shall
 85 notify the division of the change in termination date and the
 86 additional period of DROP participation for the affected
 87 administrative personnel.

- 88 2. Upon deciding to participate in DROP, the member shall
 89 submit, on forms required by the division:
- 90 a. A written election to participate in DROP;
 - 91 b. Selection of DROP participation and termination dates
 92 that satisfy the limitations stated in paragraph (a) and
 93 subparagraph 1. The termination date must be in a binding letter
 94 of resignation to the employer establishing a deferred
 95 termination date. The member may change the termination date
 96 within the limitations of subparagraph 1., but only with the
 97 written approval of the employer;
 - 98 c. A properly completed DROP application for service
 99 retirement as provided in this section; and
 - 100 d. Any other information required by the division.

101 3. The DROP participant is a retiree under the Florida
102 Retirement System for all purposes, except for paragraph (5)(f)
103 and subsection (9) and ss. 112.3173, 112.363, 121.053, and
104 121.122. DROP participation is final and may not be canceled by
105 the participant after the first payment is credited during the
106 DROP participation period. However, participation in DROP does
107 not alter the participant's employment status, and the member is
108 not deemed retired from employment until his or her deferred
109 resignation is effective and termination occurs as defined in s.
110 121.021.

111 4. Elected officers are eligible to participate in DROP
112 subject to the following:

113 a. An elected officer who reaches normal retirement date
114 during a term of office may defer the election to participate
115 until the next succeeding term in that office. An elected
116 officer who exercises this option may participate in DROP for up
117 to 60 calendar months or no longer than the succeeding term of
118 office, whichever is less.

119 b. An elected or a nonelected participant may run for a
120 term of office while participating in DROP and, if elected,
121 extend the DROP termination date accordingly; however, if such
122 additional term of office exceeds the 60-month limitation
123 established in subparagraph 1., and the officer does not resign
124 from office within such 60-month limitation, the retirement and
125 the participant's DROP is null and void as provided in sub-

126 | subparagraph (c)5.d.

127 | c. An elected officer who is dually employed and elects to
 128 | participate in DROP must terminate all employment relationships
 129 | as provided in s. 121.021(39) for the nonelected position within
 130 | the original 60-month period or maximum participation period as
 131 | provided in subparagraph 1. For DROP participation ending:

132 | (I) Before July 1, 2010, the officer may continue
 133 | employment as an elected officer as provided in s. 121.053. The
 134 | elected officer shall be enrolled as a renewed member in the
 135 | Elected Officers' Class or the Regular Class, as provided in ss.
 136 | 121.053 and 121.122, on the first day of the month after
 137 | termination of employment in the nonelected position and
 138 | termination of DROP. Distribution of the DROP benefits shall be
 139 | made as provided in paragraph (c).

140 | (II) On or after July 1, 2010, the officer may continue
 141 | employment as an elected officer but must defer termination as
 142 | provided in s. 121.053.

143 | Section 2. The Legislature finds that a proper and
 144 | legitimate state purpose is served when employees and retirees
 145 | of the state and its political subdivisions, and the dependents,
 146 | survivors, and beneficiaries of such employees and retirees, are
 147 | extended the basic protections afforded by governmental
 148 | retirement systems. These persons must be provided benefits that
 149 | are fair and adequate and that are managed, administered, and
 150 | funded in an actuarially sound manner, as required by s. 14,

151 Article X of the State Constitution and part VII of chapter 112,
152 Florida Statutes. Therefore, the Legislature determines and
153 declares that this act fulfills an important state interest.

154 Section 3. This act shall take effect July 1, 2018.

Amendment No. 1

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	___	(Y/N)
ADOPTED AS AMENDED	___	(Y/N)
ADOPTED W/O OBJECTION	___	(Y/N)
FAILED TO ADOPT	___	(Y/N)
WITHDRAWN	___	(Y/N)
OTHER	_____	

1 Committee/Subcommittee hearing bill: Appropriations Committee
2 Representative Fine offered the following:

Amendment (with title amendment)

Between lines 153 and 154, insert:

Section 3. Effective upon becoming a law, paragraph (d) of subsection (1) of section 121.051, Florida Statutes, is amended, and paragraph (e) is added to that subsection, to read:

121.051 Participation in the system.—

(1) COMPULSORY PARTICIPATION.—

(d) Beginning March 31, 2018, an employee of a dependent special district or a not-for-profit corporation or association created by the Board of County Commissioners of Escambia County for the purpose of owning, operating, or managing a public bus transit system, may elect to participate in the Florida Retirement System by notifying his or her employer in writing on

Amendment No. 1

17 or before August 31, 2018. Employees electing to participate
18 within the election period shall become members of the Florida
19 Retirement System, and the election is irrevocable. Such
20 employees who are hired on or after March 31, 2018, shall be
21 required to participate in the Florida Retirement System.

22 (e) The following persons are not eligible to participate
23 in the Florida Retirement System:

24 1. Employees of a not-for-profit corporation or
25 association created by the Board of County Commissioners of Palm
26 Beach County for the purpose of owning, operating, or managing a
27 public bus transit system formerly operated or managed by a
28 private corporation subject to 49 U.S.C. s. 5333(b).

29 2. Persons who perform services as a consultant or an
30 independent contractor, as defined by the division.

31
32 -----
33 **T I T L E A M E N D M E N T**

34 Remove lines 2-12 and insert:

35 An act relating to retirement; amending s. 121.091, F.S.;
36 revising limitations on the maximum length of participation in
37 the Deferred Retirement Option Program for certain instructional
38 personnel and administrative personnel; requiring an employer to
39 notify the Division of Retirement of the Department of
40 Management Services regarding any change in termination date and
41 program participation for each affected member; providing a

COMMITTEE/SUBCOMMITTEE AMENDMENT



Bill No. HB 977 (2018)

Amendment No. 1

42 | statement of important state interest; amending s. 121.051,
43 | F.S.; authorizing certain employees to elect to participate in
44 | the Florida Retirement System during a specified period;
45 | requiring membership in the system under certain circumstances;
46 | providing effective dates.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 1019 Financial Reporting
SPONSOR(S): Local, Federal & Veterans Affairs Subcommittee; La Rosa
TIED BILLS: IDEN./SIM. **BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Local, Federal & Veterans Affairs Subcommittee	12 Y, 0 N, As CS	Darden	Miller
2) Appropriations Committee		Keith 	Leznoff 
3) Government Accountability Committee			

SUMMARY ANALYSIS

Counties, municipalities, water management districts, and school districts are required to post their annual budget to their websites, but current law does not set a required amount of time for which the information must be available.

Local government entities are required to file annual financial reports within nine months of the conclusion of the fiscal year. Counties, school districts, municipalities with revenues or expenditures of more than \$250,000 per year, and special districts with revenues or expenditures of more than \$100,000 per year are required to conduct an annual audit. Municipalities with revenues or expenditures between \$100,000 and \$250,000 and special districts with revenues or expenditures between \$50,000 and \$100,000 are required to conduct audits on a triennial basis.

The Legislative Auditing Committee may conduct a hearing upon notification by the Auditor General, the Department of Financial Services, or the Division of Bond Finance of the State Board of Administration that a local government entity has failed to file required financial and audit reports.

The bill requires counties, municipalities, special districts, water management districts, and school districts to:

- Post annual budgets to their respective website for 5 years;
- Provide an electronic copy of their budgets to the Office of Economic and Demographic Research (EDR), on forms prescribed by the EDR;
- Provide a copy of their budget and a certification of timely filing to the clerk of the court;
- File annual financial reports and audit reports within six months of the end of the fiscal year.

The bill provides that the recipient of these reports may extend reporting deadlines by up to 90 days in the event the Governor declares a state of emergency. The bill provides that if a local government entity or school district fails to file required reports with the clerk of the court, the clerk shall notify the appropriate fiscal officer to withhold salary payments from the head of the local government entity or the superintendent of the school district until the reports are filed.

The bill requires all municipalities and special districts to conduct an annual audit.

The bill requires the Legislative Auditing Committee to conduct a hearing upon receiving notification from the Auditor General, the Department of Financial Services, the Division of Bond Finance of the State Board of Administration, the Governor, or the Commissioner of Education that a local government entity has failed to file required reports.

The bill has an indeterminate, but likely insignificant negative fiscal impact to expenditures and staff time of the EDR. The impact to local governments is unknown. See Fiscal Comments.

The bill provides an effective date of July 1, 2018.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Legislative Auditing Committee

The Legislative Auditing Committee may conduct an investigation into any matter within the scope of audit, review, or examination by the Auditor General or the Office of Program Policy Analysis and Government Accountability.¹ Following notification by the Auditor General, the Department of Financial Services (DFS), or the Division of Bond Finance of the State Board of Administration of the failure of a local governmental entity, district school board, charter school, or charter technical career center to comply with applicable auditing and financial requirements, the Legislative Auditing Committee may schedule a hearing to determine whether the entity should be subject to further state action.²

Local Government Budgets

Counties, municipalities, special districts, water management districts, and school districts are required to post their tentative and final budgets on their websites.³ Local government entities must post their tentative budget to their website at least two days before the budget meeting, the final budget within thirty days of adoption, and amendments to the budget within five days of adoption.⁴ Special districts are required to maintain the tentative budget on their website for at least 45 days and the final adopted budget as well as any amendment on their website for at least two years.⁵ No other type of local government entity has a minimum period for which their tentative budget, final budget, and budget amendments must remain available on their website.⁶

Annual Financial Reports

Local government entities that are required to provide an audit under s. 218.39, F.S., must submit an audit report and annual financial report to the DFS within 45 days of the completion of the audit report, but no later than nine months after the end of the fiscal year.⁷ Local government entities that are not required to submit an audit report must submit an annual financial report to the DFS no later than nine months after the end of the fiscal year.⁸ The annual financial report must be signed by the chair of the local governing body and the chief financial officer for the entity.⁹ The local government's website must contain a link to the DFS website to view the entity's annual financial report.¹⁰

If the DFS does not receive an annual financial report from a local government entity before the deadline, they must notify the Legislative Auditing Committee and the Special District Accountability

¹ Section 11.40(1), F.S.

² Section 11.40(2), F.S. Auditing and reporting requirements under this subsection include audits conducted by the Auditor General pursuant to s. 11.45, F.S., the filing of annual financial reports by local government entities pursuant to s. 218.32(1), F.S., providing notice of bond issuance and verification requirements pursuant to s. 218.38., F.S., and provisions requiring the disclosure of a financial emergency under s. 218.503(3), F.S. For purposes of s. 11.45, F.S., the term "local governmental entity" means a county agency, municipality, or special district, but does not include any housing authority established under ch. 421, F.S.

³ Sections 129.03(3)(c), 166.241(3), 189.016(4), 373.536(5)-(6), 1011.03(4)-(5), F.S. (requirements for counties, municipalities, special districts, water management districts, and school districts, respectively).

⁴ *Id.*, but see 373.536(6), F.S. (no requirement for water management districts to post budget amendments to their website).

⁵ Section 189.016, F.S.

⁶ See ss. 129.03(3)(c), 166.241(3), 373.536(5)-(6), 1011.03(4)-(5), F.S.

⁷ Section 218.32(1)(d), F.S. A "local government entity" includes any county, municipality, or special district. S. 218.31(1), F.S.

⁸ Section 218.32(1)(e), F.S.

⁹ Section 218.32(1)(a), F.S.

¹⁰ Section 218.32(1)(g), F.S.

Program of the Department of Economic Opportunity of the entity's failure to comply with reporting requirements.¹¹

Annual Audit Reports

Counties, school districts, municipalities with revenues or expenditures of more than \$250,000 per year, special districts with revenues or expenditures of more than \$100,000 per year, school districts, charter schools, and charter technical career centers are required to conduct an annual audit, unless informed by the first day of the fiscal year that a financial audit by the Auditor General will be performed for that fiscal year.¹² Municipalities with revenues or expenditures between \$100,000 and \$250,000 and special districts with revenues or expenditures between \$50,000 and \$100,000 are required to conduct audits on a triennial basis.¹³

The auditor meets with the chair of the entity to discuss comments that will be included in the report and informs the entity's governing body if deteriorating financial conditions exist that may cause a financial emergency in the absence of corrective actions being taken or a deficit exists for which there are insufficient funds to cover.¹⁴ The officer's explanation or rebuttal of the auditor's findings, including corrective actions to be taken, must be filed with entity's governing body within thirty days after the delivery of the auditor's findings.¹⁵

The audit report must be filed with the Auditor General within 45 days of delivery to the governing body of the audited entity, but no later than nine months after the end of the audited entity's fiscal year.¹⁶ The audit report must include a written statement describing corrective actions to be taken in response to each of the auditor's recommendations included in the report. If an audited entity fails to take full corrective action in response to a recommendation that was included in the two preceding financial audit reports, the Auditor General shall notify the Legislative Auditing Committee.¹⁷

Effect of Proposed Changes

The bill requires each county, municipality, special district, water management district, and school district to post their final budgets on their respective websites and specifies that the budget must remain on the website for five years.

The bill also requires the government entity to submit an electronic copy of the budget to the Office of Economic and Demographic Research (EDR) within 30 days after the budget is adopted. The bill allows for an extension of the deadline for up to 90 days if the Governor declares a state of emergency within 30 days of the submission deadline. The bill requires the EDR to develop forms by July 15, 2018 for the purpose of submitting budget data. The forms must provide "broad, but meaningful" categories for organizing expenditures. By December 1, 2018, the EDR is required to submit a report to the President of the Senate and Speaker of the House of Representatives that:

- identifies a structure to allow the public to make simple, direct comparisons between governmental entities of the same type,
- enables the public to rank entities of the same type based on submitted budget information, and
- provides recommendations to provide this information in a cost-effective manner.

¹¹ Section 218.32(1)(f), F.S.

¹² Section 218.39(1), F.S.

¹³ Section 218.39(1)(g)-(h), F.S.

¹⁴ Section 218.39(5), F.S.

¹⁵ Section 218.39(6), F.S.

¹⁶ Section 218.39(7), F.S.

¹⁷ Section 218.39(8), F.S.

The government entity must also submit to the clerk of the court a copy of the information that was submitted to the EDR, a copy of the final budget that was posted on the county's website, and a statement certifying both of these items were submitted and posted in a timely manner.

The bill requires each school district required to file an annual financial report to submit an electronic copy to the Department of Education certifying the report was timely filed to maintain eligibility for the Florida Education Finance Program.

The bill requires each local government entity to submit a copy of the audit report and annual financial report to the DFS no later than six months after the end of the fiscal year. The bill allows the DFS to extend the deadline for up to 90 days if the Governor declares a state of emergency within 30 days of the submission deadline. Each local government entity must submit an electronic copy of the annual financial report and a statement certifying the document was timely filed with the DFS to the clerk of the court. The bill requires the DFS to notify the Legislative Auditing Committee and the Special District Accountability Program of a local government entity's failure to submit financial reports by April 30.

Starting in fiscal year 2018-2019, the bill provides that if a local government entity or school district fails to submit information to the clerk of the court, the clerk shall notify the appropriate fiscal officer of the local government or school district to suspend salary payments to the head of the local government entity or superintendent of the school district until such time as the information is provided to the clerk.

The bill requires the DFS to post a copy of each local government entity's annual financial report to its website within 12 months of the conclusion of the fiscal year for which the report was compiled.

The bill requires all municipalities and special districts to complete an annual financial audit starting in fiscal year 2018-2019. The audit report must be filed with the Auditor General no later than six months after the end of the fiscal year. The Auditor General may extend the deadline for up to 90 days if the Governor declares a state of emergency within 30 days of the deadline.

The bill requires the Legislative Auditing Committee, upon notification by the Auditor General, the DFS, or the Division of Bond Finance of the State Board of Administration, to schedule a hearing to determine if a local government entity or school district should be subject to further state action. The bill also adds the Governor and the Commissioner of Education to the list of reporting entities.

B. SECTION DIRECTORY:

- Section 1: Amends s. 11.40, F.S., requiring the Legislative Auditing Committee to hold hearings following notification a local government entity has failed to file required reports.
- Section 2: Amends s. 129.03, F.S., requiring each county to post final budgets to their website for 5 years and report financial data to the EDR.
- Section 3: Amends s. 165.0615, F.S., conforming cross-references.
- Section 4: Amends s. 166.241, F.S., requiring each municipality to post final budgets to their website for 5 years and report financial data to the EDR.
- Section 5: Amends s. 189.016, F.S., requiring each special district to post final budgets to their website for 5 years and report financial data to the EDR.
- Section 6: Amends s. 189.066, F.S., conforming cross-references.
- Section 7: Amends s. 189.074, F.S., conforming cross-references.
- Section 8: Amends s. 218.32, F.S., concerning the reporting of annual financial reports by local government entities.

- Section 9: Amends s. 218.39, F.S., requiring all local government entities to file an annual financial audit report.
- Section 10: Amends s. 373.536, F.S., requiring each water management district to post final budgets to its website for 5 years and report financial data to the EDR.
- Section 11: Amends s. 1011.03, F.S., requiring each school district to post final budgets to its website for 5 years and report financial data to the EDR.
- Section 12: Amends s. 1011.60, F.S., requiring school districts to submit to the clerk of court a certification that the district's annual financial report was timely filed.
- Section 13: Requires EDR to prepare forms for use by counties, municipalities, special districts, water management districts, and school districts when submitting information regarding their final budgets to the office.
- Section 14: Provides an effective date of July 1, 2018.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

The bill has an indeterminate, but likely insignificant negative fiscal impact to expenditures and staff time of the Office of Economic and Demographic Research (EDR). The bill requires that the EDR, by July 15, 2018, develop forms for the submittal of budget data from certain specified entities. Additionally, the bill requires the EDR to compile and submit a report to the President of the Senate and Speaker of the House of Representatives by December 1, 2018. In the report, the EDR is required to identify a structure to allow the public to make simple, direct comparisons between governmental entities of the same type; enable the public to rank entities of the same type based on submitted budget data; and, offer recommendations to provide this information in a cost-effective manner. It is anticipated that the EDR will be able to absorb these additional impacts within existing resources.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

See Fiscal Comments.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

The bill requires annual audit reports, for specified entities of the bill, to be provided to the Auditor General. This would require those entities, who under current law report triennially, to perform annual audits. The impact of this is unknown at this time.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The county/municipality mandates provision of Art. VII, section 18, of the Florida Constitution may apply because this bill requires all municipalities to complete an annual financial audit. Currently, municipalities with revenues or expenditures between \$100,000 and \$250,000 are required to conduct financial audits every three years. However, an exemption may apply if the fiscal impact of the bill is insignificant.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The bill does not provide rulemaking authority or require executive branch rulemaking.

C. DRAFTING ISSUES OR OTHER COMMENTS:

The bill requires amendments to a municipal budget to be posted on the municipality's website for five years, but does not include this requirement for school districts or any other local government entity.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On January 24, 2018, the Local, Federal & Veterans Affairs Subcommittee adopted a strike-all amendment and reported the bill favorably as a committee substitute. The amendment adds the Governor and the Commissioner of Education to the list of reporting entities who can trigger review of a local government entity by the Legislative Auditing Committee. The amendment also makes technical corrections to the bill.

This analysis is drafted to the committee substitute as passed by the Local, Federal & Veterans Affairs Subcommittee.

1 A bill to be entitled
2 An act relating to financial reporting; amending s.
3 11.40, F.S.; requiring, rather than authorizing, the
4 Legislative Auditing Committee to schedule hearings
5 concerning certain governmental entities for failure
6 to comply with certain financial audit requirements;
7 amending ss. 129.03, 166.241, and 189.016, F.S.;
8 requiring county, municipality, and special district
9 budget officers to submit certain budget information
10 to specified entities within a specified timeframe;
11 providing an exception; requiring adopted budget
12 amendments and final budgets to remain posted on each
13 entity's official website for a specified period of
14 time; conforming cross-references; amending ss.
15 165.0615, 189.066, and 189.074, F.S.; conforming
16 cross-references; amending s. 218.32, F.S.; revising
17 certain reporting deadlines; providing an exception;
18 providing a notification deadline; providing penalties
19 for failure to submit certain financial information;
20 requiring the department to post annual financial
21 reports for certain governmental entities on its
22 website within a specified timeframe; amending s.
23 218.39, F.S.; requiring municipalities and special
24 districts to have a certain audit performed beginning
25 in a specified fiscal year; providing an exception;

26 | amending ss. 373.536 and 1011.03, F.S.; requiring
 27 | adopted final budgets to remain posted on a water
 28 | management district's or district school board's
 29 | official website for a specified period of time;
 30 | requiring water management district and district
 31 | school board budget officers to submit certain budget
 32 | information to the Office of Economic and Demographic
 33 | Research and specified entities within a specified
 34 | timeframe; requiring use of a specified form;
 35 | providing an exception; providing penalties for
 36 | failure to submit certain budget information; amending
 37 | s. 1011.60, F.S.; requiring district school boards to
 38 | submit certain financial information to specified
 39 | entities within a specified timeframe; requiring the
 40 | office to develop specified forms for use by local
 41 | governmental entities in reporting certain budget
 42 | information; requiring a report to the Legislature by
 43 | a specified date; providing an effective date.

44 |
 45 | Be It Enacted by the Legislature of the State of Florida:
 46 |

47 | Section 1. Subsection (2) of section 11.40, Florida
 48 | Statutes, is amended to read:

49 | 11.40 Legislative Auditing Committee.—

50 | (2) Following notification by the Auditor General, the

51 Department of Financial Services, ~~or~~ the Division of Bond
 52 Finance of the State Board of Administration, the Governor or
 53 his or her designee, or the Commissioner of Education or his or
 54 her designee of the failure of a local governmental entity,
 55 district school board, charter school, or charter technical
 56 career center to comply with the applicable provisions within s.
 57 11.45(5)-(7), s. 218.32(1), s. 218.38, or s. 218.503(3), the
 58 Legislative Auditing Committee shall ~~may~~ schedule a hearing to
 59 determine if the entity should be subject to further state
 60 action. If the committee determines that the entity should be
 61 subject to further state action, the committee shall:

62 (a) In the case of a local governmental entity or district
 63 school board, direct the Department of Revenue and the
 64 Department of Financial Services to withhold any funds not
 65 pledged for bond debt service satisfaction which are payable to
 66 such entity until the entity complies with the law. The
 67 committee shall specify the date that such action must ~~shall~~
 68 begin, and the directive must be received by the Department of
 69 Revenue and the Department of Financial Services 30 days before
 70 the date of the distribution mandated by law. The Department of
 71 Revenue and the Department of Financial Services may implement
 72 ~~the provisions of~~ this paragraph.

73 (b) In the case of a special district created by:
 74 1. A special act, notify the President of the Senate, the
 75 Speaker of the House of Representatives, the standing committees

76 of the Senate and the House of Representatives charged with
 77 special district oversight as determined by the presiding
 78 officers of each respective chamber, the legislators who
 79 represent a portion of the geographical jurisdiction of the
 80 special district, and the Department of Economic Opportunity
 81 that the special district has failed to comply with the law.
 82 Upon receipt of notification, the Department of Economic
 83 Opportunity shall proceed pursuant to s. 189.062 or s. 189.067.
 84 If the special district remains in noncompliance after the
 85 process set forth in s. 189.0651, or if a public hearing is not
 86 held, the Legislative Auditing Committee may request the
 87 department to proceed pursuant to s. 189.067(3).

88 2. A local ordinance, notify the chair or equivalent of
 89 the local general-purpose government pursuant to s. 189.0652 and
 90 the Department of Economic Opportunity that the special district
 91 has failed to comply with the law. Upon receipt of notification,
 92 the department shall proceed pursuant to s. 189.062 or s.
 93 189.067. If the special district remains in noncompliance after
 94 the process set forth in s. 189.0652, or if a public hearing is
 95 not held, the Legislative Auditing Committee may request the
 96 department to proceed pursuant to s. 189.067(3).

97 3. Any manner other than a special act or local ordinance,
 98 notify the Department of Economic Opportunity that the special
 99 district has failed to comply with the law. Upon receipt of
 100 notification, the department shall proceed pursuant to s.

101 189.062 or s. 189.067(3).

102 (c) In the case of a charter school or charter technical
 103 career center, notify the appropriate sponsoring entity, which
 104 may terminate the charter pursuant to ss. 1002.33 and 1002.34.

105 Section 2. Paragraph (c) of subsection (3) of section
 106 129.03, Florida Statutes, is amended, and paragraph (d) is added
 107 to that subsection, to read:

108 129.03 Preparation and adoption of budget.—

109 (3) The county budget officer, after tentatively
 110 ascertaining the proposed fiscal policies of the board for the
 111 next fiscal year, shall prepare and present to the board a
 112 tentative budget for the next fiscal year for each of the funds
 113 provided in this chapter, including all estimated receipts,
 114 taxes to be levied, and balances expected to be brought forward
 115 and all estimated expenditures, reserves, and balances to be
 116 carried over at the end of the year.

117 (c) The board shall hold public hearings to adopt
 118 tentative and final budgets pursuant to s. 200.065. The hearings
 119 shall be primarily for the purpose of hearing requests and
 120 complaints from the public regarding the budgets and the
 121 proposed tax levies and for explaining the budget and any
 122 proposed or adopted amendments. The tentative budget must be
 123 posted on the county's official website at least 2 days before
 124 the public hearing to consider such budget. The final budget
 125 must be posted on the website within 30 days after adoption and

126 must remain on the website for 5 years. The tentative budgets,
 127 adopted tentative budgets, and final budgets shall be filed in
 128 the office of the county auditor as a public record. Sufficient
 129 reference in words and figures to identify the particular
 130 transactions must ~~shall~~ be made in the minutes of the board to
 131 record its actions with reference to the budgets.

132 (d) Beginning in the 2018-2019 fiscal year, the county
 133 budget officer shall electronically submit information regarding
 134 the final budget to the Office of Economic and Demographic
 135 Research within 30 days after adoption of the final budget in
 136 the format specified by the office. If the Governor declares a
 137 state of emergency pursuant to s. 252.36(2) within 30 days after
 138 the submission deadline, the department may extend the deadline
 139 up to an additional 90 days. The county budget officer shall
 140 also electronically submit to the clerk of the court:

141 1. A copy of the information that was submitted to the
 142 office.

143 2. A copy of the final budget that was posted on the
 144 county's website.

145 3. A statement certifying that the items in subparagraphs
 146 1. and 2. were timely submitted and posted.

147 Section 3. Subsection (16) of section 165.0615, Florida
 148 Statutes, is amended to read:

149 165.0615 Municipal conversion of independent special
 150 districts upon elector-initiated and approved referendum.-

151 (16) If the incorporation plan is approved by a majority
 152 of the votes cast in the independent special district, the
 153 district shall notify the Special District Accountability
 154 Program pursuant to s. 189.016(2) and the local general-purpose
 155 governments in which any part of the independent special
 156 district is situated pursuant to s. 189.016(8) ~~s. 189.016(7)~~.

157 Section 4. Subsections (4) and (5) of section 166.241,
 158 Florida Statutes, are renumbered as subsections (5) and (6),
 159 respectively, subsection (3) and present subsection (5) are
 160 amended, and a new subsection (4) is added to that section, to
 161 read:

162 166.241 Fiscal years, budgets, and budget amendments.—

163 (3) The tentative budget must be posted on the
 164 municipality's official website at least 2 days before the
 165 budget hearing, held pursuant to s. 200.065 or other law, to
 166 consider such budget. The final adopted budget must be posted on
 167 the municipality's official website within 30 days after
 168 adoption and must remain on the website for 5 years. If the
 169 municipality does not operate an official website, the
 170 municipality must, within a reasonable period of time as
 171 established by the county or counties in which the municipality
 172 is located, transmit the tentative budget and final budget to
 173 the manager or administrator of such county or counties who
 174 shall post the budgets on the county's website.

175 (4) Beginning in the 2018-2019 fiscal year, the

176 municipality budget officer shall electronically submit
 177 information regarding the final budget to the Office of Economic
 178 and Demographic Research within 30 days after adoption of the
 179 final budget in the format specified by the office. If the
 180 Governor declares a state of emergency pursuant to s. 252.36(2)
 181 within 30 days after the submission deadline, the department may
 182 extend the deadline up to an additional 90 days. The
 183 municipality budget officer shall also electronically submit to
 184 the clerk of the court:

185 (a) A copy of the information that was submitted to the
 186 office.

187 (b) A copy of the final budget that was posted on the
 188 municipality's website.

189 (c) A statement certifying that the items in paragraphs
 190 (a) and (b) were timely submitted and posted.

191 (6)(5) If the governing body of a municipality amends the
 192 budget pursuant to paragraph (5)(c) ~~paragraph (4)(c)~~, the
 193 adopted amendment must be posted on the official website of the
 194 municipality within 5 days after adoption and must remain on the
 195 website for 5 years. If the municipality does not operate an
 196 official website, the municipality must, within a reasonable
 197 period of time as established by the county or counties in which
 198 the municipality is located, transmit the adopted amendment to
 199 the manager or administrator of such county or counties who
 200 shall post the adopted amendment on the county's website.

201 Section 5. Subsections (5) through (10) of section
 202 189.016, Florida Statutes, are renumbered as subsections (6)
 203 through (11), respectively, subsection (4) and present
 204 subsections (7) and (10) are amended, and a new subsection (5)
 205 is added to that section, to read:

206 189.016 Reports; budgets; audits.—

207 (4) The tentative budget must be posted on the special
 208 district's official website at least 2 days before the budget
 209 hearing, held pursuant to s. 200.065 or other law, to consider
 210 such budget and must remain on the website for at least 45 days.
 211 The final adopted budget must be posted on the special
 212 district's official website within 30 days after adoption and
 213 must remain on the website for 5 ~~at least 2~~ years. This
 214 subsection and subsection (3) do not apply to water management
 215 districts as defined in s. 373.019.

216 (5) Beginning in the 2018-2019 fiscal year, the special
 217 district budget officer shall electronically submit information
 218 regarding the final budget to the Office of Economic and
 219 Demographic Research within 30 days after adoption of the final
 220 budget in the reporting format specified by the office. If the
 221 Governor declares a state of emergency under s. 252.36(2) within
 222 30 days after the submission deadline for the final budget, the
 223 department may extend the deadline up to an additional 90 days.
 224 The special district budget officer shall also electronically
 225 submit to the clerk of the court:

226 (a) A copy of the information that was submitted to the
 227 office.

228 (b) A copy of the final budget that was posted on the
 229 special district's website.

230 (c) A statement certifying that the items in paragraphs
 231 (a) and (b) were timely submitted and posted.

232 ~~(8)(7)~~ If the governing body of a special district amends
 233 the budget pursuant to paragraph (7)(c) ~~paragraph (6)(e)~~, the
 234 adopted amendment must be posted on the official website of the
 235 special district within 5 days after adoption and must remain on
 236 the website for at least 2 years.

237 ~~(11)(10)~~ All reports or information required to be filed
 238 with a local general-purpose government or governing authority
 239 under ss. 189.014, 189.015, and 189.08 and subsection (9)
 240 ~~subsection (8)~~ must:

241 (a) If the local general-purpose government or governing
 242 authority is a county, be filed with the clerk of the board of
 243 county commissioners.

244 (b) If the district is a multicounty district, be filed
 245 with the clerk of the county commission in each county.

246 (c) If the local general-purpose government or governing
 247 authority is a municipality, be filed at the place designated by
 248 the municipal governing body.

249 Section 6. Subsections (1) and (2) of section 189.066,
 250 Florida Statutes, are amended to read:

251 189.066 Effect of failure to file certain reports or
 252 information.—

253 (1) If an independent special district fails to file the
 254 reports or information required under s. 189.014, s. 189.015, s.
 255 189.016(10) ~~s. 189.016(9)~~, or s. 189.08 with the local general-
 256 purpose government or governments in which it is located, the
 257 person authorized to receive and read the reports or information
 258 or the local general-purpose government shall notify the
 259 district's registered agent. If requested by the district, the
 260 local general-purpose government shall grant an extension of up
 261 to 30 days for filing the required reports or information. If
 262 the governing body of the local general-purpose government or
 263 governments determines that there has been an unjustified
 264 failure to file these reports or information, it shall notify
 265 the department, and the department may proceed pursuant to s.
 266 189.067(1).

267 (2) If a dependent special district fails to file the
 268 reports or information required under s. 189.014, s. 189.015, or
 269 s. 189.016(10) ~~s. 189.016(9)~~ with the local governing authority
 270 to which it is dependent, the local governing authority shall
 271 take whatever steps it deems necessary to enforce the special
 272 district's accountability. Such steps may include, as
 273 authorized, withholding funds, removing governing body members
 274 at will, vetoing the special district's budget, conducting the
 275 oversight review process set forth in s. 189.068, or amending,

276 merging, or dissolving the special district in accordance with
 277 the provisions contained in the ordinance that created the
 278 dependent special district.

279 Section 7. Paragraph (e) of subsection (2) and paragraph
 280 (g) of subsection (3) of section 189.074, Florida Statutes, are
 281 amended to read:

282 189.074 Voluntary merger of independent special
 283 districts.—Two or more contiguous independent special districts
 284 created by special act which have similar functions and elected
 285 governing bodies may elect to merge into a single independent
 286 district through the act of merging the component independent
 287 special districts.

288 (2) JOINT MERGER PLAN BY RESOLUTION.—The governing bodies
 289 of two or more contiguous independent special districts may, by
 290 joint resolution, endorse a proposed joint merger plan to
 291 commence proceedings to merge the districts pursuant to this
 292 section.

293 (e) After the final public hearing, the governing bodies
 294 shall notify the supervisors of elections of the applicable
 295 counties in which district lands are located of the adoption of
 296 the resolution by each governing body. The supervisors of
 297 elections shall schedule a separate referendum for each
 298 component independent special district. The referenda may be
 299 held in each district on the same day, or on different days, but
 300 no more than 20 days apart.

301 1. Notice of a referendum on the merger of independent
 302 special districts must be provided pursuant to the notice
 303 requirements in s. 100.342. At a minimum, the notice must
 304 include:

305 a. A brief summary of the resolution and joint merger
 306 plan;

307 b. A statement as to where a copy of the resolution and
 308 joint merger plan may be examined;

309 c. The names of the component independent special
 310 districts to be merged and a description of their territory;

311 d. The times and places at which the referendum will be
 312 held; and

313 e. Such other matters as may be necessary to call, provide
 314 for, and give notice of the referendum and to provide for the
 315 conduct thereof and the canvass of the returns.

316 2. The referenda must be held in accordance with the
 317 Florida Election Code and may be held pursuant to ss. 101.6101-
 318 101.6107. All costs associated with the referenda shall be borne
 319 by the respective component independent special district.

320 3. The ballot question in such referendum placed before
 321 the qualified electors of each component independent special
 322 district to be merged must be in substantially the following
 323 form:

324 "Shall ... (name of component independent special
 325 district)... and ... (name of component independent special

326 district or districts)... be merged into ...(name of newly
 327 merged independent district)...?

328YES

329NO"

330 4. If the component independent special districts
 331 proposing to merge have disparate millage rates, the ballot
 332 question in the referendum placed before the qualified electors
 333 of each component independent special district must be in
 334 substantially the following form:

335 "Shall ...(name of component independent special
 336 district)... and ...(name of component independent special
 337 district or districts)... be merged into ...(name of newly
 338 merged independent district)... if the voter-approved maximum
 339 millage rate within each independent special district will not
 340 increase absent a subsequent referendum?

341YES

342NO"

343 5. In any referendum held pursuant to this section, the
 344 ballots shall be counted, returns made and canvassed, and
 345 results certified in the same manner as other elections or
 346 referenda for the component independent special districts.

347 6. The merger may not take effect unless a majority of the
 348 votes cast in each component independent special district are in
 349 favor of the merger. If one of the component districts does not
 350 obtain a majority vote, the referendum fails, and merger does

351 not take effect.

352 7. If the merger is approved by a majority of the votes
 353 cast in each component independent special district, the merged
 354 independent district is created. Upon approval, the merged
 355 independent district shall notify the Special District
 356 Accountability Program pursuant to s. 189.016(2) and the local
 357 general-purpose governments in which any part of the component
 358 independent special districts is situated pursuant to s.
 359 189.016(8) ~~s. 189.016(7)~~.

360 8. If the referendum fails, the merger process under this
 361 subsection may not be initiated for the same purpose within 2
 362 years after the date of the referendum.

363 (3) QUALIFIED ELECTOR-INITIATED MERGER PLAN.—The qualified
 364 electors of two or more contiguous independent special districts
 365 may commence a merger proceeding by each filing a petition with
 366 the governing body of their respective independent special
 367 district proposing to be merged. The petition must contain the
 368 signatures of at least 40 percent of the qualified electors of
 369 each component independent special district and must be
 370 submitted to the appropriate component independent special
 371 district governing body no later than 1 year after the start of
 372 the qualified elector-initiated merger process.

373 (g) After the final public hearing, the governing bodies
 374 shall notify the supervisors of elections of the applicable
 375 counties in which district lands are located of the adoption of

376 the resolution by each governing body. The supervisors of
 377 elections shall schedule a date for the separate referenda for
 378 each district. The referenda may be held in each district on the
 379 same day, or on different days, but no more than 20 days apart.

380 1. Notice of a referendum on the merger of the component
 381 independent special districts must be provided pursuant to the
 382 notice requirements in s. 100.342. At a minimum, the notice must
 383 include:

384 a. A brief summary of the resolution and elector-initiated
 385 merger plan;

386 b. A statement as to where a copy of the resolution and
 387 petition for merger may be examined;

388 c. The names of the component independent special
 389 districts to be merged and a description of their territory;

390 d. The times and places at which the referendum will be
 391 held; and

392 e. Such other matters as may be necessary to call, provide
 393 for, and give notice of the referendum and to provide for the
 394 conduct thereof and the canvass of the returns.

395 2. The referenda must be held in accordance with the
 396 Florida Election Code and may be held pursuant to ss. 101.6101-
 397 101.6107. All costs associated with the referenda shall be borne
 398 by the respective component independent special district.

399 3. The ballot question in such referendum placed before
 400 the qualified electors of each component independent special

401 district to be merged must be in substantially the following
 402 form:

403 "Shall ...(name of component independent special
 404 district)... and ...(name of component independent special
 405 district or districts)... be merged into ...(name of newly
 406 merged independent district)...?

407YES

408NO"

409 4. If the component independent special districts
 410 proposing to merge have disparate millage rates, the ballot
 411 question in the referendum placed before the qualified electors
 412 of each component independent special district must be in
 413 substantially the following form:

414 "Shall ...(name of component independent special
 415 district)... and ...(name of component independent special
 416 district or districts)... be merged into ...(name of newly
 417 merged independent district)... if the voter-approved maximum
 418 millage rate within each independent special district will not
 419 increase absent a subsequent referendum?

420YES

421NO"

422 5. In any referendum held pursuant to this section, the
 423 ballots shall be counted, returns made and canvassed, and
 424 results certified in the same manner as other elections or
 425 referenda for the component independent special districts.

426 6. The merger may not take effect unless a majority of the
 427 votes cast in each component independent special district are in
 428 favor of the merger. If one of the component independent special
 429 districts does not obtain a majority vote, the referendum fails,
 430 and merger does not take effect.

431 7. If the merger is approved by a majority of the votes
 432 cast in each component independent special district, the merged
 433 district shall notify the Special District Accountability
 434 Program pursuant to s. 189.016(2) and the local general-purpose
 435 governments in which any part of the component independent
 436 special districts is situated pursuant to s. 189.016(8) ~~s.~~
 437 ~~189.016(7)~~.

438 8. If the referendum fails, the merger process under this
 439 subsection may not be initiated for the same purpose within 2
 440 years after the date of the referendum.

441 Section 8. Subsection (3) of section 218.32, Florida
 442 Statutes, is renumbered as subsection (4), paragraphs (d), (e),
 443 and (f) of subsection (1) are amended, paragraph (h) is added to
 444 that subsection, and a new subsection (3) is added to that
 445 section, to read:

446 218.32 Annual financial reports; local governmental
 447 entities.—

448 (1)

449 (d) Each local governmental entity that is required to
 450 provide for an audit under s. 218.39(1) must submit a copy of

451 the audit report and annual financial report to the department
 452 within 45 days after the completion of the audit report but no
 453 later than 6 9 months after the end of the fiscal year. If the
 454 Governor declares a state of emergency under s. 252.36(2) within
 455 30 days after the submission deadline for the audit report and
 456 annual financial report, the department may extend the deadline
 457 up to an additional 90 days. The local governmental entity must
 458 electronically submit to the clerk of the court a copy of its
 459 annual financial report and a statement certifying that the
 460 report was timely filed with the department.

461 (e) Each local governmental entity that is not required to
 462 provide for an audit under s. 218.39 must submit the annual
 463 financial report to the department no later than 6 9 months
 464 after the end of the fiscal year. The department shall consult
 465 with the Auditor General in the development of the format of
 466 annual financial reports submitted pursuant to this paragraph.
 467 The format must include balance sheet information used by the
 468 Auditor General pursuant to s. 11.45(7)(f). The department must
 469 forward the financial information contained within the annual
 470 financial reports to the Auditor General in electronic form.
 471 This paragraph does not apply to housing authorities created
 472 under chapter 421. If the Governor declares a state of emergency
 473 under s. 252.36(2) within 30 days after the submission deadline,
 474 the department may extend the deadline up to an additional 90
 475 days.

476 (f) If the department does not receive a completed annual
 477 financial report from a local governmental entity within the
 478 required period, it shall notify the Legislative Auditing
 479 Committee and the Special District Accountability Program of the
 480 Department of Economic Opportunity by April 30 of the entity's
 481 failure to comply with the reporting requirements.

482 (h) Beginning in the 2018-2019 fiscal year and
 483 notwithstanding any other penalty or remedy provided by law, if
 484 a local governmental entity fails to submit information to the
 485 clerk of the court as required under paragraph (d), s.
 486 129.03(3)(d), s. 166.241(4), or s. 189.016(5), as applicable,
 487 the clerk of the court shall notify the appropriate local fiscal
 488 officer to suspend future salary payments for the head of that
 489 local governmental entity. The clerk shall notify the
 490 appropriate local fiscal officer to resume payments when the
 491 clerk receives the information.

492 (3) No later than 12 months after the end of the most
 493 recently completed fiscal year, the department shall post on its
 494 website the annual financial report for each local governmental
 495 entity and independent special district that is required to
 496 submit an annual financial report pursuant to subsection (1).

497 Section 9. Paragraphs (b), (c), (g), and (h) of subsection
 498 (1) and subsection (7) of section 218.39, Florida Statutes, are
 499 amended to read:

500 218.39 Annual financial audit reports.-

501 (1) If, by the first day in any fiscal year, a local
 502 governmental entity, district school board, charter school, or
 503 charter technical career center has not been notified that a
 504 financial audit for that fiscal year will be performed by the
 505 Auditor General, each of the following entities shall have an
 506 annual financial audit of its accounts and records completed
 507 within 9 months after the end of its fiscal year by an
 508 independent certified public accountant retained by it and paid
 509 from its public funds:

510 (b) Any municipality with revenues or the total of
 511 expenditures and expenses in excess of \$250,000, as reported on
 512 the fund financial statements, and each municipality beginning
 513 in the 2018-2019 fiscal year.

514 (c) Any special district with revenues or the total of
 515 expenditures and expenses in excess of \$100,000, as reported on
 516 the fund financial statements, and each special district
 517 beginning in the 2018-2019 fiscal year.

518 ~~(g) Each municipality with revenues or the total of~~
 519 ~~expenditures and expenses between \$100,000 and \$250,000, as~~
 520 ~~reported on the fund financial statements, which has not been~~
 521 ~~subject to a financial audit pursuant to this subsection for the~~
 522 ~~2 preceding fiscal years.~~

523 ~~(h) Each special district with revenues or the total of~~
 524 ~~expenditures and expenses between \$50,000 and \$100,000, as~~
 525 ~~reported on the fund financial statement, which has not been~~

526 ~~subject to a financial audit pursuant to this subsection for the~~
 527 ~~2 preceding fiscal years.~~

528 (7) All audits conducted pursuant to this section must be
 529 conducted in accordance with the rules of the Auditor General
 530 adopted pursuant to s. 11.45. Upon completion of the audit, the
 531 auditor shall prepare an audit report in accordance with the
 532 rules of the Auditor General. The audit report shall be filed
 533 with the Auditor General within 45 days after delivery of the
 534 audit report to the governing body of the audited entity, but no
 535 later than 6 9 months after the end of the audited entity's
 536 fiscal year. The audit report must include a written statement
 537 describing corrective actions to be taken in response to each of
 538 the auditor's recommendations included in the audit report. If
 539 the Governor declares a state of emergency under s. 252.36(2)
 540 within 30 days after the submission deadline for the audit
 541 report, the Auditor General may extend the deadline up to an
 542 additional 90 days.

543 Section 10. Paragraph (d) of subsection (6) of section
 544 373.536, Florida Statutes, is amended, and paragraphs (e) and
 545 (f) are added to that subsection, to read:

546 373.536 District budget and hearing thereon.—

547 (6) FINAL BUDGET; ANNUAL AUDIT; CAPITAL IMPROVEMENTS PLAN;
 548 WATER RESOURCE DEVELOPMENT WORK PROGRAM.—

549 (d) The final adopted budget must be posted on the water
 550 management district's official website within 30 days after

551 | adoption and must remain on the website for 5 years.

552 | (e) Beginning in the 2018-2019 fiscal year, the water
 553 | management district budget officer shall electronically submit
 554 | information regarding the final budget to the Office of Economic
 555 | and Demographic Research within 30 days after adoption of the
 556 | final budget in the format specified by the office. If the
 557 | Governor declares a state of emergency under s. 252.36(2) within
 558 | 30 days after the submission deadline, the department may extend
 559 | the deadline up to an additional 90 days. The water management
 560 | district budget officer shall also electronically submit to the
 561 | clerk of the court in each county in which the district
 562 | operates:

563 | 1. A copy of the information that was submitted to the
 564 | office.

565 | 2. A copy of the final budget that was posted on the water
 566 | management district's website.

567 | 3. A statement certifying that the items in subparagraphs
 568 | 1. and 2. were timely submitted and posted.

569 | (f) Beginning in the 2018-2019 fiscal year and
 570 | notwithstanding any other penalty or remedy that may be
 571 | authorized by law, if a water management district budget officer
 572 | fails to submit information to the clerk of the court as
 573 | required in paragraph (e), the clerk of the court shall notify
 574 | the appropriate fiscal officer to suspend future salary payments
 575 | for the executive director of that district. The clerk shall

576 notify the fiscal officer to resume payments when the clerk
 577 receives the information.

578 Section 11. Subsection (5) of section 1011.03, Florida
 579 Statutes, is renumbered as subsection (6), subsection (4) is
 580 amended, and a new subsection (5) is added to that section, to
 581 read:

582 1011.03 Public hearings; budget submissions; penalties to
 583 be submitted to Department of Education.-

584 (4) The board shall hold public hearings to adopt
 585 tentative and final budgets pursuant to s. 200.065. The hearings
 586 shall be primarily for the purpose of hearing requests and
 587 complaints from the public regarding the budgets and the
 588 proposed tax levies and for explaining the budget and proposed
 589 or adopted amendments thereto, if any. The tentative budget must
 590 be posted on the district's official website at least 2 days
 591 before the budget hearing held pursuant to s. 200.065 or other
 592 law. The final adopted budget must be posted on the district's
 593 official website within 30 days after adoption and must remain
 594 on the website for 5 years. The board shall require the
 595 superintendent to transmit two copies of the adopted budget to
 596 the Department of Education as prescribed by law and rules of
 597 the State Board of Education.

598 (5) (a) Beginning in the 2018-2019 fiscal year, the
 599 district school board budget officer shall electronically submit
 600 information regarding the final budget to the Office of Economic

601 and Demographic Research within 30 days after adoption of the
 602 final budget in the format specified by the office. If the
 603 Governor declares a state of emergency under s. 252.36(2) within
 604 30 days after the submission deadline for the final budget, the
 605 department may extend the deadline up to an additional 90 days.
 606 The district school board budget officer shall also
 607 electronically submit to the clerk of the court:

608 1. A copy of the information that was submitted to the
 609 office.

610 2. A copy of the final budget that was posted on the
 611 district school board's website.

612 3. A statement certifying that the items in subparagraphs
 613 1. and 2. were timely submitted and posted.

614 (b) Beginning in the 2018-2019 fiscal year and
 615 notwithstanding any other penalty or remedy that may be
 616 authorized by law, if the district school board budget officer
 617 fails to submit information to the clerk of the court as
 618 required in paragraph (a) or s. 1011.60, the clerk of the court
 619 shall notify the appropriate fiscal officer to suspend future
 620 salary payments for the superintendent of that district school
 621 board. The clerk shall notify the appropriate fiscal officer to
 622 resume payments when the clerk receives the information.

623 Section 12. Subsection (1) of section 1011.60, Florida
 624 Statutes, is amended to read:

625 1011.60 Minimum requirements of the Florida Education

626 Finance Program.—Each district which participates in the state
 627 appropriations for the Florida Education Finance Program shall
 628 provide evidence of its effort to maintain an adequate school
 629 program throughout the district and shall meet at least the
 630 following requirements:

631 (1) ACCOUNTS AND REPORTS.—Maintain adequate and accurate
 632 records, including a system of internal accounts for individual
 633 schools, and file with the Department of Education, in correct
 634 and proper form on or before the date due as fixed by law or
 635 rule, each annual or periodic report that is required by rules
 636 of the State Board of Education. A district school board that
 637 submits an annual financial report to the department must also
 638 electronically submit to the clerk of the court a copy of the
 639 report with a statement certifying that the report was timely
 640 filed with the department.

641 Section 13. (1) By July 15, 2018, the Office of Economic
 642 and Demographic Research shall prepare forms for use by
 643 counties, municipalities, special districts, water management
 644 districts, and school districts when submitting information
 645 regarding their final budgets to the office. The forms must
 646 group existing fiscal information in broad, yet meaningful,
 647 categories, but should not create new reporting requirements.

648 (2) By December 1, 2018, the office shall submit a report
 649 to the President of the Senate and the Speaker of the House of
 650 Representatives that:

651 (a) Identifies a structure to create unique area profiles
 652 for the counties, municipalities, special districts, water
 653 management districts, and school districts which would assist
 654 the public in making simple direct comparisons between the
 655 distinct entities.

656 (b) Provides recommendations for metrics for ranking the
 657 reporting entities based on the final budget information
 658 submitted to the office. The metrics must allow the public to
 659 make direct comparisons between the different local governments.

660 (c) Provides recommendations for mechanisms to submit the
 661 information in this subsection to the public in a cost-effective
 662 manner.

663 Section 14. This act shall take effect July 1, 2018.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 1361 Unclaimed Funds Held by the Clerks of Court
SPONSOR(S): Civil Justice & Claims Subcommittee and Clemons
TIED BILLS: IDEN./SIM. BILLS:

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Civil Justice & Claims Subcommittee	15 Y, 0 N, As CS	Bond	Bond
2) Appropriations Committee		Gusky <i>KFG</i>	Leznoff <i>D</i>
3) Judiciary Committee			

SUMMARY ANALYSIS

The Florida Disposition of Unclaimed Property Act provides that property held for the benefit of another must be turned over to the state if unclaimed for the statutory length of time. The Department of Financial Services (DFS) administers the program. DFS is responsible for receiving the property, attempting to locate the owner, and returning the property to the owner. Holders of unclaimed property file an annual report and transmit the unclaimed property by May 1st regarding all property that becomes classified by statute as unclaimed in the previous calendar year.

The process differs for unclaimed surplus funds that remain after a foreclosure. Upon the conclusion of a foreclosure, the clerk is to disburse the bid according to the final judgment. If any funds remain undisbursed for 60 days without a legal claim, the clerk is required to appoint a "surplus trustee." A surplus trustee is a private entity who earns a statutory commission if the trustee is able to locate the owner and assist the owner in claiming the foreclosure surplus. The appointment lasts for one year, after which the surplus is turned over to DFS. The 60 day time period starting at the date of the foreclosure sale is the only time during which subordinate lienholders may file a claim seeking monies they may be owed from the surplus.

CS/HB 1361 amends procedures relating to the disbursement of surplus funds after a foreclosure, treating unclaimed foreclosure surpluses similar to any other unclaimed property held by a clerk of court. The bill repeals the statutory authorization for surplus trustees. The bill extends the claim period of subordinate lienholders, providing that any party claiming entitlement to the surplus may file a claim with the court at any time up to the point where the clerk transmits the surplus to DFS. Once transmitted to DFS, only the owner of record may claim the surplus.

Current law contains conflicting statutes regarding unclaimed funds generally held by the clerk of court (outside of foreclosure actions). One statute presumes funds held by a clerk of court are unclaimed after 5 years, requires turnover to DFS after such 5 year period, and requires a court order for DFS to pay the unclaimed monies to the owner; whereas the Act presumes funds are unclaimed after 1 year and provides for claims and payment through DFS without court order. The bill repeals the 5 year provision and its court order requirement.

The bill has an indeterminate, but likely insignificant, fiscal impact on the Department of Financial Services and the clerks of the court.

The effective date of the bill is July 1, 2019.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Unclaimed Property, In General

In 1987, the state enacted the Florida Disposition of Unclaimed Property Act. The Act is based on the Uniform Unclaimed Property Act adopted by the Uniform Law Commission. The Act protects the interests of missing owners of property while the state derives a benefit from the unclaimed and abandoned property until the property is claimed, if ever.

Under the Act, the Bureau of Unclaimed Property, a division within the Department of Financial Services (DFS), is responsible for receiving abandoned property, attempting to locate the rightful owner, and returning the property or proceeds to the owner. There is no statute of limitations in the Act; the owner may claim his or her property at any time and at no cost.

Current law provides varying time periods to trigger a finding that the property is presumed unclaimed and must be turned over to the DFS:

- 5 years if held by a person or entity in the private sector.¹
- 5 years if held by a clerk of court in the court registry.²
- 3 years if the property is the unclaimed equity of debt of a business association,³ except that the period is 6 months if the business is in the course of dissolution.⁴
- 2 years if held by a one in a fiduciary capacity for the benefit of another person under a trust instrument.⁵
- 2 years if resulting from the demutualization, rehabilitation, or reorganization of an insurance company.⁶
- 1 year if held by any public agency, including a clerk of court.⁷
- 1 year if a utility deposit.⁸
- 1 year if a court-ordered refund held by a business.⁹
- 1 year if owed as wages.¹⁰

Holders of unclaimed property are required to file an annual report with DFS, and must transmit the unclaimed property with the report, between January 1 and May 1 of each year. The report and transmittal must include all property considered unclaimed in the previous calendar year. In the report, the holder of property must indicate the apparent owner of the property.¹¹

Upon the payment or delivery of unclaimed property to DFS, the state assumes custody and responsibility for the safekeeping of the property.¹² The original property owner retains the right to recover the proceeds of the property, and any person claiming an interest in the property delivered to

¹ s. 717.102(1), F.S.

² s. 43.19, F.S. This section conflicts with the 1 year provision in s. 717.113, F.S., see further discussion below.

³ s. 717.1101, F.S.

⁴ s. 717.111, F.S.

⁵ s. 717.1125, F.S.

⁶ s. 717.1071, F.S.

⁷ s. 717.113, F.S. This section conflicts with the 5 year provision in s. 43.19, F.S., see further discussion below.

⁸ s. 717.108, F.S.

⁹ s. 717.109, F.S.

¹⁰ s. 717.115, F.S.

¹¹ s. 717.117, F.S.

¹² s. 717.1201, F.S.

DFS may file a claim for the property, subject to certain requirements.¹³ Claims for recovery of unclaimed property may be filed by or on behalf of any person with an interest in the property.¹⁴ While the Act provides the opportunity for the owner to recover the full value of their property at no cost, provision is made for claimants to designate someone who may perfect the claim for them. The claimant may designate and empower a representative to pursue the claim by executing a power of attorney agreement. The claimant may also sell the right to the property to certain individuals who are registered with DFS for this purpose.¹⁵ In either case, the transaction is subject to a fee limitation, unless a disclosure statement is provided to the claimant, in the form and with the content specified in the Act.¹⁶

DFS is required to make a determination on a claim within 90 days. If a claim is determined in favor of the claimant, DFS must deliver or pay over to the claimant the property or the amount DFS actually received or the proceeds, if it has been sold by DFS.¹⁷ All proceeds from unclaimed property are deposited by DFS into the Unclaimed Property Trust Fund.¹⁸ DFS is allowed to retain up to \$15 million to make prompt payment on verified claims and to cover costs incurred by DFS in administering and enforcing the Act. All remaining funds must be deposited into the State School Fund to be used for public education.¹⁹

Unclaimed Property Laws Related to the Clerk of Courts

There are conflicting and overlapping laws regarding unclaimed property held by a clerk of court:

- Section 43.19, F.S., provides for the disposition of unclaimed money paid into the court registry. If such unclaimed funds remain in the registry for 5 years or more, the court must direct that the money be deposited with the Chief Financial Officer to the credit of the State School Fund. A person, firm or corporation entitled to any of the money may obtain an order directing the payment of the money to the claimant by petitioning the court and providing written notice to the state attorney and proof of entitlement to the money.²⁰ Thus, while most unclaimed funds are distributed to the owner upon application approved by DFS, unclaimed funds from the clerks may only be distributed upon court order.
- Section 717.113, F.S., a part of the Florida Disposition of Unclaimed Property Act, provides that property held by the clerk is presumed unclaimed after 1 year, and must be paid to DFS after the 1 year period. Disposition is as provided in the Act.
- Property held by the clerk as a result of a foreclosure sale is subject to the surplus trustee process at ss. 45.032 - .035, F.S. See description below.

Sections 43.19 and 717.113, F.S., appear to conflict with one another. A recent appellate decision attempted to reconcile the two, calling the interaction between the statutes "confusing" and "unclear."²¹

¹³ s. 717.117 and 717.124, F.S.

¹⁴ s. 717.124, F.S.

¹⁵ s. 717.1351, F.S. A person desiring to acquire ownership of or entitlement to property reported to DFS must be an attorney licensed to practice law in this state, a licensed Florida-certified public accountant, a licensed private investigator, or an employer of a licensed private investigator.

¹⁶ All contracts to acquire ownership of or entitlement to unclaimed property must have a purchase price that discounts the value of the unclaimed property at the time the agreement is executed by the seller at no greater than 20 percent per account held by DFS. The amount paid to the seller for an unclaimed property account must not be discounted in excess of \$1,000 unless full disclosure is provided to the owner of the unclaimed property. Section 717.1351(2), F.S.

¹⁷ s. 717.124, F.S.

¹⁸ s. 717.123, F.S.

¹⁹ *Id.*

²⁰ s. 43.19(3), F.S.

²¹ *Crescenzo v. Atwater (In re Payment of \$13,857.69)*, 136 So.3d 1248 (Fla. 2nd DCA 2014).

Judicial Sales of Real Property and Surplus Trustees

Foreclosure is the legal process for enforcement of a security interest in real property. Where the parties do not settle or resolve the foreclosure, the property is sold at auction. There are three possible results of a foreclosure sale:

- Where the foreclosing lender is the winning bidder with a bid of the final judgment or some lesser amount, no monies are paid to the clerk for distribution.
- Where the winning bidder is a third party who bid less than the amount of the final judgment, the full amount of the bid minus clerk's fees is distributed to the foreclosing lender.
- Where the winning bidder is any party who bid more than the amount of the final judgment, the foreclosing lender is paid the full amount of the final judgment (or has the amount of the judgment credited against its bid) and the remaining funds are processed according to the statutory procedures for a foreclosure surplus.

At common law, the owner of the real property immediately prior to the sale is entitled to any surplus, subject to claims by inferior creditors whose interest was foreclosed.²² Current statutory law presumes that the owner of the real property on the day of the filing of the *lis pendens* is entitled to the surplus,²³ and junior lienholders have a 60 day time limit from the date of the foreclosure sale to file a claim against the surplus.²⁴

Prior to sale, there are two documents that include notices to all parties regarding a potential surplus. First is the final judgment of foreclosure, which gives notice of the 60 day period.²⁵ Second is the notice of sale, which must be published twice in a newspaper of general circulation, and which also warns junior lienholders of the 60 day period.²⁶ After the sale, the clerk must prepare a certificate of disbursements, a copy of which must be furnished to every party to the case.²⁷ The certificate again informs junior lienholders that they have 60 days from the date of the sale in which to file a claim against the surplus. The certificate of disbursements also clearly lists the amount of the surplus.

The statute provides a form for the prior owner of the property to claim the surplus, and provides that junior lienholders may, during that 60 day period, seek a court order for disbursement of the surplus to satisfy the junior lienholder's claim. This 60 day limit has been upheld by the courts.²⁸ If no legal claim is made for the surplus within the 60 day period, claims of junior lienholders are barred and the clerk is required to appoint a surplus trustee to locate the owner of the surplus. As part of the process, the clerk is authorized to deduct certain fees from the surplus funds.²⁹

A surplus trustee is an entity that holds and administers surplus proceeds from a foreclosure. The primary duty of a surplus trustee is to locate the owner of record within 1 year after appointment. Surplus trustees are certified by DFS.³⁰ The clerks assign the surplus trustees to cases using a rotational system developed by DFS.³¹

A surplus trustee is entitled to service charges and fees which are disbursed by the clerk and payable from the surplus. Surplus trustees receive a cost advance of 2 percent of the surplus and upon

²² *Jelic v. Sears Mortgage Corp.*, 614 So. 2d 1149 (Fla. 4th DCA 1993)(" It appears to be settled beyond all question that one claiming a surplus or the right to share in a surplus resulting from a sale under foreclosure must either own the equity of redemption at the time of the sale or must be one then holding a lien or vested right in the property.")

²³ s. 45.032(1)(a), F.S.

²⁴ s. 45.032, F.S.

²⁵ s. 45.031(1)(a), F.S.

²⁶ s. 45.031(2)(f), F.S.

²⁷ s. 45.031(7), F.S.

²⁸ *Saulnier v. Bank of Am., N.A.*, 187 So. 3d 854 (Fla. 4th DCA 2015).

²⁹ s. 45.035, F.S.

³⁰ s. 45.034(4), F.S.

³¹ ss. 45.034 and 45.035, F.S.

obtaining a court order disbursing the surplus to the owner of record, the surplus trustee then receives an additional 10 percent of the surplus.³² Upon locating the owner of record, the surplus trustee files a petition with the court on behalf of the owner of record seeking disbursement of the surplus funds. If the surplus trustee is unable to locate the owner of record within 1 year of appointment, the clerk notifies the surplus trustee that the appointment is terminated. The clerk then treats the remaining funds as unclaimed property to be deposited with DFS pursuant to ch. 717, F.S.

According to DFS, there are currently 83 surplus trustee entities.³³ Surplus trustees have been appointed in 10,033 cases.³⁴ The total value of those cases is \$85,032,758 (6,970 cases involved a surplus of less than \$5,000 and 3,063 cases involved a surplus greater than \$5,000).³⁵

Effect of the Bill

CS/HB 1361 repeals s. 43.19, F.S., relating to money in the court registry. As a result, s. 717.113, F.S. will apply to all funds in the court registry. Funds in the court registry after 1 year are presumed unclaimed and will be turned over to DFS pursuant to the Florida Disposition of Unclaimed Property Act. The 1 year time period does not start until the court adjudicates who is entitled to the monies being held by the clerk. This resolves the conflict between statutes noted above.

The bill amends procedures relating to the disbursement of surplus funds after a foreclosure. The bill repeals statutory provisions regarding surplus trustees. No surplus trustees will be appointed in foreclosure cases. The bill also repeals related clerk's fees related to the appointment of a surplus trustee.

The bill provides that a claim by the owner of record, a subordinate lienholder, an assignee by involuntary transfer, or a voluntary assignee against the surplus may be made at any time prior to when the clerk reports the unclaimed surplus to DFS. The bill amends statutory notices in the foreclosure final judgment, the notice of sale, and the certificate of disbursements to conform.

If the owner of record, a subordinate lienholder, an assignee by involuntary transfer, or a voluntary assignee files a claim for the remaining surplus before the clerk remits the surplus to DFS, the funds are not unclaimed and the clerk will hold the funds pending court order. Otherwise, a surplus will be considered unclaimed and subject to transmittal to DFS one year after the foreclosure sale. Because of the timing of the report, a foreclosure surplus under this bill may remain with the clerk and be subject to claims for approximately 13 to 27 months from the foreclosure sale depending upon the sale date and the timing of the clerk's annual transmittal.³⁶

The bill provides that, once the surplus is transmitted to DFS, only the owner of record reported by the clerk, or the estate or beneficiary of a deceased owner of record, is entitled to the surplus. Any surplus of less than \$10 escheats to the clerk and thus is not transmitted to DFS.

³² s. 45.034(7), F.S.

³³ Florida Department of Financial Services, Agency Bill Analysis for HB 681 (2017) (on file with Appropriation Committee). A list of the surplus trustees can be found online at: <https://www.myfloridacfo.com/division/documents/SurplusTrusteeEntitiesB2017-2018.pdf> (last accessed January 18, 2018).

³⁴ Agency Bill Analysis for HB 681 (2017).

³⁵ *Id.*

³⁶ For instance, if a foreclosure sale in early January 2018 results in a surplus, it would not be unclaimed until January 2019, with a deadline for the clerk to report and transmit the funds to DFS of May 1, 2020 (which may be just shy of 28 months from sale to transmittal). On other hand, a late December 2017 sale would be unclaimed December 2018 and the clerk could file the report and transmittal in January 2019 (which may be just over 12 months later). This variation in timing is typical in all unclaimed property laws because of the requirement of a single annual report.

B. SECTION DIRECTORY:

- Section 1:** Repeals s. 43.19, F.S., relating to the disposition of certain money paid into a court which is unclaimed.
- Section 2:** Amends s. 45.031, F.S., relating to judicial sales procedure.
- Section 3:** Amends s. 45.032, F.S., regarding disbursement of surplus funds after judicial sale.
- Section 4:** Amends s. 45.033, F.S., regarding sale or assignment of rights to surplus funds.
- Section 5:** Repeals s. 45.034, F.S., relating to qualifications and appointment of a surplus trustee in foreclosure actions.
- Section 6:** Amends s. 45.035, F.S., regarding clerk's fees.
- Section 7:** Amends s. 717.113, F.S., regarding property held by courts and public agencies.
- Section 8:** Amends s. 717.124, F.S., regarding unclaimed property claims.
- Section 9:** Amends s. 717.138, F.S., regarding rulemaking authority.
- Section 10:** Amends s. 717.1401, F.S., regarding repeal.
- Section 11:** Provides an effective date of July 1, 2019.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

Since inception of the surplus trustee program, the Department of Financial Services (DFS) has received \$10,525 in application fees.³⁷ Future collection of these fees is eliminated by this bill.

2. Expenditures:

The Department of Financial Services estimates the total cost to administer the surplus trustee program for the last 10 years has been approximately \$235,000. The bill will require DFS to administer the surplus property directly through the Bureau of Unclaimed Property. This change will result in a negligible workload impact for DFS.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

The bill eliminates two fees in s. 45.035, F.S.: a \$15 fee for notifying the surplus trustee and a \$15 fee for appointing a surplus trustee and supplying them with the copy of the final judgment and the certificate of disbursements, and disbursing to the surplus trustee the trustee's cost advance.³⁸

Since 2006, there have been 10,033 cases assigned to surplus trustees. Assuming the Clerk of Courts are collecting both \$15 fees, this equates to a roughly \$30,000 reduction in revenue statewide for the clerks of court per year.³⁹ The Clerks of Court Operation Corporation determined the loss of this revenue would have a negligible impact.⁴⁰

2. Expenditures:

The clerks of court will no longer be required to notify surplus trustees nor furnish them with a copy of a final judgment. The impact on workload is expected to be neutral.⁴¹

³⁷ Correspondence from DFS dated 1/18/2018, on file with the Civil Justice & Claims Subcommittee.

³⁸ s. 45.035, F.S.

³⁹ Florida Department of Financial Services, Agency Bill Analysis for HB 681 (2017) (on file with Appropriation Committee).

⁴⁰ Florida Clerks of Court Operations Corporation, Legislative Bill Analysis for SB 536 (2017) (on file with Appropriations Committee).

⁴¹ *Id.*

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

According to the DFS analysis, the value of the surplus property assigned to surplus trustees was \$85,032,758, since the inception of the surplus trustee program in 2006. The maximum amount that the surplus trustee industry could have charged for their services is \$10,203,931, which represents 12 percent of the total value of the disbursed property.⁴² The minimum amount is \$1,700,655, representing the 2% search fee. There will be an indeterminate impact on surplus trustees.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. The bill does not appear to affect county or municipal governments.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The Department of Financial Services formerly enacted Rule 69I-44.021, a rule that attempted to reconcile the conflicts between s. 43.19 and ch. 717, F.S. The department repealed this rule effective July 25, 2016.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On January 23, 2018, the Civil Justice & Claims Subcommittee adopted one amendment changing the effective date of the bill to July 1, 2019. This analysis is drafted to bill as amended by the Civil Justice & Claims Subcommittee.

⁴² Florida Department of Financial Services, Agency Bill Analysis for HB 681 (2017) (on file with Appropriation Committee).

26 from becoming payable or distributable and subject to
 27 certain reporting requirements; amending ss. 717.124,
 28 717.138, and 717.1401, F.S.; conforming cross-
 29 references; providing an effective date.

30

31 Be It Enacted by the Legislature of the State of Florida:

32

33 Section 1. Section 43.19, Florida Statutes, is repealed.

34 Section 2. Paragraph (a) of subsection (1), paragraph (f)
 35 of subsection (2), and paragraph (b) of subsection (7) of
 36 section 45.031, Florida Statutes, are amended to read:

37 45.031 Judicial sales procedure.—In any sale of real or
 38 personal property under an order or judgment, the procedures
 39 provided in this section and ss. 45.0315-45.035 may be followed
 40 as an alternative to any other sale procedure if so ordered by
 41 the court.

42 (1) FINAL JUDGMENT.—

43 (a) In the order or final judgment, the court shall direct
 44 the clerk to sell the property at public sale on a specified day
 45 that shall be not less than 20 days or more than 35 days after
 46 the date thereof, on terms and conditions specified in the order
 47 or judgment. A sale may be held more than 35 days after the date
 48 of final judgment or order if the plaintiff or plaintiff's
 49 attorney consents to such time. The final judgment shall contain
 50 the following statement in conspicuous type:

51 IF THIS PROPERTY IS SOLD AT PUBLIC AUCTION, THERE MAY BE
 52 ADDITIONAL MONEY FROM THE SALE AFTER PAYMENT OF PERSONS WHO ARE
 53 ENTITLED TO BE PAID FROM THE SALE PROCEEDS PURSUANT TO THIS
 54 FINAL JUDGMENT.

55 IF YOU ARE A SUBORDINATE LIENHOLDER CLAIMING A RIGHT TO FUNDS
 56 REMAINING AFTER THE SALE, IF ANY, YOU MUST FILE A CLAIM WITH THE
 57 CLERK NO LATER THAN THE DATE THAT THE CLERK REPORTS THE FUNDS AS
 58 UNCLAIMED ~~60 DAYS AFTER THE SALE~~. IF YOU FAIL TO FILE A TIMELY
 59 CLAIM, YOU WILL NOT BE ENTITLED TO ANY REMAINING FUNDS.

60 (2) PUBLICATION OF SALE.—Notice of sale shall be published
 61 once a week for 2 consecutive weeks in a newspaper of general
 62 circulation, as defined in chapter 50, published in the county
 63 where the sale is to be held. The second publication shall be at
 64 least 5 days before the sale. The notice shall contain:

65 (f) A statement that any person claiming an interest in
 66 the surplus from the sale, if any, other than the property owner
 67 as of the date of the lis pendens must file a claim before the
 68 clerk reports the surplus as unclaimed ~~within 60 days after the~~
 69 ~~sale~~.

70
 71 The court, in its discretion, may enlarge the time of the sale.
 72 Notice of the changed time of sale shall be published as
 73 provided herein.

74 (7) DISBURSEMENTS OF PROCEEDS.—

75 (b) The certificate of disbursements shall be in

76 | substantially the following form:

77 | (Caption of Action)

78 | CERTIFICATE OF DISBURSEMENTS

79 | The undersigned clerk of the court certifies that he or she
 80 | disbursed the proceeds received from the sale of the property as
 81 | provided in the order or final judgment to the persons and in
 82 | the amounts as follows:

83 | Name Amount

84 | Total disbursements: \$....

85 | Surplus retained by clerk, if any: \$....

86 | IF YOU ARE A PERSON CLAIMING A RIGHT TO FUNDS REMAINING AFTER
 87 | THE SALE, YOU MUST FILE A CLAIM WITH THE CLERK NO LATER THAN THE
 88 | DATE THAT THE CLERK REPORTS THE FUNDS AS UNCLAIMED ~~60 DAYS AFTER~~
 89 | ~~THE SALE~~. IF YOU FAIL TO FILE A CLAIM, YOU WILL NOT BE ENTITLED
 90 | TO ANY REMAINING FUNDS. AFTER THE FUNDS ARE REPORTED AS
 91 | UNCLAIMED ~~60 DAYS~~, ONLY THE OWNER OF RECORD AS OF THE DATE OF
 92 | THE LIS PENDENS MAY CLAIM THE SURPLUS.

93 | WITNESS my hand and the seal of the court on, ...(year)....

94 |(Clerk)...

95 | By ...(Deputy Clerk)...

96 | Section 3. Subsection (5) of section 45.032, Florida
 97 | Statutes, is renumbered as subsection (4), and paragraph (d) of
 98 | subsection (1), subsection (3), and present subsection (4) of
 99 | that section are amended, to read:

100 | 45.032 Disbursement of surplus funds after judicial sale.-

101 (1) For purposes of ss. 45.031-45.035, the term:
 102 ~~(d) "Surplus trustee" means a person qualifying as a~~
 103 ~~surplus trustee pursuant to s. 45.034.~~

104 (3) During the period that ~~60 days after~~ the clerk holds
 105 ~~issues a certificate of disbursements, the clerk shall hold the~~
 106 surplus pending a court order:-

107 (a) If the owner of record claims the surplus before the
 108 date that the clerk reports it as unclaimed ~~during the 60-day~~
 109 ~~period~~ and there is no subordinate lienholder, the court shall
 110 order the clerk to deduct any applicable service charges from
 111 the surplus and pay the remainder to the owner of record. The
 112 clerk may establish a reasonable requirement that the owner of
 113 record prove his or her identity before receiving the
 114 disbursement. The clerk may assist an owner of record in making
 115 a claim. An owner of record may use the following form in making
 116 a claim:

117 (Caption of Action)

118 OWNER'S CLAIM FOR
 119 MORTGAGE FORECLOSURE SURPLUS

120 State of

121 County of

122 Under penalty of perjury, I (we) hereby certify that:

123 1. I was (we were) the owner of the following described
 124 real property in County, Florida, prior to the foreclosure
 125 sale and as of the date of the filing of the lis pendens:

126 | ... (Legal description of real property)...

127 | 2. I (we) do not owe any money on any mortgage on the
128 | property that was foreclosed other than the one that was paid
129 | off by the foreclosure.

130 | 3. I (we) do not owe any money that is the subject of an
131 | unpaid judgment, tax warrant, condominium lien, cooperative
132 | lien, or homeowners' association.

133 | 4. I am (we are) not currently in bankruptcy.

134 | 5. I (we) have not sold or assigned my (our) right to the
135 | mortgage surplus.

136 | 6. My (our) new address is:

137 | 7. If there is more than one owner entitled to the
138 | surplus, we have agreed that the surplus should be paid
139 | jointly, or to:, at the following address:

140 | 8. I (WE) UNDERSTAND THAT I (WE) AM (ARE) NOT REQUIRED TO
141 | HAVE A LAWYER OR ANY OTHER REPRESENTATION AND I (WE) DO NOT HAVE
142 | TO ASSIGN MY (OUR) RIGHTS TO ANYONE ELSE IN ORDER TO CLAIM ANY
143 | MONEY TO WHICH I (WE) MAY BE ENTITLED.

144 | 9. I (WE) UNDERSTAND THAT THIS STATEMENT IS GIVEN UNDER
145 | OATH, AND IF ANY STATEMENTS ARE UNTRUE THAT I (WE) MAY BE
146 | PROSECUTED CRIMINALLY FOR PERJURY.

147 | ... (Signatures)...

148 | Sworn to (or affirmed) and subscribed before me this
149 | day of, ... (year)...., by ... (name of person making
150 | statement)....

151 ...(Signature of Notary Public - State of Florida)...

152 ...(Print, Type, or Stamp Commissioned Name of Notary

153 Public)...

154 Personally Known OR Produced Identification

155 Type of Identification Produced.....

156 (b) If any person other than the owner of record claims an

157 interest in the proceeds prior to the date that the clerk

158 reports the surplus as unclaimed ~~during the 60 day period~~ or if

159 the owner of record files a claim for the surplus but

160 acknowledges that one or more other persons may be entitled to

161 part or all of the surplus, the court shall set an evidentiary

162 hearing to determine entitlement to the surplus. At the

163 evidentiary hearing, an equity assignee has the burden of

164 proving that he or she is entitled to some or all of the surplus

165 funds. The court may grant summary judgment to a subordinate

166 lienholder prior to or at the evidentiary hearing. The court

167 shall consider the factors in s. 45.033 when hearing a claim

168 that any person other than a subordinate lienholder or the owner

169 of record is entitled to the surplus funds.

170 (c) One year after the sale, any surplus remaining with

171 the clerk of the court that has not been disbursed as provided

172 herein is presumed unclaimed as set forth in s. 717.113 and must

173 be reported and remitted to the department in accordance with

174 ss. 717.117 and 717.119, unless there is a pending court

175 proceeding regarding entitlement to the surplus. At the

176 conclusion of any court proceeding and any appeal regarding
 177 entitlement to the surplus, the clerk of the court shall report
 178 and remit the unclaimed property to the department if directed
 179 by a court order, to another entity if directed by the court
 180 order, or, if not directed by the court order, to the owner of
 181 record. For purposes of establishing entitlement to the surplus
 182 after the property has been remitted to the department, only the
 183 owner of record reported by the clerk of the court, or the
 184 beneficiary, as defined in s. 731.201, of a deceased owner of
 185 record reported by the clerk, is entitled to the surplus. A
 186 surplus of less than \$10 escheats to ~~If no claim is filed during~~
 187 ~~the 60-day period,~~ the clerk shall appoint a surplus trustee
 188 ~~from a list of qualified surplus trustees as authorized in s.~~
 189 ~~45.034. Upon such appointment, the clerk shall prepare a notice~~
 190 ~~of appointment of surplus trustee and shall furnish a copy to~~
 191 ~~the surplus trustee. The form of the notice may be as follows:~~

192
 193 ~~(Caption of Action)~~

194
 195 NOTICE OF APPOINTMENT
 196 OF SURPLUS TRUSTEE
 197

198 ~~The undersigned clerk of the court certifies that he or she~~
 199 ~~disbursed the proceeds received from the sale of the property as~~
 200 ~~provided in the order or final judgment to the persons named in~~

201 ~~the certificate of disbursements, and that surplus funds of~~
 202 ~~\$. . . . remain and are subject to disbursement to the owner of~~
 203 ~~record. You have been appointed as surplus trustee for the~~
 204 ~~purpose of finding the owner of record in order for the clerk to~~
 205 ~~disburse the surplus, after deducting costs, to the owner of~~
 206 ~~record.~~

207 ~~WITNESS my hand and the seal of the court on, . . . (year)~~
 208 ~~. . . (Clerk) . . .~~
 209 ~~By . . . (Deputy Clerk) . . .~~

211 ~~(4) If the surplus trustee is unable to locate the owner~~
 212 ~~of record entitled to the surplus within 1 year after~~
 213 ~~appointment, the appointment shall terminate and the clerk shall~~
 214 ~~notify the surplus trustee that his or her appointment was~~
 215 ~~terminated. Thirty days after termination of the appointment of~~
 216 ~~the surplus trustee, the clerk shall treat the remaining funds~~
 217 ~~as unclaimed property to be deposited with the Chief Financial~~
 218 ~~Officer pursuant to chapter 717.~~

219 Section 4. Paragraph (d) of subsection (3) of section
 220 45.033, Florida Statutes, is amended, and paragraph (e) of that
 221 subsection is redesignated as paragraph (d), to read:

222 45.033 Sale or assignment of rights to surplus funds in a
 223 property subject to foreclosure.—

224 (3) A voluntary transfer or assignment shall be a transfer
 225 or assignment qualified under this subsection, thereby entitling

226 | the transferee or assignee to the surplus funds or a portion or
 227 | percentage of the surplus funds, if:

228 | ~~(d) The transferor or assignee is qualified as a surplus~~
 229 | ~~trustee, or could qualify as a surplus trustee, pursuant to s.~~
 230 | ~~45.034.~~

231 | Section 5. Section 45.034, Florida Statutes, is repealed.

232 | Section 6. Paragraphs (b) and (d) of subsection (2) of
 233 | section 45.035, Florida Statutes, are amended, and paragraph (c)
 234 | of that subsection is redesignated as paragraph (b), to read:

235 | 45.035 Clerk's fees.—In addition to other fees or service
 236 | charges authorized by law, the clerk shall receive service
 237 | charges related to the judicial sales procedure set forth in ss.
 238 | 45.031-45.034 and this section:

239 | (2) If there is a surplus resulting from the sale, the
 240 | clerk may receive the following service charges, which shall be
 241 | deducted from the surplus:

242 | ~~(b) The clerk is entitled to a service charge of \$15 for~~
 243 | ~~notifying a surplus trustee of his or her appointment.~~

244 | ~~(d) The clerk is entitled to a service charge of \$15 for~~
 245 | ~~appointing a surplus trustee, furnishing the surplus trustee~~
 246 | ~~with a copy of the final judgment and the certificate of~~
 247 | ~~disbursements, and disbursing to the surplus trustee the~~
 248 | ~~trustee's cost advance.~~

249 | Section 7. Section 717.113, Florida Statutes, is amended
 250 | to read:

251 717.113 Property held by courts and public agencies.—All
 252 intangible property held for the owner by any court, government
 253 or governmental subdivision or agency, public corporation, or
 254 public authority that has not been claimed by the owner for more
 255 than 1 year after it became payable or distributable is presumed
 256 unclaimed. Except as provided in s. 45.032(3)(c), money held in
 257 the court registry and for which no court order has been issued
 258 to determine an owner does not become payable or distributable
 259 and is not subject to reporting under this chapter.

260 Notwithstanding the provisions of this section, funds deposited
 261 in the Minerals Trust Fund pursuant to s. 377.247 are presumed
 262 unclaimed only if the funds have not been claimed by the owner
 263 for more than 5 years after the date of first production from
 264 the well.

265 Section 8. Subsection (8) of section 717.124, Florida
 266 Statutes, is amended to read:

267 717.124 Unclaimed property claims.—

268 (8) This section applies to all unclaimed property
 269 reported and remitted to the Chief Financial Officer, including,
 270 but not limited to, property reported pursuant to ss. ~~43.19,~~
 271 45.032, 732.107, 733.816, and 744.534.

272 Section 9. Section 717.138, Florida Statutes, is amended
 273 to read:

274 717.138 Rulemaking authority.—The department shall
 275 administer and provide for the enforcement of this chapter. The

276 department has authority to adopt rules pursuant to ss.
 277 120.536(1) and 120.54 to implement the provisions of this
 278 chapter. The department may adopt rules to allow for electronic
 279 filing of fees, forms, and reports required by this chapter. The
 280 authority to adopt rules pursuant to this chapter applies to all
 281 unclaimed property reported and remitted to the Chief Financial
 282 Officer, including, but not limited to, property reported and
 283 remitted pursuant to ss. ~~43.19~~, 45.032, 732.107, 733.816, and
 284 744.534.

285 Section 10. Section 717.1401, Florida Statutes, is amended
 286 to read:

287 717.1401 Repeal.—This chapter shall not repeal, but shall
 288 be additional and supplemental to the existing provisions of ss.
 289 43.18, ~~43.19~~, and 402.17 and chapter 716.

290 Section 11. This act shall take effect July 1, 2019.

HOUSE OF REPRESENTATIVES TRUST FUND RE-CREATION STAFF ANALYSIS

BILL #: HB 7051 PCB ANR 18-01 Trust Funds/Re-creation/Land Acquisition Trust Fund/DACS
SPONSOR(S): Agriculture & Natural Resources Appropriations Subcommittee, Albritton
TIED BILLS: **IDEN./SIM. BILLS:** SB 1370

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Agriculture & Natural Resources Appropriations Subcommittee	13 Y, 0 N	White	Pigott
1) Appropriations Committee		White <i>CCW</i>	Leznoff <i>AL</i>

I. SUMMARY

Section 19(f), Article III of the State Constitution requires that all newly created trust funds terminate not more than four years after the initial creation unless re-created. This provision requires that trust fund be created or re-created by a three-fifths vote of the membership in each house of the Legislature in a separate bill for the sole purpose of created or recreating that trust fund. The Land Acquisition Trust Fund was created in the Department of Agriculture and Consumer Services effective July 1, 2015, and is scheduled to terminate on July 1, 2019.

This bill re-creates the Land Acquisition Trust Fund in the Department of Agriculture and Consumer Services effective July 1, 2018, provided that it is enacted by three-fifths of the membership of both houses of the Legislature.

This bill has no fiscal impact.

II. SUBSTANTIVE ANALYSIS

A. PRESENT SITUATION:

1. MAJOR STATUTES THAT CONTROL THE TRUST FUND:

Section 19(f), Article III of the State Constitution requires that all newly created trust funds terminate not more than four years after the initial creation unless re-created. This provision requires that trust fund be created or re-created by a three-fifths vote of the membership in each house of the Legislature in a separate bill for the sole purpose of created or recreating that trust fund. The Land Acquisition Trust Fund was created in the Department of Agriculture and Consumer Services effective July 1, 2015, by chapter 2015-230, Laws of Florida, in section 20.142, Florida Statutes and is scheduled to terminate on July 1, 2019.

2. BRIEF DESCRIPTION OF THE FUND'S USES OR PURPOSES:

The trust fund is established for the purposes set forth in s. 28, Art. X of the State Constitution.

3. MAJOR SOURCES OF REVENUE FOR THE FUND:

The trust fund is established for use as a depository for funds received from the Land Acquisition Trust Fund within the Department of Agriculture and Consumer Services.

4. TOTAL PROJECTED RECEIPTS INTO THE FUND AND CURRENT YEAR APPROPRIATIONS FROM THE FUND:

The total projected receipts into this fund for the current year are \$94,412,454. The current year appropriations from the fund are \$94,412,454.

B. EFFECT OF PROPOSED CHANGES:

The bill re-creates the trust fund without modification.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

This legislation has no fiscal impact on state agencies or state funds, on local governments as a whole or on the private sector. It simply re-creates, without modification, an existing state trust fund and continues the current use of the fund.

IV. COMMENTS

V. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

1 A bill to be entitled
 2 An act relating to trust funds; re-creating the Land
 3 Acquisition Trust Fund within the Department of
 4 Agriculture and Consumer Services without
 5 modification; amending s. 20.142, F.S.; abrogating
 6 provisions relating to the termination of the trust
 7 fund, to conform; providing an effective date.

8
 9 WHEREAS, the Legislature wishes to extend the life of the
 10 Land Acquisition Trust Fund within the Department of Agriculture
 11 and Consumer Services, which is otherwise scheduled to be
 12 terminated pursuant to constitutional mandate, and

13 WHEREAS, the Legislature has reviewed the trust fund before
 14 its scheduled termination date and has found that it continues
 15 to meet an important public purpose, and

16 WHEREAS, the Legislature has found that existing public
 17 policy concerning the trust fund sets adequate parameters for
 18 its use, NOW, THEREFORE,

19
 20 Be It Enacted by the Legislature of the State of Florida:

21
 22 Section 1. The Land Acquisition Trust Fund within the
 23 Department of Agriculture and Consumer Services, FLAIR number
 24 42-2-423, which is to be terminated pursuant to Section 19(f),
 25 Article III of the State Constitution on July 1, 2019, is re-

26 created.

27 Section 2. Subsection (5) of section 20.142, Florida
 28 Statutes, is amended to read:

29 20.142 Land Acquisition Trust Fund within Department of
 30 Agriculture and Consumer Services.—

31 ~~(5) In accordance with s. 19(f)(2), Art. III of the State~~
 32 ~~Constitution, the Land Acquisition Trust Fund within the~~
 33 ~~Department of Agriculture and Consumer Services shall, unless~~
 34 ~~terminated sooner, be terminated on July 1, 2019. Before its~~
 35 ~~scheduled termination, the trust fund shall be reviewed as~~
 36 ~~provided in s. 215.3206.~~

37 Section 3. This act shall take effect July 1, 2018.