



General Government Policy Council

**Wednesday, March 3, 2010
Morris Hall
1:00 PM – 1:45 PM**

**Larry Cretul
Speaker**

**Baxter Troutman
Chairman**

Council Meeting Notice

HOUSE OF REPRESENTATIVES

General Government Policy Council

Start Date and Time: Wednesday, March 03, 2010 01:00 pm
End Date and Time: Wednesday, March 03, 2010 01:45 pm
Location: Morris Hall (17 HOB)
Duration: 0.75 hrs

Consideration of the following bill(s):

HB 545 Residential Property Sales by Patterson
HB 877 Florida Agricultural Museum by Mayfield
HB 909 Florida Workers' Compensation Joint Underwriting Association by Crisafulli
HB 1013 Citrus Canker Eradication by Plakon
HB 1015 Workers' Compensation Administrator by O'Toole

NOTICE FINALIZED on 03/01/2010 16:18 by TUCK.SHIRLEY

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 545 Residential Property Sales
SPONSOR(S): Patterson
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Insurance, Business & Financial Affairs Policy Committee	14 Y, 0 N	Callaway	Cooper
2) Policy Council	16 Y, 0 N	Liepshutz	Ciccone
3) General Government Policy Council		Callaway <i>note</i>	Hamby <i>JJO</i>
4)			
5)			

SUMMARY ANALYSIS

Pursuant to current law, in November 2007 the Financial Services Commission adopted a uniform home grading scale to grade the ability of a home to withstand the wind load from a tropical storm or hurricane. The rating system scores homes on a scale of 1 to 100.

In 2008, the Legislature passed a law that established a two-part phase-in of a requirement that sellers of homes located in the state's wind borne debris region disclose the home's windstorm mitigation rating based on the grading scale:

- The first part of the phase-in was to begin January 2010 and would have required sellers of homes insured by Citizens Property Insurance Corporation for \$500,000 or more to disclose the home's windstorm mitigation rating to buyers. However, in 2009, before it took effect, this disclosure requirement was repealed.
- The second part of the phase-in, which remains law today and is scheduled to begin January 2011, will require sellers of *any* home in the windborne debris region to disclose the home's rating.

This bill proposes to repeal the second part of the disclosure phase-in before it takes effect in January 2011. Consequently, sellers of homes located in the wind borne debris region would not be required, beginning January 2011, to disclose the home's windstorm mitigation rating.

The bill has no fiscal impact on state or local government. The bill would save sellers of homes located in the wind borne debris region the cost of a windstorm mitigation inspection.

The bill is effective upon becoming a law.

HOUSE PRINCIPLES

Members are encouraged to evaluate proposed legislation in light of the following guiding principles of the House of Representatives

- Balance the state budget.
- Create a legal and regulatory environment that fosters economic growth and job creation.
- Lower the tax burden on families and businesses.
- Reverse or restrain the growth of government.
- Promote public safety.
- Promote educational accountability, excellence, and choice.
- Foster respect for the family and for innocent human life.
- Protect Florida's natural beauty.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Background

Pursuant to current law, in November 2007 the Financial Services Commission adopted a uniform home grading scale to grade the ability of a home to withstand the wind load from a tropical storm or hurricane.¹ The rating system scores homes on a scale of 1 to 100. The primary factors used to calculate the home rating score include roof shape, secondary water resistance, roof cover, roof deck attachment, roof-to-wall connection, opening protection, number of stories, and roof covering type. General geographic features of wind zone location and local terrain are also used to calculate a home's score.

Although a home grading scale is in place, Florida homes are not presently required by law to be graded. The grading scale is also not currently used to calculate mitigation discounts² though will be used for discount calculations in the future.³ Today's mitigation discount amounts are based on wind loss relativities developed in a study adopted by the Office of Insurance Regulation (OIR) in 2002 and are not linked to a home's mitigation rating given by the grading scale.

In 2008, the Legislature passed a law that established a two-part phase-in of a requirement that sellers of homes located in the state's wind borne debris region disclose the home's windstorm mitigation rating based on the home grading scale to buyers⁴:

- The first part of the phase-in was to begin in January 2010 and would have required sellers of homes insured by Citizens Property Insurance Corporation for \$500,000 or more to disclose the

¹ Rule 69O-167.015, F.A.C.

² Current law requires insurance companies to give homeowners mitigation discounts for mitigation features installed in their home. Mitigation discounts are advantageous for homeowners as they reduce the home's wind premium.

³ Section 627.0629(1)(b), F.S., requires the OIR to develop a method by February 1, 2011 for insurance companies to establish mitigation discounts that correlate to the home's rating calculated by the home grading scale. Insurance companies then have until October 1, 2011 to make rate filings to revise their mitigation discounts to new ones that correlate to the home's rating. Homeowners then have two years to obtain their home's rating in order to continue to receive mitigation discounts. Thus, by October 1, 2013, all Florida homeowners will have to have their home rated pursuant to the home grading scale or forfeit receipt of mitigation discounts. The most likely way a homeowner will have their home rated is by having a windstorm mitigation inspection that will delineate the home's mitigation features and provide a mitigation rating based on the grading scale.

⁴ Ch. 2008-66, L.O.F.; s. 13 created the first part of the phase-in of disclosure that was to begin January 2010, and s. 15 created s. 689.262 F.S., the second part of the phase-in of disclosure that is scheduled to begin January 2011 and that is being proposed for repeal by this bill.

home's windstorm mitigation rating. However, in 2009, before it took effect, this disclosure requirement was repealed.⁵

- The second part of the phase-in, which remains law today⁶ and is scheduled to take effect beginning January 2011, will require sellers of any home in the wind borne debris region to disclose the home's rating.

Proposed Change

This bill proposes to repeal s. 689.262, F.S., the requirement that sellers of homes in the wind borne debris region⁷ disclose to buyers, beginning January 2011, the home's windstorm mitigation rating. Consequently, sellers of homes located in the wind borne debris region will not be subject to a new disclosure requirement that was scheduled to take effect January 2011. As a result, sellers of homes in the wind borne debris region, like sellers in other regions of Florida, will not have to disclose windstorm mitigation ratings to buyers.

B. SECTION DIRECTORY:

Section 1: Repeals s. 689.262, F.S., relating to the disclosure of a home's windstorm mitigation rating upon sale.

Section 2: Provides an effective date of upon becoming a law.

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:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Sellers of homes located in the specified wind-borne debris region will no longer have to obtain a wind inspection for their home in order to obtain the home's windstorm mitigation rating. Thus, these homeowners will save the cost of the inspection which typically costs \$150 - \$250.

D. FISCAL COMMENTS:

None.

⁵ Ch. 2009-87, L.O.F., s.10 removed ("repealed") the first part of the phase-in of disclosure from s. 627.351(6)(a)5., F.S.

⁶ Section 689.262, F.S.

⁷ The wind borne debris region applicable in s. 689.262, F.S., is the one defined in s. 1609.2 of the 2006 International Building Code. A map is available of the region at http://www.dca.state.fl.us/fbc/maps/Wind_borne_MAP_081208.pdf.

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 an 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 a state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None provided in the bill.

C. DRAFTING ISSUES OR OTHER COMMENTS:

Current law does not outline a framework for a home to be inspected and rated under the grading scale. Consequently, if s. 689.262, F.S., is not repealed, it may be necessary to consider the following issues to ensure an accurate and reliable inspection and rating: the eligibility and qualifications of persons authorized to perform mitigation inspections that establish a home's rating; quality controls and enforcement that ensure inspections are accurate and reliable; and, sanctions that apply to errant inspectors and/or inspections.

IV. AMENDMENTS/COUNCIL OR COMMITTEE SUBSTITUTE CHANGES

None.

HB 545

2010

1 A bill to be entitled
2 An act relating to residential property sales; repealing
3 s. 689.262, F.S., relating to sales of residential
4 property in wind-borne debris regions and required
5 disclosures of windstorm mitigation ratings to purchasers;
6 providing an effective date.

7
8 Be It Enacted by the Legislature of the State of Florida:

9
10 Section 1. Section 689.262, Florida Statutes, is repealed.
11 Section 2. This act shall take effect upon becoming a law.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 877
SPONSOR(S): Mayfield
TIED BILLS:

Florida Agricultural Museum

IDEN./SIM. BILLS: SB 2010

	REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1)	General Government Policy Council		Kaiser <i>AK</i>	Hamby <i>ADP</i>
2)				
3)				
4)				
5)				

SUMMARY ANALYSIS

The Florida Agricultural Museum (museum) is a not-for-profit corporation dedicated to preserving Florida's rich agricultural history. The museum features an outdoor historical farm covering more than 400 acres. The buildings, equipment and implements depict the progression of Florida agriculture through the years.

During the budget cuts of 2008, the Legislature removed all funding for the museum due to a decrease in use and significant increases in the cost of operation.

The bill repeals the Florida Agricultural Museum, as well as all references to the museum, from Florida statutes.

The bill has no fiscal impact. The effective date is July 1, 2010.

HOUSE PRINCIPLES

Members are encouraged to evaluate proposed legislation in light of the following guiding principles of the House of Representatives

- Balance the state budget.
- Create a legal and regulatory environment that fosters economic growth and job creation.
- Lower the tax burden on families and businesses.
- Reverse or restrain the growth of government.
- Promote public safety.
- Promote educational accountability, excellence, and choice.
- Foster respect for the family and for innocent human life.
- Protect Florida's natural beauty.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

While the Florida Agricultural Museum (museum) was officially designated during the legislative session of 1992¹, the museum got its start almost a decade earlier when then-Commissioner of Agriculture Doyle Connor enlisted the help of a group of concerned agriculturalists and historians to preserve Florida's agricultural history, which was quickly being lost to development.

The museum is located in Flagler County and is a private not-for-profit corporation led by a board of trustees. The museum features an outdoor historical farm covering more than 400 acres. The buildings, equipment and implements depict the progression of Florida agriculture through the years.

In addition to preserving Florida's agricultural past, the museum is active in the conservation of heritage livestock including the Florida Cracker cattle and horses. The museum also offers horseback riding and school tours, as well as hosting various agricultural events throughout the year.

During the budget cuts of 2008, the Legislature removed all funding for the museum due to a decrease in use and significant increases in the cost of operation.

Section 570.901, F.S., referencing the Florida Agricultural Museum, is repealed, as are all cross-references to the museum.

B. SECTION DIRECTORY:

Section 1: Repeals s. 570.901, F.S., relating to the designation of the Florida Agricultural Museum (museum).

Section 2: Amends s. 570.902, F.S.; deleting the definition of "museum."

Section 3: Amends s. 570.903, F.S.; deleting references to the museum.

Section 4: Provides an effective date of July 1, 2010.

¹ Chapter 92-151, L.O.F.

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:

None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None

D. FISCAL COMMENTS:

None

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

This bill does not appear to require counties or municipalities to take an action requiring the expenditure of funds, reduce the authority that counties or municipalities have to raise revenue in the aggregate, nor reduce the percentage of state tax shared with counties or municipalities.

2. Other:

None

B. RULE-MAKING AUTHORITY:

None

C. DRAFTING ISSUES OR OTHER COMMENTS:

None

IV. AMENDMENTS/COUNCIL OR COMMITTEE SUBSTITUTE CHANGES

HB 877

2010

1 A bill to be entitled
 2 An act relating to the Florida Agricultural Museum;
 3 repealing s. 570.901, F.S., relating to the museum;
 4 amending ss. 570.902 and 570.903, F.S., relating to
 5 direct-support organizations for the museum and certain
 6 other programs and definitions applicable to such
 7 provisions; deleting provisions pertaining to the museum
 8 to conform to the repeal by the act of provisions
 9 establishing the museum; providing an effective date.

10
 11 Be It Enacted by the Legislature of the State of Florida:

12
 13 Section 1. Section 570.901, Florida Statutes, is repealed.

14 Section 2. Section 570.902, Florida Statutes, is amended
 15 to read:

16 570.902 Definitions; ss. 570.902 and 570.903.—For the
 17 purpose of ss. 570.902 and 570.903:

18 (1) "Designated program" means the specific departmental
 19 program which a direct-support organization has been created to
 20 support.

21 (2) "Direct-support organization" or "organization" means
 22 an organization which is a Florida corporation not for profit
 23 incorporated under the provisions of chapter 617 and approved by
 24 the department to operate for the benefit of ~~a museum or~~ a
 25 specific departmental program.

26 ~~(3) "Museum" means the Florida Agricultural Museum which~~
 27 ~~is designated as the museum for agriculture and rural history of~~
 28 ~~the State of Florida.~~

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29 Section 3. Section 570.903, Florida Statutes, is amended
 30 to read:

31 570.903 Direct-support organization.—

32 (1) When the Legislature authorizes the establishment of a
 33 direct-support organization to provide assistance for ~~the~~
 34 ~~museums,~~ the Florida Agriculture in the Classroom Program, the
 35 Florida State Collection of Arthropods, the Friends of the
 36 Florida State Forests Program of the Division of Forestry, and
 37 the Forestry Arson Alert Program, and other programs of the
 38 department, the following provisions shall govern the creation,
 39 use, powers, and duties of the direct-support organization.

40 (a) The department shall enter into a memorandum or letter
 41 of agreement with the direct-support organization, which shall
 42 specify the approval of the department, the powers and duties of
 43 the direct-support organization, and rules with which the
 44 direct-support organization shall comply.

45 (b) The department may permit, without charge, appropriate
 46 use of property, facilities, and personnel of the department by
 47 a direct-support organization, subject to ~~the provisions of~~ ss.
 48 570.902 and 570.903. The use shall be directly in keeping with
 49 the approved purposes of the direct-support organization and
 50 shall not be made at times or places that would unreasonably
 51 interfere with opportunities for the general public to use
 52 department facilities for established purposes.

53 (c) The department shall prescribe by contract or by rule
 54 conditions with which a direct-support organization shall comply
 55 in order to use property, facilities, or personnel of the
 56 department ~~or museum~~. Such rules shall provide for budget and

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57 audit review and oversight by the department.

58 (d) The department may ~~shall~~ not permit the use of
 59 property, facilities, or personnel of the ~~museum~~, department, or
 60 designated program by a direct-support organization which does
 61 not provide equal employment opportunities to all persons
 62 regardless of race, color, religion, sex, age, or national
 63 origin.

64 (2)(a) The direct-support organization shall be empowered
 65 to conduct programs and activities; raise funds; request and
 66 receive grants, gifts, and bequests of money; acquire, receive,
 67 hold, invest, and administer, in its own name, securities,
 68 funds, objects of value, or other property, real or personal;
 69 and make expenditures to or for the direct or indirect benefit
 70 of the ~~museum~~ or designated program.

71 (b) Notwithstanding the provisions of s. 287.057, the
 72 direct-support organization may enter into contracts or
 73 agreements with or without competitive bidding for the
 74 restoration of objects, historical buildings, and other
 75 historical materials or for the purchase of objects, historical
 76 buildings, and other historical materials which ~~are to be added~~
 77 ~~to the collections of the museum~~, or benefit the designated
 78 program. However, before the direct-support organization may
 79 enter into a contract or agreement without competitive bidding,
 80 the direct-support organization shall file a certification of
 81 conditions and circumstances with the internal auditor of the
 82 department justifying each contract or agreement.

83 (c) Notwithstanding the provisions of s. 287.025(1)(e),
 84 the direct-support organization may enter into contracts to

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85 insure property of the ~~museum or~~ designated programs and may
 86 insure objects or collections on loan from others in satisfying
 87 security terms of the lender.

88 (3) The direct-support organization shall provide for an
 89 annual financial audit in accordance with s. 215.981.

90 (4) Neither a designated program ~~or a museum,~~ nor a
 91 nonprofit corporation trustee or employee may:

92 (a) Receive a commission, fee, or financial benefit in
 93 connection with the sale or exchange of historical objects or
 94 properties to the direct-support organization, ~~the museum,~~ or
 95 the designated program; or

96 (b) Be a business associate of any individual, firm, or
 97 organization involved in the sale or exchange of property to the
 98 direct-support organization, ~~the museum,~~ or the designated
 99 program.

100 (5) All moneys received by the direct-support organization
 101 shall be deposited into an account of the direct-support
 102 organization and shall be used by the organization in a manner
 103 consistent with the goals of the ~~museum or~~ designated program.

104 (6) The identity of a donor or prospective donor who
 105 desires to remain anonymous and all information identifying such
 106 donor or prospective donor are confidential and exempt from the
 107 provisions of s. 119.07(1) and s. 24(a), Art. I of the State
 108 Constitution.

109 (7) The Commissioner of Agriculture, or the commissioner's
 110 designee, may serve on the board of trustees and the executive
 111 committee of any direct-support organization established to
 112 benefit ~~the museum or~~ any designated program.

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113 ~~(8) The department shall establish by rule archival~~
114 ~~procedures relating to museum artifacts and records. The rules~~
115 ~~shall provide procedures which protect the museum's artifacts~~
116 ~~and records equivalent to those procedures which have been~~
117 ~~established by the Department of State under chapters 257 and~~
118 ~~267.~~

119 Section 4. This act shall take effect July 1, 2010.

HB 909

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 909
SPONSOR(S): Crisafulli
TIED BILLS:

Florida Workers' Compensation Joint Underwriting Association

IDEN./SIM. BILLS:

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) General Government Policy Council		Callaway <i>hdc</i>	Hamby <i>hdc</i>
2)			
3)			
4)			
5)			

SUMMARY ANALYSIS

The Florida Workers' Compensation Joint Underwriting Association (FWCJUA or Association) was created by statute in 1993 and began writing claims on January 1, 1994. The FWCJUA is an insurer of last resort, meaning it provides workers' compensation insurance for those employers who cannot obtain it in the voluntary market (from private insurers, self insurance funds, etc.). It operates as a self-funded residual market and is nonprofit.

From the FWCJUA's inception in 1993 through July 2003, there were three rating plans established within the Association for various classifications of risks: Subplan A, Subplan B, and Subplan C. All employers obtaining workers' compensation insurance from the FWCJUA were assigned to one of these three rating plans.

In 2003, the Legislature established a new subplan within the FWCJUA: Subplan D. This subplan provided workers' compensation coverage for generally small employers (15 or fewer employees) and charitable organizations. Unlike the other three subplans which had actuarially sound rates, Subplan D rates were capped as a percentage over the voluntary market rates and thus were not required to be actuarially sound. Consequently, in 2004, Subplan D generated a substantial deficit. Like Subplan C, Subplan D issued assessable policies. Thus, employers in Subplan D were to be assessed in 2004 to defray the subplan's deficit.

In response to the Subplan D deficit and the resulting assessment, the 2004 Legislature revamped the FWCJUA before the assessment for Subplan D was levied. The 2004 Legislature provided an appropriation to defray the FWCJUA's deficit and a funding mechanism to help defray future deficits in the FWCJUA. The legislation also created a three-tier rating system to replace the subplan rating system.

Section 627.312(2), F.S., was enacted in 2004 to guide the FWCJUA's transition from the subplan system to the tier system. This statute required FWCJUA policies with effective dates between May 28, 2004, the effective date of the 2004 law, and June 30, 2004 to be transferred from the subplan rating system to the tier rating system and rerated for premium purposes. Because the June 30, 2004 date has passed, s. 627.312(2), F.S., is obsolete. Thus, this bill repeals this law.

The bill has no fiscal impact and is effective on July 1, 2010.

HOUSE PRINCIPLES

Members are encouraged to evaluate proposed legislation in light of the following guiding principles of the House of Representatives

- Balance the state budget.
- Create a legal and regulatory environment that fosters economic growth and job creation.
- Lower the tax burden on families and businesses.
- Reverse or restrain the growth of government.
- Promote public safety.
- Promote educational accountability, excellence, and choice.
- Foster respect for the family and for innocent human life.
- Protect Florida's natural beauty.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

The Florida Workers' Compensation Joint Underwriting Association (FWCJUA or Association) was created by statute in 1993 and began writing claims on January 1, 1994. The FWCJUA is an insurer of last resort, meaning it provides workers' compensation insurance for those employers who cannot obtain it in the voluntary market (from private insurers, self insurance funds, etc.). It operates as a self-funded residual market and is nonprofit.

From the FWCJUA's inception in 1993 through July 2003, there were three rating plans established within the Association for various classifications of risks: Subplan A, Subplan B, and Subplan C. All employers obtaining workers' compensation insurance from the FWCJUA were assigned to one of these three rating plans. All three subplans had to maintain actuarially sound rates but the rate charged varied in each subplan in accordance with the risk characteristics of the employers obtaining workers' compensation insurance in the subplan. Employers in Subplan C received an assessable workers' compensation policy, meaning these employers could be assessed to pay any deficits incurred in Subplan C.¹ Policies in Subplans A and B were not assessable.

In 2003, the Legislature established a new subplan within the FWCJUA: Subplan D. This subplan provided workers' compensation coverage for generally small employers (15 or fewer employees) and charitable organizations. Unlike the other three subplans which had actuarially sound rates, Subplan D rates were capped as a percentage over the voluntary market rates and thus were not required to be actuarially sound.² Consequently, in 2004, Subplan D generated a substantial deficit. Like Subplan C, Subplan D issued assessable policies. Thus, employers in Subplan D were to be assessed in 2004 to defray the subplan's deficit.

However, in response to the Subplan D deficit and the resulting assessment, the 2004 Legislature revamped the FWCJUA before the assessment for Subplan D was levied.³ The changes made to the

¹ A deficit occurred if the premiums taken in by the WJCJA for policies written in the subplan were not sufficient to cover the claims or reserves of the subplan. If a deficit occurred, then the employers in each subplan were charged an additional amount to cover the difference between the premiums taken in and the amount the subplan had to pay out in claims or the reserves that were required to be set aside. The additional amount was pro rated among employers in the subplan based on the premium each employer paid. There was no statutory limit on the number of times employers could be assessed or on the amount of the assessment. Although the WJCJA had a deficit in Subplan C during the subplan's existence, the Association did not assess the employers in Subplan C to cover the deficit because the Association's investment income was sufficient to cover the deficit.

² Rates for policies in Subplan D were priced at the voluntary market rate with a surcharge not to exceed 25%, however the surcharge for those organizations exempt from federal income tax under 501(c)(3) was not to exceed 10%.

³ Ch. 2004-266, L.O.F.

FWCJUA in 2004 were done to reduce and eliminate the deficit in Subplan D and to ensure future deficits in the FWCJUA would not occur. The 2004 Legislature provided an appropriation to defray the FWCJUA's deficit and a funding mechanism to help defray future deficits in the FWCJUA. Accordingly, employers in Subplan D were never assessed for the subplan's deficit.

The 2004 legislation also created a three-tier rating system to replace the subplan rating system. Statutory criteria for each tier ensured employers obtaining workers' compensation insurance in the FWCJUA were placed in tiers that better defined the employer's risk. The tier rating system also provided the WCJUA with a premium better associated with the employer's risk.⁴

Section 627.312(2), F.S., was enacted in 2004 to guide the FWCJUA's transition from the subplan system to the tier system. This statute required FWCJUA policies with effective dates between May 28, 2004, the effective date of the 2004 law, and June 30, 2004 to be transferred from the subplan rating system to the tier rating system and rerated for premium purposes. Because the June 30, 2004 date has passed, s. 627.312(2), F.S., is obsolete. Thus, this bill repeals this law.

B. SECTION DIRECTORY:

Section 1: Amends s. 627.312, F.S., relating to transitional provisions for the FWCJUA.

Section 2: Provides an effective date of July 1, 2010.

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:
None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

III. COMMENTS

⁴ Initially, the premiums for two of the three tiers were capped at a percentage above the voluntary market rate but by January 1, 2007, the premiums in all tiers were required to be actuarially sound.

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 an 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 a state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None provided in the bill.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COUNCIL OR COMMITTEE SUBSTITUTE CHANGES

None.

HB 909

2010

1 A bill to be entitled
 2 An act relating to the Florida Workers' Compensation Joint
 3 Underwriting Association; amending s. 627.312, F.S.;
 4 deleting an obsolete transitional requirement for certain
 5 policies of the Florida Workers' Compensation Joint
 6 Underwriting Association; providing an effective date.

7
 8 Be It Enacted by the Legislature of the State of Florida:

9
 10 Section 1. Section 627.312, Florida Statutes, is amended
 11 to read:

12 627.312 Transitional provision ~~provisions. Effective upon~~
 13 ~~this act becoming a law:~~

14 ~~(1)~~ Notwithstanding s. 627.311(5), no policy in subplan D
 15 "D" of the Florida Workers' Compensation Joint Underwriting
 16 Association is subject to an assessment for the purpose of
 17 funding a deficit.

18 ~~(2) Any policy issued by the Florida Workers' Compensation~~
 19 ~~Joint Underwriting Association with an effective date between~~
 20 ~~the date on which this act becomes a law and June 30, 2004,~~
 21 ~~shall be rerated and placed in the appropriate tier provided in~~
 22 ~~s. 627.311(5), as amended, effective July 1, 2004, and shall be~~
 23 ~~subject to the premiums and charges provided for in that section~~
 24 ~~as amended.~~

25 Section 2. This act shall take effect July 1, 2010.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 1013

Citrus Canker Eradication

SPONSOR(S): Plakon

TIED BILLS:

IDEN./SIM. BILLS: SB 1956

	REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1)	General Government Policy Council		Kaiser <i>dk</i>	Hamby <i>W</i>
2)				
3)				
4)				
5)				

SUMMARY ANALYSIS

During the 2006 legislative session, CS/CS/SB 994 was enacted to dismantle the citrus canker eradication program codified in Florida statute. CS/CS/SB 994 also directed the department to implement a comprehensive citrus health response plan (CHRP) to minimize the impact of citrus pests and diseases to production and to allow Florida's citrus to be marketed to other states and countries.

In addition, CS/CS/SB 994 stated that all claims for compensation under the Shade Dade or Shade Florida programs must be filed with the department no later than December 31, 2007. After that date, all unfiled claims will expire, and the compensation section of Florida law¹ will be repealed effective July 1, 2008.

The bill repeals section 581.1845, F.S., as well as references elsewhere in statute, effectively removing all mention of the citrus canker eradication program from Florida statute.

This legislation has no fiscal impact on state or local government. The effective date of this legislation is July 1, 2010.

¹ Section 581.1845, F.S.

HOUSE PRINCIPLES

Members are encouraged to evaluate proposed legislation in light of the following guiding principles of the House of Representatives

- Balance the state budget.
- Create a legal and regulatory environment that fosters economic growth and job creation.
- Lower the tax burden on families and businesses.
- Reverse or restrain the growth of government.
- Promote public safety.
- Promote educational accountability, excellence, and choice.
- Foster respect for the family and for innocent human life.
- Protect Florida's natural beauty.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Citrus canker is a bacterial disease of citrus that causes premature leaf and fruit drop. It is highly contagious and can be spread rapidly by wind-borne rain, non-decontaminated lawnmowers and other landscaping equipment, people carrying the infection on their hands, clothing or equipment, or by moving infected or exposed plants or plant parts. To date, there is no known cure for citrus canker.

Florida has been battling citrus canker since 1995, when an infestation occurred in an urban backyard in close proximity to the Miami International Airport. Unfortunately, the United States Department of Agriculture (USDA) and Florida Department of Agriculture and Consumer Services (department) were unable to contain the disease in the urban setting.

The citrus canker eradication program was stymied in November, 2000, by a Broward County Circuit Court order. Additional court orders in May, 2002, from the same judge continued to restrict eradication efforts. The judge declared unconstitutional statutory language² passed by lawmakers in the 2002 session, requiring the department to remove not only infected trees, but also exposed trees located within 1,900 feet of infected ones

As a result of these legal actions, the eradication program functioned under severe constraints and the disease continued to spread in southeast Florida and was even moved by property owners to several other counties.

Subsequently, every order issued by the Broward Circuit Judge was overturned by the Fourth District Court of Appeal in West Palm Beach. The question of the constitutionality of the tree removal statute went before the Florida Supreme Court and the law was upheld in February 2004.³

In addition to the legal delays, the spread of citrus canker bacteria was aided by the

² During the 2002 legislative session, the term, "exposed to infection," was codified in statute, based on research conducted by Dr. Timothy Gottwald, a scientist with the USDA.

³ *Haire v. Florida Department of Agriculture and Consumer Services*, 870 So. 2d774 (Fla. 2004)

unprecedented hurricane seasons Florida experienced in 2004 and 2005. In January 2006, based on scientific analyses, the USDA took the position that the then-current citrus canker eradication plan in Florida was inadequate to contain the disease and a new management plan was in order. The USDA further stated that they would no longer fund tree removal that was done with eradication as the goal.

During the 2006 legislative session, CS/CS/SB 994 was enacted to dismantle the citrus canker eradication program codified in Florida statute. CS/CS/SB 994 also directed the department to implement a comprehensive citrus health response plan (CHRP) to minimize the impact of citrus pests and diseases to production and to allow Florida's citrus to be marketed to other states and countries.

In addition, CS/CS/SB 994 stated that all claims for compensation under the Shade Dade or Shade Florida programs must be filed with the department no later than December 31, 2007. After that date, all unfiled claims will expire, and the compensation section of Florida law⁴ will be repealed effective July 1, 2008.

Effects of Proposed Changes

The bill repeals section 581.1845, F.S., as well as references elsewhere in statute, effectively removing all mention of the citrus canker eradication program from Florida statute.

B. SECTION DIRECTORY:

Section 1: Repeals s. 581.1845, F.S., relating to citrus canker eradication.

Section 2: Amends s. 215.22, F.S.; removes reference to funds expended for citrus canker eradication and compensation.

Section 3: Amends s. 933.02, F.S.; removes reference to s. 581.1845, F.S.

Section 4: Provides an effective date of July 1, 2010.

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:

⁴ Section 581.1845, F.S.

None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None

D. FISCAL COMMENTS:

None

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

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

2. Other:

None

B. RULE-MAKING AUTHORITY:

None

C. DRAFTING ISSUES OR OTHER COMMENTS:

None

IV. AMENDMENTS/COUNCIL OR COMMITTEE SUBSTITUTE CHANGES

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A bill to be entitled
An act relating to citrus canker eradication; repealing s.
581.1845, F.S., relating to the citrus canker eradication
program and the payment of compensation to eligible
homeowners whose citrus trees have been removed under the
program; amending s. 215.22, F.S.; deleting an exemption
from a service charge imposed on income of a revenue
nature deposited in trust funds for funds held for the
payment of citrus canker eradication and compensation to
conform; amending s. 933.02, F.S.; deleting a cross-
reference to conform; providing an effective date.

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

Section 1. Section 581.1845, Florida Statutes, is
repealed.

Section 2. Paragraphs (i) through (w) of subsection (1) of
section 215.22, Florida Statutes, are redesignated as paragraphs
(h) through (v), respectively, and present paragraph (h) of that
subsection is amended to read:

215.22 Certain income and certain trust funds exempt.—

(1) The following income of a revenue nature or the
following trust funds shall be exempt from the appropriation
required by s. 215.20(1):

~~(h) Funds held for the payment of citrus canker
eradication and compensation.~~

Section 3. Paragraph (d) of subsection (4) of section
933.02, Florida Statutes, is amended to read:

HB 1013

2010

29 933.02 Grounds for issuance of search warrant.—Upon proper
30 affidavits being made, a search warrant may be issued under the
31 provisions of this chapter upon any of the following grounds:

32 (4) When any property is being held or possessed:

33 (d) In violation of the laws relative to citrus disease
34 pursuant to s. ss. 581.184 and ~~581.1845~~; or

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36 This section also applies to any papers or documents used as a
37 means of or in aid of the commission of any offense against the
38 laws of the state.

39 Section 4. This act shall take effect July 1, 2010.

HB 1015

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 1015

Workers' Compensation Administrator

SPONSOR(S): O'Toole

TIED BILLS:

IDEN./SIM. BILLS: SB 1758

	REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1)	General Government Policy Council		Callaway <i>hdc</i>	Hamby <i>Job</i>
2)				
3)				
4)				
5)				

SUMMARY ANALYSIS

Section 627.092, F.S., creates the position of Workers' Compensation Administrator within the Office of Insurance Regulation (OIR) to monitor insurance company compliance in workers' compensation. The OIR does not currently have an employee designated as the Workers' Compensation Administrator and does not have primary responsibility for monitoring insurance company compliance with workers' compensation laws. Thus, this bill repeals s. 627.092, F.S.

The bill has no fiscal impact on state or local governments.

The bill is effective on July 1, 2010.

HOUSE PRINCIPLES

Members are encouraged to evaluate proposed legislation in light of the following guiding principles of the House of Representatives

- Balance the state budget.
- Create a legal and regulatory environment that fosters economic growth and job creation.
- Lower the tax burden on families and businesses.
- Reverse or restrain the growth of government.
- Promote public safety.
- Promote educational accountability, excellence, and choice.
- Foster respect for the family and for innocent human life.
- Protect Florida's natural beauty.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Section 627.092, F.S., creates the position of Workers' Compensation Administrator within the Office of Insurance Regulation (OIR) to monitor insurance company compliance in workers' compensation. The OIR does not currently have an employee designated as the Workers' Compensation Administrator. Additionally, the Bureau of Monitoring and Audit within the Division of Workers' Compensation in the Department of Financial Services is responsible for overall monitoring and auditing of the performance of workers' compensation insurance companies. The OIR's responsibility in workers' compensation is primarily to review and approve workers' compensation rates.

This bill repeals s. 627.092, F.S., because the OIR does not have an employee designated as the Workers' Compensation Administrator and does not have primary responsibility for monitoring insurance company compliance with workers' compensation laws.

B. SECTION DIRECTORY:

Section 1: Repeals s. 627.092, F.S., relating to the position of Workers' Compensation Administrator.

Section 2: Provides an effective date of July 1, 2010.

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:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

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 an 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 a state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None provided in the bill.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COUNCIL OR COMMITTEE SUBSTITUTE CHANGES

None.

HB 1015

2010

1 A bill to be entitled
2 An act relating to the Workers' Compensation
3 Administrator; repealing s. 627.092, F.S., relating to the
4 Workers' Compensation Administrator, to abolish the
5 position; providing an effective date.

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

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9 Section 1. Section 627.092, Florida Statutes, is repealed.

10 Section 2. This act shall take effect July 1, 2010.