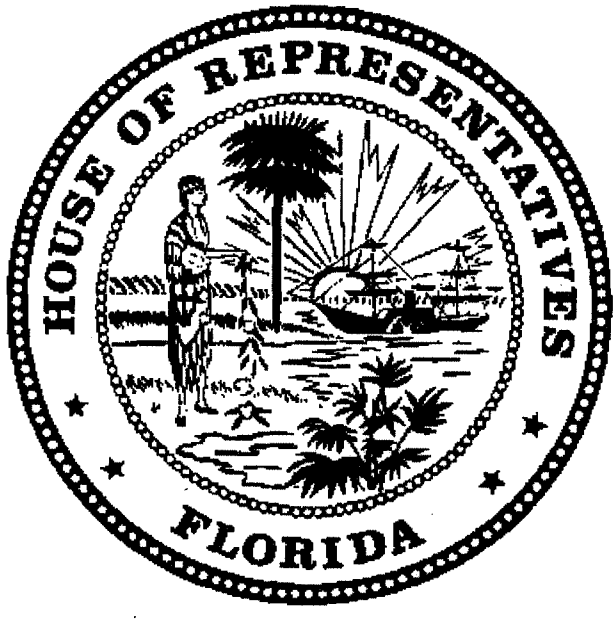

ECONOMIC AFFAIRS COMMITTEE

Thursday, March 10, 2011
2:45 PM
Reed Hall (102 HOB)

Dean Cannon
Speaker

Dorothy L. Hukill
Chair

The Florida House of Representatives

Economic Affairs Committee

Dean Cannon
Speaker

Dorothy L. Hukill
Chair

AGENDA

Reed Hall (102 HOB)
Thursday, March 10, 2011, 2:45pm

I. CALL TO ORDER AND WELCOME REMARKS

II. CONSIDERATION OF THE FOLLOWING BILLS:

HB 4001 GROWTH POLICY BY DIAZ

HB 4007 DRIVER LICENSES BY WORKMAN

HB 4009 OUTDOOR THEATERS BY WORKMAN

CS/HB 4013 TELEVISION PICTURE TUBES BY BUSINESS & CONSUMER AFFAIRS SUBCOMMITTEE, EISNAUGLE

HB 4019 TRAFFIC OFFENSES BY WORKMAN

HB 4021 WATER VENDING MACHINES BY WORKMAN

HB 4023 SALES REPRESENTATIVE CONTRACTS INVOLVING COMMISSIONS BY PLAKON

HB 4029 TRANSPORTATION CORPORATIONS BY HORNER

HB 4031 LOCAL GOVERNMENT SERVICES BY DORWORTH

HB 4033 FLORIDA INDUSTRIAL DEVELOPMENT CORPORATION BY DORWORTH

HB 4077 TRANSPORTATION CORRIDORS BY DORWORTH

HB 4081 REPEAL OF OBSOLETE INSURANCE PROVISIONS BY HORNER

HB 4083 WORKERS' COMPENSATION BY ALBRITTON

CS/HB 4099 REPEAL OF PROPERTY AND CASUALTY INSURANCE PROVISIONS BY INSURANCE & BANKING SUBCOMMITTEE, NELSON

HB 4115 POWERS OF THE CONSUMER ADVOCATE BY PLAKON

HB 4129 RESIDENTIAL PROPERTY STRUCTURAL SOUNDNESS EVALUATION GRANT PROGRAM BY CRISAFULLI

III. ADJOURNMENT

204 House Office Building, 402 South Monroe Street, Tallahassee, Florida 32399-1300
(850)488-3041 Fax: (850)410-0129

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 4001 Growth Policy
SPONSOR(S): Diaz
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Community & Military Affairs Subcommittee	14 Y, 1 N	Shuler	Hoagland
2) Economic Affairs Committee		Shuler	Tinker

SUMMARY ANALYSIS

This bill repeals s. 163.2523, F.S., and thus eliminates the Urban Infill and Redevelopment Assistance Program. The program was created as part of the 1999 "Growth Policy Act" to help local governments revitalize distressed urban areas. The Legislature appropriated $2.5 million in fiscal year 2000-2001 to the program, but has not appropriated funds in subsequent years. The bill also corrects several statutory references.

This bill has an effective date of July 1, 2011.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Current Situation

Created as part of the "Growth Policy Act"[1] in 1999 to help local governments revitalize distressed urban core areas, the Urban Infill and Redevelopment Assistance Program has not been funded since fiscal year 2000-2001. The program is administered by the Division of Housing and Community Development of the Department of Community Affairs.

Two main types of grants are offered under the program. Planning grants aid local governments in developing urban infill and redevelopment plans. The other type of grant money is used for implementing projects under existing urban infill and redevelopment plans. The statute requires that thirty percent of all revenue appropriated to the program be used for planning grants. Sixty percent of appropriated funds must be used in fifty-fifty matching grants for implementing projects. The remaining ten percent is to be used in outright grants for implementing projects requiring expenditures of less than $50,000. Local government grant recipients may allocate the money to special districts, including community redevelopment agencies and nonprofit community development organizations to implement projects consistent with an urban infill and redevelopment plan.

The Legislature appropriated $2.5 million in fiscal year 2000-2001 to the program, but has not appropriated funds since then.[2] The Department of Community Affairs divided these funds among 22 local government grant applicants.

Section 163.2526 directed OPPAGA to report on the effectiveness of the designation of urban infill and redevelopment areas by 2004. OPPAGA's 2004 Status Report stated that evaluating the impact of the grants was difficult because little data and few evaluating criteria were available, yet the local government grant recipients described the funds as useful in addressing local issues. Because its directive was complete, the OPPAGA review and evaluation requirement embodied in section 163.2526 was repealed in 2010.[3]

Effect of Proposed Changes

By repealing s. 163.2523, F.S., this bill eliminates the Urban Infill and Redevelopment Assistance Program which has not been funded since fiscal year 2000-2001. The bill also corrects several statutory cross-references.

Regardless of whether this repeal is enacted, local governments may still designate urban infill and redevelopment areas and implement plans for these areas under the statute if they so choose. Additionally, economic incentives, such as the power to finance redevelopment plans through revenue bonds or tax increment financing, remain available to local governments.[4]

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[1] Currently sections 163.2511-163.2523, F.S.

[2] Office of Program Policy Analysis, Report No. 04-14, Status Report: Urban Infill and Redevelopment Areas Have Uncertain Impact But Perceived as Useful, p.2 (2004), *available at* http://www.oppaga.state.fl.us/MonitorDocs/Reports/pdf/0414rpt.pdf.

[3] *See* ch. 2010-102, L.O.F.; SB 1412 (2010).

[4] *See* section 163.2520. Other incentives available under 163.2520 include the authority to levy special assessments and prioritization in the allocation of private activity bonds from the state pool.

B. SECTION DIRECTORY:

Section 1: Repeals s. 163.2523, F.S., relating to the Urban Infill and Redevelopment Assistance Grant Program.

Section 2: Amends s. 163.065 to correct for references to repealed section.

Section 3: Amends s. 163.2511 to correct for references to repealed section.

Section 4: Amends s. 163.2514 to correct for references to repealed section.

Section 5: Sets an effective date of July 1, 2011.

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:

No direct fiscal impact. This repeals a grant program that has not been funded since fiscal year 2000-2001.

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 to 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.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

A bill to be entitled

An act relating to growth policy; repealing s. 163.2523, F.S., relating to the Urban Infill and Redevelopment Assistance Grant Program, to terminate the program; amending ss. 163.065, 163.2511, and 163.2514, F.S.; conforming cross-references to changes made by the act; providing an effective date.

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

Section 1. Section 163.2523, Florida Statutes, is repealed.

Section 2. Paragraph (a) of subsection (4) of section 163.065, Florida Statutes, is amended to read:

163.065 Miami River Improvement Act.—

(4) PLAN.—The Miami River Commission, working with the City of Miami and Miami-Dade County, shall consider the merits of the following:

(a) Development and adoption of an urban infill and redevelopment plan, under ss. 163.2511-163.2520 ~~163.2511-163.2523~~, which participating state and regional agencies shall review for the purposes of determining consistency with applicable law.

Section 3. Subsection (1) of section 163.2511, Florida Statutes, is amended to read:

163.2511 Urban infill and redevelopment.—

(1) Sections 163.2511-163.2520 ~~163.2511-163.2523~~ may be cited as the "Growth Policy Act."

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

Section 4. Section 163.2514, Florida Statutes, is amended to read:

163.2514 Growth Policy Act; definitions.—As used in ss. 163.2511-163.2520 ~~163.2511-163.2523~~, the term:

(1) "Local government" means any county or municipality.

(2) "Urban infill and redevelopment area" means an area or areas designated by a local government where:

(a) Public services such as water and wastewater, transportation, schools, and recreation are already available or are scheduled to be provided in an adopted 5-year schedule of capital improvements;

(b) The area, or one or more neighborhoods within the area, suffers from pervasive poverty, unemployment, and general distress as defined by s. 290.0058;

(c) The area exhibits a proportion of properties that are substandard, overcrowded, dilapidated, vacant or abandoned, or functionally obsolete which is higher than the average for the local government;

(d) More than 50 percent of the area is within 1/4 mile of a transit stop, or a sufficient number of transit stops will be made available concurrent with the designation; and

(e) The area includes or is adjacent to community redevelopment areas, brownfields, enterprise zones, or Main Street programs, or has been designated by the state or Federal Government as an urban redevelopment, revitalization, or infill area under empowerment zone, enterprise community, or brownfield showcase community programs or similar programs.

Section 5. This act shall take effect July 1, 2011.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 4007 Driver Licenses
SPONSOR(S): Workman
TIED BILLS: **IDEN./SIM. BILLS:** SB 1684

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Transportation & Highway Safety Subcommittee	13 Y, 0 N	Brown	Tinker
2) Economic Affairs Committee		Brown RLB	Tinker TBT

SUMMARY ANALYSIS

HB 4007 repeals unnecessary language from Chapter 322, Florida Statutes, relating to chauffeur's licenses, which were phased out and replaced by Commercial Driver's Licenses in the early 1990's.

The bill does not have a fiscal impact, and has an effective date of July 1, 2011.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Section 322.58, F.S., enacted in 1989, provides a period of time for holders of chauffeur's licenses to transfer to uniform Commercial Driver's License requirements. The 'phasing out' period ended on April 1, 1991, after which time chauffeurs' licenses were no longer issued nor recognized as valid.

The bill repeals this section, as chauffeur's licenses have not been issued or recognized since 1991.

B. SECTION DIRECTORY:

Section 1 Repeals s. 322.58, F.S., regarding chauffeurs' licenses, repealing provisions for licensure of such persons under the appropriate license classification.

Section 2 Provides an effective date of July 1, 2011.

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 because the bill does not appear to: require counties or cities to spend funds or take action requiring the expenditure of funds; reduce the authority that cities or counties have to raise revenues in the aggregate; or reduce the percentage of a state tax shared with cities or counties.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

N/A

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

A bill to be entitled

An act relating to driver licenses; repealing s. 322.58, F.S., relating to the effect of classified licensure on persons holding a chauffeur's license; repealing provisions for licensure of such persons under the appropriate license classification; providing an effective date.

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

Section 1. Sections 322.58, Florida Statutes, is repealed.

Section 2. This act shall take effect July 1, 2011.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 4009 Outdoor Theaters
SPONSOR(S): Workman
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Business & Consumer Affairs Subcommittee	13 Y, 0 N	Morton	Creamer
2) Economic Affairs Committee		Morton	Tinker

SUMMARY ANALYSIS

House Bill 4009 repeals ch. 555, F.S., removing the statutory requirements concerning access to and from public roads and other requirements that specifically apply to outdoor theaters.

The bill does not have a fiscal impact.

The bill has an effective date of July 1, 2011.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Current Situation

Outdoor Theaters

Chapter 555, F.S., was created in 1953, to provide for the safe ingress and egress to and from public roads by preventing hazardous conditions and locations in constructing outdoor theaters such as drive-ins.[1] The DOT reports the language is obsolete.

The law applies to outdoor theaters, including any place for outdoor assembly used for the showing of plays, operas, and motion pictures to an audience viewing from parked vehicles, constructed after June 2, 1953. A theater owner must prove compliance with the law before being issued an occupational license. The last time any section of this chapter was amended was in 1979.

The law provides that all entrances and exits to the theater must comply with the rules of the Department of Transportation (DOT) and the following:

- Not more than one entrance may be provided for each access road.
- The portion of the entrance or exit lying within a public road right-of-way must comply with the regulations applicable to that road.
- Not more than two exits may be provided for each access highway.
- No entrance or exit on a state road may be located within 500 feet of its intersection with another state road.
- Enclosures surrounding the theater may not begin less than 200 feet from the centerline of the nearest state road.

The law also provides requirements for storage space for vehicles, placement of movie screens, and lighting.

Currently, about six drive-in theaters operate in Florida.[2]

Other Applicable Regulations

Under the State Highway System Access Management Act, vehicular access and connections to or from the state highway system are regulated by the Department of Transportation (DOT).[3] Under the Act, a connection to a state road may not be constructed or substantially altered without first obtaining an access permit from the DOT.

Local land and development regulations also apply to outdoor theaters.

Proposed Changes

The bill repeals ch. 555, F.S., relating to outdoor theaters. This removes the statutory requirements concerning access to and from public roads and other requirements that specifically apply to outdoor theaters.

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[1] Chapter 28085, L.O.F.

[2] *See* database at http://www.drive-ins.com. Operating outdoor theaters include Joy-Lan Drive-In (Dade City), Swap Shop Drive-In (Fort Lauderdale), Lake Worth Drive-In (Lake Worth), Silver Moon Drive-In (Lakeland), Ruskin Family Drive-In (Ruskin) and Fun-Lan Drive-In (Tampa).

[3] Sections 335.18-335.188, F.S. Visit http://www.dot.state.fl.us/planning/systems/sm/accman/ for information about the Department of Transportation's access management program.

The bill has an effective date of July 1, 2011.

B. SECTION DIRECTORY:

Section 1 Repeals ch. 555, F.S.; relating to outdoor theaters.

Section 2 Provides an effective date.

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. The 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 the counties or municipalities have to raise revenue in the aggregate; or reduce the percentage of a state tax shared with counties or municipalities.

2. Other:

None

B. RULE-MAKING AUTHORITY:

None

C. DRAFTING ISSUES OR OTHER COMMENTS:

None

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

None

A bill to be entitled

An act relating to outdoor theaters; repealing ch. 555, F.S., relating to access to public roads from outdoor theaters; removing provisions for entrances, exits, enclosures, vehicle storage, screen orientation, tower location, and driveway lighting; removing requirements for a qualifying certificate to prove compliance with agency regulations prior to issuance of an occupational license by the tax collector; providing an effective date.

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

Section 1. Sections 555.01, 555.02, 555.03, 555.04, 555.05, 555.07, and 555.08, Florida Statutes, are repealed.

Section 2. This act shall take effect July 1, 2011.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 4013 Television Picture Tubes
SPONSOR(S): Business & Consumer Affairs Subcommittee and Eisnaugle
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Business & Consumer Affairs Subcommittee	14 Y, 0 N, As CS	Livingston	Creamer
2) Economic Affairs Committee		Livingston	Tinker JVST

SUMMARY ANALYSIS

The bill repeals ss. 817.559 and 817.56, F.S., relating to standards applicable to labeling of television picture tubes by a manufacturer, processor, or distributor. These products would no longer be required to be labeled to indicate the new and used components and materials of each unit.

The bill does not have a fiscal impact.

The bill has an effective date of July 1, 2011.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Currently s. 817.559 establishes labeling standards for television picture tubes. "Picture tube" is defined to mean:

> "a cathode ray tube, commonly known as a television picture tube, designed primarily for use in a home-type television receiver alone or in combination with any electronic device or appliance."

This section prohibits a manufacturer, processor, or distributor of television picture tubes from selling picture tubes unless the product and its container, if any, is labeled to indicate the new and used components and materials of each unit. The label must conform to the statutory schedule of new and used components and materials to be disclosed on the label based on the particular grade which applies to each tube.

- Black and white picture tube:
    - Grade AA - All new components and materials, including new glass envelope.
    - Grade A - Used glass envelope; all other components and materials are new.
    - Grade B - Used glass envelope, used phosphorescent viewing screen, used aluminization, and used internal conductive coating; all other components and materials are new.
    - Grade C - Used picture tube for resale; all significant components and materials are used.

- Color picture tube:
    - Grade AA - All new components and materials, including new glass envelope.
    - Grade A - Used glass envelope and new or used shadow mask; all other components and materials are new.
    - Grade B - New electron gun; all other components and materials are used.
    - Grade C - Used picture tube for resale; all significant components and materials are used.

When a picture tube is a "second," the tube must be designated by label as a "second" to the exclusion of any other grade designation or component description. The following additional notation must appear verbatim on the label:

> "This picture tube is a manufacturer's reject or second line quality tube, but it is capable of giving satisfactory performance."

A violation of the labeling requirements constitutes a misdemeanor of the second degree, punishable as provided on s. 775.082 or s. 775.083, F.S.:

- 775.082 Penalties; applicability of sentencing structures.
    - For a misdemeanor of the second degree, by a definite term of imprisonment not exceeding 60 days.

- 775.083 Fines.

- $500, when the conviction is of a misdemeanor of the second degree or a noncriminal violation.

Proposed Changes

The bill repeals ss. 817.559 and 817.56, F.S., relating to standards applicable to labeling of television picture tubes by a manufacturer, processor, or distributor. These products would no longer be required to be labeled to indicate the new and used components and materials of each unit.

B. SECTION DIRECTORY:

Section 1. Repeals ss. 817.559 and 817.56, F.S., relating to television picture tube labeling requirements.

Section 2. Effective date – July 1, 2011.

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:

Not anticipated to be significant. Business overhead costs could be anticipated to be reduced in association with the practice of placing labels on picture tubes.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. The 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 the counties or municipalities have to raise revenue in the aggregate; or reduce the percentage of a state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On February 8, 2011, the Business & Consumer Affairs Subcommittee took up the bill, adopted one amendment, and passed the bill as a Subcommittee Substitute by a vote of 14-0.

The CS differs from the bill as filed in the following areas:

- removes language in s. 817.56, F.S., relating to standards applicable to labeling of television picture tubes that had not been included in the bill as filed.

A bill to be entitled

An act relating to television picture tubes; repealing ss. 817.559 and 817.56, F.S., relating to television picture tube labeling requirements and misrepresentations of television picture tubes; providing an effective date.

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

Section 1. Sections 817.559 and 817.56, Florida Statutes, are repealed.

Section 2. This act shall take effect July 1, 2011.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 4019 Traffic Offenses
SPONSOR(S): Workman
TIED BILLS: **IDEN./SIM. BILLS:** SB 1630

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Transportation & Highway Safety Subcommittee	14 Y, 0 N	Brown	Tinker
2) Economic Affairs Committee		Brown RLB	Tinker TBT

SUMMARY ANALYSIS

HB 4019 repeals unnecessary language from Chapter 316, Florida Statutes, relating to motor vehicle operation. The language being repealed prohibits motor vehicle drivers from travelling on a downgrade with the vehicle in neutral or the clutch disengaged.

The bill does not have a fiscal impact, and has an effective date of July 1, 2011.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Current Situation

Section 316.2024, F.S., prohibits the operator of a motor vehicle from "travelling upon a downgrade... with the gears or transmission... in neutral or the clutch disengaged." A violation of the provision is considered a moving violation punishable by a fine of $60 plus local court costs, which vary by jurisdiction.

The Department of Highway Safety and Motor Vehicles (DHSMV) prepares an annual report on the number of citations issued by law enforcement officers statewide. Violations of s. 316.2024, F.S., are aggregated on the Uniform Traffic Citation itself as "Other Moving" violations along with 42 other moving violations.

Proposed Changes

The bill repeals s. 316.02024, F.S., prohibiting coasting on a downgrade while in neutral. DHSMV reports that five citations were issued for this behavior in 2009 (the most recent available data).[1]

B. SECTION DIRECTORY:

Section 1 Repeals s. 316.2024, F.S., which prohibits a motor vehicle coasting on a downgrade.

Section 2 Provides an effective date of July 1, 2011.

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.

[1] Department of Highway Safety and Motor Vehicles, *2011 Bill Analysis – HB 4019.*

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

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

2. Other:

None.

B. RULE-MAKING AUTHORITY:

N/A

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

A bill to be entitled

An act relating to traffic offenses; repealing s. 316.2024, F.S., which prohibits a motor vehicle coasting on a downgrade; providing an effective date.

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

Section 1. Section 316.2024, Florida Statutes, is repealed.

Section 2. This act shall take effect upon becoming a law.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 4021 Water Vending Machines
SPONSOR(S): Workman
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Business & Consumer Affairs Subcommittee	14 Y, 0 N	Livingston	Creamer
2) Economic Affairs Committee		Livingston	Tinker TBT

SUMMARY ANALYSIS

The bill repeals regulatory provisions relating to water vending machines. Section 500.459, F.S., is repealed and s. 500.511, F.S., is amended to remove reference to these machines. These changes remove the statutory requirements concerning the operation of water vending machines.

The bill is anticipated to have a negative fiscal impact on state trust funds from the reduction in fees associated with permitting and operating water vending machines. The DACS estimates this reduction to be $95,000 per fiscal year based on the $35 fee paid to the DACS for each water vending machine.

A positive fiscal impact on state trust funds is anticipated to occur from the reduction in cost associated with processing permit applications. The DACS reports that this reduction would approach $64,700 per year.

Additionally, the DACS reports that there are 106 "firm operators" that are issued a permit. Therefore, based on a $10 surcharge currently collected by DACS and transferred to the Department of Health (DOH) from each operator, this bill would have a negative fiscal impact on DOH trust funds of $1,060.

The bill has an effective date of July 1, 2011.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Current Situation

Chapter 381, F.S., specifies Legislative intent relating to public health generally to include:

- Subsection 381.001(1), F.S., the Legislature recognizes that the state's public health system must be founded on an active partnership between federal, state, and local government and between the public and private sectors, and, therefore, assessment, policy development, and service provision must be shared by all of these entities to achieve its mission.

Currently, food[1] safety is the responsibility of various federal, state, and local agencies. At the state level, the Department of Agriculture and Consumer Services (DACS) regulates establishments selling primarily pre-packaged foods or beverages. The Department of Business and Professional Regulation regulates establishments selling primarily prepared foods, such as restaurants and mobile vendors. The Department of Health oversees food service in facilities such as schools and similar institutions. Each agency attempts to coordinate activities in an effort to avoid overlapping oversight of particular establishments.

Within the DACS, the water and ice program is located in the Division of Food Safety, Bureau of Food and Meat Inspection, Section on Sanitation & Safety.[2] This section administers the permitting requirements for water vending machines and monitors the purity of water sold through these devices. It also monitors the processing and labeling of bottled water and packaged ice sold in Florida. The section is responsible for the oversight of inspections of water vending machines, as well as, bottled water plants and packaged ice plants, and coordination of required product sample collection.

Unchanged since its enactment in 1984 and currently codified as section 500.459(1), F.S., the statement of legislative intent relating to water vending machines currently specifies:

> It is the intent of the Legislature to protect the public health through licensing and establishing standards for water vending machines to ensure that consumers obtaining water through such means are given appropriate information as to the nature of such water and that such consumers are assured that the water meets acceptable standards for human consumption.

"Water vending machine" is defined to mean a self-service device that, upon insertion of a coin or token or upon receipt of payment by other means, dispenses a serving of water into a container.[3]

A water vending machine operator must annually obtain a permit from the DACS prior to operating a water vending machine. The operator must:

- Make application.
- Submit payment of a fee not to exceed $200 (current rules of the DACS sets the fee at $35).
- The application must state the location of each water vending machine, the source of the water to be vended, the treatment the water will receive prior to being vended, and any other information considered necessary by the department.

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[1] Section 500.03(1)(l)1., F.S., defines food to include "articles used for food or drink for human consumption.
[2] http://www.freshfromflorida.com/fs/inspectn.html#H2O
[3] Section 500.459(5)(c), F.S.

Operating standards specified in statute include:

- The placement of water vending machine indoors or otherwise protected against tampering and vandalism and located on flooring that is of cleanable construction.
- Surfaces of the machine with which water comes into contact must be made of nontoxic, corrosion-resistant, nonabsorbent material capable of withstanding repeated cleaning and sanitizing treatments. Section 500.459, F.S., defines "sanitized" to mean treated in conformity with 21 C.F.R. s. 110.3(o).[4]
- Each water vending machine must have a backflow prevention device that conforms to the applicable provision of the Florida Building Code and an adequate system for collecting and handling dripping, spillage, and overflow of water.
- The source of water supply must be an approved public water system[5] and must receive treatment and post disinfection according to approved methods established by rule of the DACS.
- Disclose on each water vending machine, in a position clearly visible to customers: the name and address of the operator; the operating permit number; the fact that the water is obtained from a public water supply; the method of treatment used; the method of post disinfection used; and a local or toll-free telephone number that may be called for obtaining further information, reporting problems, or making complaints.

Duties and responsibilities of the DACS relating to regulation of water vending machines include to:

- Approve applications for a permit and deny operations if the DACS finds that the vended water will not meet drinking water quality standards (if denied, specific technical reasons for the denial must be given by the DACS).
- Adopt rules to implement the provisions of this section.
- Establish frequencies and standards for sampling water quality.
- Order an operator to discontinue the operation of a water vending machine which represents a threat to the life or health of any person, or when the vended water does not meet standards.

Penalties are specified for violations.

Regulation of this program is currently preempted to the state.[6]

Effect of Proposed Changes

The bill repeals regulatory provisions relating to water vending machines. Section 500.459, F.S., is repealed outright and s. 500.511, F.S., is amended to remove reference to these machines. These changes remove the statutory requirements concerning regulation of the operation of water vending machines.

B. SECTION DIRECTORY:

Section 1. Repeals section 500.459, F.S., relating to the regulation of water vending machines.

Section 2. Amends section 500.511, F.S., to remove provisions relating to fees, enforcement, and preemption of regulation of water vending machines to the state.

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[4] "Sanitize" means to adequately treat food-contact surfaces by a process that is effective in destroying vegetative cells of microorganisms of public health significance, and in substantially reducing numbers of other undesirable microorganisms, but without adversely affecting the product or its safety for the consumer.

[5] "Public health: general provisions, s. 381.0062(2)(m), F.S., defines (m) "Public water system" means a water system that is not included or covered under the Florida Safe Drinking Water Act, which provides piped water to the public.

[6] Section 500.511, F.S., No county or municipality may adopt or enforce any ordinance that regulates the licensure or operation of water vending machines unless it is determined that unique conditions exist within the county which require the county to regulate such entities in order to protect the public health.

Section 3. Effective date – July 1, 2011.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The bill is anticipated to have a negative fiscal impact on state trust funds from the reduction in fees associated with permitting and operating water vending machines. The DACS estimates this reduction to be $95,000 per fiscal year based on the $35 fee paid to the DACS for each water vending machine.

Additionally, the DACS reports that there are 106 "firm operators" that are issued a permit. Therefore, based on a $10 surcharge currently collected by DACS and transferred to the Department of Health from each operator, this bill would have a negative fiscal impact on DOH trust funds of $1,060.[7]

The DACS application[8] for a water vending machine permit includes the formula for an applicant to use for purposes of submitting the appropriate DACS fee and the surcharge fee for the Department of Health.

Determining your Fee: **The fee for a Water Vending Machine Operating Permit is $35 per machine. There is also a $10 Epidemiology surcharge per operator collected for the Florida Department of Health.**

(see example below when submitting an application for more than one machine permit.)

EXAMPLE for 10 machines:

$ 35.00 (permit fee per machine)
x 10 (times number of machines)
$350.00
+$ 10.00 (plus $ 10 epidemiology surcharge)
=$360.00 (fee)

*** if you have machines permitted for the current permit year, the $ 10 epidemiology surcharge does not apply.**

2. Expenditures:

A positive fiscal impact on state trust funds is anticipated to occur from the reduction in cost associated with processing permit applications. The DACS reports that this reduction would approach $64,700 per year. The DACS calculates that the reduction is a factor of the following workload for Fiscal Year 2009-2010 by the Division of Food Safety:

- permitted approximately 2,800 water vending firms at a cost of $35 per permit;
- performed 309 inspections of water vending machines; and
- collected 673 vended water samples for testing.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

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[7] Section 381.006(10), F.S., specifies that the Department of Health conduct "An environmental epidemiology function which shall investigate food-borne disease, waterborne disease, and other diseases of environmental causation, whether of chemical, radiological, or microbiological origin. A $10 surcharge for this function shall be assessed upon all persons permitted under chapter 500. This function shall include an educational program for physicians and health professionals designed to promote surveillance and reporting of environmental diseases, and to further the dissemination of knowledge about the relationship between toxic substances and human health which will be useful in the formulation of public policy and will be a source of information for the public.

[8] Application for a Water Vending Machine Operating Permit, DACS-14802 (Oct. 2007).

1. Revenues:

   Unknown if any. See C. below.

2. Expenditures:

   Unknown if any. See C. below.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The DACS reports that is unable to determine the full impact of this proposed legislation on local governments. The DACS notes that if adopted, regulation will no longer be preempted to the state and it will allow city and county jurisdictions to pursue local ordinances requiring permitting with fees, inspections and regulations unique to each local jurisdiction.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

   Not applicable. The 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 the counties or municipalities have to raise revenue in the aggregate; or reduce the percentage of a state tax shared with counties or municipalities.

2. Other:

   None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

None.

A bill to be entitled

An act relating to water vending machines; repealing s. 500.459, F.S., relating to the regulation of water vending machines and the permitting of water vending machine operators; amending s. 500.511, F.S.; deleting provisions for the deposit of operator permitting fees, the enforcement of the state's water vending machine regulations, penalties, and the preemption of county and municipal water vending machine regulations, to conform; providing an effective date.

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

Section 1. Section 500.459, Florida Statutes, is repealed.

Section 2. Section 500.511, Florida Statutes, is amended to read:

500.511 Bottled water plants; packed ice plants; ~~Fees; enforcement;~~ preemption.—

~~(1) FEES.—All fees collected under s. 500.459 shall be deposited into the General Inspection Trust Fund and shall be accounted for separately and used for the sole purpose of administering the provisions of such section.~~

~~(2) ENFORCEMENT AND PENALTIES.—In addition to the provisions contained in s. 500.459, the department may enforce s. 500.459 in the manner provided in s. 500.121. Any person who violates a provision of s. 500.459 or any rule adopted under such section shall be punished as provided in such section. However, criminal penalties may not be imposed against any~~

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

~~person who violates a rule.~~

~~(3) PREEMPTION OF AUTHORITY TO REGULATE.~~—Regulation of bottled water plants~~, water vending machines, water vending machine operators,~~ and packaged ice plants is preempted by the state. No county or municipality may adopt or enforce any ordinance that regulates the licensure or operation of bottled water plants~~, water vending machines,~~ or packaged ice plants, unless it is determined that unique conditions exist within the county which require the county to regulate such entities in order to protect the public health. This subsection does not prohibit a county or municipality from requiring a business tax pursuant to chapter 205.

Section 3. This act shall take effect July 1, 2011.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 4023 Sales Representative Contracts Involving Commissions
SPONSOR(S): Plakon
TIED BILLS: **IDEN./SIM. BILLS:** SB 474

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Business & Consumer Affairs Subcommittee	10 Y, 4 N	Morton	Creamer
2) Economic Affairs Committee		Morton	Tinker TBT

SUMMARY ANALYSIS

House Bill 4023 repeals s. 686.201, F.S, removing the statutory requirements on sales representative contracts involving commissions and the provisions relating to a private cause of action.

The bill does not have a fiscal impact on state funds.

The bill has an effective date of July 1, 2011.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Current Situation

A sales representative contract is an agreement between a principal and a sales representative for the sales representative to solicit orders for the principal's product or service.

Sales representatives include persons or companies soliciting orders for a principal who are compensated, in whole or in part, by commission. Employees of the sales representative and resellers are not sales representatives.

Florida statute places the following restrictions on certain sales representative contracts involving commissions:

- Contracts must be in writing;
- Contracts must set forth the method by which commissions are computed and paid; and
- Sales representatives must be given a signed copy of the contract

If a sales representative contract is not in writing, all commissions due must be paid within 30 days of the contract's termination. If the commissions are not paid, the sales representative has a cause of action for damages equal to three times the unpaid commissions. Attorney fees and court costs are awarded to the prevailing party.

Real estate professionals regulated under chapter 475, F.S., are exempt from the statute.

The statute was enacted in 1984. "It appears that the Florida legislature sought to address the inherent problem of the disparity in bargaining power between a sales representative and a manufacturer or importer."[1] Originally, the statute applied only to out-of-state principals, a classification ultimately found to be an unconstitutional burden on interstate commerce.[2] A federal court explained the premise for the statute as follows:

> Upon termination of the employment relationship, sales representatives apparently encountered difficulties in recovering the commissions they had earned from out-of-state companies. According to [the State], the out-of-state principals were aware of the fact that the expense of litigation would deter sales representatives from filing a law suit. As a result, out-of-state corporations would allegedly withhold commissions, thereby forcing sales representatives to negotiate a distress settlement. Based on [the State's evidence], it appears that the purpose of the double damages provision of the bill was to neutralize the alleged unfair advantage of the principal and place the principal and sales representative on a parity for settlement.[3]

In 2004, the Legislature applied the statute to both in-state and out-of-state principals, curing the constitutionality problem.

Proposed Changes

The bill would repeal the requirements on sales representative contracts involving commissions and the provisions relating to a private cause of action.

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[1] Rosenfeld v. Lu, 766 F.Supp. 1131, 1140 (S.D.Fla. 1991).
[2] *Id.*
[3] *Id.* at 1139. The original statute contained a cause of action for double the unpaid commissions. This was amended to provide for triple the unpaid commissions in 2004.

B. SECTION DIRECTORY:

Section 1 Repeals s. 686.201, F.S., relating to sales representative contracts involving commissions.

Section 2 Provides an effective date of July 1, 2011.

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:

Principals who use sales representatives could see a reduction in costs as they will no longer be required to provide written contracts.

Sales representatives could experience increased difficulty in recovering unpaid commissions as the bill would remove some incentives for principals to avoid litigation.

These impacts could be negated by contract.

D. FISCAL COMMENTS:

The bill does not have a fiscal impact on state funds.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. The 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 the counties or municipalities have to raise revenue in the aggregate; or reduce the percentage of a state tax shared with counties or municipalities.

2. Other:

None

B. RULE-MAKING AUTHORITY:

None

C. DRAFTING ISSUES OR OTHER COMMENTS:

None

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

None

A bill to be entitled

An act relating to sales representative contracts involving commissions; repealing s. 686.201, F.S., relating to sales representative contracts involving commissions; providing an effective date.

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

Section 1. Section 686.201, Florida Statutes, is repealed.

Section 2. This act shall take effect July 1, 2011.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 4029 Transportation Corporations
SPONSOR(S): Horner
TIED BILLS: **IDEN./SIM. BILLS:** SB 552

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Transportation & Highway Safety Subcommittee	14 Y, 0 N	Johnson	Tinker
2) Economic Affairs Committee		Johnson	Tinker

SUMMARY ANALYSIS

This bill repeals sections of the Florida Statutes that were never used. Sections 339.401 through 339.421, F.S. creates the "Florida Transportation Corporation Act." This act was created in 1988 to allow certain corporations authorized by the Department of Transportation (DOT) to secure and obtain right-of-way for transportation systems and to assist in the planning and design of such systems. The act contains statutory provisions related to those corporations. According to DOT, this act has never been used.

Section 11.45(3)(m), F.S., authorizes the Auditor General to audit corporations acting on behalf of DOT pursuant to the Florida Transportation Corporation Act.

The bill repeals the Florida Transportation Corporation Act in ss. 339.401 through 339.421, F.S. The bill also repeals s. 11.45(3)(m), F.S., authorizing the Auditor General to audit these corporations.

The bill does not have a fiscal impact.

The bill has an effective date of July 1, 2011.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Current Situation

Sections 339.401 through 339.421, F.S. creates the "Florida Transportation Corporation Act." This act was created in 1988 to allow certain corporations authorized by the Department of Transportation (DOT) to secure and obtain right-of-way for transportation systems and to assist in the planning and design of such systems. The act contains various statutory provisions related to the formation, operation, and dissolution of these corporations. According to DOT, this act has never been used.

Section 11.45(3)(m), F.S., authorizes the Auditor General to audit corporations acting on behalf of DOT pursuant to the Florida Transportation Corporation Act.

Proposed Changes

The bill repeals the Florida Transportation Corporation Act in ss. 339.401 through 339.421, F.S. The bill also repeals s. 11.45(3)(m), F.S., authorizing the Auditor General to audit these corporations.

The bill has an effective date of July 1, 2011.

B. SECTION DIRECTORY:

Section 1 Repeals s. 339.401 through 339.421, F.S., relating to the Florida Transportation Corporation Act, definition of terms used in the act, legislative findings and purpose, authorization of corporations, type and structure and income of corporation, contract between DOT and the corporation, articles of incorporation, boards of directors and advisory directors, bylaws, notice of meetings and open records, amendment of articles of incorporation, powers of corporations, use of state property, exemption from taxation, authority to alter or dissolve corporation, dissolution upon completion of purposes, transfer of funds and property upon dissolution, department rules, construction of provisions, and issuance of debt.

Section 2 Repeals s. 11.45(3)(m), F.S., removing a provision for audits of transportation corporations by the Auditor General to conform.

Section 3 Provides an effective date.

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. The bill does not appear to affect county or municipal government.

2. Other:

None

B. RULE-MAKING AUTHORITY:

The bill repeals DOT's rulemaking requirement regarding this Act. DOT will have to repeal its rules regarding these corporations contained in s. 14-35.0011, F.A.C.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

A bill to be entitled

An act relating to transportation corporations; removing provisions that provide for nonprofit corporations to act on behalf of the Department of Transportation to secure and obtain rights-of-way for transportation systems and to assist in the planning and design of such systems; repealing ss. 339.401-339.421, F.S., relating to the Florida Transportation Corporation Act, definition of terms used in the act, legislative findings and purpose, authorization of corporations, type and structure and income of corporation, contract between the Department of Transportation and the corporation, articles of incorporation, boards of directors and advisory directors, bylaws, notice of meetings and open records, amendment of articles of incorporation, powers of corporations, use of state property, exemption from taxation, authority to alter or dissolve corporation, dissolution upon completion of purposes, transfer of funds and property upon dissolution, department rules, construction of provisions, and issuance of debt; repealing s. 11.45(3)(m), F.S., removing a provision for audits of transportation corporations by the Auditor General to conform; providing an effective date.

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

Section 1. Sections 339.401, 339.402, 339.403, 339.404, 339.405, 339.406, 339.407, 339.408, 339.409, 339.410, 339.411,

339.412, 339.414, 339.415, 339.416, 339.417, 339.418, 339.419, 339.420, and 339.421, Florida Statutes, are repealed.

Section 2. Paragraph (m) of subsection (3) of section 11.45, Florida Statutes, is repealed.

Section 3. This act shall take effect July 1, 2011.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 4031 Local Government Services
SPONSOR(S): Dorworth
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Community & Military Affairs Subcommittee	14 Y, 0 N	Nelson	Hoagland
2) Economic Affairs Committee		Nelson JDN	Tinker TBT

SUMMARY ANALYSIS

HB 4031 repeals a section of law created in 1999 that provides a process for counties and municipalities to develop and adopt plans to improve the efficiency, accountability and coordination of the delivery of local government services. Local governments may accomplish the same results by entering into interlocal agreements, and do not use the procedure provided in this law.

There is no fiscal impact associated with the repeal.

The bill provides an effective date of July 1, 2011.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Section 163.07, F.S., was created by ch. 99-378, L.O.F., relating to community revitalization. This legislation outlines an optional process for counties and municipalities to develop and adopt a plan to improve the delivery of local government services. Specifically, it provides for the initiation of an efficiency and accountability process:

- by resolution adopted by a majority vote of the governing body of each of the counties involved;

- by resolutions adopted by a majority vote of the governing bodies of a majority of the municipalities within each county; or

- by a combination of resolutions adopted by a majority vote of the governing bodies of the municipality or combination of municipalities representing a majority of the municipal population of each county.

The resolution is required to create a commission which is responsible for developing the plan, and to specify the composition of the commission, which must include representatives of:

- county and municipal governments;

- any affected special districts; and

- any relevant local government agencies.

The resolution must include a proposed timetable for the development of the plan and specify the local government support and personnel services that will be made available to representatives developing the plan.

When a resolution is adopted, the designated representatives must develop a plan for the delivery of local government services. This plan must:

- designate the areawide and local government services that are the subject of the plan;

- describe the existing organization of these services and the means of financing the services, and create a reorganization of such services and the financing to meet the goals of the section;

- designate the local agency that should be responsible for the delivery of each service;

- designate the services that should be delivered regionally or countywide;

- provide means to reduce the cost of providing local services and enhance the accountability of service providers;

- include a multi-year capital outlay plan for infrastructure;

- describe any expansion of municipal boundaries that would further the goals of the section;

• meet the standards for annexation provided in ch. 171, F.S, for any area proposed to be annexed;

• prohibit any provisions for contraction of municipal boundaries or elimination of any municipality;

• provide specific procedures for modification or termination of the plan; and

• specify the effective date of the plan.

A plan must be approved by a majority vote of the governing body of each county involved and by a majority vote of the governing bodies of a majority of the municipalities in each county, and by a majority vote of the governing bodies of the municipality or municipalities that represent a majority of the municipal population of each county.

After approval by the county and municipal governing bodies, a plan must be submitted for referendum approval in a countywide election in each county involved. A plan does not take effect unless approved by a majority of the electors of each county who vote in the referendum, and also by a majority of the municipal electors of the municipalities that represent a majority of the municipal population of each county.

Effect of Proposed Changes

HB 4031 repeals s. 163.07, F.S., relating to efficiency and accountability in local government services, and providing a process that allows any county or combination of counties, and the municipalities therein, to develop and adopt a plan to improve the efficiency, accountability and coordination of the delivery of local government services. Local governments do not require the authority provided in this law, and have not elected to use the complicated procedure.

Local governments may accomplish the same results by entering into interlocal agreements pursuant to s.163.01, F.S., the "Florida Interlocal Cooperation Act of 1969." The stated purpose of that section is to enable local governmental units to make the most efficient use of their powers by enabling them to cooperate with other localities on a basis of mutual advantage and thereby to provide services and facilities in a manner and pursuant to forms of governmental organization that will accord best with geographic, economic, population, and other factors influencing the needs and development of local communities. Public agencies are thereby authorized to exercise jointly power, privilege or authority which such agencies share in common and which each can exercise separately. This joint exercise of power is made by contract in the form of an interlocal agreement which is filed with the clerk of the circuit court of each county where a party to the agreement is located. The entire process is perceived as straightforward and flexible.

The bill provides an effective date of July 1, 2011.

B. SECTION DIRECTORY:

Section 1: Repeals s. 163.07, F.S., relating to efficiency and accountability in local government.

Section 2: Provides an effective date.

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. The bill does not appear to: require the counties or cities to spend funds or take an action requiring the expenditure of funds; reduce the authority that cities or counties have to raise revenues in the aggregate; or reduce the percentage of a state tax shared with cities or counties.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

A bill to be entitled

An act relating to local government services; repealing s. 163.07, F.S., relating to efficiency and accountability in local government services; providing an effective date.

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

Section 1. Section 163.07, Florida Statutes, is repealed.

Section 2. This act shall take effect July 1, 2011.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 4033 Florida Industrial Development Corporation
SPONSOR(S): Dorworth
TIED BILLS: **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Economic Development & Tourism Subcommittee	11 Y, 0 N	Tecler	Kruse
2) Economic Affairs Committee		Tecler	Tinker

SUMMARY ANALYSIS

The bill repeals ch. 289, F.S., relating to the Florida Industrial Development Corporation. This section of law is outdated. Three corporations were created under this statutory authority and all have since been dissolved-1973, 1980, and 1991, respectively.

The corporation was created to promote, develop and advance the prosperity and economic welfare of the state. The bill removes the statutory provisions for the incorporation of an industrial development corporation, special corporate powers, authorized financial transactions, membership of financial institutions, powers of stockholders and members, procedures for amending the articles of incorporation, conduct of corporation business and affairs, requirements for saving a portion of annual earned surplus, meetings, corporate existence, dissolution, credit of state, Federal Small Business Investment Act, tax exemptions, credits or privileges, required periodic examinations, and the occupational license tax for industrial development corporations.

The repeal of ch. 289, F.S., will not impact other economic development operations currently in existence, including, but not limited to, the Office of Tourism, Trade, and Economic Development, Enterprise Florida, Inc., and county development corporations.

The bill does not have a fiscal impact.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Issue Background

Chapter 289, F.S., was created in 1961, to provide for the creation of an industrial development corporation (FIDC) with the purpose of promoting, developing and advancing the prosperity and economic welfare of the state. Three FIDCs were created and dissolved in 1973, 1980, and 1991, respectively. Industrial development corporations created under this statute encouraged and assisted new business and industry and rehabilitated existing business and industry through loans, investments or other business transactions. The corporations were also charged with working with other public and private organizations to promote and advance industrial, commercial, agricultural, and recreational development, and to provide financing for the promotion, development and conduct of all kinds of business activity in the state.

The law contains provisions for the incorporation of an industrial development corporation, special corporate powers, authorized financial transactions, membership of financial institutions, powers of stockholders and members, procedures for amending the articles of incorporation, conduct of corporation business and affairs, requirements for saving a portion of annual earned surplus, meetings, corporation existence, dissolution, credit of state, Federal Small Business Investment Act, and tax exemptions, credits, or privileges. Any corporation was to be reviewed at least once annually by the Office of Financial Regulation of the Financial Services Commission, and was required to pay an annual state occupational license tax of $50. The last time any section of this chapter was amended was in 1980.

Changes Made By the Bill

The bill repeals ch. 289, F.S., relating to the Florida Industrial Development Corporation. This removes the statutory provisions for the incorporation of an industrial development corporation, special corporate powers, authorized financial transactions, membership of financial institutions, powers of stockholders and members, procedures for amending the articles of incorporation, conduct of corporation business and affairs, requirements for saving a portion of annual earned surplus, meetings, corporate existence, dissolution, credit of state, Federal Small Business Investment Act, tax exemptions, credits or privileges, required periodic examinations, and the occupational license tax for industrial development corporations.

The repeal of ch. 289, F.S., will not impact other economic development operations currently in existence, including, but not limited to, the Office of Tourism, Trade, and Economic Development, Enterprise Florida, Inc., and county development corporations.

To conform with the proposed repeal of ch. 289, F.S., cross references to the Florida Industrial Development Corporation are removed in ss. 212.08, 220.183, 220.62, 440.491, and 658.67, F.S.

The bill has an effective date of July 1, 2011.

B. SECTION DIRECTORY:

Section 1. Repeals ch. 289, F.S., relating to the Florida Industrial Development Corporation.

Section 2. Amends s. 212.08, F.S., to remove cross reference.

Section 3. Amends s. 220.183, F.S., to remove cross reference.

Section 4. Amends s. 220.62, F.S., to remove cross reference.

Section 5. Amends s. 440.491, F.S., to remove cross reference.

Section 6. Amends s. 658.67, F.S., to remove cross reference.

Section 7. Provides an effective date.

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:
   None.

2. Other:
   None.

B. RULE-MAKING AUTHORITY:
None.

C. DRAFTING ISSUES OR OTHER COMMENTS:
None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

None.

A bill to be entitled

An act relating to the Florida Industrial Development Corporation; repealing provisions of chapter 289, F.S., relating to the Florida Industrial Development Corporation; amending ss. 212.08, 220.183, 220.62, 440.491, and 658.67, F.S.; deleting references to conform to changes made by the act; providing an effective date.

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

Section 1. Sections 289.011, 289.021, 289.031, 289.041, 289.051, 289.061, 289.071, 289.081, 289.091, 289.101, 289.111, 289.121, 289.131, 289.141, 289.151, 289.161, 289.171, 289.181, 289.191, and 289.201, Florida Statutes, are repealed.

Section 2. Paragraph (p) of subsection (5) of section 212.08, Florida Statutes, is amended to read:

212.08 Sales, rental, use, consumption, distribution, and storage tax; specified exemptions.—The sale at retail, the rental, the use, the consumption, the distribution, and the storage to be used or consumed in this state of the following are hereby specifically exempt from the tax imposed by this chapter.

(5) EXEMPTIONS; ACCOUNT OF USE.—

(p) Community contribution tax credit for donations.—

1. Authorization.—Persons who are registered with the department under s. 212.18 to collect or remit sales or use tax and who make donations to eligible sponsors are eligible for tax credits against their state sales and use tax liabilities as

provided in this paragraph:

a. The credit shall be computed as 50 percent of the person's approved annual community contribution.

b. The credit shall be granted as a refund against state sales and use taxes reported on returns and remitted in the 12 months preceding the date of application to the department for the credit as required in sub-subparagraph 3.c. If the annual credit is not fully used through such refund because of insufficient tax payments during the applicable 12-month period, the unused amount may be included in an application for a refund made pursuant to sub-subparagraph 3.c. in subsequent years against the total tax payments made for such year. Carryover credits may be applied for a 3-year period without regard to any time limitation that would otherwise apply under s. 215.26.

c. A person may not receive more than $200,000 in annual tax credits for all approved community contributions made in any one year.

d. All proposals for the granting of the tax credit require the prior approval of the Office of Tourism, Trade, and Economic Development.

e. The total amount of tax credits which may be granted for all programs approved under this paragraph, s. 220.183, and s. 624.5105 is $10.5 million annually for projects that provide homeownership opportunities for low-income or very-low-income households as defined in s. 420.9071(19) and (28) and $3.5 million annually for all other projects.

f. A person who is eligible to receive the credit provided for in this paragraph, s. 220.183, or s. 624.5105 may receive

the credit only under the one section of the person's choice.

2. Eligibility requirements.—

a. A community contribution by a person must be in the following form:

(I) Cash or other liquid assets;

(II) Real property;

(III) Goods or inventory; or

(IV) Other physical resources as identified by the Office of Tourism, Trade, and Economic Development.

b. All community contributions must be reserved exclusively for use in a project. As used in this sub-subparagraph, the term "project" means any activity undertaken by an eligible sponsor which is designed to construct, improve, or substantially rehabilitate housing that is affordable to low-income or very-low-income households as defined in s. 420.9071(19) and (28); designed to provide commercial, industrial, or public resources and facilities; or designed to improve entrepreneurial and job-development opportunities for low-income persons. A project may be the investment necessary to increase access to high-speed broadband capability in rural communities with enterprise zones, including projects that result in improvements to communications assets that are owned by a business. A project may include the provision of museum educational programs and materials that are directly related to any project approved between January 1, 1996, and December 31, 1999, and located in an enterprise zone designated pursuant to s. 290.0065. This paragraph does not preclude projects that propose to construct or rehabilitate housing for low-income or

very-low-income households on scattered sites. With respect to housing, contributions may be used to pay the following eligible low-income and very-low-income housing-related activities:

(I) Project development impact and management fees for low-income or very-low-income housing projects;

(II) Down payment and closing costs for eligible persons, as defined in s. 420.9071(19) and (28);

(III) Administrative costs, including housing counseling and marketing fees, not to exceed 10 percent of the community contribution, directly related to low-income or very-low-income projects; and

(IV) Removal of liens recorded against residential property by municipal, county, or special district local governments when satisfaction of the lien is a necessary precedent to the transfer of the property to an eligible person, as defined in s. 420.9071(19) and (28), for the purpose of promoting home ownership. Contributions for lien removal must be received from a nonrelated third party.

c. The project must be undertaken by an "eligible sponsor," which includes:

(I) A community action program;

(II) A nonprofit community-based development organization whose mission is the provision of housing for low-income or very-low-income households or increasing entrepreneurial and job-development opportunities for low-income persons;

(III) A neighborhood housing services corporation;

(IV) A local housing authority created under chapter 421;

(V) A community redevelopment agency created under s.

163.356;

~~(VI) The Florida Industrial Development Corporation;~~

(VI) ~~(VII)~~ A historic preservation district agency or organization;

(VII) ~~(VIII)~~ A regional workforce board;

(VIII) ~~(IX)~~ A direct-support organization as provided in s. 1009.983;

(IX) ~~(X)~~ An enterprise zone development agency created under s. 290.0056;

(X) ~~(XI)~~ A community-based organization incorporated under chapter 617 which is recognized as educational, charitable, or scientific pursuant to s. 501(c)(3) of the Internal Revenue Code and whose bylaws and articles of incorporation include affordable housing, economic development, or community development as the primary mission of the corporation;

(XI) ~~(XII)~~ Units of local government;

(XII) ~~(XIII)~~ Units of state government; or

(XIII) ~~(XIV)~~ Any other agency that the Office of Tourism, Trade, and Economic Development designates by rule.

In no event may a contributing person have a financial interest in the eligible sponsor.

d. The project must be located in an area designated an enterprise zone or a Front Porch Florida Community pursuant to s. 20.18(6), unless the project increases access to high-speed broadband capability for rural communities with enterprise zones but is physically located outside the designated rural zone boundaries. Any project designed to construct or rehabilitate

housing for low-income or very-low-income households as defined in s. 420.9071(19) and (28) is exempt from the area requirement of this sub-subparagraph.

e.(I) If, during the first 10 business days of the state fiscal year, eligible tax credit applications for projects that provide homeownership opportunities for low-income or very-low-income households as defined in s. 420.9071(19) and (28) are received for less than the annual tax credits available for those projects, the Office of Tourism, Trade, and Economic Development shall grant tax credits for those applications and shall grant remaining tax credits on a first-come, first-served basis for any subsequent eligible applications received before the end of the state fiscal year. If, during the first 10 business days of the state fiscal year, eligible tax credit applications for projects that provide homeownership opportunities for low-income or very-low-income households as defined in s. 420.9071(19) and (28) are received for more than the annual tax credits available for those projects, the office shall grant the tax credits for those applications as follows:

(A) If tax credit applications submitted for approved projects of an eligible sponsor do not exceed $200,000 in total, the credits shall be granted in full if the tax credit applications are approved.

(B) If tax credit applications submitted for approved projects of an eligible sponsor exceed $200,000 in total, the amount of tax credits granted pursuant to sub-sub-sub-subparagraph (A) shall be subtracted from the amount of available tax credits, and the remaining credits shall be

granted to each approved tax credit application on a pro rata basis.

(II) If, during the first 10 business days of the state fiscal year, eligible tax credit applications for projects other than those that provide homeownership opportunities for low-income or very-low-income households as defined in s. 420.9071(19) and (28) are received for less than the annual tax credits available for those projects, the office shall grant tax credits for those applications and shall grant remaining tax credits on a first-come, first-served basis for any subsequent eligible applications received before the end of the state fiscal year. If, during the first 10 business days of the state fiscal year, eligible tax credit applications for projects other than those that provide homeownership opportunities for low-income or very-low-income households as defined in s. 420.9071(19) and (28) are received for more than the annual tax credits available for those projects, the office shall grant the tax credits for those applications on a pro rata basis.

3. Application requirements.—

a. Any eligible sponsor seeking to participate in this program must submit a proposal to the Office of Tourism, Trade, and Economic Development which sets forth the name of the sponsor, a description of the project, and the area in which the project is located, together with such supporting information as is prescribed by rule. The proposal must also contain a resolution from the local governmental unit in which the project is located certifying that the project is consistent with local plans and regulations.

b. Any person seeking to participate in this program must submit an application for tax credit to the office which sets forth the name of the sponsor, a description of the project, and the type, value, and purpose of the contribution. The sponsor shall verify the terms of the application and indicate its receipt of the contribution, which verification must be in writing and accompany the application for tax credit. The person must submit a separate tax credit application to the office for each individual contribution that it makes to each individual project.

c. Any person who has received notification from the office that a tax credit has been approved must apply to the department to receive the refund. Application must be made on the form prescribed for claiming refunds of sales and use taxes and be accompanied by a copy of the notification. A person may submit only one application for refund to the department within any 12-month period.

4. Administration.—

a. The Office of Tourism, Trade, and Economic Development may adopt rules pursuant to ss. 120.536(1) and 120.54 necessary to administer this paragraph, including rules for the approval or disapproval of proposals by a person.

b. The decision of the office must be in writing, and, if approved, the notification shall state the maximum credit allowable to the person. Upon approval, the office shall transmit a copy of the decision to the Department of Revenue.

c. The office shall periodically monitor all projects in a manner consistent with available resources to ensure that

resources are used in accordance with this paragraph; however, each project must be reviewed at least once every 2 years.

d. The office shall, in consultation with the Department of Community Affairs and the statewide and regional housing and financial intermediaries, market the availability of the community contribution tax credit program to community-based organizations.

5. Expiration.—This paragraph expires June 30, 2015; however, any accrued credit carryover that is unused on that date may be used until the expiration of the 3-year carryover period for such credit.

Section 3. Paragraph (c) of subsection (2) of section 220.183, Florida Statutes, is amended to read:

220.183 Community contribution tax credit.—

(2) ELIGIBILITY REQUIREMENTS.—

(c) The project must be undertaken by an "eligible sponsor," defined here as:

1. A community action program;

2. A nonprofit community-based development organization whose mission is the provision of housing for low-income or very-low-income households or increasing entrepreneurial and job-development opportunities for low-income persons;

3. A neighborhood housing services corporation;

4. A local housing authority, created pursuant to chapter 421;

5. A community redevelopment agency, created pursuant to s. 163.356;

~~6. The Florida Industrial Development Corporation;~~

6.~~7.~~ An historic preservation district agency or organization;

7.~~8.~~ A regional workforce board;

8.~~9.~~ A direct-support organization as provided in s. 1009.983;

9.~~10.~~ An enterprise zone development agency created pursuant to s. 290.0056;

10.~~11.~~ A community-based organization incorporated under chapter 617 which is recognized as educational, charitable, or scientific pursuant to s. 501(c)(3) of the Internal Revenue Code and whose bylaws and articles of incorporation include affordable housing, economic development, or community development as the primary mission of the corporation;

11.~~12.~~ Units of local government;

12.~~13.~~ Units of state government; or

13.~~14.~~ Such other agency as the Office of Tourism, Trade, and Economic Development may, from time to time, designate by rule.

In no event shall a contributing business firm have a financial interest in the eligible sponsor.

Section 4. Subsection (1) of section 220.62, Florida Statutes, is amended to read:

220.62 Definitions.—For purposes of this part:

(1) The term "bank" means a bank holding company registered under the Bank Holding Company Act of 1956 of the United States, 12 U.S.C. ss. 1841-1849, as amended, or a bank or trust company incorporated and doing business under the laws of

the United States (including laws relating to the District of Columbia), of any state, or of any territory, a substantial part of the business of which consists of receiving deposits and making loans and discounts or of exercising fiduciary powers similar to those permitted to national banks under authority of the Comptroller of the Currency and which is subject by law to supervision and examination by state, territorial, or federal authority having supervision over banking institutions. The term "bank" also includes any banking association, corporation, or other similar organization organized and operated under the laws of any foreign country, which banking association, corporation, or other organization is also operating in this state pursuant to chapter 663~~, and further includes any corporation organized under chapter 289~~.

Section 5. Paragraph (b) of subsection (5) of section 440.491, Florida Statutes, is amended to read:

440.491 Reemployment of injured workers; rehabilitation.—

(5) MEDICAL CARE COORDINATION AND REEMPLOYMENT SERVICES.—

(b) If the rehabilitation provider concludes that training and education are necessary to return the employee to suitable gainful employment, or if the employee has not returned to suitable gainful employment within 180 days after referral for reemployment services or receives $2,500 in reemployment services, whichever comes first, the carrier must discontinue reemployment services and refer the employee to the department for a vocational evaluation. Notwithstanding any provision of ~~chapter 289 or~~ chapter 627, the cost of a reemployment assessment and the first $2,500 in reemployment services to an

injured employee must not be treated as loss adjustment expense for workers' compensation ratemaking purposes.

Section 6. Subsection (4) of section 658.67, Florida Statutes, is amended to read:

658.67 Investment powers and limitations.—A bank may invest its funds, and a trust company may invest its corporate funds, subject to the following definitions, restrictions, and limitations:

(4) INVESTMENTS SUBJECT TO LIMITATION OF TEN PERCENT OR LESS OF CAPITAL ACCOUNTS.—

(a) Up to 10 percent of the capital accounts of the purchasing bank or trust company may be used to invest in any single issue of industrial development bonds issued for the benefit of a specified corporation.

(b) Up to an aggregate of 10 percent of the capital accounts of the purchasing bank or trust company may be used to invest in tax lien certificates.

(c) Up to 5 percent of the capital accounts of the purchasing bank or trust company may be used to invest in or purchase bonds or other evidences of indebtedness of the State of Israel.

(d) Up to 2 percent of the capital accounts of the purchasing bank or trust company may be used to invest in the stock of a community corporation organized to promote the physical, social, or moral well-being of the members of the community where the bank or trust company is located.

~~(e) Up to 1 percent of the capital accounts of the purchasing bank or trust company may be used to invest in the~~

~~stock of the Florida Industrial Development Corporation.~~

(e) ~~(f)~~ Up to 1 percent of the capital accounts of the purchasing bank or trust company may be used to invest in the stock of the Housing Development Corporation of Florida. The purchasing bank or trust company may thereafter deal in the securities or other evidences of debt of such corporation as provided for in chapter 420.

(f) ~~(g)~~ Up to 10 percent of the capital accounts of a bank or trust company may be invested in any capital participation instrument or evidence of indebtedness issued by the Florida Black Business Investment Board pursuant to the Florida Small and Minority Business Assistance Act.

Section 7. This act shall take effect July 1, 2011.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 4077 Transportation Corridors
SPONSOR(S): Dorworth
TIED BILLS: **IDEN./SIM. BILLS:** SB 1774

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Transportation & Highway Safety Subcommittee	14 Y, 0 N	Johnson	Brown
2) Economic Affairs Committee		Johnson	Tinker TBT

SUMMARY ANALYSIS

In 2003, the Legislature created s. 341.0532, F.S., relating to statewide transportation corridors. Section 341.0532, F.S., designates a number of "statewide transportation corridors" that include railways, highways connecting to transportation terminals, and intermodal service centers. The specified corridors are:

1. The Atlantic Coast Corridor, including I-95, and linking Jacksonville to Miami.
2. The Gulf Coast Corridor, from Pensacola to St. Petersburg and Tampa, including U.S. 98, U.S. 19 and S.R. 27.
3. The Central Florida North-South Corridor, from the Florida-Georgia border to Naples, and Fort Lauderdale/Miami, including I-75.
4. The Central Florida East-West Corridor, from St. Petersburg to Tampa and Titusville, including I-4 and the BeeLine Expressway.
5. The North Florida Corridor, from Pensacola to Jacksonville, including I-10 and U.S. 231, S.R. 77, and S.R. 79.
6. The Jacksonville to Tampa Corridor, including U.S. 301.
7. The Jacksonville to Orlando Corridor, including U.S. 17.
8. The Southeastern Everglades Corridor, linking Wildwood, Winter Garden, Orlando, West Palm Beach via the Florida Turnpike.

The bill repeals s. 341.0532, F.S. which created the statewide transportation corridors. Most of these transportation corridors are on the state's Strategic Intermodal System (SIS).

The bill does not have a fiscal impact.

The bill takes effect on July 1, 2011.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Current Situation

In 2003, the Legislature created s. 341.0532, F.S., relating to statewide transportation corridors. Section 341.0532, F.S., designates a number of "statewide transportation corridors" that include railways, highways connecting to transportation terminals, and intermodal service centers. The specified corridors are:

1. The Atlantic Coast Corridor, including I-95, and linking Jacksonville to Miami.
2. The Gulf Coast Corridor, from Pensacola to St. Petersburg and Tampa, including U.S. 98, U.S. 19 and S.R. 27.
3. The Central Florida North-South Corridor, from the Florida-Georgia border to Naples, and Fort Lauderdale/Miami, including I-75.
4. The Central Florida East-West Corridor, from St. Petersburg to Tampa and Titusville, including I-4 and the BeeLine Expressway.
5. The North Florida Corridor, from Pensacola to Jacksonville, including I-10 and U.S. 231, S.R. 77, and S.R. 79.
6. The Jacksonville to Tampa Corridor, including U.S. 301.
7. The Jacksonville to Orlando Corridor, including U.S. 17.
8. The Southeastern Everglades Corridor, linking Wildwood, Winter Garden, Orlando, West Palm Beach via the Florida Turnpike.

Additionally, most of these corridors are also in the Strategic Intermodal System (SIS) which is a statewide network of high-priority transportation facilities, including the state's largest and most significant commercial service airports, spaceport, deepwater seaports, freight rail terminals, passenger rail and intercity bus terminals, rail corridors, waterways and highways. These facilities carry more than 99 percent of all commercial air passengers, virtually all waterborne freight tonnage, almost all rail freight, and more than 68 percent of all truck traffic and 54 percent of total traffic on the State Highway System. The facilities on SIS are designated by the Department of Transportation (DOT) based on criteria provided in ss. 339.61 through 339.64, F.S.[1]

Proposed Changes

The bill repeals s. 341.0532, F.S. which created the statewide transportation corridors.[2] As mentioned above, most of the corridors are on DOT's SIS.

The bill has an effective date of July 1, 2011.

B. SECTION DIRECTORY:

Section 1 Repeals s. 341.0532, F.S., relating to statewide transportation corridors; removing the definition of "statewide transportation corridors"; removing provisions that specify certain transportation facilities as transportation corridors.

[1] A list of facilities on the SIS may be obtained at http://www.dot.state.fl.us/planning/sis/atlas/ (January 26, 2011).

[2] This statute may also be misplaced since ch. 341, F.S., relates to public transit.

Section 2 Provides an effective date.

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 affect municipal or county government.
2. Other:
   None

B. RULE-MAKING AUTHORITY:
None

C. DRAFTING ISSUES OR OTHER COMMENTS:
None

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

A bill to be entitled

An act relating to transportation corridors; repealing s. 341.0532, F.S., relating to statewide transportation corridors; removing the definition of "statewide transportation corridors"; removing provisions that specify certain transportation facilities as statewide transportation corridors; providing an effective date.

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

Section 1. Section 341.0532, Florida Statutes, is repealed.

Section 2. This act shall take effect July 1, 2011.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 4081 Repeal of Obsolete Insurance Provisions
SPONSOR(S): Horner
TIED BILLS: **IDEN./SIM. BILLS:** SB 636, HB 4099

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Insurance & Banking Subcommittee	14 Y, 0 N	Callaway	Cooper
2) Economic Affairs Committee		Callaway	Tinker TBT

SUMMARY ANALYSIS

This bill deletes outdated or obsolete language relating to the following insurance topics:

- the Florida Automobile Joint Underwriting Association pre-suit notice,
- a form filing for catastrophic ground cover collapse coverage,
- a report on the sinkhole database,
- a study on the feasibility of a facility for insuring sinkhole loss and other issues related to sinkhole loss,
- the effective date for the exclusion of windstorm and contents coverage in property insurance policies, and
- the transfer of funds from the State Board of Administration to Citizens Property Insurance Corporation relating to the Insurance Capital Build-Up Program.

The changes made by this bill are technical and not substantive.

The bill has no fiscal impact and is effective on July 1, 2011.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

The changes made by this bill are technical and not substantive. This bill deletes outdated or obsolete language relating to various insurance topics as follows:

Florida Automobile Joint Underwriting Association Pre-Suit Notice

Section 627.311(3), F.S., allows the Office of Insurance Regulation (OIR) to approve a joint underwriting plan for purposes of equitable apportionment or sharing among insurers of automobile liability insurance and other motor vehicle insurance. The Florida Automobile Joint Underwriting Association (FAJUA) is created under the plan. Requirements of the plan are contained in section 627.311(3), F.S. Current law (s. 627.311(3)(k)2., F.S.) specifies that before a legal action may be brought against the FAJUA for certain violations by the FAJUA, the Department of Financial Services (DFS) and the FAJUA must be given 90 days' written notice of the violation giving rise to the lawsuit.[1] Typically, a 60 day pre-suit notice, rather than a 90 day pre-suit notice, is required for actions taken against insurance companies for certain violations.[2] In the 2004 Session, however, the pre-suit notice requirement applying to the FAJUA was lengthened from 60 days to 90 days to give the FAJUA more time to investigate alleged violations.

By statute, the 90 day pre-suit notice period for the FAJUA expired on October 1, 2007 unless the 90 day notice period was reenacted by the Legislature. The statute was not reenacted by the Legislature before the October 1, 2007 deadline. Thus, this bill repeals the 90 day pre-suit notice period as it is obsolete due to the expiration of the October 1, 2007 reenactment deadline.

Form Filing for Catastrophic Ground Cover Collapse Coverage

Under current law, every property insurance company must cover "catastrophic ground cover collapse" in the property insurance policy. Property insurance coverage for catastrophic ground cover collapse was made mandatory and added to the law in the 2007A Special Session.[3] Catastrophic ground cover collapse coverage pays the homeowner for property damage caused from the abrupt collapse of the ground cover with a visible ground cover depression resulting in structural damage to the home to the extent that the home is condemned and ordered to be vacated. Structural damage to a home due to settling or cracking of a foundation is not catastrophic ground cover collapse and is not paid for under catastrophic ground cover collapse coverage. Damage of this type, however, may be covered under "sinkhole coverage" which can be purchased for an additional premium. All property insurers must make sinkhole coverage available for homeowners to purchase.

When coverage for catastrophic ground cover collapse was added to the law in 2007 as a mandatory coverage, insurers were required to make a form filing with the OIR by June 1, 2007 to implement this coverage requirement. This bill repeals section 627.706(3), F.S., the statutory provision added in 2007 requiring insurers to make the catastrophic ground cover collapse form filing by June 1, 2007 because the filing deadline has passed.

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[1] Section 624.155, F.S., specifies the insurer violations which require pre-suit notice to DFS and to the insurer. These violations include: unfair claim settlement practices, illegal dealings in premiums, refusal to insure, favored agent or insurer, illegal dealings for life or disability insurance, life or disability insurance discrimination based on policyholder having the sickle cell trait, return of auto insurance premium upon cancellation of the policy by the policyholder, not settling claims in good faith, claims payments made to policyholders without an accompanying statement relating to the coverage, and failure to settle a claim under one portion of an insurance policy in order to influence settlement under other portions of the policy.

[2] s. 624.155(3)(a), F.S.

[3] Section 30, Ch. 2007-1, L.O.F.

Report on the Sinkhole Database

Section 627.7065, F.S., enacted in 2005,[4] creates a sinkhole information database for the purpose of tracking sinkhole claims made against property insurance policies. The DFS is primarily responsible for the development of the database, with input from the Department of Environmental Protection (DEP) and the Florida Geological Survey. The DFS has authority to require insurers to report past and present sinkhole claims for inclusion in the database. The DEP must investigate reports of sinkhole activity and report its findings to the database.

Section 627.7065(5), F.S., requires the DEP, in consultation with the DFS, to submit a report of activities by December 31, 2005 to the Governor, the Chief Financial Officer, and the Legislative presiding officers about the sinkhole database implemented by the DFS. The report was submitted on March 10, 2006. The bill repeals section 627.7065(5), F.S., because the deadline for the report submission has passed.

Florida Sinkhole Insurance Facility Study

Section 627.7077, F.S., requires the Florida State University College of Business Department of Risk Management and Insurance (FSU) to conduct a feasibility and cost-benefit study of a potential Florida Sinkhole Insurance Facility and of other matters related to the affordability and availability of sinkhole insurance. A preliminary report was due to the presiding officers of the Legislature and the Financial Services Commission by February 1, 2005 with a final report due April 1, 2005. The final report was submitted in April 2005 by FSU. The bill repeals section 627.7077, F.S., because the deadline for the report on the sinkhole study has passed.

Effective Date for the Exclusion of Windstorm and Contents Coverage In Property Insurance Policies

Section 627.712, F.S., requires property insurers to provide windstorm coverage in residential property insurance policies but allows a policyholder to exclude windstorm coverage if specified requirements are met. The statute also allows a policyholder to exclude contents coverage if specified requirements are met. The statute was first enacted in the 2007A Special Session.[5] Section 627.712(7), F.S., provides an effective date of June 1, 2007 for the statute but allows the OIR to extend the effective date until October 1, 2007 at the latest with approval of the Financial Services Commission. The bill repeals section 627.712(7), F.S., which provides the effective date of the statute as the deadlines of June 1, 2007 and October 1, 2007 contained in the statute have passed.

Refund of Funds from the Insurance Capital Build-Up Incentive Program

In 2006, the Legislature created the Insurance Capital Build-Up Incentive Program (Capital Build Up Program or program) within the State Board of Administration (SBA) to provide insurance companies a low-cost source of capital to write additional residential property insurance. The program's goal was to increase the availability of residential property insurance covering the risk of hurricanes and to ease residential property insurance premium increases.

To accomplish its goal, the program loaned state funds in the form of surplus notes to new or existing authorized residential property insurers under specified conditions. The insurers, in turn, agreed to write additional residential property insurance in Florida and to contribute new capital to their company. The maximum dollar amount of a surplus note was $25 million. The surplus note was repayable to the state, with a 20 year term, at the 10-year Treasury Bond interest rate (with interest only payments the first three years). The Legislature appropriated $250 million non-recurring funds from the General Revenue Fund to fund the program at its inception in 2006. Any unexpended balance reverted back to the General Revenue Fund on June 30, 2007.

[4] Section 18, Ch. 2005-111, L.O.F.
[5] Section 32, Ch. 2007-1, L.O.F.

As of June 28, 2007, the program issued $247,500,000 in funds to thirteen qualifying insurers. Administrative expenses for the program totaled $2,500,000. Thus, by June 2007 the entire 2006 legislative appropriation for the program was exhausted ($247.5 million in loans, and $2.5 million in administrative costs).[6]

CS/CS/SB 2860, enacted in 2008, required the Citizens Property Insurance Corporation (Citizens) to transfer $250 million to the General Revenue Fund by December 15, 2008.[7] The 2008 General Appropriations Act (GAA) contained a contingent appropriation of $250 million to the SBA for additional funding for the Capital Build-Up Program. The appropriation was contingent upon Citizens transferring $250 million to the General Revenue Fund.

The $250 million transfer from Citizens to the General Revenue Fund was line itemed vetoed by the Governor Crist.[8] In his veto message Governor Crist stated: "[w]hile I believe the program is well intended and has had the net effect of removing nearly 200,000 policies from the Citizens Property Insurance Corporation and has kept an additional estimated 480,000 policies out of Citizens, the funding source is inappropriate. The original funding for the program came from the General Revenue Fund during the 05/06 fiscal year; however, the additional funding for the program provided in this legislation comes from policyholders' premiums paid to Citizens, which is used to pay claims in the event of a catastrophic hurricane. ...Taking $250 million away from Citizens' ability to pay claims will substantially increase the likelihood of assessments for Floridians across the state."[9]

CS/CS/SB 2860 also required the SBA to transfer back to Citizens on January 15, 2009 any uncommitted funds that were initially transferred from Citizens for the program. The bill repeals current law requiring the transfer of funds back to Citizens on January 15, 2009. The initial transfer of funds from Citizens to the General Revenue Fund was never completed due to the Governor's line item veto in CS/CS/SB 2860. Thus, the bill repeals obsolete language from the statute.

B. SECTION DIRECTORY:

Section 1: Deletes s. 215.5595(11), F.S., relating to the Insurance Capital Build-Up Incentive Program.

Section 2: Amends s. 627.311, F.S., relating to the Florida Automobile Joint Underwriting Association.

Section 3: Deletes s. 627.706(3), F.S., relating to a property insurance filing for catastrophic ground cover collapse coverage.

Section 4: Deletes s. 627.7065(5), F.S., relating to a report of activities relating to the sinkhole database.

Section 5: Repeals s. 627.7077, F.S., relating to a Florida Sinkhole Insurance Facility Study.

Section 6: Deletes s. 627.712(7), F.S., relating to the effective date of the statute relating to the exclusion of windstorm and contents coverage in property insurance policies.

Section 7: Provides an effective date of July 1, 2011.

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[6] Information obtained from the Final Report of the Insurance Capital Build-Up Incentive Program available at http://www.sbafla.com/fsb/LinkClick.aspx?fileticket=TYIOUbPBbDM%3d&tabid=975&mid=2692 (last viewed February 1, 2011).

[7] Section 16, Ch. 2008-66, L.O.F.

[8] On May 28, 2008, Governor Charlie Crist line-item vetoed section 16 of CS/CS/SB 2860 which required the $250 million transfer from Citizens to the General Revenue Fund for use in the Capital Build Up Program. CS/HB 5057 also required the $250 million transfer and this entire bill was vetoed on June 10, 2008. (Letter to Secretary Kurt S. Browning, Secretary of State, from Governor Charlie Crist dated June 10, 2008, on file with staff of the Insurance & Banking Subcommittee).

[9] Letter to Secretary Kurt S. Browning, Secretary of State, from Governor Charlie Crist dated May 28, 2008, on file with staff of the Insurance & Banking Subcommittee.

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/ COMMITTEE SUBSTITUTE CHANGES

None.

HB 4081: Repeal of Obsolete Insurance Provisions

GENERAL BILL by Horner

Repeal of Obsolete Insurance Provisions: Deletes specified obsolete provisions of insurance law relating to transfer of funds from SBA to Citizens Property Insurance Corporation, Florida Automobile Joint Underwriting Association presuit notice, reporting of activities relating to sinkhole database, feasibility & cost-benefit study of Florida Sinkhole Insurance Facility & other matters related to affordability & availability of sinkhole insurance, & effective date for exclusion of windstorm & contents coverage.

Effective Date: July 1, 2011

Bill Status: In House Committee (Economic Affairs Committee)

Referred Committees and Committee Actions:

- Insurance & Banking Subcommittee
  On Agenda For: 02/09/2011 9:00 AM
  Favorable *(final action)*
- Economic Affairs Committee

Companion Bills:

SB 636	Repeal of Obsolete Insurance Provisions	Identical
CS/HB 4099	Repeal of Property and Casualty Insurance Provisions	Similar
HB 1187	Civil Remedies Against Insurers	Compare
SB 1592	Civil Remedies Against Insurers	Compare

Bill Text:

Original Filed Version

Staff Analysis:

House Analysis	Insurance & Banking Subcommittee	2/9/2011 3:26:22 PM
House Analysis	Insurance & Banking Subcommittee	2/4/2011 5:24:07 PM

Vote History:

Bill History:

Event	Time	Member	Committee	Version
H Now in Economic Affairs Committee	02/09/2011 03:25 PM	N/A	Economic Affairs Committee	—
H Reported out of Insurance & Banking Subcommittee	02/09/2011 03:25 PM	N/A	Insurance & Banking Subcommittee	—
H Favorable by Insurance & Banking Subcommittee	02/09/2011 12:00 PM	N/A	Insurance & Banking Subcommittee	—

HB 4081: Repeal of Obsolete Insurance Provisions

H Added to Insurance & Banking Subcommittee agenda	02/02/2011 04:18 PM	N/A	Insurance & Banking Subcommittee	—
H Now In Insurance & Banking Subcommittee	02/01/2011 03:27 PM	N/A	Insurance & Banking Subcommittee	—
H Referred to Economic Affairs Committee	02/01/2011 03:27 PM	N/A	Economic Affairs Committee	—
H Referred to Insurance & Banking Subcommittee	02/01/2011 03:27 PM	N/A	Insurance & Banking Subcommittee	—
H Filed	01/20/2011 12:48 PM	Horner	N/A	—

Statutes Referenced by this Bill:

215.5595
627.311
627.706
627.7065
627.7077
627.712

A bill to be entitled

An act relating to the repeal of obsolete insurance provisions; amending s. 215.5595, F.S.; deleting an obsolete requirement for the State Board of Administration to transfer to the Citizens Property Insurance Corporation certain funds of the Insurance Capital Build-Up Incentive Program; amending s. 627.311, F.S.; deleting an obsolete presuit notice requirement for the Florida Automobile Joint Underwriting Association; amending s. 627.706, F.S.; deleting an obsolete form filing deadline for sinkhole coverage; amending s. 627.7065, F.S.; deleting an obsolete reporting requirement for activities relating to the sinkhole database; repealing s. 627.7077, F.S., relating to a feasibility and cost-benefit study of a Florida Sinkhole Insurance Facility and other matters related to affordability and availability of sinkhole insurance; amending s. 627.712, F.S.; deleting an obsolete effective date for the exclusion of windstorm and contents coverage; providing an effective date.

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

Section 1. Subsection (11) of section 215.5595, Florida Statutes, is amended to read:

215.5595 Insurance Capital Build-Up Incentive Program.—

~~(11) On January 15, 2009, the State Board of Administration shall transfer to Citizens Property Insurance Corporation any funds that have not been committed or reserved~~

~~for insurers approved to receive such funds under the program, from the funds that were transferred from Citizens Property Insurance Corporation in 2008-2009 for such purposes.~~

Section 2. Paragraph (k) of subsection (3) of section 627.311, Florida Statutes, is amended to read:

627.311 Joint underwriters and joint reinsurers; public records and public meetings exemptions.—

(3) The office may, after consultation with insurers licensed to write automobile insurance in this state, approve a joint underwriting plan for purposes of equitable apportionment or sharing among insurers of automobile liability insurance and other motor vehicle insurance, as an alternate to the plan required in s. 627.351(1). All insurers authorized to write automobile insurance in this state shall subscribe to the plan and participate therein. The plan shall be subject to continuous review by the office which may at any time disapprove the entire plan or any part thereof if it determines that conditions have changed since prior approval and that in view of the purposes of the plan changes are warranted. Any disapproval by the office shall be subject to the provisions of chapter 120. The Florida Automobile Joint Underwriting Association is created under the plan. The plan and the association:

(k)~~1.~~ Shall have no liability, and no cause of action of any nature shall arise against any member insurer or its agents or employees, agents or employees of the association, members of the board of governors of the association, the Chief Financial Officer, or the office or its representatives for any action taken by them in the performance of their duties or

responsibilities under this subsection. Such immunity does not apply to actions for or arising out of breach of any contract or agreement pertaining to insurance, or any willful tort.

~~2. Notwithstanding the requirements of s. 624.155(3)(a), as a condition precedent to bringing an action against the plan under s. 624.155, the department and the plan must have been given 90 days' written notice of the violation. If the department returns a notice for lack of specificity, the 90-day time period shall not begin until a proper notice is filed. This notice must comply with the information requirements of s. 624.155(3)(b). Effective October 1, 2007, this subparagraph shall expire unless reenacted by the Legislature prior to that date.~~

Section 3. Subsections (4) and (5) of section 627.706, Florida Statutes, are renumbered as subsections (3) and (4), respectively, and present subsection (3) of that section is amended to read:

627.706 Sinkhole insurance; catastrophic ground cover collapse; definitions.—

~~(3) On or before June 1, 2007, every insurer authorized to transact property insurance in this state shall make a proper filing with the office for the purpose of extending the appropriate forms of property insurance to include coverage for catastrophic ground cover collapse or for sinkhole losses. Coverage for catastrophic ground cover collapse may not go into effect until the effective date provided for in the filing approved by the office.~~

Section 4. Subsection (6) of section 627.7065, Florida Statutes, is renumbered as subsection (5), and present subsection (5) of that section is amended to read:

627.7065 Database of information relating to sinkholes; the Department of Financial Services and the Department of Environmental Protection.—

~~(5) The Department of Environmental Protection, in consultation with the Department of Financial Services, shall present a report of activities relating to the sinkhole database, including recommendations regarding the database and similar matters, to the Governor, the Speaker of the House of Representatives, the President of the Senate, and the Chief Financial Officer by December 31, 2005. The report may consider the need for the Legislature to create an entity to study the increase in sinkhole activity in the state and other similar issues relating to sinkhole damage, including recommendations and costs for staffing the entity. The report may include other information, as appropriate.~~

Section 5. Section 627.7077, Florida Statutes, is repealed.

Section 6. Subsection (7) of section 627.712, Florida Statutes, is amended to read:

627.712 Residential windstorm coverage required; availability of exclusions for windstorm or contents.—

~~(7) This section is effective July 1, 2007, but the office may delay application of this section until a date no later than October 1, 2007, upon approval by the Financial Services Commission.~~

Section 7. This act shall take effect July 1, 2011.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 4083 Workers' Compensation
SPONSOR(S): Albritton
TIED BILLS: **IDEN./SIM. BILLS:** SB 1826

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Insurance & Banking Subcommittee	13 Y, 0 N	Callaway	Cooper
2) Economic Affairs Committee		Callaway	Tinker

SUMMARY ANALYSIS

Workers' Compensation Administrator

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.

Florida Workers' Compensation Joint Underwriting Association

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, rates for Subplan D 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. Because Subplan D (and Subplan C) issued assessable policies, employers in Subplan D were to be assessed in 2004 to defray the subplan's deficit.

In response to the deficit in Subplan D 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 rating system to the tier rating 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, 2011.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Workers' Compensation Administrator

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.

Florida Workers' Compensation Joint Underwriting Association

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, rates for Subplan D 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. Because Subplan D (and Subplan C) issued assessable policies, employers in Subplan D were to be assessed in 2004 to defray the subplan's deficit.

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

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[1] A deficit occured if the premiums taken in by the WCJUA for policies written in the subplan were not sufficient to cover the claims or reserves of the subplan. If a deficit occured, 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 WCJUA 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'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 rating system to the tier rating 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: Repeals s. 627.092, F.S., relating to the position of Workers' Compensation Administrator.

Section 2: Repeals s. 627.312(2), F.S., relating to transitional provisions for the Florida Workers' Compensation Joint Underwriting Association.

Section 3: Provides an effective date of July 1, 2011.

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:

   Nonel.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None.

D. FISCAL COMMENTS:

None.

[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.

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/ COMMITTEE SUBSTITUTE CHANGES

None.

HB 4083: Workers' Compensation

GENERAL BILL by Albritton

Workers' Compensation: Repeals provision relating to Workers' Compensation Administrator, to abolish position; deletes obsolete transitional requirement for certain policies of Florida Workers' Compensation Joint Underwriting Association.

Effective Date: July 1, 2011

Bill Status: In House Committee (Economic Affairs Committee)

Referred Committees and Committee Actions:

- Insurance & Banking Subcommittee
  On Agenda For: 02/09/2011 9:00 AM
  Favorable *(final action)*
- Economic Affairs Committee

Companion Bills:

SB 1826	Workers' Compensation	Identical
HB 4073	Workers' Compensation	Compare

Bill Text:

Original Filed Version

Staff Analysis:

House Analysis	Insurance & Banking Subcommittee	2/9/2011 3:27:37 PM
House Analysis	Insurance & Banking Subcommittee	2/4/2011 5:34:51 PM

Vote History:

Bill History:

Event	Time	Member	Committee	Version
H Now In Economic Affairs Committee	02/09/2011 03:25 PM	N/A	Economic Affairs Committee	—
H Reported out of Insurance & Banking Subcommittee	02/09/2011 03:25 PM	N/A	Insurance & Banking Subcommittee	—
H Favorable by Insurance & Banking Subcommittee	02/09/2011 12:00 PM	N/A	Insurance & Banking Subcommittee	—
H Added to Insurance & Banking Subcommittee agenda	02/02/2011 04:18 PM	N/A	Insurance & Banking Subcommittee	—
H Now In Insurance & Banking Subcommittee	02/01/2011 03:27 PM	N/A	Insurance & Banking Subcommittee	—

H Referred to Economic Affairs Committee	02/01/2011 03:27 PM	N/A	Economic Affairs Committee	—
H Referred to Insurance & Banking Subcommittee	02/01/2011 03:27 PM	N/A	Insurance & Banking Subcommittee	—
H Filed	01/21/2011 11:48 AM	Nelson	N/A	—

Statutes Referenced by this Bill:

627.092
627.312

A bill to be entitled

An act relating to workers' compensation; repealing s. 627.092, F.S., relating to the Workers' Compensation Administrator, to abolish the position; amending s. 627.312, F.S.; deleting an obsolete transitional requirement for certain policies of the Florida Workers' Compensation Joint Underwriting Association; providing an effective date.

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

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

Section 2. Section 627.312, Florida Statutes, is amended to read:

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

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

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

Section 3. This act shall take effect July 1, 2011.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 4099 Repeal of Property and Casualty Insurance Provisions
SPONSOR(S): Insurance & Banking Subcommittee, Nelson
TIED BILLS: **IDEN./SIM. BILLS:** HB 4081, SB 636

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Insurance & Banking Subcommittee	13 Y, 0 N, As CS	Callaway	Cooper
2) Economic Affairs Committee		Callaway	Tinker TBT

SUMMARY ANALYSIS

This bill deletes outdated or obsolete language relating to the following insurance topics:

- the Florida Automobile Joint Underwriting Association pre-suit notice;
- a form filing for catastrophic ground cover collapse coverage;
- a report on the sinkhole database;
- a study on the feasibility of a facility for insuring sinkhole loss and other issues related to sinkhole loss;
- the effective date for the exclusion of windstorm and contents coverage in property insurance policies; and
- the transfer of funds from the State Board of Administration to Citizens Property Insurance Corporation relating to the Insurance Capital Build-Up Program.

The bill deletes substantive language relating to the following insurance topic:

- annual report on probable maximum losses, financing options, and potential assessments for the Florida Hurricane Catastrophe Fund and Citizens Property Insurance Corporation.

The bill has no fiscal impact and is effective on July 1, 2011.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Repeal of Outdated or Obsolete Statutes

The following changes made by this bill are technical and not substantive. This bill deletes outdated or obsolete language relating to various insurance topics as follows:

Florida Automobile Joint Underwriting Association Pre-Suit Notice

Section 627.311(3), F.S., allows the Office of Insurance Regulation (OIR) to approve a joint underwriting plan for purposes of equitable apportionment or sharing among insurers of automobile liability insurance and other motor vehicle insurance. The Florida Automobile Joint Underwriting Association (FAJUA) is created under the plan. Requirements of the plan are contained in section 627.311(3), F.S. Section 627.311(3)(k)2., F.S., specifies that before a legal action may be brought against the FAJUA for certain violations by the FAJUA, the Department of Financial Services (DFS) and the FAJUA must be given 90 days' written notice of the violation giving rise to the lawsuit.[1] Typically, a 60 day pre-suit notice, rather than a 90 day pre-suit notice, is required for actions taken against insurance companies for certain violations.[2] In the 2004 Session, however, the pre-suit notice requirement that applies to the FAJUA was lengthened from 60 days to 90 days to give the FAJUA more time to investigate alleged violations.

By statute, the 90 day pre-suit notice period for the FAJUA expired on October 1, 2007 unless it was reenacted by the Legislature. The statute was not reenacted by the Legislature before the October 1, 2007 deadline. Thus, this bill repeals the 90 day pre-suit notice period as it is obsolete due to the expiration of the October 1, 2007 reenactment deadline.

Form Filing for Catastrophic Ground Cover Collapse Coverage

Under current law, every property insurance company must cover "catastrophic ground cover collapse" in the property insurance policy. Property insurance coverage for catastrophic ground cover collapse was made mandatory and added to the law in the 2007A Special Session.[3] Catastrophic ground cover collapse coverage pays the homeowner for property damage caused from the abrupt collapse of the ground cover with a visible ground cover depression resulting in structural damage to the home to the extent that the home is condemned and ordered to be vacated. Structural damage to a home due to settling or cracking of a foundation is not catastrophic ground cover collapse and is not paid for under catastrophic ground cover collapse coverage. Damage of this type, however, may be covered under "sinkhole coverage" which can be purchased for an additional premium. All property insurers must make sinkhole coverage available for homeowners to purchase.

When coverage for catastrophic ground cover collapse was added to the law in 2007 as a mandatory coverage, insurers were required to make a form filing with the OIR by June 1, 2007 to implement this coverage requirement. This bill repeals section 627.706(3), F.S., the statutory provision added in 2007 requiring insurers to make the catastrophic ground cover collapse form filing by June 1, 2007 because the filing deadline has passed.

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[1] Section 624.155, F.S., specifies the insurer violations which require pre-suit notice to DFS and to the insurer. These violations include: unfair claim settlement practices, illegal dealings in premiums, refusal to insure, favored agent or insurer, illegal dealings for life or disability insurance, life or disability insurance discrimination based on policyholder having the sickle cell trait, return of auto insurance premium upon cancellation of the policy by the policyholder, not settling claims in good faith, claims payments made to policyholders without an accompanying statement relating to the coverage, and failure to settle a claim under one portion of an insurance policy in order to influence settlement under other portions of the policy.

[2] s. 624.155(3)(a), F.S.

[3] Section 30, Ch. 2007-1, L.O.F.

Report on the Sinkhole Database

Section 627.7065, F.S., enacted in 2005,[4] creates a sinkhole information database for the purpose of tracking sinkhole claims made against property insurance policies. The DFS is primarily responsible for the development of the database, with input from the Department of Environmental Protection (DEP) and the Florida Geological Survey. The DFS has authority to require insurers to report past and present sinkhole claims for inclusion in the database. The DEP must investigate reports of sinkhole activity and report its findings to the database.

Section 627.7065(5), F.S., requires the DEP, in consultation with the DFS, to submit a report of activities by December 31, 2005 to the Governor, the Chief Financial Officer, and the Legislative presiding officers about the sinkhole database implemented by the DFS. The report was submitted on March 10, 2006. The bill repeals section 627.7065(5), F.S., because the deadline for the report submission has passed.

Florida Sinkhole Insurance Facility Study

Section 627.7077, F.S., requires the Florida State University College of Business Department of Risk Management and Insurance (FSU) to conduct a feasibility and cost-benefit study of a potential Florida Sinkhole Insurance Facility and of other matters related to the affordability and availability of sinkhole insurance. A preliminary report was due to the presiding officers of the Legislature and the Financial Services Commission by February 1, 2005 with a final report due April 1, 2005. The final report was submitted in April 2005 by FSU. The bill repeals section 627.7077, F.S., because the deadline for the report on the sinkhole study has passed.

Effective Date for the Exclusion of Windstorm and Contents Coverage In Property Insurance Policies

Section 627.712, F.S., requires property insurers to provide windstorm coverage in residential property insurance policies but allows a policyholder to exclude windstorm coverage if specified requirements are met. The statute also allows a policyholder to exclude contents coverage if specified requirements are met. The statute was first enacted in the 2007A Special Session.[5] Section 627.712(7), F.S., provides an effective date of June 1, 2007 for the statute but allows the OIR to extend the effective date until October 1, 2007 at the latest with approval of the Financial Services Commission. The bill repeals section 627.712(7), F.S., which provides the effective date of the statute as the deadlines of June 1, 2007 and October 1, 2007 contained in the statute have passed.

Refund of Funds from the Insurance Capital Build-Up Incentive Program

In 2006, the Legislature created the Insurance Capital Build-Up Incentive Program (Capital Build Up Program or program) within the State Board of Administration (SBA) to provide insurance companies a low-cost source of capital to write additional residential property insurance. The program's goal was to increase the availability of residential property insurance covering the risk of hurricanes and to ease residential property insurance premium increases.

To accomplish its goal, the program loaned state funds in the form of surplus notes to new or existing authorized residential property insurers under specified conditions. The insurers, in turn, agreed to write additional residential property insurance in Florida and to contribute new capital to their company. The maximum dollar amount of a surplus note was $25 million. The surplus note was repayable to the state, with a 20 year term, at the 10-year Treasury Bond interest rate (with interest only payments the first three years). The Legislature appropriated $250 million non-recurring funds from the General Revenue

[4] Section 18, Ch. 2005-111, L.O.F.
[5] Section 32, Ch. 2007-1, L.O.F.

Fund to fund the program at its inception in 2006. Any unexpended balance reverted back to the General Revenue Fund on June 30, 2007.

As of June 28, 2007, the program issued $247,500,000 in funds to thirteen qualifying insurers. Administrative expenses for the program totaled $2,500,000. Thus, by June 2007 the entire 2006 legislative appropriation for the program was exhausted ($247.5 million in loans, and $2.5 million in administrative costs).[6]

CS/CS/SB 2860, enacted in 2008, required the Citizens Property Insurance Corporation (Citizens) to transfer $250 million to the General Revenue Fund by December 15, 2008.[7] The 2008 General Appropriations Act (GAA) contained a contingent appropriation of $250 million to the SBA for additional funding for the Capital Build-Up Program. The appropriation was contingent upon Citizens transferring $250 million to the General Revenue Fund.

The $250 million transfer from Citizens for use in the Capital Build Up Program was line item vetoed by the Governor Crist.[8] In his veto message Governor Crist stated: "[w]hile I believe the program is well intended and has had the net effect of removing nearly 200,000 policies from the Citizens Property Insurance Corporation and has kept an additional estimated 480,000 policies out of Citizens, the funding source is inappropriate. The original funding for the program came from the General Revenue Fund during the 05/06 fiscal year; however, the additional funding for the program provided in this legislation comes from policyholders' premiums paid to Citizens, which is used to pay claims in the event of a catastrophic hurricane. ...Taking $250 million away from Citizens' ability to pay claims will substantially increase the likelihood of assessments for Floridians across the state."[9]

CS/CS/SB 2860 also required the SBA to transfer back to Citizens on January 15, 2009 any uncommitted funds that were initially transferred from Citizens for the program. The bill repeals current law requiring the transfer of funds back to Citizens on January 15, 2009. The initial transfer of funds from Citizens to the General Revenue Fund was never completed due to the Governor's line item veto in CS/CS/SB 2860. Thus, the bill repeals obsolete language from the statute.

Repeal of Substantive Statute

The following is a substantive change made by the bill that is not technical in nature and does not delete obsolete or outdated law:

Repeal of Report to the Legislature Relating to Exposure, Debt, and Assessments of the Florida Hurricane Catastrophe Fund and Citizens

Section 627.3519, F.S., requires the Financial Services Commission (FSC)[10] to provide the Legislature, by February 1st each year, a report on the aggregate net probable maximum losses[11], financing options, and potential assessments of the Florida Hurricane Catastrophe Fund (Fund) and Citizens. This statute was enacted in 2006.[12] The Financial Services Commission has provided the required report on to the Legislature each February since 2008.

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[6] Information obtained from the Final Report of the Insurance Capital Build-Up Incentive Program available at http://www.sbafla.com/fsb/LinkClick.aspx?fileticket=TYIOUbPBbDM%3d&tabid=975&mid=2692 (last viewed February 1, 2011).

[7] Section 16, Ch. 2008-66, L.O.F.

[8] Section 16 of CS/CS/SB 2860 which required the $250 million transfer from Citizens to the General Revenue Fund for use in the Capital Build Up Program was vetoed on May 28, 2008. CS/HB 5057 also required the $250 million transfer and this bill was vetoed on June 10, 2008. (Letter to Secretary Kurt S. Browning, Secretary of State, from Governor Charlie Crist dated June 10, 2008, on file with staff of the Insurance & Banking Subcommittee).

[9] Letter to Secretary Kurt S. Browning, Secretary of State, from Governor Charlie Crist dated May 28, 2008, on file with staff of the Insurance & Banking Subcommittee.

[10] The Financial Services Commission is comprised of the Governor and Cabinet (s. 20.121(3), F.S.).

[11] Probable maximum loss is an estimate of maximum dollar value that can be lost under realistic situations.

[12] Section 20, Ch. 2006-12.

The report must include the amount and term of debt needed to be issued by the Fund and Citizens to support the probable maximum losses required to be reported. The assessment percentage that would be needed to support the debt is also required to be reported.

The OIR prepares the report on behalf of the FSC. The OIR does not compute or generate the information required to be reported. Much of the information needed in the report is already computed by the Fund and by Citizens and provided to various stakeholders, such as potential bond investors, rating agencies, public policymakers, and the advisory and governing boards of the Fund and Citizens. Thus, the OIR gathers the information already computed from Fund and Citizens and presents the information in a report format.

B. SECTION DIRECTORY:

Section 1: Deletes s. 215.5595(11), F.S., relating to the Insurance Capital Build-Up Incentive Program.

Section 2: Amends s. 627.311, F.S., relating to the Florida Automobile Joint Underwriting Association.

Section 3: Repeals s. 627.3519, F.S., relating to an annual report of aggregate net probable maximum losses, financing options, and potential assessments.

Section 4: Deletes s. 627.706(3), F.S., relating to a property insurance filing for catastrophic ground cover collapse coverage.

Section 5: Deletes s. 627.7065(5), F.S., relating to a report of activities relating to the sinkhole database.

Section 6: Repeals s. 627.7077, F.S., relating to a Florida Sinkhole Insurance Facility Study.

Section 7: Deletes s. 627.712(7), F.S., relating to the effective date of the statute relating to the exclusion of windstorm and contents coverage in property insurance policies.

Section 8: Provides an effective date of July 1, 2011.

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:

The OIR's budget does not include any funds for preparation of the report covering the probable maximum loss, financing options, and assessment need of the Florida Hurricane Catastrophe Fund (Fund) and Citizens. The OIR partners with an outside source to compile and obtain the information required in the report. Much of the information required to be compiled and obtained for the report has already been compiled by the Fund and Citizens and is shared by the Fund and Citizens to enable the report to be completed without expense. Thus, repeal of the report will not reduce state expenditures.

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/ COMMITTEE SUBSTITUTE CHANGES

On February 24, 2011, the Insurance & Banking Subcommittee considered the bill, adopted a title amendment to correct a title defect in the bill, and reported the bill favorably with a Committee Substitute. The amendment changed the title of the bill to "an act relating to the repeal of property and casualty insurance provisions." The originally filed bill was titled "an act relating to the repeal of obsolete insurance provisions," however, one provision repealed by the bill was not obsolete as the provision repeals a statute requiring an ongoing report. The staff analysis was updated to reflect the adoption of the amendment.

CS/HB 4099: Repeal of Property and Casualty Insurance Provisions

GENERAL BILL by Insurance & Banking Subcommittee and Nelson

Repeal of Property and Casualty Insurance Provisions: Deletes specified provisions of property & casualty insurance law relating to transfer of funds from SBA to Citizens Property Insurance Corporation; Florida Automobile Joint Underwriting Association presuit notice; aggregate net probable maximum losses, financing options, & potential assessments of Florida Hurricane Catastrophe Fund & Citizens Property Insurance Corporation; reporting of activities relating to sinkhole database, feasibility & cost-benefit study of Florida Sinkhole Insurance Facility & other matters related to affordability & availability of sinkhole insurance; & effective date for exclusion of windstorm & contents coverage.

Effective Date: July 1, 2011

Bill Status: In House Committee (Economic Affairs Committee)

Referred Committees and Committee Actions:

- Insurance & Banking Subcommittee
  On Agenda For: 02/24/2011 9:00 AM
  Favorable With Committee Substitute *(final action)*
- Economic Affairs Committee

Companion Bills:

HB 4081	Repeal of Obsolete Insurance Provisions	Similar
SB 636	Repeal of Obsolete Insurance Provisions	Similar
HB 1187	Civil Remedies Against Insurers	Compare
SB 1592	Civil Remedies Against Insurers	Compare

Bill Text:

Committee Substitute 1
Original Filed Version

Staff Analysis:

House Analysis	Insurance & Banking Subcommittee	2/28/2011 12:59:18 PM
House Analysis	Insurance & Banking Subcommittee	2/21/2011 3:18:44 PM

Vote History:

Bill History:

Event	Time	Member	Committee	Version
H Now In Economic Affairs Committee	03/03/2011 09:08 AM	N/A	Economic Affairs Committee	c1

CS/HB 4099: Repeal of Property and Casualty Insurance Provisions

H Referred to Economic Affairs Committee	03/03/2011 09:08 AM	N/A	Economic Affairs Committee	c1
H CS Filed	02/28/2011 10:57 AM	N/A	N/A	c1
H Laid on Table under Rule 7.19(a)	02/28/2011 10:57 AM	N/A	N/A	—
H Reported out of Insurance & Banking Subcommittee	02/28/2011 10:45 AM	N/A	Insurance & Banking Subcommittee	—
H Favorable with CS by Insurance & Banking Subcommittee	02/24/2011 12:00 PM	N/A	Insurance & Banking Subcommittee	—
H Added to Insurance & Banking Subcommittee agenda	02/17/2011 04:01 PM	N/A	Insurance & Banking Subcommittee	—
H Now in Insurance & Banking Subcommittee	02/16/2011 06:26 PM	N/A	Insurance & Banking Subcommittee	—
H Referred to Economic Affairs Committee	02/16/2011 06:26 PM	N/A	Economic Affairs Committee	—
H Referred to Insurance & Banking Subcommittee	02/16/2011 06:26 PM	N/A	Insurance & Banking Subcommittee	—
H Filed	01/31/2011 01:46 PM	Nelson	N/A	—

Statutes Referenced by this Bill:

215.5595
215.5595
627.311
627.311
627.3519
627.3519
627.706
627.706
627.7065
627.7065
627.7077
627.7077
627.712
627.712

A bill to be entitled

An act relating to the repeal of property and casualty insurance provisions; amending s. 215.5595, F.S.; deleting an obsolete requirement for the State Board of Administration to transfer to the Citizens Property Insurance Corporation certain funds of the Insurance Capital Build-Up Incentive Program; amending s. 627.311, F.S.; deleting an obsolete presuit notice requirement for the Florida Automobile Joint Underwriting Association; repealing s. 627.3519, F.S., relating to annual report of aggregate net probable maximum losses, financing options, and potential assessments; amending s. 627.706, F.S.; deleting an obsolete form filing deadline for sinkhole coverage; amending s. 627.7065, F.S.; deleting an obsolete reporting requirement for activities relating to the sinkhole database; repealing s. 627.7077, F.S., relating to a feasibility and cost-benefit study of a Florida Sinkhole Insurance Facility and other matters related to affordability and availability of sinkhole insurance; amending s. 627.712, F.S.; deleting an obsolete effective date for the exclusion of windstorm and contents coverage; providing an effective date.

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

Section 1. Subsection (11) of section 215.5595, Florida Statutes, is amended to read:

215.5595 Insurance Capital Build-Up Incentive Program.—

~~(11) On January 15, 2009, the State Board of Administration shall transfer to Citizens Property Insurance Corporation any funds that have not been committed or reserved for insurers approved to receive such funds under the program, from the funds that were transferred from Citizens Property Insurance Corporation in 2008-2009 for such purposes.~~

Section 2. Paragraph (k) of subsection (3) of section 627.311, Florida Statutes, is amended to read:

627.311 Joint underwriters and joint reinsurers; public records and public meetings exemptions.—

(3) The office may, after consultation with insurers licensed to write automobile insurance in this state, approve a joint underwriting plan for purposes of equitable apportionment or sharing among insurers of automobile liability insurance and other motor vehicle insurance, as an alternate to the plan required in s. 627.351(1). All insurers authorized to write automobile insurance in this state shall subscribe to the plan and participate therein. The plan shall be subject to continuous review by the office which may at any time disapprove the entire plan or any part thereof if it determines that conditions have changed since prior approval and that in view of the purposes of the plan changes are warranted. Any disapproval by the office shall be subject to the provisions of chapter 120. The Florida Automobile Joint Underwriting Association is created under the plan. The plan and the association:

(k)~~1.~~ Shall have no liability, and no cause of action of any nature shall arise against any member insurer or its agents or employees, agents or employees of the association, members of

the board of governors of the association, the Chief Financial Officer, or the office or its representatives for any action taken by them in the performance of their duties or responsibilities under this subsection. Such immunity does not apply to actions for or arising out of breach of any contract or agreement pertaining to insurance, or any willful tort.

~~2. Notwithstanding the requirements of s. 624.155(3)(a), as a condition precedent to bringing an action against the plan under s. 624.155, the department and the plan must have been given 90 days' written notice of the violation. If the department returns a notice for lack of specificity, the 90-day time period shall not begin until a proper notice is filed. This notice must comply with the information requirements of s. 624.155(3)(b). Effective October 1, 2007, this subparagraph shall expire unless reenacted by the Legislature prior to that date.~~

Section 3. Section 627.3519, Florida Statutes, is repealed.

Section 4. Subsections (3), (4), and (5) of section 627.706, Florida Statutes, are amended to read:

627.706 Sinkhole insurance; catastrophic ground cover collapse; definitions.—

~~(3) On or before June 1, 2007, every insurer authorized to transact property insurance in this state shall make a proper filing with the office for the purpose of extending the appropriate forms of property insurance to include coverage for catastrophic ground cover collapse or for sinkhole losses. Coverage for catastrophic ground cover collapse may not go into~~

~~effect until the effective date provided for in the filing approved by the office.~~

(3) ~~(4)~~ Insurers offering policies that exclude coverage for sinkhole losses shall inform policyholders in bold type of not less than 14 points as follows: "YOUR POLICY PROVIDES COVERAGE FOR A CATASTROPHIC GROUND COVER COLLAPSE THAT RESULTS IN THE PROPERTY BEING CONDEMNED AND UNINHABITABLE. OTHERWISE, YOUR POLICY DOES NOT PROVIDE COVERAGE FOR SINKHOLE LOSSES. YOU MAY PURCHASE ADDITIONAL COVERAGE FOR SINKHOLE LOSSES FOR AN ADDITIONAL PREMIUM."

(4) ~~(5)~~ An insurer offering sinkhole coverage to policyholders before or after the adoption of s. 30, chapter 2007-1, Laws of Florida, may nonrenew the policies of policyholders maintaining sinkhole coverage in Pasco County or Hernando County, at the option of the insurer, and provide an offer of coverage to such policyholders which includes catastrophic ground cover collapse and excludes sinkhole coverage. Insurers acting in accordance with this subsection are subject to the following requirements:

(a) Policyholders must be notified that a nonrenewal is for purposes of removing sinkhole coverage, and that the policyholder is still being offered a policy that provides coverage for catastrophic ground cover collapse.

(b) Policyholders must be provided an actuarially reasonable premium credit or discount for the removal of sinkhole coverage and provision of only catastrophic ground cover collapse.

(c) Subject to the provisions of this subsection and the

insurer's approved underwriting or insurability guidelines, the insurer shall provide each policyholder with the opportunity to purchase an endorsement to his or her policy providing sinkhole coverage and may require an inspection of the property before issuance of a sinkhole coverage endorsement.

(d) Section 624.4305 does not apply to nonrenewal notices issued pursuant to this subsection.

Section 5. Subsections (5) and (6) of section 627.7065, Florida Statutes, are amended to read:

627.7065 Database of information relating to sinkholes; the Department of Financial Services and the Department of Environmental Protection.—

~~(5) The Department of Environmental Protection, in consultation with the Department of Financial Services, shall present a report of activities relating to the sinkhole database, including recommendations regarding the database and similar matters, to the Governor, the Speaker of the House of Representatives, the President of the Senate, and the Chief Financial Officer by December 31, 2005. The report may consider the need for the Legislature to create an entity to study the increase in sinkhole activity in the state and other similar issues relating to sinkhole damage, including recommendations and costs for staffing the entity. The report may include other information, as appropriate.~~

(5) ~~(6)~~ The Department of Financial Services, in consultation with the Department of Environmental Protection, may adopt rules to implement this section.

Section 6. Section 627.7077, Florida Statutes, is repealed.

Section 7. Subsection (7) of section 627.712, Florida Statutes, is amended to read:

627.712 Residential windstorm coverage required; availability of exclusions for windstorm or contents.—

~~(7) This section is effective July 1, 2007, but the office may delay application of this section until a date no later than October 1, 2007, upon approval by the Financial Services Commission.~~

Section 8. This act shall take effect July 1, 2011.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 4115 Powers of the Consumer Advocate
SPONSOR(S): Plakon
TIED BILLS: **IDEN./SIM. BILLS:** SB 1462

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Insurance & Banking Subcommittee	12 Y, 2 N	Callaway	Cooper
2) Economic Affairs Committee		Callaway	Tinker

SUMMARY ANALYSIS

Section 627.0613(4), F.S., enacted in 2007, requires the Insurance Consumer Advocate to prepare a report card each year grading each personal residential property insurance company on consumer complaints and claims payment. Current law does not specify a starting date for the report card issuance and to date no report cards have been issued. The bill repeals the law requiring report cards grading personal residential property insurers.

The bill has no fiscal impact and is effective on July 1, 2011.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

The bill makes the following substantive change to current law:

Insurer Report Card

Section 627.0613(4), F.S., enacted in 2007[1], requires the Insurance Consumer Advocate[2] to prepare a report card each year for each personal residential property insurance company[3]. This report card must grade each company according to these factors:

- Number and nature of consumer complaints against a company,[4]
- Disposition of complaints,
- Average length of time for claims payment by the company, and
- Any other factors to assist policyholders in making informed choices about homeowner's insurance[5].

Current law does not specify a starting date for the report card issuance and to date no report cards have been issued. The bill repeals the law requiring report cards grading personal residential property insurers.

B. SECTION DIRECTORY:

Section 1: Repeals s. 627.0613(4), F.S., requiring the Insurance Consumer Advocate to annually prepare a report card grading personal residential property insurers.

Section 2: Provides an effective date of July 1, 2011.

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.

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[1] Section 17, Ch. 2007-1, L.O.F.

[2] The Insurance Consumer Advocate is appointed by the Chief Financial Officer. The Advocate represents the public before the Office of Insurance Regulation (OIR) and the Department of Financial Services (DFS). In order to represent the public, the Advocate is given specific powers relating to actions taken by the OIR and the DFS. (see s. 627.0613(1)-(3), F.S.)

[3] Personal residential property insurers write homeowner's, mobile homeowner's, dwelling, tenant's, condominium unit owner's, cooperative unit owner's, and similar policies.

[4] Consumer complaints are filed against the company with the Division of Consumer Services in the Department of Financial Services. This Division investigates and tries to resolve complaints against insurance companies lodged by consumers who request assistance from the Division.

[5] As determined by the Financial Services Commission comprised of the Governor and Cabinet. (s. 20.121(3), F.S.)

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:

The bill removes rulemaking authority for the Financial Services Commission relating to development of the report card form and letter grade scale used in the report card.

C. DRAFTING ISSUES OR OTHER COMMENTS:

The Insurance Consumer Advocate believes the statutory language requiring a report card for property insurers lacks sufficient direction and parameters for implementation of the report card.

Administrative rules establishing procedures to be used by the Insurance Consumer Advocate in preparing the annual report card were proposed in 2009. A rule workshop was held on the proposed rules and changes to the proposed rules were made. Subsequently, a public hearing on the proposed rules was held. The rules were withdrawn in 2010 before adoption.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

None.

HB 4115: Powers of the Consumer Advocate

GENERAL BILL by Plakon

Powers of the Consumer Advocate: Deletes power of consumer advocate relating to preparation of annual report card grading personal residential property insurers.

Effective Date: July 1, 2011

Bill Status: In House Committee (Economic Affairs Committee)

Referred Committees and Committee Actions:

- Insurance & Banking Subcommittee
  On Agenda For: 02/24/2011 9:00 AM
  Favorable *(final action)*
- Economic Affairs Committee

Companion Bills:

SB 1462	Powers of the Consumer Advocate	Identical
HB 803	Property and Casualty Insurance	Compare
CS/SB 408	Property and Casualty Insurance	Compare

Bill Text:

Original Filed Version

Staff Analysis:

House Analysis	Insurance & Banking Subcommittee	2/25/2011 3:14:57 PM
House Analysis	Insurance & Banking Subcommittee	2/21/2011 3:17:23 PM

Vote History:

Bill History:

Event	Time	Member	Committee	Version
H Now In Economic Affairs Committee	02/25/2011 03:13 PM	N/A	Economic Affairs Committee	__
H Reported out of Insurance & Banking Subcommittee	02/25/2011 03:13 PM	N/A	Insurance & Banking Subcommittee	__
H Favorable by Insurance & Banking Subcommittee	02/24/2011 12:00 PM	N/A	Insurance & Banking Subcommittee	__
H Added to Insurance & Banking Subcommittee agenda	02/17/2011 04:01 PM	N/A	Insurance & Banking Subcommittee	__
H Now In Insurance & Banking Subcommittee	02/16/2011 06:26 PM	N/A	Insurance & Banking Subcommittee	__

HB 4115: Powers of the Consumer Advocate

H Referred to Economic Affairs Committee	02/16/2011 06:26 PM	N/A	Economic Affairs Committee	—
H Referred to Insurance & Banking Subcommittee	02/16/2011 06:26 PM	N/A	Insurance & Banking Subcommittee	—
H Filed	01/31/2011 02:13 PM	Plakon	N/A	—

Statutes Referenced by this Bill:

627.0613

A bill to be entitled

An act relating to the powers of the consumer advocate; amending s. 627.0613, F.S.; deleting a power of the consumer advocate relating to the preparation of an annual report card grading personal residential property insurers; providing an effective date.

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

Section 1. Section 627.0613, Florida Statutes, is amended to read:

627.0613 Consumer advocate.—The Chief Financial Officer must appoint a consumer advocate who must represent the general public of the state before the department and the office. The consumer advocate must report directly to the Chief Financial Officer, but is not otherwise under the authority of the department or of any employee of the department. The consumer advocate has such powers as are necessary to carry out the duties of the office of consumer advocate, including, but not limited to, the powers to:

(1) Recommend to the department or office, by petition, the commencement of any proceeding or action; appear in any proceeding or action before the department or office; or appear in any proceeding before the Division of Administrative Hearings relating to subject matter under the jurisdiction of the department or office.

(2) Have access to and use of all files, records, and data of the department or office.

(3) Examine rate and form filings submitted to the office, hire consultants as necessary to aid in the review process, and recommend to the department or office any position deemed by the consumer advocate to be in the public interest.

~~(4) Prepare an annual report card for each authorized personal residential property insurer, on a form and using a letter-grade scale developed by the commission by rule, which grades each insurer based on the following factors:~~

~~(a) The number and nature of consumer complaints, as a market share ratio, received by the department against the insurer.~~

~~(b) The disposition of all complaints received by the department.~~

~~(c) The average length of time for payment of claims by the insurer.~~

~~(d) Any other factors the commission identifies as assisting policyholders in making informed choices about homeowner's insurance.~~

(4) ~~(5)~~ Prepare an annual budget for presentation to the Legislature by the department, which budget must be adequate to carry out the duties of the office of consumer advocate.

Section 2. This act shall take effect July 1, 2011.

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 4129 Residential Property Structural Soundness Evaluation Grant Program
SPONSOR(S): Crisafulli
TIED BILLS: **IDEN./SIM. BILLS:** SB 638

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Insurance & Banking Subcommittee	12 Y, 1 N	Callaway	Cooper
2) Economic Affairs Committee		Callaway	Tinker

SUMMARY ANALYSIS

The bill repeals section 627.0629(8), F.S., which establishes a mitigation evaluation grant program for policyholders of Citizens Property Insurance Corporation (Citizens) insured in the high-risk account. Repealing s. 627.0629(8), F.S., will preclude certain policyholders of Citizens from receiving grants from the state to use to pay for a mitigation inspection. However, no funding has been provided by the state since the program's authorization.

There is no fiscal impact on state or local government.

The bill is effective on July 1, 2011.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Section 627.0629(8), F.S., enacted in 1997[1], requires the Department of Community Affairs to establish a program to provide grants for policyholders of Citizens Property Insurance Corporation (Citizens) insured in the high-risk account[2] to pay for a wind mitigation evaluation of their home. The program is administered by Citizens.[3] The statute conditions implementation of the program on an appropriation in the General Appropriations Act (GAA). No appropriation in the GAA has ever been made for the program.

The bill repeals section 627.0629(8), F.S., which establishes the mitigation evaluation grant program because the statute conditions the program on appropriation of funds and no appropriation has ever been made for the program and due to budget constraints no future appropriation for the program is anticipated.

B. SECTION DIRECTORY:

Section 1: Deletes s. 627.0629(8), F.S., relating to a mitigation grant program for certain policyholders of Citizens Property Insurance Corporation.

Section 2: Provides an effective date of July 1, 2011.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

   None.

2. Expenditures:

   None. No funds were ever appropriated in the GAA for the program, according to a representative of the Division of Emergency Management within the Department of Community Affairs.[4]

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

   None.

2. Expenditures:

   None.

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[1] Section 4, ch. 97-55, L.O.F.

[2] The high-risk account consists of personal lines, commercial residential and commercial non-residential wind-only and multi-peril policies issued by Citizens Property Insurance Corporation in limited eligible coastal areas which cover damage to property from windstorm only or from windstorm and other perils.

[3] When s. 627.0629(8), F.S., was initially enacted, Citizens had not been created. Thus, the original statute established the grant program for policyholders of the Florida Windstorm Underwriting Association (Association), the predecessor of Citizens. The original statute also required the Association to administer the grant program. When Citizens was created in 2002 by the merger of the Association and the Florida Residential Property and Casualty Joint Underwriting Association, the statute was amended to make the grant program available for Citizens' policyholders and to require Citizens administer the program. (s. 1067, ch. 2003-261, L.O.F.).

[4] Telephone conversation between staff from the Insurance & Banking Subcommittee and William Booher of the Division of Emergency Management on 2/21/11.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Repealing s. 627.0629(8), F.S., will preclude certain policyholders of Citizens from receiving grants from the state to use to pay for a mitigation inspection. However, no funding has been provided by the state since the program's authorization. According to representatives of Citizens, no grants have been awarded under this program since the inception of Citizens in 2002 because funds have not been provided in the GAA.

Mitigation inspections are available in the private market. The cost of mitigation inspections performed by the private market is not cost prohibitive.[5]

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:

Rulemaking authority given by s. 627.0629(8), F.S., to the Department of Community Affairs relating to the mitigation evaluation grant program is removed by the bill. According to a representative of the Division of Emergency Management within the Department of Community Affairs, no rules were promulgated for the program as no funding was ever received for the program.[6]

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

None.

[5] Mitigation inspections in the private market cost $150 -250 per inspection.

[6] Telephone conversation between staff from the Insurance & Banking Subcommittee and William Booher of the Division of Emergency Management on 2/21/11.

HB 4129: Residential Property Structural Soundness Evaluation Grant Program

GENERAL BILL by Crisafulli

Residential Property Structural Soundness Evaluation Grant Program: Deletes obsolete Citizens Property Insurance Corporation residential property structural soundness evaluation grant program.

Effective Date: July 1, 2011

Bill Status: In House Committee (Economic Affairs Committee)

Referred Committees and Committee Actions:

- Insurance & Banking Subcommittee
  On Agenda For: 02/24/2011 9:00 AM
  Favorable *(final action)*
- Economic Affairs Committee

Companion Bills:

SB 638	Residential Property/Evaluation Grant Program	Identical

Bill Text:

Original Filed Version

Staff Analysis:

House Analysis	Insurance & Banking Subcommittee	2/25/2011 3:15:55 PM
House Analysis	Insurance & Banking Subcommittee	2/21/2011 3:15:56 PM

Vote History:

Bill History:

Event	Time	Member	Committee	Version
H Now In Economic Affairs Committee	02/25/2011 03:13 PM	N/A	Economic Affairs Committee	__
H Reported out of Insurance & Banking Subcommittee	02/25/2011 03:13 PM	N/A	Insurance & Banking Subcommittee	__
H Favorable by Insurance & Banking Subcommittee	02/24/2011 12:00 PM	N/A	Insurance & Banking Subcommittee	__
H Added to Insurance & Banking Subcommittee agenda	02/17/2011 04:01 PM	N/A	Insurance & Banking Subcommittee	__
H Now In Insurance & Banking Subcommittee	02/16/2011 06:26 PM	N/A	Insurance & Banking Subcommittee	__
H Referred to Economic Affairs Committee	02/16/2011 06:26 PM	N/A	Economic Affairs Committee	__

HB 4129: Residential Property Structural Soundness Evaluation Grant Program

H Referred to Insurance & Banking Subcommittee	02/16/2011 06:26 PM	N/A	Insurance & Banking Subcommittee	—
H Filed	02/01/2011 02:54 PM	Crisafulli	N/A	—

Statutes Referenced by this Bill:

627.0629

A bill to be entitled

An act relating to a residential property structural soundness evaluation grant program; amending s. 627.0629, F.S.; deleting an obsolete Citizens Property Insurance Corporation residential property structural soundness evaluation grant program; providing an effective date.

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

Section 1. Subsections (8) and (9) of section 627.0629, Florida Statutes, are amended to read:

627.0629 Residential property insurance; rate filings.—

~~(8) EVALUATION OF RESIDENTIAL PROPERTY STRUCTURAL SOUNDNESS.—~~

~~(a) It is the intent of the Legislature to provide a program whereby homeowners may obtain an evaluation of the wind resistance of their homes with respect to preventing damage from hurricanes, together with a recommendation of reasonable steps that may be taken to upgrade their homes to better withstand hurricane force winds.~~

~~(b) To the extent that funds are provided for this purpose in the General Appropriations Act, the Legislature hereby authorizes the establishment of a program to be administered by the Citizens Property Insurance Corporation for homeowners insured in the high-risk account.~~

~~(c) The program shall provide grants to homeowners, for the purpose of providing homeowner applicants with funds to conduct an evaluation of the integrity of their homes with~~

~~respect to withstanding hurricane force winds, recommendations to retrofit the homes to better withstand damage from such winds, and the estimated cost to make the recommended retrofits.~~

~~(d) The Department of Community Affairs shall establish by rule standards to govern the quality of the evaluation, the quality of the recommendations for retrofitting, the eligibility of the persons conducting the evaluation, and the selection of applicants under the program. In establishing the rule, the Department of Community Affairs shall consult with the advisory committee to minimize the possibility of fraud or abuse in the evaluation and retrofitting process, and to ensure that funds spent by homeowners acting on the recommendations achieve positive results.~~

~~(e) The Citizens Property Insurance Corporation shall identify areas of this state with the greatest wind risk to residential properties and recommend annually to the Department of Community Affairs priority target areas for such evaluations and inclusion with the associated residential construction mitigation program.~~

(8) ~~(9)~~ A property insurance rate filing that includes any adjustments related to premiums paid to the Florida Hurricane Catastrophe Fund must include a complete calculation of the insurer's catastrophe load, and the information in the filing may not be limited solely to recovery of moneys paid to the fund.

Section 2. This act shall take effect July 1, 2011.