

Tab 1 SB 460 by Bradley (CO-INTRODUCERS) Soto; (Similar to CS/H 0307) Experimental Treatments for Terminal Conditions

466428	D	S	WD	FP, Bradley	Delete everything after	02/04 03:39 PM
939374	AA	S		FP, Clemens	Delete L.192 - 197:	02/04 01:57 PM
444660	AA	S		FP, Clemens	Delete L.206 - 210:	02/04 01:58 PM
306010	AA	S		FP, Clemens	Delete L.208 - 209:	02/04 01:58 PM
943584	AA	S		FP, Abruzzo	Delete L.466 - 533:	01/20 05:40 PM
151192	A	S	UNFAV	FP, Clemens	Before L.16:	02/04 03:39 PM
293140	A	S	UNFAV	FP, Clemens	Before L.16:	02/04 03:39 PM
917446	A	S	UNFAV	FP, Clemens	Before L.16:	02/04 03:39 PM
555404	A	S	UNFAV	FP, Abruzzo	Delete L.21 - 53:	02/04 03:39 PM

Tab 2 SB 586 by Stargel; (Identical to H 0471) Responsibilities of Health Care Providers

Tab 3 CS/SB 698 by RI, Bradley; (Compare to CS/H 0645) Alcoholic Beverages and Tobacco

224142	A	S	WD	FP, Bradley	Delete L.134 - 164:	02/03 05:14 PM
618046	A	S	RCS	FP, Bradley	Delete L.231:	02/04 03:39 PM
166462	A	S	RCS	FP, Bradley	Delete L.243 - 292:	02/04 03:39 PM
820114	A	S	RCS	FP, Bradley	Delete L.299 - 362:	02/04 03:39 PM
122384	A	S	RCS	FP, Bradley	btw L.377 - 378:	02/04 03:39 PM

Tab 4 CS/CS/SB 828 by FT, BI, Bean; (Similar to CS/CS/H 0467) Insurance Guaranty Association Assessments

Tab 5 CS/CS/SB 940 by CM, BI, Bradley; (Similar to CS/H 0695) Title Insurance

Tab 6 SB 956 by Stargel; (Similar to CS/1ST ENG/H 0479) Special Districts

Tab 7 SB 974 by Sobel (CO-INTRODUCERS) Garcia; (Identical to H 1217) Hair Restoration or Transplant

355200	A	S	RCS	FP, Abruzzo	Delete L.25 - 37:	02/04 03:39 PM
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Tab 8 SB 996 by Negron; (Similar to CS/CS/H 0003) Civil Remedies for Terrorism

Tab 9 SB 1202 by Abruzzo; (Similar to H 1321) Discounts on Public Park Entrance Fees and Transportation Fares

Tab 10 SB 7040 by CM; (Similar to H 7065) Federal Workforce Innovation and Opportunity Act

241658	A	S	RCS	FP, Bean	Delete L.1252 - 2293:	02/04 03:39 PM
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The Florida Senate
COMMITTEE MEETING EXPANDED AGENDA

FISCAL POLICY
Senator Flores, Chair
Senator Bradley, Vice Chair

MEETING DATE: Thursday, February 4, 2016
TIME: 9:00—11:00 a.m.
PLACE: Pat Thomas Committee Room, 412 Knott Building

MEMBERS: Senator Flores, Chair; Senator Bradley, Vice Chair; Senators Abruzzo, Bean, Clemens, Hays, Hukill, Legg, Margolis, Sachs, and Stargel

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
1	SB 460 Bradley (Similar CS/H 307)	Experimental Treatments for Terminal Conditions; Revising the definition of the term “investigational drug, biological product, or device”; providing for eligible patients or their legal representatives to purchase and possess cannabis for medical use; authorizing certain licensed dispensing organizations to manufacture, possess, sell, deliver, distribute, dispense, and dispose of cannabis; exempting such organizations from specified laws, etc. HP 11/17/2015 Favorable ACJ 12/03/2015 Favorable FP 01/20/2016 Temporarily Postponed FP 02/04/2016 Favorable	Favorable Yeas 8 Nays 0
With subcommittee recommendation – Criminal and Civil Justice			
2	SB 586 Stargel (Identical H 471, Compare S 210, S 428, CS/CS/S 676)	Responsibilities of Health Care Providers; Repealing provisions relating to practice parameters for physicians performing caesarean section deliveries in provider hospitals; requiring a hospital to notify certain obstetrical physicians within a specified timeframe before the hospital closes its obstetrical department or ceases to provide obstetrical services, etc. HP 12/01/2015 Favorable AHS 01/21/2016 AHS 01/26/2016 Favorable FP 02/04/2016 Favorable	Favorable Yeas 9 Nays 0
With subcommittee recommendation – Health and Human Services			
3	CS/SB 698 Regulated Industries / Bradley (Compare CS/H 645, H 1079, S 934)	Alcoholic Beverages and Tobacco; Requiring, rather than authorizing, the Division of Alcoholic Beverages and Tobacco to give a licensee a written waiver of certain requirements; requiring an alcoholic beverage distributor to charge a deposit for certain alcoholic beverage sales; authorizing the division to issue temporary permits to municipalities and counties to sell alcoholic beverages for consumption on the premises of an event, etc. RI 01/13/2016 Fav/CS AGG 01/25/2016 Favorable FP 02/04/2016 Fav/CS	Fav/CS Yeas 9 Nays 0

COMMITTEE MEETING EXPANDED AGENDA

Fiscal Policy

Thursday, February 4, 2016, 9:00—11:00 a.m.

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
With subcommittee recommendation – General Government			
4	CS/CS/SB 828 Finance and Tax / Banking and Insurance / Bean (Similar CS/CS/H 467)	Insurance Guaranty Association Assessments; Requiring the Office of Insurance Regulation to levy assessments for certain purposes; revising and providing requirements for the levy of assessments; requiring insurers and self-insurance funds to report certain premiums; requiring insurers to collect policy surcharges and pay assessments to the association; revising requirements for reporting premium for assessment calculations; revising and providing requirements and limitations for remittance of assessments to the association, etc. BI 01/11/2016 Fav/CS FT 01/25/2016 Fav/CS FP 02/04/2016 Favorable	Favorable Yeas 9 Nays 0
5	CS/CS/SB 940 Commerce and Tourism / Banking and Insurance / Bradley (Similar CS/H 695, Compare H 831, S 622)	Title Insurance; Revising the reserves that certain title insurers must set aside after a certain date; revising premium reserve requirements and calculations for a title insurer who transfers domicile to this state, etc. BI 01/11/2016 Fav/CS CM 01/25/2016 Fav/CS FP 02/04/2016 Favorable	Favorable Yeas 8 Nays 0
6	SB 956 Stargel (Similar CS/H 479, Compare CS/H 593, H 745, H 7001, CS/S 516, CS/S 686)	Special Districts; Revising legislative intent with respect to the Uniform Special District Accountability Act to include dependent special districts; specifying the period of time for which certain budget information must remain on the special district's website; specifying the Legislature's authority to create dependent special districts by special act; revising the criteria that must be documented before a special district may be declared inactive, etc. CA 01/19/2016 Favorable ATD 01/28/2016 Favorable FP 02/04/2016 Favorable	Favorable Yeas 9 Nays 0
With subcommittee recommendation – Transportation, Tourism, and Economic Development			

COMMITTEE MEETING EXPANDED AGENDA

Fiscal Policy

Thursday, February 4, 2016, 9:00—11:00 a.m.

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
7	SB 974 Sobel (Identical H 1217)	Hair Restoration or Transplant; Defining the term "hair restoration or transplant"; prohibiting a person who is not licensed or is not certified under specified provisions from performing a hair restoration or transplant or making incisions for the purpose of performing a hair restoration or transplant, etc. HP 01/11/2016 Favorable AHS 01/21/2016 AHS 01/26/2016 Favorable FP 02/04/2016 Fav/CS	Fav/CS Yeas 7 Nays 1
With subcommittee recommendation – Health and Human Services			
8	SB 996 Negron (Similar CS/CS/H 3)	Civil Remedies for Terrorism; Creating a cause of action for acts relating to terrorism; specifying a measure of damages; prohibiting claims by specified individuals; providing for attorney fees and costs, etc. JU 01/12/2016 Favorable ACJ 01/26/2016 Favorable FP 02/04/2016 Favorable	Favorable Yeas 9 Nays 0
With subcommittee recommendation – Criminal and Civil Justice			
9	SB 1202 Abruzzo (Similar H 1321)	Discounts on Public Park Entrance Fees and Transportation Fares; Requiring counties and municipalities to provide a partial or a full discount on park entrance fees to military members, veterans, and the spouse and parents of certain deceased military members, law enforcement officers, firefighters, emergency medical technicians, and paramedics; requiring certain regional transportation authorities to provide a partial or a full discount on fares for certain disabled veterans, etc. MS 01/19/2016 Favorable CA 01/26/2016 Favorable FP 02/04/2016 Favorable	Favorable Yeas 9 Nays 0
10	SB 7040 Commerce and Tourism (Similar H 7065)	Federal Workforce Innovation and Opportunity Act; Providing implementation of the federal Workforce Innovation and Opportunity Act through a 4-year plan; deleting a provision authorizing an optional federal partner to fulfill certain state planning and reporting requirements; revising the entities required to collaborate with CareerSource Florida, Inc., to establish certain performance accountability measures; requiring CareerSource Florida, Inc., to establish regional planning areas subject to certain requirements by a certain date, etc. ATD 01/28/2016 Favorable FP 02/04/2016 Fav/CS	Fav/CS Yeas 9 Nays 0

COMMITTEE MEETING EXPANDED AGENDA

Fiscal Policy

Thursday, February 4, 2016, 9:00—11:00 a.m.

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
		With subcommittee recommendation – Transportation, Tourism, and Economic Development	
		Other Related Meeting Documents	
		An electronic copy of the Appearance Request form is available to download from any Senate Committee page on the Senate's website, www.flsenate.gov .	

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Committee on Fiscal Policy

BILL: SB 460

INTRODUCER: Senators Bradley and Soto

SUBJECT: Experimental Treatments for Terminal Conditions

DATE: January 19, 2016

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Looke</u>	<u>Stovall</u>	<u>HP</u>	Favorable
2.	<u>Clodfelter</u>	<u>Sadberry</u>	<u>ACJ</u>	Recommend: Favorable
3.	<u>Pace</u>	<u>Hrdlicka</u>	<u>FP</u>	Favorable

I. Summary:

SB 460 amends the Right to Try Act to include cannabis that is sold and manufactured by an approved dispensing organization in the definition of “investigational drug, biological product, or device.”

Under the bill, an eligible patient and the eligible patient’s legal representative may purchase and possess cannabis for the patient’s medical use and an approved DO and its owners, managers, and employees may manufacture, possess, sell, deliver, distribute, dispense, and lawfully dispose of cannabis so long as the requirements of the Right to Try Act are met. Such persons are exempt from criminal penalties under ch. 893, F.S., and other laws. Further, an approved DO is exempt from the requirements of s. 381.986, F.S., and the DO and its owners, managers, and employees are not subject to licensure or regulation under ch. 465, F.S.

An eligible patient and his or her legal representative may only obtain the cannabis from a DO approved under s. 381.986, F.S. The bill provides that the Right to Try Act does not impair the license of an approved DO under s. 381.986, F.S.

The bill may result in increased sales tax revenue from new sales of medical cannabis that would be generated under the provisions of the bill. However, it is likely that the fiscal impact would be insignificant due to eligibility restrictions in the Right to Try Act.

II. Present Situation:

Treatment of Marijuana in Florida

Florida law defines cannabis as “all parts of any plant of the genus *Cannabis*, whether growing or not; the seeds thereof; the resin extracted from any part of the plant; and every compound,

manufacture, salt, derivative, mixture, or preparation of the plant or its seeds or resin,”¹ and places it, along with other sources of THC, on the list of Schedule I controlled substances.² The definition excludes “low-THC cannabis” as defined in s. 381.986, F.S., if manufactured, possessed, sold, purchased, delivered, distributed, or dispensed in conformance with that section.

Schedule I controlled substances are substances that have a high potential for abuse and no currently accepted medical use in the United States.³ As a Schedule I controlled substance, possession and trafficking of cannabis carry criminal penalties that vary from a first degree misdemeanor⁴ up to a first degree felony with a mandatory minimum sentence of 15 years in state prison and a \$200,000 fine.⁵ Paraphernalia⁶ that is sold, manufactured, used, or possessed with the intent to be used to plant, propagate, cultivate, grow, harvest, manufacture, compound, convert, produce, process, prepare, test, analyze, pack, repack, store, contain, conceal, inject, ingest, inhale, or otherwise introduce into the human body a controlled substance, is also prohibited and carries criminal penalties ranging from a first degree misdemeanor to a third degree felony.⁷

Medical Marijuana in Florida: the Compassionate Medical Cannabis Act of 2014

Patient Treatment with Low-THC Cannabis

The Compassionate Medical Cannabis Act of 2014⁸ (act) legalized a low tetrahydrocannabinol (THC) and high cannabidiol (CBD) form of cannabis (low-THC cannabis)⁹ for medical use¹⁰ by patients suffering from cancer or a physical medical condition that chronically produces symptoms of seizures or severe and persistent muscle spasms. The act provides that a Florida licensed allopathic or osteopathic physician who has completed the required training¹¹ and has examined and is treating such a patient may order low-THC cannabis for that patient to treat such disease, disorder, or condition or to alleviate its symptoms, if no other satisfactory alternative

¹ Section 893.02(3), F.S.

² Section 893.03(1)(c)7. and 37., F.S.

³ Section 893.03(1), F.S.

⁴ This penalty is applicable to possession or delivery of less than 20 grams of cannabis. *See* s. 893.13(3) and (6)(b), F.S.

⁵ Trafficking in more than 25 pounds, or 300 plants, of cannabis is a first degree felony with a mandatory minimum sentence that varies from 3 to 15 years in state prison depending on the quantity of the cannabis possessed, sold, etc. *See* s. 893.135(1)(a), F.S.

⁶ Section 893.145, F.S.

⁷ Section 893.147, F.S.

⁸ Chapter 2014-157, L.O.F., and s. 381.986, F.S.

⁹ Section 381.986(b), F.S., defines “low-THC cannabis,” as the dried flowers of the plant *Cannabis* which contain 0.8 percent or less of tetrahydrocannabinol and more than 10 percent of cannabidiol weight for weight, or the seeds, resin, or any compound, manufacture, salt, derivative, mixture, or preparation of the plant or its seeds or resin.

¹⁰ Section 381.986(1)(c), F.S., defines “medical use” as administration of the ordered amount of low-THC cannabis; and the term does not include the possession, use, or administration by smoking, or the transfer of low-THC cannabis to a person other than the qualified patient for whom it was ordered or the qualified patient’s legal representative. Section 381.986(1)(e), F.S., defines “smoking” as burning or igniting a substance and inhaling the smoke; smoking does not include the use of a vaporizer.

¹¹ Section 381.986(4), F.S., requires such physicians to successfully complete an 8-hour course and examination offered by the Florida Medical Association or the Florida Osteopathic Medical Association that encompasses the clinical indications for the appropriate use of low-THC cannabis, appropriate delivery mechanisms, contraindications for such use, and the state and federal laws governing its ordering, dispensing, and processing.

treatment options exist for that patient. In order for a physician to order low-THC cannabis for a patient, all of the following conditions must apply:

- The patient is a permanent resident of Florida;
- The physician determines that the risks of ordering low-THC cannabis are reasonable in light of the potential benefit for that patient;¹²
- The physician registers as the orderer of low-THC cannabis for the patient on the compassionate use registry (registry) maintained by the DOH and updates the registry to reflect the contents of the order;
- The physician maintains a patient treatment plan that includes the dose, route of administration, planned duration, and monitoring of the patient's symptoms and other indicators of tolerance or reaction to the low-THC cannabis;
- The physician submits the patient treatment plan quarterly to the University of Florida College of Pharmacy (UFCP) for research on the safety and efficacy of low-THC cannabis on patients; and
- The physician obtains the voluntary informed consent of the patient or the patient's legal guardian to treatment with low-THC cannabis after sufficiently explaining the current state of knowledge in the medical community about the effectiveness of treatment of the patient's condition with low-THC cannabis, the medically acceptable alternatives, and the potential risks and side effects.¹³

The act creates exceptions to existing law to allow qualified patients¹⁴ and their legal representatives to purchase, acquire, and possess low-THC cannabis (up to the amount ordered) for that patient's medical use; and to allow dispensing organizations (DO) and their owners, managers, and employees to acquire, possess, cultivate, and dispose of excess product in reasonable quantities to produce low-THC cannabis and to possess, process, and dispense low-THC cannabis. DOs and their owners, managers, and employees are not subject to licensure and regulation under ch. 465, F.S., relating to pharmacies.¹⁵

Dispensing Organizations under the Act

On November 23, 2015, the Department of Health (DOH) approved a DO in each of the following five regions as required by the act: northwest Florida, northeast Florida, central Florida, southeast Florida, and southwest Florida.¹⁶ In order to be approved as a DO, an applicant must possess a certificate of registration issued by the Department of Agriculture and Consumer Services for the cultivation of more than 400,000 plants, be operated by a nurseryman, and have been operating as a registered nursery in this state for at least 30 continuous years. Applicants are also required to demonstrate:

- The technical and technological ability to cultivate and produce low-THC cannabis;

¹² If a patient is younger than 18 years of age, a second physician must concur with this determination, and such determination must be documented in the patient's medical record.

¹³ Section 381.986(2), F.S.

¹⁴ Section 381.986(1)(d), F.S., defines a "qualified patient" as a Florida resident who has been added by a physician licensed under ch. 458, F.S., or ch. 459, F.S., to the compassionate use registry to receive low-THC cannabis from a DO.

¹⁵ Section 381.986(7), F.S.

¹⁶ Section 381.986(5)(b), F.S. A map of the dispensing regions and approved dispensing organizations is available on the DOH website at: <http://www.floridahealth.gov/media/ocu/compassionate-dispensing-org-map.pdf> (last visited Jan. 14, 2016).

- The ability to secure the premises, resources, and personnel necessary to operate as a DO;
- The ability to maintain accountability of all raw materials, finished products, and any byproducts to prevent diversion or unlawful access to or possession of these substances;
- An infrastructure reasonably located to dispense low-THC cannabis to registered patients statewide or regionally as determined by the department;
- The financial ability to maintain operations for the duration of the 2-year approval cycle, including the provision of certified financials to the department;
- That all owners and managers have been fingerprinted and have successfully passed a level 2 background screening pursuant to s. 435.04, F.S; and
- The employment of a medical director, who must be a physician and have successfully completed a course and examination that encompasses appropriate safety procedures and knowledge of low-THC cannabis.¹⁷

An approved DO must post a \$5 million performance bond within 10 business days of approval. The DOH is authorized to charge an initial application fee and a licensure renewal fee, but is not authorized to charge an initial licensure fee.¹⁸ An approved DO must maintain all approval criteria at all times.¹⁹

Beginning on July 7, 2014, the DOH held several rule workshops²⁰ to write and adopt rules implementing the provisions of s. 381.986, F.S., and the DOH put forward a proposed rule on September 9, 2014.²¹ This proposed rule was challenged by multiple organizations involved in the rulemaking workshops and was found to be an invalid exercise of delegated legislative authority by an administrative law judge on November 14, 2014.²² Afterward, the DOH held a negotiated rulemaking workshop in February of 2015, which resulted in a new proposed rule being published on February 6, 2015.²³ The new proposed rule was also challenged on, among other things, the DOH's statement of estimated regulatory costs and the DOH's conclusion that the rule will not require legislative ratification. Hearings were held on April 23 and 24, 2015, and a final order was issued on May 27, 2015, which found the rule to be valid.²⁴ The rules took effect June 17, 2015, and the DOH held an application period for DO approval which ended on July 8, 2015. The five approved DOs were selected from 28 applications that were submitted.²⁵

¹⁷ *Id.*

¹⁸ *Id.*

¹⁹ Section 381.986(6), F.S.

²⁰ An audio recording of the rule development workshops is available on the DOH website at: <http://www.floridahealth.gov/programs-and-services/office-of-compassionate-use/rulemaking/index.html> (last visited Jan. 14, 2016).

²¹ Proposed Rule ch. 64-4, F.A.C., ID 14941024, (Aug. 14, 2014) and changed, ID 15040352, (Sept. 9, 2014).

²² Tornello Landscape Corp. v. DOH, Case No. 14-4547RP; Fl. Medical Cannabis Assoc. v. DOH, Case No. 14-4517RP; Plants of Ruskin, Inc. v. DOH, Case No. 14-4299RP; Costa Farms, LLC v. DOH, Case No. 14-4296RP (Fla. DOAH 2014). A copy of each Final Order is available on the Division of Administrative Hearings website.

²³ Proposed Rule ch. 64-4, ID 15645147, (Feb. 2, 2015).

²⁴ Baywood Nurseries Co., Inc. v. DOH, Case No. 15-1694RP (Fla. DOAH 2015).

²⁵ Information about the applications and the approved DOs is available on the DOH, Office of Compassionate Use, Resources website, available at: <http://www.floridahealth.gov/programs-and-services/office-of-compassionate-use/resources/index.html> (last visited Jan. 18, 2016).

The Compassionate Use Registry

The act requires the DOH to create a secure, electronic, and online registry for the registration of physicians and patients and for the verification of patient orders by DOs, which is accessible to law enforcement.²⁶ The registry must allow DOs to record the dispensing of low-THC cannabis, and must prevent an active registration of a patient by multiple physicians. Physicians must register qualified patients with the registry and DOs are required to verify that the patient has an active registration in the registry, that the order presented matches the order contents as recorded in the registry, and that the order has not already been filled before dispensing any low-THC cannabis. DOs are also required to record in the registry the date, time, quantity, and form of low-THC cannabis dispensed.²⁷ The DOH has indicated that the registry is built and ready to move to the operational phase.²⁸

The Office of Compassionate Use and Research on Low-THC Cannabis

The DOH was required to establish the Office of Compassionate Use under the direction of the deputy state health officer to administer the act.²⁹ The Office of Compassionate Use is authorized to enhance access to investigational new drugs for Florida patients through approved clinical treatment plans or studies by:

- Creating a network of state universities and medical centers recognized for demonstrating excellence in patient-centered coordinated care for persons undergoing cancer treatment and therapy in this state;³⁰
- Making any necessary application to the United States Food and Drug Administration (FDA) or a pharmaceutical manufacturer to facilitate enhanced access to compassionate use for Florida patients; and
- Entering into agreements necessary to facilitate enhanced access to compassionate use for Florida patients.³¹

The act includes several provisions related to research on low-THC cannabis and cannabidiol including:

- Requiring physicians to submit quarterly patient treatment plans to the UFCP for research on the safety and efficacy of low-THC cannabis;³²
- Authorizing state universities to perform research on cannabidiol and low-THC cannabis and exempting them from the provisions in ch. 893, F.S., for the purposes of such research;³³ and
- Appropriating \$1 million to the James and Esther King Biomedical Research Program for research on cannabidiol and its effects on intractable childhood epilepsy.³⁴

²⁶ Section 381.986(5)(a), F.S.

²⁷ Section 381.986(6), F.S.

²⁸ Conversation of Health Policy Committee staff with Jennifer Tschetter, Chief of Staff (DOH) (March 20, 2015).

²⁹ Section 385.212, F.S.

³⁰ See s. 381.925, F.S.

³¹ Section 385.212, F.S.

³² Section 381.986(2)(e), F.S.

³³ Section 385.211, F.S.

³⁴ Chapter 2014-157, L.O.F.

Medical Marijuana in Florida: The Necessity Defense

Despite the fact that the use, possession, and sale of marijuana are prohibited by state law, Florida courts have found that circumstances can necessitate medical use of marijuana and circumvent the application of criminal penalties. The necessity defense was successfully applied in a marijuana possession case in *Jenks v. State* where the First District Court of Appeal found that “section 893.03 does not preclude the defense of medical necessity” for the use of marijuana if the defendant:

- Did not intentionally bring about the circumstance which precipitated the unlawful act;
- Could not accomplish the same objective using a less offensive alternative available; and
- The evil sought to be avoided was more heinous than the unlawful act.³⁵

In the cited case, the defendants, a married couple, were suffering from uncontrollable nausea due to AIDS treatment and had testimony from their physician that he could find no effective alternative treatment. Under these facts, the court found that the defendants met the criteria to qualify for the necessity defense and ordered an acquittal of the charges of cultivating cannabis and possession of drug paraphernalia.

Medical Marijuana Laws in Other States

Currently, 23 states, the District of Columbia, and Guam have some form of law that permits the use of marijuana for medicinal purposes.³⁶ These laws vary widely in detail but most are similar in that they touch on several recurring themes. For example, most state laws require an identification card and registry for patients and caregivers to use medical marijuana; require the patient to receive certification from up to two physicians that the patient has a qualifying condition before the patient may use medical marijuana; allow a patient to designate a caregiver who can possess the medical marijuana and assist the patient in using the medical marijuana; and provide general restrictions on how medical marijuana can be obtained (self-cultivated or from a dispensary) and where it can be used.³⁷

Of the 17 states with low-THC cannabis laws similar to s. 381.986, F.S., most specify that the use of such low-THC cannabis is reserved for patients with epileptic or seizure disorders. Florida allows the treatment of cancer and Georgia allows the treatment of end stage cancer and other specified conditions. Additionally, the definition of low-THC cannabis differs from state to state. The THC level allowed range from as high as below 5 percent to less than 0.3 percent; most states restrict the level of THC to below 1 percent. CBD levels are generally required to be high, with most states requiring at least 10 percent.³⁸

³⁵ *Jenks v. State*, 582 So.2d 676, 679 (Fla. 1st DCA 1991), *review denied*, 589 So.2d 292 (Fla. 1991).

³⁶ These states include: Alaska, Arizona, California, Colorado, Connecticut, Delaware, Hawaii, Illinois, Maine, Maryland, Massachusetts, Michigan, Minnesota, Montana, Nevada, New Hampshire, New Jersey, New Mexico, New York, Oregon, Rhode Island, Vermont, and Washington. California was the first to establish a medical marijuana program in 1996 and New York was the most recent state to pass medical marijuana legislation in June 2014. Seventeen states allow limited access to marijuana products (low-THC and/or high CBD-cannabidiol). Alabama, Florida, Georgia, Iowa, Kentucky, Louisiana, Mississippi, Missouri, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Utah, Virginia, Wisconsin, and Wyoming. National Conference of State Legislatures, *State Medical Marijuana Laws*, (Jan. 8, 2016), available at: <http://www.ncsl.org/research/health/state-medical-marijuana-laws.aspx> (last visited Jan. 13, 2016).

³⁷ Analysis by Senate Health Policy committee staff of *supra* note 36.

³⁸ *Supra* note 36.

Interaction with the Federal Government

The Federal Controlled Substances Act lists marijuana as a Schedule 1 drug and provides no exceptions for medical uses.³⁹ Possession, manufacture, and distribution of marijuana is a crime under federal law.⁴⁰ Although a state's medical marijuana laws protect patients from prosecution for the legitimate use of marijuana under state law, state medical marijuana laws do not protect individuals from prosecution under federal law.

In 2013, the United States Department of Justice (USDOJ) issued statements indicating that the federal government would not pursue cases for low-level drug crimes, leaving such prosecutions largely up to state authorities. The U.S. Attorney General issued a statement that the USDOJ was changing policy such that individuals “who have committed low-level, nonviolent drug offenses, who have no ties to large-scale organizations, gangs, or cartels, will no longer be charged with offenses that impose draconian mandatory minimum sentences... [and] would instead receive sentences better suited to their individual conduct...”⁴¹ Further, the USDOJ issued a memorandum clarifying that the department considers small-scale marijuana use to be a state matter which states may choose to punish and certain operations adhering to state laws legalizing marijuana in conjunction with robust state regulatory systems would be far less likely to come under federal scrutiny.⁴² In addition, a rider in recent appropriations acts and continuing resolutions has prohibited the USDOJ from using appropriated funds to prevent specified states (including Florida) from implementing the states own medical marijuana laws.⁴³

The Florida Right to Try Act

Section 499.0295, F.S., creates the Right to Try Act which allows drug manufacturers to make investigational drugs, biological products, or devices⁴⁴ (experimental treatment) available to an eligible patient (with or without compensation). The Right to Try Act defines an “eligible patient” as a person who meets all of the following requirements:

- Has a terminal condition⁴⁵ attested to by that patient's physician and confirmed by a second independent specialist physician;

³⁹ 21 U.S.C. s. 812

⁴⁰ The punishments vary depending on the amount of marijuana and the intent with which the marijuana is possessed. *See* 21 U.S.C ss. 841-865.

⁴¹ USDOJ, *Smart on Crime: Reforming the Criminal Justice System for the 21st Century*, (Aug. 2013), p. 3, available at: <http://www.justice.gov/ag/smart-on-crime.pdf> (last visited on Jan. 13, 2016).

⁴² USDOJ Memorandum for all U.S. Attorneys, “*Guidance Regarding Marijuana Enforcement*,” (August 29, 2013), available at: <http://www.justice.gov/iso/opa/resources/3052013829132756857467.pdf> (last visited Jan. 13, 2016).

⁴³ *See* s. 542, Pub. L. No. 114-113 (Consolidated Appropriations Act, 2016). A recent court order by the U.S. District Court for the Northern District of California recently held that a similar provision in the previous appropriations act (s. 538, Pub. L. No. 113-235) does not prohibit the USDOJ from enforcing violations of *federal* marijuana laws by individuals or businesses who are complying with state medical marijuana laws. *U.S. v. Marin Alliance for Medical Marijuana and Shaw*, Order re: Motion to Dissolve Permanent Injunction, No. C 98-00086 CB, (Oct. 19, 2015), available at <http://www.scribd.com/doc/286089509/US-vs-Marin-Alliance-for-Medical-Marijuana#scribd> (last visited Jan. 13, 2016).

⁴⁴ Section 499.0295(2)(b), F.S. defines “investigational drug, biological product, or device” as a drug, biological product, or device that has successfully completed phase 1 of a clinical trial but has not been approved for general use by the FDA and remains under investigation in a clinical trial approved by the FDA.

⁴⁵ Section 499.0295(2)(c), F.S. defines “terminal condition” as a progressive disease or medical or surgical condition that causes significant functional impairment, is not considered by a treating physician to be reversible even with the

- Has considered all other treatment options for that condition currently approved by the FDA;
- Has given written informed consent for the use of an experimental treatment, which must include:
 - An explanation of the currently approved products and treatment for the patient's condition;
 - An attestation that the patient concurs with his or her physician in believing that all currently approved products and treatments are unlikely to prolong the patient's life;
 - Identification of the specific experimental treatment the patient is seeking to use;
 - A realistic description of the most likely outcomes of using the experimental treatment;
 - A statement that the patient's health plan or third-party administrator and physician are not obligated to pay for care or treatment consequent to the use of the experimental treatment unless required to do so by law or contract;
 - A statement that the patient's eligibility for hospice care may be withdrawn if the patient begins such treatment and that hospice care may be reinstated once the treatment ends if the patient meets hospice eligibility requirements; and
 - A statement that the patient understands that he or she is liable for all expenses consequent to the use of the experimental treatment and that the liability extends to the patient's estate unless otherwise stated in the contract;⁴⁶
- Has documentation from his or her treating physician that the patient meets the above requirements.⁴⁷

The Right to Try Act prescribes how the eligible patient's use of the experimental treatment may impact certain third parties including that:

- A health plan, third party administrator, or governmental agency may, but is not required to, provide coverage for the costs of such treatment;⁴⁸
- A hospital or health care facility is not required to provide new or additional services unless such services are approved by that hospital or health care facility;⁴⁹
- The patient's heirs are not liable for any outstanding debt related to the patient's use of such treatment if the patient dies while undergoing such treatment;⁵⁰
- A licensing board and a state entity responsible for Medicare certification may not revoke, fail to renew, suspend, or take other action against a physician's license based solely on the physician's recommendations to an eligible patient regarding access to treatment under the Right to Try Act;⁵¹ and
- The Right to Try Act does not create a private cause of action:
 - Against the manufacturer of the experimental treatment;
 - Against a person or entity involved in the care of an eligible patient who is using the experimental treatment; or

administration of available treatment options currently approved by FDA, and, without the administration of life-sustaining procedures, will result in death within 1 year after diagnosis if the condition runs its normal course.

⁴⁶ Section 499.0295(2)(d), F.S.

⁴⁷ Section 499.0295(2)(a), F.S.

⁴⁸ Section 499.0295(4), F.S.

⁴⁹ Section 499.029(5), F.S.

⁵⁰ Section 499.0295(6), F.S.

⁵¹ Section 499.0295(7), F.S.

- For any harm to the patient that is the result of the use of the experimental treatment if the manufacturer or other person or entity complies in good faith with the terms of Right to Try Act and exercises reasonable care.⁵²

III. Effect of Proposed Changes:

SB 460 amends the Right to Try Act to include cannabis that is sold and manufactured by an approved dispensing organization (DO) as defined in s. 381.986, F.S., in the definition of “investigational drug, biological product, or device.”

Under the bill, an eligible patient and the eligible patient’s legal representative may purchase and possess cannabis for the patient’s medical use and an approved DO and its owners, managers, and employees may manufacture, possess, sell, deliver, distribute, dispense, and lawfully dispose of cannabis so long as the requirements of the Right to Try Act are met. Such persons are exempt from criminal penalties under ch. 893, F.S., and other laws.⁵³ Further, an approved DO is exempt from the requirements of s. 381.986, F.S., and the DO and its owners, managers, and employees are not subject to licensure or regulation under ch. 465, F.S.⁵⁴

An eligible patient and his or her legal representative may only obtain the cannabis from a DO approved under s. 381.986, F.S. The bill provides that the Right to Try Act does not impair the license of an approved DO under s. 381.986, F.S.

The bill takes effect on July 1, 2016.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

⁵² Section 499.0295(8), F.S.

⁵³ Chapter 893, F.S., is the Florida Comprehensive Drug Abuse Prevention and Control Act. Specifically, the bill exempts patients from s. 893.13, F.S., related to unauthorized selling, purchasing, manufacturing, and possessing of controlled substances; s. 893.135, F.S., related to trafficking in controlled substances; and s. 893.147, F.S., related to the use, manufacture, possession, and sale of drug paraphernalia.

⁵⁴ Chapter 465, F.S., is the Florida Pharmacy Act.

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

The state may see increased sales tax revenue from new sales of medical cannabis that would be generated under the provisions of the bill. However, it is likely that the fiscal impact would be insignificant due to eligibility restrictions in the Right to Try Act.

B. Private Sector Impact:

SB 460 may have a positive fiscal impact on approved dispensing organizations that may see new sales generated by an increased number of patients to whom they may sell medical cannabis.

C. Government Sector Impact:

See Tax/Fee Issues.

VI. Technical Deficiencies:

None.

VII. Related Issues:

The bill is silent on the regulatory authority of the DOH to develop rules to regulate activities of dispensing organizations for activities that are authorized under the bill. The regulatory framework created by the Compassionate Medical Cannabis Act under s. 381.986, F.S., may not be adequate to prevent or deter diversion of cannabis that is authorized to be manufactured by this bill.

Additionally, the bill exempts dispensing organizations from licensing and regulation under ch. 465, F.S., relating to pharmacy, but does not specifically exempt the dispensing organizations from regulation under ch. 499, F.S., related to the manufacturing of drugs, devices, and cosmetics. Since the bill makes changes in ch. 499, F.S., it may be advisable to also specifically exempt dispensing organizations from regulation under that chapter.

VIII. Statutes Affected:

This bill substantially amends section 499.0295 of the Florida Statutes.

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

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

None.

B. Amendments:

None.

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



LEGISLATIVE ACTION

Senate	.	House
Comm: WD	.	
02/04/2016	.	
	.	
	.	
	.	

The Committee on Fiscal Policy (Bradley) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause and insert:

Section 1. Section 381.986, Florida Statutes, is amended to read:

381.986 Compassionate use of low-THC cannabis.—

(1) DEFINITIONS.—As used in this section, the term:

(a) "Caregiver" means an individual who is 21 years of age or older, a permanent resident of the state, and registered with



11 the Department of Health to assist a patient with the medical
12 use of low-THC cannabis.

13 (b)(a) "Dispensing organization" means an organization
14 approved by the department to cultivate, process, and dispense
15 low-THC cannabis pursuant to this section.

16 (c) "Independent testing laboratory" means a laboratory,
17 and the managers, employees, or contractors of the laboratory,
18 which has no direct or indirect interest in a dispensing
19 organization.

20 (d)(b) "Low-THC cannabis" means a plant of the genus
21 *Cannabis*, the dried flowers of which contain 0.8 percent or less
22 of tetrahydrocannabinol and more than 10 percent of cannabidiol
23 weight for weight; the seeds thereof; the resin extracted from
24 any part of such plant; or any compound, manufacture, salt,
25 derivative, mixture, or preparation of such plant or its seeds
26 or resin that is dispensed only from a dispensing organization.

27 (e)(e) "Medical use" means administration of the ordered
28 amount of cannabis or low-THC cannabis. The term does not
29 include:

30 1. The possession, use, or administration by smoking.

31 2. ~~The term also does not include~~ The transfer of low-THC
32 cannabis to a person other than the qualified patient for whom
33 it was ordered or the qualified patient's caregiver ~~legal~~
34 ~~representative~~ on behalf of the qualified patient.

35 3. The use or administration of cannabis, low-THC cannabis,
36 or low-THC cannabis products:

37 a. On any form of public transportation.

38 b. In any public place.

39 c. In a registered qualified patient's place of work, if



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40 restricted by his or her employer.
41 d. In a correctional facility.
42 e. On the grounds of any preschool, primary school, or
43 secondary school.
44 f. On a school bus.
45 ~~(f)(d)~~ "Qualified patient" means a resident of this state
46 who has been added to the compassionate use registry by a
47 physician licensed under chapter 458 or chapter 459 to receive
48 low-THC cannabis from a dispensing organization.
49 ~~(g)(e)~~ "Smoking" means burning or igniting a substance and
50 inhaling the smoke. Smoking does not include the use of a
51 vaporizer.
52 (2) PHYSICIAN ORDERING.—~~Effective January 1, 2015,~~ A
53 physician licensed under chapter 458 or chapter 459 who has
54 examined and is treating a patient suffering from cancer or a
55 physical medical condition that chronically produces symptoms of
56 seizures or severe and persistent muscle spasms may order for
57 the patient's medical use low-THC cannabis to treat such
58 disease, disorder, or condition or to alleviate symptoms of such
59 disease, disorder, or condition, if no other satisfactory
60 alternative treatment options exist for that patient. A
61 physician licensed under chapter 458 or chapter 459 may order
62 cannabis for the use of patients as established in s. 499.0295.
63 Before a physician orders cannabis or low-THC cannabis, and all
64 of the following conditions must apply:
65 (a) The patient is a permanent resident of this state.
66 (b) The physician determines that the risks of ordering
67 cannabis or low-THC cannabis are reasonable in light of the
68 potential benefit for that patient. For low-THC cannabis, if a



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69 patient is younger than 18 years of age, a second physician must
70 concur with this determination, and such determination must be
71 documented in the patient's medical record.
72 (c) The physician registers as the orderer of cannabis or
73 low-THC cannabis for the named patient on the compassionate use
74 registry maintained by the department and updates the registry
75 to reflect the contents of the order. The physician must also
76 register the patient and the patient's caregiver. The physician
77 shall deactivate the patient's and his or her caregiver's
78 registrations ~~registration~~ when treatment is discontinued.
79 (d) The physician maintains a patient treatment plan that
80 includes the dose, route of administration, planned duration,
81 and monitoring of the patient's symptoms and other indicators of
82 tolerance or reaction to the cannabis or low-THC cannabis.
83 (e) The physician submits the patient treatment plan
84 quarterly to the University of Florida College of Pharmacy for
85 research on the safety and efficacy of low-THC cannabis on
86 patients.
87 (f) The physician obtains the voluntary informed consent of
88 the patient or the patient's legal guardian to treatment with
89 cannabis or low-THC cannabis after sufficiently explaining the
90 current state of knowledge in the medical community of the
91 effectiveness of treatment of the patient's condition with low-
92 THC cannabis, the medically acceptable alternatives, and the
93 potential risks and side effects.
94 (g) The physician is not a medical director employed by a
95 dispensing organization.
96 (3) PENALTIES.—
97 (a) A physician commits a misdemeanor of the first degree,



98 punishable as provided in s. 775.082 or s. 775.083, if the
99 physician orders cannabis or low-THC cannabis for a patient
100 without a reasonable belief that the patient is suffering from:
101 1. Cancer or a physical medical condition that chronically
102 produces symptoms of seizures or severe and persistent muscle
103 spasms that can be treated with low-THC cannabis;~~or~~
104 2. Symptoms of cancer or a physical medical condition that
105 chronically produces symptoms of seizures or severe and
106 persistent muscle spasms that can be alleviated with low-THC
107 cannabis; or
108 3. For the ordering of cannabis, a condition that meets the
109 requirements specified in s. 499.0295.
110 (b) Any person who fraudulently represents that he or she
111 has cancer, ~~or~~ a physical medical condition that chronically
112 produces symptoms of seizures or severe and persistent muscle
113 spasms, or a condition that meets the requirements specified in
114 s. 499.0295 to a physician for the purpose of being ordered
115 cannabis or low-THC cannabis by such physician commits a
116 misdemeanor of the first degree, punishable as provided in s.
117 775.082 or s. 775.083.
118 (c) A physician who orders cannabis or low-THC cannabis and
119 receives compensation from a dispensing organization related to
120 the ordering of cannabis or low-THC cannabis is subject to
121 disciplinary action under the applicable practice act and s.
122 456.072(1)(n).
123 (4) PHYSICIAN EDUCATION.—
124 (a) Before ordering low-THC cannabis for use by a patient
125 in this state, the appropriate board shall require the ordering
126 physician licensed under chapter 458 or chapter 459 to



127 successfully complete an 8-hour course and subsequent
128 examination offered by the Florida Medical Association or the
129 Florida Osteopathic Medical Association that encompasses the
130 clinical indications for the appropriate use of low-THC
131 cannabis, the appropriate delivery mechanisms, the
132 contraindications for such use, as well as the relevant state
133 and federal laws governing the ordering, dispensing, and
134 possessing of this substance. The ~~first~~ course and examination
135 shall ~~be presented by October 1, 2014, and shall be administered~~
136 ~~at least annually thereafter.~~ Successful completion of the
137 course may be used by a physician to satisfy 8 hours of the
138 continuing medical education requirements required by his or her
139 respective board for licensure renewal. This course may be
140 offered in a distance learning format.
141 (b) The appropriate board shall require the medical
142 director of each dispensing organization approved under
143 subsection (5) to successfully complete a 2-hour course and
144 subsequent examination offered by the Florida Medical
145 Association or the Florida Osteopathic Medical Association that
146 encompasses appropriate safety procedures and knowledge of low-
147 THC cannabis.
148 (c) Successful completion of the course and examination
149 specified in paragraph (a) is required for every physician who
150 orders low-THC cannabis each time such physician renews his or
151 her license. In addition, successful completion of the course
152 and examination specified in paragraph (b) is required for the
153 medical director of each dispensing organization each time such
154 physician renews his or her license.
155 (d) A physician who fails to comply with this subsection



156 and who orders low-THC cannabis may be subject to disciplinary
157 action under the applicable practice act and under s.
158 456.072(1)(k).

159 (5) DUTIES AND POWERS OF THE DEPARTMENT. ~~By January 1,~~
160 ~~2015, The department shall:~~

161 (a) The department shall create a secure, electronic, and
162 online compassionate use registry for the registration of
163 physicians, ~~and~~ patients, and caregivers as provided under this
164 section and s. 499.0295. The registry must be accessible to law
165 enforcement agencies and to a dispensing organization in order
166 to verify patient authorization for cannabis or low-THC cannabis
167 and record the cannabis or low-THC cannabis dispensed. The
168 registry must prevent an active registration of a patient or
169 caregiver by multiple physicians.

170 (b) The department shall establish a system for issuing and
171 renewing patient and caregiver registration cards; establish the
172 circumstances under which the cards may be revoked by, or must
173 be returned to, the department; and establish fees to implement
174 such system. The department must require, at a minimum, the
175 registration cards to:

176 1. Provide the name, address, and date of birth of the
177 patient or caregiver.

178 2. Have a full-face, passport-type, color photograph of the
179 patient or caregiver taken within the 90 days before
180 registration.

181 3. Identify whether the cardholder is a patient or
182 caregiver.

183 4. List a unique numeric identifier for the patient or
184 caregiver which is matched to the identifier used for such



185 person in the department's compassionate use registry.

186 5. Provide the expiration date, which shall be 1 year after
187 the date of the physician's initial order of low-THC cannabis.

188 6. For the caregiver, provide the name and unique numeric
189 identifier of the patient that the caregiver is assisting.

190 7. Be resistant to counterfeiting or tampering.

191 (c) ~~(b)~~ The department shall authorize the establishment of
192 five dispensing organizations to ensure reasonable statewide
193 accessibility and availability as necessary for patients
194 registered in the compassionate use registry and who are ordered
195 low-THC cannabis under this section, one in each of the
196 following regions: northwest Florida, northeast Florida, central
197 Florida, southeast Florida, and southwest Florida. The
198 department shall develop an application form and impose an
199 initial application and biennial renewal fee that is sufficient
200 to cover the costs of administering this section. An applicant
201 for approval as a dispensing organization must be able to
202 demonstrate:

203 1. The technical and technological ability to cultivate and
204 produce low-THC cannabis. The applicant must possess a valid
205 certificate of registration issued by the Department of
206 Agriculture and Consumer Services pursuant to s. 581.131 that is
207 issued for the cultivation of more than 400,000 plants, be
208 operated by a nurseryman as defined in s. 581.011, and have been
209 operated as a registered nursery in this state for at least 30
210 continuous years.

211 2. The ability to secure the premises, resources, and
212 personnel necessary to operate as a dispensing organization.

213 3. The ability to maintain accountability of all raw



214 materials, finished products, and any byproducts to prevent
215 diversion or unlawful access to or possession of these
216 substances.

217 4. An infrastructure reasonably located to dispense low-THC
218 cannabis to registered patients statewide or regionally as
219 determined by the department.

220 5. The financial ability to maintain operations for the
221 duration of the 2-year approval cycle, including the provision
222 of certified financials to the department. Upon approval, the
223 applicant must post a \$5 million performance bond.

224 6. That all owners and managers have been fingerprinted and
225 have successfully passed a level 2 background screening pursuant
226 to s. 435.04.

227 7. The employment of a medical director who is a physician
228 licensed under chapter 458 or chapter 459 to supervise the
229 activities of the dispensing organization.

230 (d) The department must inspect each dispensing
231 organization's properties, cultivation facilities, processing
232 facilities, and retail facilities before the organization begins
233 operations and at least biennially upon renewal of the
234 dispensing organization's approval. The department may conduct
235 announced or unannounced inspections, including followup
236 inspections, at reasonable hours in order to ensure that such
237 property and facilities maintain compliance with this section
238 and s. 499.0295 and to ensure that the dispensing organization
239 has not committed any act that would endanger the health,
240 safety, or security of a qualified patient, the dispensing
241 organization staff, or the community in which the dispensing
242 organization is located. Approval under this section constitutes



243 permission for the department to enter and inspect the premises
244 and facilities of any dispensing organization. The department
245 may inspect any approved dispensing organization, and a
246 dispensing organization must make all facility premises,
247 equipment, documents, cannabis, low-THC cannabis, and low-THC
248 cannabis products available to the department upon inspection.

249 (e) The department must ensure that each dispensing
250 organization adheres to the testing and labeling requirements
251 for cannabis, low-THC cannabis, and low-THC cannabis products
252 established in subsection (7). The department may test any
253 cannabis, low-THC cannabis, or low-THC cannabis product in order
254 to ensure that it is safe for human consumption and that it
255 meets the requirements in this section and section 499.0295.

256 (f)1. Subject to subparagraph 2., the department may impose
257 an administrative penalty not to exceed \$10,000 for each
258 instance of the following violations:

259 a. Violating this section, s. 499.0295, or department rule.
260 b. Failing to maintain qualifications for approval.
261 c. Endangering the health, safety, or security of a
262 qualified patient.

263 d. Improperly disclosing personal and confidential
264 information of the qualified patient.

265 e. Attempting to procure a license by bribery or fraudulent
266 misrepresentation.

267 f. Being convicted or found guilty of, or entering a plea
268 of nolo contendere to, regardless of adjudication, a crime in
269 any jurisdiction which directly relates to the business of a
270 dispensing organization.

271 g. Making or filing a report or record that the dispensing



272 organization knows to be false.
273 h. Willfully failing to maintain a record required by this
274 section or a rule of the department.
275 i. Willfully impeding or obstructing an employee or agent
276 of the department in the furtherance of his or her official
277 duties.
278 j. Engaging in fraud or deceit, negligence, incompetence,
279 or misconduct in the business practices of a dispensing
280 organization.
281 k. Making misleading, deceptive, or fraudulent
282 representations in or related to the business practices of a
283 dispensing organization.
284 l. Having a license or the authority to engage in any
285 regulated profession, occupation, or business that is related to
286 the business practices of a dispensing organization revoked,
287 suspended, or otherwise acted against, including the denial of
288 licensure, by the licensing authority of any jurisdiction,
289 including its agencies or subdivisions, for a violation that
290 would constitute a violation under state law. A licensing
291 authority's acceptance of a relinquishment of licensure or a
292 stipulation, consent order, or other settlement, offered in
293 response to or in anticipation of the filing of charges against
294 the license, shall be construed as an action against the
295 license.
296 m. Violating a lawful order of the department or an agency
297 of the state, or failing to comply with a lawfully issued
298 subpoena of the department or an agency of the state.
299 2. Before imposing an administrative penalty under this
300 paragraph, the department shall provide to the dispensing



301 organization notice of the alleged violation and allow 20
302 business days for the dispensing organization to take corrective
303 action to cure the alleged violation and, if applicable, to
304 implement corrective action to prevent a future violation. If
305 the dispensing organization takes appropriate corrective action
306 to cure the alleged violation and, if applicable, takes
307 appropriate corrective action to prevent a future violation, the
308 violation shall be deemed cured and an administrative penalty
309 may not be imposed. If the violation is not cured, the
310 department may impose an administrative penalty on the
311 dispensing organization and may suspend, revoke, deny, or refuse
312 to renew the approval of the dispensing organization.
313 (g) The department shall renew the approval of a dispensing
314 organization biennially if the dispensing organization meets the
315 requirements of this section, pays the biennial renewal fee,
316 and, if applicable, has cured each violation alleged under
317 paragraph (f).
318 (h)-(e) The department shall monitor physician registration
319 and ordering of cannabis and low-THC cannabis for ordering
320 practices that could facilitate unlawful diversion or misuse of
321 cannabis or low-THC cannabis and take disciplinary action as
322 indicated.
323 (i)-(d) The department shall adopt rules necessary to
324 implement this section.
325 (6) DISPENSING ORGANIZATION.-
326 (a) An approved dispensing organization shall maintain
327 compliance with the criteria demonstrated for selection and
328 approval as a dispensing organization under subsection (5) at
329 all times. Before dispensing low-THC cannabis to a qualified



330 patient or his or her caregiver or cannabis to a patient or his
331 or her caregiver who qualifies under the requirements in s.
332 499.0295, the dispensing organization shall verify that the
333 patient or caregiver has an identification card for cannabis or
334 low-THC cannabis issued by the department, active registration
335 in the compassionate use registry, the order presented matches
336 the order contents as recorded in the registry, and the order
337 has not already been filled. Upon dispensing the cannabis or
338 low-THC cannabis, the dispensing organization shall record in
339 the registry the date, time, quantity, and form of cannabis or
340 low-THC cannabis dispensed.

341 (b) A dispensing organization may have cultivation
342 facilities, processing facilities, and retail facilities.

343 1. All regulation of cultivation facilities and processing
344 facilities is preempted to the state.

345 2. The cultivation facilities and processing facilities
346 must be closed to the public.

347 3. A municipality may determine by ordinance the criteria
348 for the number and location of, and other permitting
349 requirements that do not conflict with state law or rule for,
350 all retail facilities located within its municipal boundaries. A
351 county may determine by ordinance the criteria for the number,
352 location, and other permitting requirements that do not conflict
353 with state law or rule for all retail facilities located within
354 the unincorporated areas of that county.

355 4. Retail facilities must have all utilities and resources
356 necessary to store and dispense cannabis, low-THC cannabis, and
357 cannabis and low-THC cannabis products.

358 5. Retail facilities must be secured and have theft-



359 prevention systems, including an alarm system, cameras, and 24-
360 hour security personnel.

361 6. Before a retail facility may dispense cannabis, low-THC
362 cannabis or a low-THC cannabis product, the dispensing
363 organization must have a computer network compliant with the
364 federal Health Insurance Portability and Accountability Act of
365 1996 which is able to access and upload data to the
366 compassionate use registry and which shall be used by all retail
367 facilities operated by that dispensing organization.

368 7. Other than cannabis, low-THC cannabis, and cannabis and
369 low-THC cannabis products, a dispensing organization may not
370 dispense or sell any other type of retail product other than the
371 paraphernalia required for the medical use of cannabis or low-
372 THC cannabis in the form required on the physician's order for
373 such cannabis.

374 (c) Within 15 days after such information becomes
375 available, a dispensing organization must provide the department
376 with updated information, as applicable, including:

377 1. The location and a detailed description of any new or
378 proposed facilities.

379 2. The updated contact information, including electronic
380 and voice communication, for all dispensing organization
381 facilities.

382 3. The registration information for any vehicles used for
383 the transportation of cannabis, low-THC cannabis, and cannabis
384 and low-THC cannabis products, including confirmation that all
385 such vehicles have tracking and security systems.

386 4. A plan for the recall of any or all cannabis, low-THC
387 cannabis, or cannabis and low-THC cannabis products.



388 (d) To ensure the safe transport of cannabis and low-THC
389 cannabis to dispensing organization facilities, laboratories, or
390 patients, the dispensing organization must:
391 1. Maintain a transportation manifest, which must be
392 retained for at least 1 year.
393 2. Ensure only vehicles in good working order are used to
394 transport low-THC cannabis.
395 3. Lock cannabis and low-THC cannabis in separate
396 compartments or containers within the vehicle.
397 4. Require at least two persons to be in a vehicle
398 transporting cannabis or low-THC cannabis, and require at least
399 one person to remain in the vehicle while the cannabis or low-
400 THC cannabis is being delivered.
401 5. Provide specific safety and security training to
402 employees transporting or delivering cannabis or low-THC
403 cannabis.
404 (7) TESTING AND LABELING OF LOW-THC CANNABIS.-
405 (a) All cannabis, low-THC cannabis, and cannabis and low-
406 THC cannabis products must be tested by an independent testing
407 laboratory before the dispensing organization may dispense them.
408 The independent testing laboratory shall provide the dispensing
409 organization with test results. Before dispensing, the
410 dispensing organization must determine that the test results
411 indicate that the low-THC cannabis or low-THC cannabis product
412 meets the definition of low-THC cannabis or low-THC cannabis
413 product, that all cannabis and low-THC cannabis is safe for
414 human consumption, and that all cannabis and low-THC cannabis is
415 free from contaminants that are unsafe for human consumption.
416 (b) All cannabis, low-THC cannabis, and cannabis and low-



417 THC cannabis products must be labeled before dispensing. The
418 label must include, at a minimum:
419 1. For low-THC cannabis and low-THC cannabis products, a
420 statement that the low-THC cannabis or low-THC cannabis product
421 meets the requirements in paragraph (a);
422 2. The name of the independent testing laboratory that
423 tested the cannabis, low-THC cannabis, or cannabis or low-THC
424 cannabis product;
425 3. The name of the cultivation and processing facility
426 where the cannabis, low-THC cannabis, or cannabis or low-THC
427 cannabis product originates; and
428 4. The batch number and harvest number from which the
429 cannabis, low-THC cannabis, or cannabis or low-THC cannabis
430 product originates.
431 (8) Persons who have direct or indirect interest in the
432 dispensing organization and the dispensing organization's
433 managers, employees, and contractors who directly interact with
434 cannabis, low-THC cannabis, or cannabis or low-THC cannabis
435 products are prohibited from ordering cannabis, low-THC
436 cannabis, or cannabis or low-THC cannabis products, offering
437 prescriptions, or providing medical advice to qualified
438 patients.
439 (9)-(7) EXCEPTIONS TO OTHER LAWS.-
440 (a) Notwithstanding s. 893.13, s. 893.135, s. 893.147, or
441 any other provision of law, but subject to the requirements of
442 this section, a qualified patient and the qualified patient's
443 caregiver ~~legal representative~~ may purchase and possess for the
444 patient's medical use up to the amount of low-THC cannabis
445 ordered for the patient.



446 (b) Notwithstanding s. 893.13, s. 893.135, s. 893.147, or
447 any other provision of law, but subject to the requirements of
448 this section, an approved dispensing organization and its
449 owners, managers, and employees may manufacture, possess, sell,
450 deliver, distribute, dispense, and lawfully dispose of
451 reasonable quantities, as established by department rule, of
452 low-THC cannabis. For purposes of this subsection, the terms
453 "manufacture," "possession," "deliver," "distribute," and
454 "dispense" have the same meanings as provided in s. 893.02.
455 (c) An approved dispensing organization and its owners,
456 managers, and employees are not subject to licensure or
457 regulation under chapter 465 for manufacturing, possessing,
458 selling, delivering, distributing, dispensing, or lawfully
459 disposing of reasonable quantities, as established by department
460 rule, of low-THC cannabis.
461 Section 2. Paragraph (b) of subsection (2) of section
462 499.0295, Florida Statutes, is amended, and subsection (10) is
463 added to that section, to read:
464 499.0295 Experimental treatments for terminal conditions.—
465 (2) As used in this section, the term:
466 (b) "Investigational drug, biological product, or device"
467 means:
468 1. A drug, biological product, or device that has
469 successfully completed phase 1 of a clinical trial but has not
470 been approved for general use by the United States Food and Drug
471 Administration and remains under investigation in a clinical
472 trial approved by the United States Food and Drug
473 Administration; or
474 2. Cannabis, as defined in s. 893.02, that is manufactured



475 and sold by an approved dispensing organization as defined in s.
476 381.986.
477 (10)(a) Notwithstanding s. 893.13, s. 893.135, s. 893.147,
478 or any other law an eligible patient and the eligible patient's
479 caregiver, as defined in s. 381.986, may purchase and possess
480 cannabis, for the patient's medical use, as defined in s.
481 381.986, if:
482 1. The patient meets all the requirements of this section;
483 2. The patient is added to the compassionate use registry
484 established under s. 381.986 by a physician who has met the
485 training requirements for ordering low-THC cannabis established
486 in s. 381.986(4); and
487 3. All cannabis purchased and possessed by the patient and
488 his or her caregiver is obtained from an approved dispensing
489 organization as defined in s. 381.986.
490 (b) Notwithstanding s. 893.13, s. 893.135, s. 893.147, or
491 any other law, but subject to the requirements of this section,
492 an approved dispensing organization and its owners, managers,
493 employees and contractors may cultivate, manufacture, possess,
494 sell, deliver, distribute, dispense, and lawfully dispose of
495 cannabis as defined in s. 893.02.
496 1. Before dispensing cannabis to an eligible patient or his
497 or her caregiver pursuant to this section, a dispensing
498 organization must require the eligible patient or his or her
499 legal caregiver to produce his or her identification card as
500 issued by the Department of Health and must verify that the
501 eligible patient has an active registration on the compassionate
502 use registry.
503 2. Before dispensing, all cannabis must be tested by an



504 independent testing laboratory, as defined in s. 381.986(1)(b),
505 and must meet all testing and labeling criteria established for
506 low-THC cannabis in s. 381.986(7) and by the department in rule
507 other than criteria regarding percentages of
508 tetrahydrocannabinol or cannabidiol.

509 3. When manufacturing, selling, delivering, dispensing,
510 distributing, and lawfully disposing of cannabis, as defined in
511 s. 893.02, pursuant to this section an approved dispensing
512 organization must meet all criteria established in s. 381.986
513 applicable to cultivating, manufacturing, selling, delivering,
514 dispensing, distributing, and lawfully disposing of low-THC
515 cannabis except that cannabis produced pursuant to this section
516 is not restricted as to the amount of tetrahydrocannabinol or
517 cannabidiol.

518 (c) An approved dispensing organization as defined in s.
519 381.986 and its owners, managers, employees and contractors are
520 not subject to licensure or regulation under chapter 465 or
521 chapter 499 for manufacturing, possessing, selling, delivering,
522 distributing, dispensing, or lawfully disposing of cannabis.

523 (d) Notwithstanding s. 893.13, s. 893.135, s. 893.147, or
524 any other law, but subject to the requirements of this section
525 and s. 381.986, an independent testing laboratory and its
526 employees may receive and possess cannabis for the sole purpose
527 of testing the cannabis to ensure compliance with this section
528 and s. 381.986(7).

529 (e) As used in this subsection, the terms "manufacture,"
530 "possession," "deliver," "distribute," and "dispense" have the
531 same meanings as provided in s. 893.02.

532 (f) This section does not impair the approval of a



533 dispensing organization under s. 381.986.

534 Section 3. This act shall take effect July 1, 2016.

535

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

537 And the title is amended as follows:

538 Delete everything before the enacting clause
539 and insert:

540 A bill to be entitled
541 An act relating to the medical use of cannabis;
542 amending s. 381.986, F.S.; defining terms; restricting
543 the use of cannabis and low-THC cannabis in certain
544 areas; establishing that a physician may order
545 cannabis for the use of certain patients; requiring
546 physicians to register patients and their caregivers
547 on the compassionate use registry; restricting
548 dispensing organization medical directors from
549 ordering cannabis and low-THC cannabis; specifying
550 that cannabis may be ordered only for conditions that
551 meet the requirements of s. 499.0295, F.S.;
552 establishing a licensure violation for physicians who
553 order cannabis or low-THC cannabis and receive
554 compensation from a dispensing organization; requiring
555 the Department of Health to establish a system for
556 issuing identification cards to patients and
557 caregivers; specifying what information must be
558 included on the identification cards; requiring the
559 department to inspect a dispensing organization's
560 properties and facilities; requiring the department to
561 ensure that each dispensing organization adheres to



562 testing and labeling requirements for cannabis, low-
563 THC cannabis, and low-THC cannabis products;
564 establishing fines for violations; establishing
565 violations for which fines may be imposed; requiring
566 the department to provide 20 business days for a
567 dispensing organization to cure a violation; allowing
568 the department to impose an administrative penalty on,
569 or suspend, revoke, or deny the approval of, a
570 dispensing organization when violations are not cured;
571 requiring the department to biennially renew the
572 approval of a dispensing organization; specifying that
573 dispensing organizations may have certain types of
574 facilities; preempting the regulation of cultivation
575 facilities and processing facilities to the state;
576 requiring that cultivation facilities and processing
577 facilities be closed to the public; allowing local
578 governments to determine the location and other
579 permitting requirements for retail facilities; placing
580 certain requirements on retail facilities; restricting
581 dispensing organizations from selling retail products
582 other than paraphernalia required for the use of
583 cannabis or low-THC cannabis as ordered; requiring
584 dispensing organizations to update the department with
585 certain information within 15 days; requiring
586 dispensing organizations to meet specified
587 requirements for the transportation of cannabis and
588 low-THC cannabis; establishing testing and labeling
589 requirements for cannabis and low-THC cannabis; making
590 technical and conforming changes; amending s.



591 499.0295, F.S.; revising the term "investigational
592 drug, biological product, or device" to include
593 cannabis, as defined in s. 893.02, F.S., under certain
594 circumstances; authorizing certain patients to
595 purchase and medically use cannabis under certain
596 circumstances; allowing dispensing organizations to
597 cultivate, manufacture, possess, sell, deliver,
598 distribute, dispense, and lawfully dispose of cannabis
599 under certain circumstances and when meeting certain
600 criteria; exempting dispensing organizations and their
601 owners, managers, employees and contractors from
602 certain licensure requirements; exempting independent
603 testing laboratories from criminal prohibitions for
604 the purpose of testing cannabis; stating that certain
605 terms are defined in s. 893.02, F.S.; clarifying that
606 the provisions in the section do not impair the
607 approval of a dispensing organization under 381.986,
608 F.S.; providing an effective date.



LEGISLATIVE ACTION

Senate	.	House
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The Committee on Fiscal Policy (Clemens) recommended the following:

1 **Senate Amendment to Amendment (466428) (with title**
2 **amendment)**
3
4 Delete lines 192 - 197
5 and insert:
6 30 ~~five~~ dispensing organizations to ensure reasonable statewide
7 accessibility and availability as necessary for patients
8 registered in the compassionate use registry ~~and~~ who are ordered
9 low-THC cannabis under this section, ~~one in each of the~~
10 ~~following regions: northwest Florida, northeast Florida, central~~



11 ~~Florida, southeast Florida, and southwest Florida.~~ The
12
13 ===== T I T L E A M E N D M E N T =====
14 And the title is amended as follows:
15 Delete line 558
16 and insert:
17 included on the identification cards; increasing the
18 number of dispensing organizations that the Department
19 of Health may authorize; deleting a provision
20 requiring that the organizations be authorized in
21 equal numbers in specified regions of the state;
22 requiring the



LEGISLATIVE ACTION

Senate		House
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The Committee on Fiscal Policy (Clemens) recommended the following:

1 **Senate Amendment to Amendment (466428) (with title**
2 **amendment)**

3
4 Delete lines 206 - 210

5 and insert:

6 Agriculture and Consumer Services pursuant to s. 581.131 which
7 ~~that~~ is issued for cultivation of more than 400,000 plants, ~~be~~
8 ~~operated by a nurseryman as defined in s. 581.011, and have been~~
9 ~~operated as a registered nursery in this state for at least 30~~
10 ~~continuous years.~~



11
12 ===== T I T L E A M E N D M E N T =====
13 And the title is amended as follows:
14 Delete line 558
15 and insert:
16 included on the identification cards; revising
17 requirements for an applicant seeking approval as a
18 dispensing organization; requiring the



LEGISLATIVE ACTION

Senate		House
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The Committee on Fiscal Policy (Clemens) recommended the following:

1 **Senate Amendment to Amendment (466428) (with title**
2 **amendment)**

3
4 Delete lines 208 - 209
5 and insert:
6 operated by a nurseryman as defined in s. 581.011 or an
7 individual engaged in a similar agricultural activity, and have
8 been operated as a registered nursery in this state for at least
9 10 ~~30~~



11 ===== T I T L E A M E N D M E N T =====
12 And the title is amended as follows:
13 Delete line 558
14 and insert:
15 included on the identification cards; revising
16 requirements for an applicant seeking approval as a
17 dispensing organization; requiring the



LEGISLATIVE ACTION

Senate	.	House
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The Committee on Fiscal Policy (Abruzzo) recommended the following:

Senate Amendment to Amendment (466428) (with directory and title amendments)

Delete lines 466 - 533
and insert:

(a) "Dispensing organization" means an organization approved by the Department of Health under paragraph (10) (d) to cultivate, process, and dispense cannabis pursuant to this section.

~~(c)(b)~~ "Investigational drug, biological product, or



11 device" means:

12 1. A drug, biological product, or device that has

13 successfully completed phase 1 of a clinical trial but has not

14 been approved for general use by the United States Food and Drug

15 Administration and remains under investigation in a clinical

16 trial approved by the United States Food and Drug

17 Administration; or

18 2. Cannabis that is manufactured and sold by a dispensing

19 organization.

20 (10) (a) Notwithstanding s. 893.13, s. 893.135, s. 893.147,

21 or any other law, but subject to the requirements of this

22 section, an eligible patient and the eligible patient's legal

23 representative may purchase cannabis from a dispensing

24 organization and may possess such cannabis for the patient's

25 medical use.

26 (b) Notwithstanding s. 381.986, s. 893.13, s. 893.135, s.

27 893.147, or any other law, but subject to the requirements of

28 this section, a dispensing organization and its owners,

29 managers, and employees may manufacture, possess, sell, deliver,

30 distribute, dispense, and lawfully dispose of cannabis.

31 (c) A dispensing organization and its owners, managers, and

32 employees are not subject to licensure or regulation under

33 chapter 465 for manufacturing, possessing, selling, delivering,

34 distributing, dispensing, or lawfully disposing of cannabis.

35 (d) By October 1, 2016, the Department of Health shall

36 approve the establishment of 20 additional dispensing

37 organizations to cultivate, process, and dispense cannabis

38 pursuant to this section. An applicant for approval as a

39 dispensing organization must demonstrate that it possesses the



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40 qualifications specified in s. 381.986(5)(b)2.-7 or that it is a
41 recognized class member of *Pigford v. Glickman*, 182 F.R.D. 82
42 (D.D.C. 1999) or *In re Black Farmers Litig.*, 856 F. Supp. 2d 1
43 (D.D.C. 2011) and a member of the Black Farmers and
44 Agriculturalists Association.

45 (e) As used in this subsection, the terms "manufacture,"
46 "possession," "deliver," "distribute," and "dispense" have the
47 same meanings as provided in s. 893.02.

48 (f) The Department of Health may adopt rules to administer
49 this subsection.

50

51 ===== D I R E C T O R Y C L A U S E A M E N D M E N T =====

52 And the directory clause is amended as follows:

53 Delete lines 461 - 462

54 and insert:

55 Section 2. Paragraphs (a) through (d) of subsection (2) of
56 section 499.0295, Florida Statutes, are redesignated as
57 paragraphs (b) through (e), respectively, present paragraph (b)
58 of that subsection is amended, a new paragraph (a) is added to
59 that subsection, and subsection (10) is

60

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

62 And the title is amended as follows:

63 Delete lines 591 - 604

64 and insert:

65 499.0295, F.S.; defining the term "dispensing
66 organization"; revising the definition of the term
67 "investigational drug, biological product, or device";
68 providing for eligible patients or their legal



943584

69 representatives to purchase cannabis from dispensing
70 organizations and possess such cannabis for medical
71 use; authorizing certain licensed dispensing
72 organizations to manufacture, possess, sell, deliver,
73 distribute, dispense, and dispose of cannabis;
74 exempting dispensing organizations from specified
75 laws; directing the Department of Health to approve
76 the establishment of a limited number of dispensing
77 organizations by a specified date; requiring
78 applicants for approval as dispensing organizations to
79 demonstrate they possess certain qualifications;
80 authorizing the Department of Health to adopt rules;
81 stating that certain



LEGISLATIVE ACTION

Senate	.	House
Comm: UNFAV	.	
02/04/2016	.	
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The Committee on Fiscal Policy (Clemens) recommended the following:

Senate Amendment (with title amendment)

Before line 16

insert:

Section 1. Paragraph (b) of subsection (5) of section 381.986, Florida Statutes, is amended to read:

381.986 Compassionate use of low-THC cannabis.—

(5) DUTIES OF THE DEPARTMENT.—By January 1, 2015, the department shall:

(b) Authorize the establishment of 30 ~~five~~ dispensing



11 organizations to ensure reasonable statewide accessibility and
12 availability as necessary for patients registered in the
13 compassionate use registry ~~and~~ who are ordered low-THC cannabis
14 under this section, ~~one in each of the following regions:~~
15 ~~northwest Florida, northeast Florida, central Florida, southeast~~
16 ~~Florida, and southwest Florida.~~ The department shall develop an
17 application form and impose an initial application and biennial
18 renewal fee that is sufficient to cover the costs of
19 administering this section. An applicant for approval as a
20 dispensing organization must be able to demonstrate:

21 1. The technical and technological ability to cultivate and
22 produce low-THC cannabis. The applicant must possess a valid
23 certificate of registration issued by the Department of
24 Agriculture and Consumer Services pursuant to s. 581.131 that is
25 issued for the cultivation of more than 400,000 plants, be
26 operated by a nurseryman as defined in s. 581.011, and have been
27 operated as a registered nursery in this state for at least 30
28 continuous years.

29 2. The ability to secure the premises, resources, and
30 personnel necessary to operate as a dispensing organization.

31 3. The ability to maintain accountability of all raw
32 materials, finished products, and any byproducts to prevent
33 diversion or unlawful access to or possession of these
34 substances.

35 4. An infrastructure reasonably located to dispense low-THC
36 cannabis to registered patients statewide or regionally as
37 determined by the department.

38 5. The financial ability to maintain operations for the
39 duration of the 2-year approval cycle, including the provision



40 of certified financials to the department. Upon approval, the
41 applicant must post a \$5 million performance bond.

42 6. That all owners and managers have been fingerprinted and
43 have successfully passed a level 2 background screening pursuant
44 to s. 435.04.

45 7. The employment of a medical director who is a physician
46 licensed under chapter 458 or chapter 459 to supervise the
47 activities of the dispensing organization.

48
49 ===== T I T L E A M E N D M E N T =====

50 And the title is amended as follows:

51 Delete line 3

52 and insert:

53 terminal conditions; amending s. 381.986, F.S.;
54 increasing the number of dispensing organizations that
55 the Department of Health may authorize; deleting a
56 provision requiring that the organizations be
57 authorized in equal numbers in specified regions of
58 the state; amending s. 499.0295, F.S.;



LEGISLATIVE ACTION

Senate	.	House
Comm: UNFAV	.	
02/04/2016	.	
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The Committee on Fiscal Policy (Clemens) recommended the following:

1 **Senate Amendment (with title amendment)**

2

3 Before line 16

4 insert:

5 Section 1. Paragraph (b) of subsection (5) of section
6 381.986, Florida Statutes, is amended to read:

7 381.986 Compassionate use of low-THC cannabis.—

8 (5) DUTIES OF THE DEPARTMENT.—By January 1, 2015, the
9 department shall:

10 (b) Authorize the establishment of five dispensing



11 organizations to ensure reasonable statewide accessibility and
12 availability as necessary for patients registered in the
13 compassionate use registry and who are ordered low-THC cannabis
14 under this section, one in each of the following regions:
15 northwest Florida, northeast Florida, central Florida, southeast
16 Florida, and southwest Florida. The department shall develop an
17 application form and impose an initial application and biennial
18 renewal fee that is sufficient to cover the costs of
19 administering this section. An applicant for approval as a
20 dispensing organization must be able to demonstrate:

21 1. The technical and technological ability to cultivate and
22 produce low-THC cannabis. The applicant must possess a valid
23 certificate of registration issued by the Department of
24 Agriculture and Consumer Services pursuant to s. 581.131 which
25 ~~that~~ is issued for the cultivation of more than 400,000 plants,
26 ~~be operated by a nurseryman as defined in s. 581.011, and have~~
27 ~~been operated as a registered nursery in this state for at least~~
28 ~~30 continuous years.~~

29 2. The ability to secure the premises, resources, and
30 personnel necessary to operate as a dispensing organization.

31 3. The ability to maintain accountability of all raw
32 materials, finished products, and any byproducts to prevent
33 diversion or unlawful access to or possession of these
34 substances.

35 4. An infrastructure reasonably located to dispense low-THC
36 cannabis to registered patients statewide or regionally as
37 determined by the department.

38 5. The financial ability to maintain operations for the
39 duration of the 2-year approval cycle, including the provision



40 of certified financials to the department. Upon approval, the
41 applicant must post a \$5 million performance bond.

42 6. That all owners and managers have been fingerprinted and
43 have successfully passed a level 2 background screening pursuant
44 to s. 435.04.

45 7. The employment of a medical director who is a physician
46 licensed under chapter 458 or chapter 459 to supervise the
47 activities of the dispensing organization.

48
49 ===== T I T L E A M E N D M E N T =====

50 And the title is amended as follows:

51 Delete line 3

52 and insert:

53 terminal conditions; amending s. 381.986, F.S.;

54 revising requirements for an applicant seeking

55 approval as a dispensing organization; amending s.

56 499.0295, F.S.;



LEGISLATIVE ACTION

Senate	.	House
Comm: UNFAV	.	
02/04/2016	.	
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The Committee on Fiscal Policy (Clemens) recommended the following:

Senate Amendment (with title amendment)

Before line 16

insert:

Section 1. Paragraph (b) of subsection (5) of section 381.986, Florida Statutes, is amended to read:

381.986 Compassionate use of low-THC cannabis.—

(5) DUTIES OF THE DEPARTMENT.—By January 1, 2015, the department shall:

(b) Authorize the establishment of five dispensing



11 organizations to ensure reasonable statewide accessibility and
12 availability as necessary for patients registered in the
13 compassionate use registry and who are ordered low-THC cannabis
14 under this section, one in each of the following regions:
15 northwest Florida, northeast Florida, central Florida, southeast
16 Florida, and southwest Florida. The department shall develop an
17 application form and impose an initial application and biennial
18 renewal fee that is sufficient to cover the costs of
19 administering this section. An applicant for approval as a
20 dispensing organization must be able to demonstrate:

21 1. The technical and technological ability to cultivate and
22 produce low-THC cannabis. The applicant must possess a valid
23 certificate of registration issued by the Department of
24 Agriculture and Consumer Services pursuant to s. 581.131 that is
25 issued for the cultivation of more than 400,000 plants, be
26 operated by a nurseryman as defined in s. 581.011 or an
27 individual engaged in a similar agricultural activity, and have
28 been operated as a registered nursery in this state for at least
29 10 ~~30~~ continuous years.

30 2. The ability to secure the premises, resources, and
31 personnel necessary to operate as a dispensing organization.

32 3. The ability to maintain accountability of all raw
33 materials, finished products, and any byproducts to prevent
34 diversion or unlawful access to or possession of these
35 substances.

36 4. An infrastructure reasonably located to dispense low-THC
37 cannabis to registered patients statewide or regionally as
38 determined by the department.

39 5. The financial ability to maintain operations for the



40 duration of the 2-year approval cycle, including the provision
41 of certified financials to the department. Upon approval, the
42 applicant must post a \$5 million performance bond.

43 6. That all owners and managers have been fingerprinted and
44 have successfully passed a level 2 background screening pursuant
45 to s. 435.04.

46 7. The employment of a medical director who is a physician
47 licensed under chapter 458 or chapter 459 to supervise the
48 activities of the dispensing organization.

49

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

51 And the title is amended as follows:

52 Delete line 3

53 and insert:

54 terminal conditions; amending s. 381.986, F.S.;
55 revising requirements for an applicant seeking
56 approval as a dispensing organization; amending s.
57 499.0295, F.S.;



LEGISLATIVE ACTION

Senate	.	House
Comm: UNFAV	.	
02/04/2016	.	
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The Committee on Fiscal Policy (Abruzzo) recommended the following:

1 **Senate Amendment (with directory and title amendments)**

2

3 Delete lines 21 - 53

4 and insert:

5 (a) "Dispensing organization" means an organization
6 approved by the Department of Health under paragraph (10)(d) to
7 cultivate, process, and dispense cannabis pursuant to this
8 section.

9 (c) ~~(b)~~ "Investigational drug, biological product, or
10 device" means:



11 1. A drug, biological product, or device that has
 12 successfully completed phase 1 of a clinical trial but has not
 13 been approved for general use by the United States Food and Drug
 14 Administration and remains under investigation in a clinical
 15 trial approved by the United States Food and Drug
 16 Administration; or
 17 2. Cannabis that is manufactured and sold by a dispensing
 18 organization.
 19 (10) (a) Notwithstanding s. 893.13, s. 893.135, s. 893.147,
 20 or any other law, but subject to the requirements of this
 21 section, an eligible patient and the eligible patient's legal
 22 representative may purchase cannabis from a dispensing
 23 organization and may possess such cannabis for the patient's
 24 medical use.
 25 (b) Notwithstanding s. 381.986, s. 893.13, s. 893.135, s.
 26 893.147, or any other law, but subject to the requirements of
 27 this section, a dispensing organization and its owners,
 28 managers, and employees may manufacture, possess, sell, deliver,
 29 distribute, dispense, and lawfully dispose of cannabis.
 30 (c) A dispensing organization and its owners, managers, and
 31 employees are not subject to licensure or regulation under
 32 chapter 465 for manufacturing, possessing, selling, delivering,
 33 distributing, dispensing, or lawfully disposing of cannabis.
 34 (d) By October 1, 2016, the Department of Health shall
 35 approve the establishment of 20 additional dispensing
 36 organizations to cultivate, process, and dispense cannabis
 37 pursuant to this section. An applicant for approval as a
 38 dispensing organization must demonstrate that it possesses the
 39 qualifications specified in s. 381.986(5)(b)2.-7 or that it is a



40 recognized class member of *Pigford v. Glickman*, 182 F.R.D. 82
 41 (D.D.C. 1999) or *In re Black Farmers Litig.*, 856 F. Supp. 2d 1
 42 (D.D.C. 2011) and a member of the Black Farmers and
 43 Agriculturalists Association.
 44 (e) As used in this subsection, the terms "manufacture,"
 45 "possession," "deliver," "distribute," and "dispense" have the
 46 same meanings as provided in s. 893.02.
 47 (f) The Department of Health may adopt rules to administer
 48 this subsection.
 49
 50 ===== D I R E C T O R Y C L A U S E A M E N D M E N T =====
 51 And the directory clause is amended as follows:
 52 Delete lines 16 - 17
 53 and insert:
 54 Section 1. Paragraphs (a) through (d) of subsection (2) of
 55 section 499.0295, Florida Statutes, are redesignated as
 56 paragraphs (b) through (e), respectively, present paragraph (b)
 57 of that subsection is amended, a new paragraph (a) is added to
 58 that subsection, and subsection (10) is
 59
 60 ===== T I T L E A M E N D M E N T =====
 61 And the title is amended as follows:
 62 Delete lines 4 - 12
 63 and insert:
 64 revising the definition of the term "investigational
 65 drug, biological product, or device"; providing for
 66 eligible patients or their legal representatives to
 67 purchase cannabis from dispensing organizations and
 68 possess such cannabis for medical use; authorizing



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69 certain licensed dispensing organizations to
70 manufacture, possess, sell, deliver, distribute,
71 dispense, and dispose of cannabis; exempting
72 dispensing organizations from specified laws;
73 directing the Department of Health to approve the
74 establishment of a limited number of dispensing
75 organizations by a specified date; requiring
76 applicants for approval as dispensing organizations to
77 demonstrate they possess certain qualifications;
78 authorizing the Department of Health to adopt rules;
79 providing an effective date.

By Senator Bradley

7-00574A-16

2016460__

A bill to be entitled

An act relating to experimental treatments for terminal conditions; amending s. 499.0295, F.S.; revising the definition of the term "investigational drug, biological product, or device"; providing for eligible patients or their legal representatives to purchase and possess cannabis for medical use; authorizing certain licensed dispensing organizations to manufacture, possess, sell, deliver, distribute, dispense, and dispose of cannabis; exempting such organizations from specified laws; defining terms; providing applicability; providing an effective date.

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

Section 1. Paragraph (b) of subsection (2) of section 499.0295, Florida Statutes, is amended, and subsection (10) is added to that section, to read:

499.0295 Experimental treatments for terminal conditions.—

(2) As used in this section, the term:

(b) "Investigational drug, biological product, or device" means:

1. A drug, biological product, or device that has successfully completed phase 1 of a clinical trial but has not been approved for general use by the United States Food and Drug Administration and remains under investigation in a clinical trial approved by the United States Food and Drug Administration; or

2. Cannabis that is manufactured and sold by an approved

Page 1 of 2

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

7-00574A-16

2016460__

dispensing organization as defined in s. 381.986.

(10) (a) Notwithstanding s. 893.13, s. 893.135, s. 893.147, or any other provision of law, but subject to the requirements of this section, an eligible patient and the eligible patient's legal representative may purchase and possess cannabis for the patient's medical use.

(b) An eligible patient and the eligible patient's legal representative may obtain cannabis only from an approved dispensing organization as defined in s. 381.986.

(c) Notwithstanding s. 381.986, s. 893.13, s. 893.135, s. 893.147, or any other provision of law, but subject to the requirements of this section, an approved dispensing organization as defined in s. 381.986 and its owners, managers, and employees may manufacture, possess, sell, deliver, distribute, dispense, and lawfully dispose of cannabis.

(d) An approved dispensing organization as defined in s. 381.986 and its owners, managers, and employees are not subject to licensure or regulation under chapter 465 for manufacturing, possessing, selling, delivering, distributing, dispensing, or lawfully disposing of cannabis. As used in this subsection, the terms "manufacture," "possession," "deliver," "distribute," and "dispense" have the same meanings as provided in s. 893.02.

(e) This section does not impair the license of an approved dispensing organization under s. 381.986.

Section 2. This act shall take effect July 1, 2016.

Page 2 of 2

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



The Florida Senate

Committee Agenda Request

To: Senator Anitere Flores, Chair
Committee on Fiscal Policy

Subject: Committee Agenda Request

Date: December 9, 2015

I respectfully request that **Senate Bill # 460**, relating to Experimental Treatments for Terminal Conditions, be placed on the:

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

A handwritten signature in black ink, appearing to read "Rob Bradley".

Senator Rob Bradley
Florida Senate, District 7

THE FLORIDA SENATE
APPEARANCE RECORD

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

2/4/16
Meeting Date

460
Bill Number (if applicable)

466428
Amendment Barcode (if applicable)

Topic MMT

Name Jodi James

Job Title ED

Address 1375 Cypress Ave
Street

Phone 321 890 7302

Melbourne FL 32935
City State Zip

Email jamesflorida@gmail.com

Speaking: For Against Information

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

Representing FLORIDA CAN

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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

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

THE FLORIDA SENATE

APPEARANCE RECORD

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

SB 460

151192

Bill Number (if applicable)

Amendment Barcode (if applicable)

2/4 Meeting Date

Topic

Name Jodi James

Job Title

Address 2375 Cypress Street

Phone 3212533677

Melbourne FL City State Zip

Email

Speaking: [X] For [] Against [] Information

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

Representing FL CAN

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

Lobbyist registered with Legislature: [] Yes [] No

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

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THE FLORIDA SENATE
APPEARANCE RECORD

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

2-4-2016
Meeting Date

460
Bill Number (if applicable)

Topic _____

Amendment Barcode (if applicable)

Name DENNIS DECKERHOFF

Job Title PARENT - PATIENT ADVOCATE

Address 5704 VICTOR BROWN TRL.

Phone 850-562-2190

Street

TALL. FL. 32303

Email dennis@deckerhoff.com

City

State

Zip

Speaking: For Against Information

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

Representing PEOPLE WHO NEED MEDICAL CANNABIS

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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

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

S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

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

2/4/16
Meeting Date

460
Bill Number (if applicable)

Topic _____

Amendment Barcode (if applicable)

Name Jodi James

Job Title ED

Address 1375 Cypress Av
Street

Phone 321 890 7302

Melbourne FL 32935
City State Zip

Email jamesflorida@gmail.com

Speaking: For Against Information

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

Representing FLCAN

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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

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Page 1

THE FLORIDA SENATE
APPEARANCE RECORD

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

2-4-16

460

Meeting Date

Bill Number (if applicable)

Topic Cannabis Therapeutics

Amendment Barcode (if applicable)

Name Josephine Cannella-Krehl MSW, LCSW

Job Title Licensed Clinical Social Worker

Address 3784 Wentworth Way

Phone 850-653-6929

Street

Tell.

Fl.

32311

Email jokrehl@gmail.com

City

State

Zip

Speaking: For Against Information

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

Representing Suffering Floridians

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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

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S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

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

2-4-16

460

Meeting Date

Bill Number (if applicable)

Topic Allowing for wider patients conditions and access

Amendment Barcode (if applicable)

Name Michael Krehl

Job Title Masonry Contractor

Address 3784 wentworth way

Phone 850-653-5191

Street

Tallahassee

Florida

32311

Email brickmasonindustries@gmail.com

City

State

Zip

Speaking: For Against Information

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

Representing The Florida Hemp Alliance

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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

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S-001 (10/14/14)

THE FLORIDA SENATE

APPEARANCE RECORD

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

2/4/16

Meeting Date

460

Bill Number (if applicable)

Topic Right to Try

Amendment Barcode (if applicable)

Name Ron Watson

Job Title Lobbyist

Address 3738 Murdon Way

Phone 850 567-1202

Street

Tallahassee FL 32309

City

State

Zip

Email watson.strategies@comcast.net

Speaking: For Against Information

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

Representing Alt Med

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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

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THE FLORIDA SENATE

APPEARANCE RECORD

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

2/4/16

Meeting Date

SB 460

Bill Number (if applicable)

Topic RIGHT TO TRY

Amendment Barcode (if applicable)

Name Louis Rotundo

Job Title

Address 302 Pinestraw Circle

Phone 407-699-9361

Street

Altamonte Springs FL 32714

Email LCR5002@AOL.com

City

State

Zip

Speaking: [X] For [] Against [] Information

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

Representing FLA Medical Cannabis Association

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

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

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

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

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Committee on Fiscal Policy

BILL: SB 586

INTRODUCER: Senator Stargel

SUBJECT: Responsibilities of Health Care Providers

DATE: February 3, 2016

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Looke</u>	<u>Stovall</u>	<u>HP</u>	Favorable
2.	<u>Brown</u>	<u>Pigott</u>	<u>AHS</u>	Recommend: Favorable
3.	<u>Pace</u>	<u>Hrdlicka</u>	<u>FP</u>	Favorable

I. Summary:

SB 586 requires a hospital to notify obstetrical physicians at least 120 days before closing its obstetrical department or ceasing to provide obstetrical services.

The bill also repeals s. 383.336, F.S., which designates certain hospitals as “provider hospitals” and requires physicians in those hospitals to follow additional practice parameters when providing cesarean sections paid for by the state.

The bill has no fiscal impact on state government.

II. Present Situation:

Obstetrical Departments in Hospitals

Hospitals are required to report the services that will be provided by the hospital as a requirement of licensure. These services are listed on the hospital’s license. A hospital must notify the Agency for Health Care Administration (AHCA) of any change of service that affects information on the hospital’s license by submitting a revised licensure application between 60 and 120 days in advance of the change.¹ The list of services is also used for the AHCA’s inventory of hospital emergency services. Currently there are 144 hospitals in Florida that offer emergency obstetrical services.²

¹ See ss. 408.806(2)(c) and 395.1041(2), F.S.

² AHCA, Florida Health Finder Search, facility/provider type: Hospitals and advanced search: Emergency Services: Obstetrics, (search conducted Jan. 28, 2016), *available at*

<http://www.floridahealthfinder.gov/facilitylocator/FacilitySearch.aspx> (last visited Jan. 28, 2016).

Provider Hospitals

Section 383.336, F.S., defines the term “provider hospital” and creates certain requirements for such hospitals. A provider hospital is defined as a hospital in which 30 or more births occur annually that are paid for partly or fully by state funds or federal funds administered by the state.³ Physicians in such hospitals are required to comply with additional practice parameters designed to reduce the number of unnecessary cesarean sections performed within the hospital.⁴ These additional parameters must be followed by physicians for cesarean sections that are partially or fully paid for by the state.

The statute also requires provider hospitals to establish a peer review board consisting of obstetric physicians and other persons with credentials to perform cesarean sections within the hospital. The board is required to review, on a monthly basis, all cesarean sections performed within the hospital that were partially or fully funded by the state.

These provisions are not currently being implemented, and Department of Health rules regarding provider hospitals were repealed by ss. 9-10 of ch. 2012-31, Laws of Florida.

Closure of an Obstetrical Department in Bartow, Florida

In June of 2007, Bartow Regional Medical Center in Polk County announced to patients and physicians that it would close its obstetrics department at the end of July of the same year.⁵ Although many obstetrical physicians could continue to see patients in their offices, they would no longer be able to deliver babies at the hospital.⁶ Physicians and the local community protested the short timeframe for ceasing to offer obstetrical services. According to the Florida Medical Association and several physicians who worked at the hospital, the short notice “endangered pregnant women who [were] too close to delivery for obstetricians at other hospitals to want them as patients.”⁷

III. Effect of Proposed Changes:

Section 1 repeals s. 383.336, F.S., relating to provider hospitals.

Section 2 creates s. 395.0192, F.S., to require hospitals to give at least a 120 day advanced notice to each obstetrical physician with clinical privileges at that hospital if the hospital intends to close its obstetrical department or cease providing obstetrical services.

³ Section 383.336(1), F.S.

⁴ These parameters are established by the Office of the State Surgeon General in consultation with the Board of Medicine and the Florida Obstetric and Gynecologic Society and are required to address, at a minimum, the feasibility of attempting a vaginal delivery, dystocia, fetal distress, and fetal malposition. See s. 383.336(2), F.S.

⁵ Jennifer Starling, *Community Unites Against OB Closure*, THE POLK DEMOCRAT, July 12, 2007, available at <http://ufdc.ufl.edu/UF00028292/00258/1x?vo=12> (last visited Jan. 28, 2016).

⁶ Robin W. Adams, *Bartow Hospital Plan Criticized*, THE LEDGER, July 11, 2007, available at <http://www.theledger.com/article/20070711/NEWS/707110433?p=1&tc=pg&tc=ar> (last visited Jan. 28, 2016).

⁷ Id.

Although specific penalties are not listed for violating the notification provisions, the AHCA has the authority to fine a health care facility up to \$500 for a non-designated violation.⁸ Such non-designated violations include violating any provision of that health care facility's authorizing statute.⁹

Section 3 provides an effective date of July 1, 2016.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The bill may have a positive fiscal impact for obstetrical physicians who receive this notice to allow them adequate time to ensure that they obtain privileges at another hospital. The bill may have a negative fiscal impact on hospitals that fail to comply due to potential administrative fines.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

⁸ A non-designated violation is any violation that is not designated as class I-IV. See s. 408.813(3), F.S.

⁹ Section 408.813(3)(b), F.S.

VIII. Statutes Affected:

This bill creates section 395.0192 of the Florida Statutes.

This bill repeals section 383.336 of the Florida Statutes.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

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

None.

B. Amendments:

None.

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

By Senator Stargel

15-00526-16

2016586__

1 A bill to be entitled

2 An act relating to responsibilities of health care
3 providers; repealing s. 383.336, F.S., relating to
4 practice parameters for physicians performing
5 caesarean section deliveries in provider hospitals;
6 creating s. 395.0192, F.S.; requiring a hospital to
7 notify certain obstetrical physicians within a
8 specified timeframe before the hospital closes its
9 obstetrical department or ceases to provide
10 obstetrical services; providing an effective date.

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

13
14 Section 1. Section 383.336, Florida Statutes, is repealed.

15 Section 2. Section 395.0192, Florida Statutes, is created
16 to read:

17 395.0192 Duty to notify physicians.—A hospital shall notify
18 each obstetrical physician who has privileges at the hospital at
19 least 120 days before the hospital closes its obstetrical
20 department or ceases to provide obstetrical services.

21 Section 3. This act shall take effect July 1, 2016.



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:
Higher Education, *Chair*
Appropriations Subcommittee on Education
Fiscal Policy
Judiciary
Military and Veterans Affairs, Space, and Domestic Security
Regulated Industries

JOINT COMMITTEE:
Joint Committee on Public Counsel Oversight

SENATOR KELLI STARGEL
15th District

January 27, 2016

The Honorable Anitere Flores
Senate Fiscal Policy Committee, Chair
413 Senate Office Building
404 S. Monroe Street
Tallahassee, FL 32399

Dear Chair Flores:

I respectfully request that SB 586, related to *Responsibilities of Health Care Providers*, be placed on the committee agenda at your earliest convenience.

Thank you for your consideration and please do not hesitate to contact me should you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Kelli Stargel".

Kelli Stargel
State Senator, District 15

Cc: Jennifer Hrdlicka/ Staff Director
Tamra Lyon/ AA

REPLY TO:

- 2033 East Edgewood Drive, Suite 1, Lakeland, Florida 33803
- 324 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5015

Senate's Website: www.flsenate.gov

ANDY GARDINER
President of the Senate

GARRETT RICHTER
President Pro Tempore

THE FLORIDA SENATE

APPEARANCE RECORD

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

2/4/16

Meeting Date

SB 586

Bill Number (if applicable)

Topic

Amendment Barcode (if applicable)

Name Shari Hickey

Job Title

Address 1430 Piedmont Dr. E

Phone 850-570-3855

Street

Tallahassee FL 32308

Email shickey@fmedical.org

City

State

Zip

Speaking: For Against Information

Waive Speaking: In Support Against

(The Chair will read this information into the record.)

Representing Florida Medical Association

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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

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The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Committee on Fiscal Policy

BILL: CS/CS/SB 698

INTRODUCER: Fiscal Policy Committee; Regulated Industries Committee; and Senator Bradley

SUBJECT: Alcoholic Beverages and Tobacco

DATE: February 4, 2016

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Oxamendi</u>	<u>Imhof</u>	<u>RI</u>	Fav/CS
2.	<u>Davis</u>	<u>DeLoach</u>	<u>AGG</u>	Recommend: Favorable
3.	<u>Jones</u>	<u>Hrdlicka</u>	<u>FP</u>	Fav/CS

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/CS/SB 698 amends the laws related to alcoholic beverages and tobacco.

Related to kegs, the bill requires distributors to charge vendors a keg deposit and specifies the requirements for such deposit, similar to rule of the Division of Alcoholic Beverages and Tobacco (division) within the Department of Business and Professional Regulation. The bill permits an alternative to collection of a keg deposit by requiring distributors of malt beverages kegs to implement an inventory and reconciliation process with vendors qualifying as an entertainment/resort complex, a theme park complex, or a marine exhibition park complex.

The bill authorizes the division to issue temporary alcoholic beverage permits to municipalities and counties and requires their annual financial reports to include all revenues from such permits. Related to quota licenses, the bill removes the discretion of the division to grant a waiver or extension from activation requirements and instead requires the division to grant the waiver or extension upon the written request of the licensee for a period of 12 or 24-months, depending on the license period.

Related to railroads, the bill permits the division to issue alcoholic beverage licenses for the sale of beer, wine, and liquor to railroad transit stations and operators or restaurants, shops, or other facilities that are part of, or that serve, the railroad transit stations.

Related to passenger vessels engaged exclusively in foreign commerce, the bill creates a new methodology for calculating beverage and tobacco taxes. The new methodology calculates the taxes based upon ship capacity, rather than the volume of alcohol or tobacco sold at port. Taxes are calculated based on a base rate that is the total taxes paid by all passenger vessel permit holders for the period of January 1, 2015 and December 31, 2015. Additionally, the bill provides that the permits issued to passenger vessels under the Beverage Law applies to alcoholic beverages, cigarettes, and other tobacco products.

The bill allows a licensed vendor, when delivering alcoholic beverages to a licensed distributor, to transport the beverages through another premise owned in whole or in part by the vendor.

The Revenue Estimating Conference determined that the new calculation of alcoholic beverage tax and tobacco taxes owed by passenger vessels are estimated to have a negative nonrecurring fiscal impact of \$100,000 to the General Revenue Fund in Fiscal Year 2016-2017. The remaining provisions of the bill have an indeterminate fiscal impact.

The bill is effective July 1, 2016.

II. Present Situation:

Alcoholic Beverages

In Florida, alcoholic beverages are regulated by the Beverage Law,¹ which regulates the manufacture, distribution, and sale of wine, beer, and liquor by manufacturers, distributors, and vendors.² The Division of Alcoholic Beverages and Tobacco (division) within the Department of Business and Professional Regulation (department) administers and enforces the Beverage Law.³

Three Tier System

In the United States since the repeal of Prohibition the regulation of alcohol has traditionally been through the “three-tier system.” The system requires separation of the manufacture, distribution, and sale of alcoholic beverages. The manufacturer creates the beverage; the distributor obtains the beverages from the manufacturer and delivers them to the vendor. The vendor (retailer) makes the ultimate sale to the consumer.⁴ Manufacturers cannot sell directly to retailers or directly to consumers.

Generally, in Florida, only licensed vendors are permitted to sell alcoholic beverages directly to consumers at retail.⁵ Licensed manufacturers, distributors, and registered exporters are prohibited from also being licensed as vendors.⁶ Manufacturers are also generally prohibited from having an interest in a vendor and from distributing directly to a vendor.⁷

¹ Section 561.01(6), F.S., provides that the “Beverage Law” means chs. 561, 562, 563, 564, 565, 567, and 568, F.S.

² See s. 561.14, F.S.

³ Section 561.02, F.S.

⁴ Section 561.14, F.S.

⁵ Section 561.14(3), F.S. However, see the exceptions provided in s. 561.221, F.S.

⁶ Section 561.22, F.S.

⁷ Sections 563.022(14) and 561.14(1), F.S.

The system is deeply rooted in the perceived evils of the “tied house” in which a bar is owned or operated by a manufacturer or the manufacturer exercises undue influence over the retail vendor.⁸ Activities between the three-tiers are heavily regulated to prevent a manufacturer or distributor from having a financial interest, directly or indirectly, in the establishment or business of a licensed vendor.

Tied House Evil

Section 561.42(1), F.S., prohibits a licensed manufacturer or distributor from assisting any vendor through any gifts or loans of money or property of any description or by the giving of any rebates of any kind whatsoever.

Keg Deposits

Section 561.221(3), F.S., permits a vendor of alcoholic beverages to also be licensed as a manufacturer of malt beverages if the vendor is engaged in brewing malt beverages at a single location in an amount that does not exceed 10,000 kegs per year. The term “keg” is defined to mean 15.5 gallons.⁹

In order to maintain the “tied house” provisions, distributors of malt beverages, upon sale of such beverages in “draft kegs” to a vendor, must require a keg deposit from the vendors in an amount not less than that charged to the distributor by his brewer (manufacturer) for each keg of beer sold. The amount of deposit charged to vendors for draft kegs of like brand must be uniform. Charges made for deposits collected and credits allowed for empty containers returned must be shown separately on all sales tickets or invoices. A copy of the sales tickets or invoices must be given to the vendor at the time of delivery.¹⁰

Entertainment/Resort, Theme and Marine Exhibition Park Complexes

Under s. 561.01(18), F.S., “entertainment/resort complex” is:

a theme park comprised of at least 25 acres of land with permanent exhibitions and a variety of recreational activities, which has at least 1 million visitors annually who pay admission fees thereto, together with any lodging, dining, and recreational facilities located adjacent to, contiguous to, or in close proximity to the theme park, as long as the owner(s)/operator(s) of the theme park, or a parent or related company or subsidiary thereof, has an equity interest in the lodging, dining, or recreational facilities or is in privity therewith. Close proximity shall include an area within a 5-mile radius of the theme park complex.

Under s. 565.02(6), F.S., a theme park complex is at least 25 enclosed acres of land with permanent exhibitions and a variety of recreational activities with a controlled entrance to, and exit from, the enclosed area and has at least one million visitors annually that pay admission fees.

⁸ Erik D. Price, *Time to Untie the House? Revisiting the Historical Justifications of Washington’s Three-Tier System Challenged by Costco v. Washington State Liquor Control Board*, (June 2004) available at http://www.lanepowell.com/wp-content/uploads/2009/04/pricce_001.pdf (last visited January 28, 2016).

⁹ Section 561.221(3)(a)1., F.S.

¹⁰ Rule 61A-4.0131, F.A.C.

Under s. 565.02(7), F.S., a marine exhibition park complex is at least 25 enclosed acres of land with a controlled entrance to, and exit from, the enclosed area and has at least 450,000 visitors annually that pay admission fees. The marine exhibition park complex must have been in continuous existence for at least 30 years.

Temporary Alcoholic Beverage Permits

Currently, s. 561.422, F.S., provides temporary permits for bona fide nonprofit civic organizations to sell alcoholic beverages for consumption only on the premises. The permit period may not exceed three days and is subject to any state law or municipal or county ordinance regulating the time for selling alcoholic beverages. The organization must file an application and pay a \$25 fee to obtain the permit. The division may only issue three permits per calendar year for each organization. Counties and municipalities do not qualify for these permits.

Quota Licenses

Section 561.20, F.S., limits the number of alcoholic beverage licenses for the sale of liquor¹¹ along with beer and wine that may be issued per county. This limited alcoholic beverage license is known as a “quota” licenses and is the only type of alcoholic beverage license that is limited in number. The number of licenses is limited to one license per 7,500 residents within the county. New quota licenses are created and issued when there is an increase in the county population.¹²

For license periods commencing on or after July 1, 1981, but issued before September 30, 1988, s. 561.29(1)(h), F.S., requires license holders to maintain the licensed premises in an active manner, which means the licensed premises are open for the sale of authorized alcoholic beverages during regular business hours of at least six hours a day for a period of 120 days or more during any 12-month period commencing 18 months after the acquisition of the license. License holders must notify the division in writing of any period during which the license will be inactive and place the physical license with the division to be held in an inactive status.¹³

The division can waive or extend this activation requirement upon the finding of hardship, including the purchase of the license in order to transfer it to a newly constructed or remodeled location. During the period the licensed premises is closed, the licensee is required to make reasonable efforts toward restoring the license to active status.¹⁴

For licenses issued or transferred after September 30, 1988, license holders must be open for the sale of authorized alcoholic beverages during regular business hours of at least eight hours a day for a period of 210 days or more during any 12-month period commencing six months after the acquisition of the license by the licensee. Upon a written request from the licensee, the division

¹¹ Section 565.01, F.S., provides “[t]he words “liquor,” “distilled spirits,” “spirituous liquors,” “spirituous beverages,” or “distilled spirituous liquors” mean that substance known as ethyl alcohol, ethanol, or spirits of wine in any form, including all dilutions and mixtures thereof from whatever source or by whatever process produced.”

¹² Section 561.20, F.S. Licenses also can be issued when a county initially changes from a county which does not permit the sale of intoxicating liquors to one that does permit their sale.

¹³ Section 561.29(1)(h), F.S.

¹⁴ *Id.*

can give a written waiver of the activation requirement for a period not to exceed 12 month in cases where the licensee demonstrates:

- The licensed premises has been physically destroyed through no fault of the licensee;
- The licensee has suffered an incapacitating illness or injury which is likely to be prolonged; or
- The licensed premises has been prohibited from making sales as a result of any action of any court of competent jurisdiction.¹⁵

Additional waivers may be given but the waivers necessitated by any one occurrence may not cumulatively total more than 24 months.¹⁶

Alcoholic Beverage Licenses for Railroad Transit Stations

Section 565.02(2), F.S., permits the division to issue a license for the sale of beer, wine, and liquor to the operator of railroads or sleeping cars upon payment of an annual license tax of \$2,500. The license is good throughout the state for the sale of alcoholic beverages on any dining, club, parlor, buffet, or observation car operated by the licensee. The beverages may only be sold to passengers for consumption on the cars and liquor may only be sold in miniature bottles of not more than two ounces. Currently, no license is required, and no tax can be levied by any municipality or county, for the privilege of selling the beverages for consumption in such cars. Beverages can be sold only on cars where certified copies of the licenses are posted.¹⁷

Alcoholic Beverage Tax and Tobacco Taxes related to Passenger Vessels

Cigarette Taxation

An excise tax is imposed upon the sale, receipt, purchase, possession, consumption, handling, distribution, and use of cigarettes in this state. The tax must be paid by the dealer¹⁸ to the division. Section 210.02, F.S. specifies the weight and the corresponding tax amount for each cigarette. The current excise tax ranges from 16.95 cents per package to 67.8 cents per package, depending on the number of cigarettes per package.¹⁹

If a dealer fails to timely report taxes, the division may determine the tax due within three years of the earliest sale included in the determination. A dealer is entitled to judicial review of the division's determination of the amount of unpaid taxes only if the amount determined due, including penalties, is deposited with the division and an undertaking or bond is filed with the court.²⁰

¹⁵ Section 561.29(1)(i), F.S.

¹⁶ *Id.*

¹⁷ Section 565.02(2), F.S.

¹⁸ Section 210.01(6), F.S., defines a "wholesale dealer" as person located inside or outside this state who sells cigarettes to retail dealers or other persons for purposes of resale only.

¹⁹ Section 210.02(3) and (4), F.S.

²⁰ Section 210.13, F.S.

Passenger Vessels

Passenger vessels engaged exclusively in foreign commerce are susceptible to a distinct and separate classification for purposes of the sale of alcoholic beverages under the Beverage Law. It permits such vessels to obtain an alcoholic beverages permit for an annual fee of \$1,100. The permit allows the operator to sell alcoholic beverages on the vessel for consumption on board. The passenger vessel must have cabin-berth capacity for at least 75 passengers, and be engaged exclusively in foreign commerce. Alcoholic beverages may only be sold:

- During a period not in excess of 24 hours prior to departure while the vessel is moored at a dock or wharf in a port of this state; or
- At any time while the vessel is located in Florida territorial waters and is in transit to or from international waters.²¹

Municipalities and counties may not require a license or levy a tax for the privilege of selling alcoholic beverages for consumption on passenger vessels. Alcoholic beverages that a passenger vessel purchased outside the state are not considered imported. Passenger vessels are not required to obtain beverages from licensees under the Beverage Law, but are required to keep a strict account of all such beverages sold within Florida and must make monthly reports to the division on forms prepared and furnished by the division.²²

If the taxes were not previously paid by the distributor, passenger vessels are required to pay the excise tax for beverages sold within Florida, including its territorial waters, in an amount equal to the tax which would be required to be paid on sales by a licensed manufacturer or distributor. A vendor holding a permit shall pay the tax monthly to the division at the same time he or she furnishes the required report. The report must be filed on or before the 15th day of each month for the sales occurring during the previous calendar month.²³

Package Stores

The sale of alcoholic beverages (beer, wine, and distilled spirits) only in sealed containers for consumption off the premises can be sold by licensees known as “package stores.”²⁴ Package stores must not have openings that allow direct access to any other building or room, except to a private office or storage room from which patrons are excluded.²⁵

Package stores are prohibited from selling, offering, or exposing for sale any merchandise other than the alcoholic beverages authorized under the alcoholic beverage license. However, package stores may sell bitters, grenadine, nonalcoholic mixer-type beverages (not to include fruit juices produced outside this state), fruit juices produced in this state, home bar, and party supplies and equipment (including but not limited to glassware and party-type foods), miniatures of no alcoholic content, and tobacco products.²⁶

²¹ Section 565.02(9), F.S.

²² *Id.*

²³ *Id.*

²⁴ *Id.* at (1)(a).

²⁵ Section 565.04, F.S.

²⁶ *Id.*

III. Effect of Proposed Changes:

Keg Deposits

The bill creates s. 561.4205, F.S., (Section 5) to require distributors who are selling alcoholic beverages to vendors in bulk to charge a “keg deposit” for kegs in an amount that is not less than that charged to the distributor by the manufacturer. The amount charged for kegs of a like brand must be uniform. Charges for the deposits collected and credits allowed for empty kegs or containers must be shown separately on all sales tickets or invoices and must be given to the vendor at the time of delivery.

Keg Deposits – Entertainment/Resort, Theme and Marine Exhibition Park Complexes

In lieu of receiving a keg deposit, a distributor selling alcohol beverages by recyclable keg or other similar reusable container to a vendor identified in s. 561.01(18), F.S., (entertainment/resort complex), s. 565.02(6), F.S., (theme park) and s. 565.02(7), F.S., (marine exhibition park complex) must implement an inventory and reconciliation process with the vendor. The process requires a complete accounting of draft kegs and any loss or variance in the number of kegs must be paid by the vendor on a per-keg basis equivalent to the required keg deposit.

This inventory and reconciliation process may occur at least twice per year, at the discretion of the distributor, but must occur at least annually. Upon completion of the keg inventory and reconciliation, the vendor must remit payment within 15 days of receiving an invoice from the distributor. The vendor may choose to establish and fund a separate account with the distributor expedite payment.

Temporary Permits for Local Governments

The bill amends s. 561.422, F.S., (Section 6) to authorize the division to issue up to three temporary alcoholic beverage permits to municipalities and counties each year. However, the director of the division may issue more than three permits per calendar year to a municipality or county if the permits are for events that have been authorized by a majority vote of the municipality or county’s governing body at a noticed public meeting.

These temporary permits would be subject to the current limitations on temporary permits. All net profits from the sale of alcoholic beverages collected during the permit period must be retained by the municipality, county, or nonprofit civic organization. The sworn application filed by the municipality or county for a temporary permit must be signed by the municipality or county chief executive officer.

The bill allows any municipality, county, or nonprofit civic organizations to purchase alcoholic beverages from a distributor or a vender licensed under the Beverage Law. All alcoholic beverages purchased for sale by a municipality or county which remain unconsumed after the event must be removed from the premises of the event and properly disposed of by the municipality or county.

The bill also amends s. 218.32(1)(a), F.S., (Section 2) to require local government entities and independent special districts to include all revenues from the use of temporary permits on their annual financial reports.

Activation of a Quota License

For quota licenses with license periods commencing on or after July 1, 1981, but issued before September 30, 1988, the bill removes the division's discretion to waive or extend the activation requirement upon the finding of hardship. Instead, upon the written request of such licensee, the division must provide a written waiver or extension of the requirement to maintain the licensed premises in an active manner for a period not to exceed 12 months. The bill also deletes the requirement the licensee is required to make reasonable efforts toward restoring the license to active status during the period the licensed premises is closed. (Section 4).

For quota licenses issued or transferred after September 30, 1988, the bill requires every licensee to notify the division in writing of any period which his or her license is inactive and place the physical license with the division to be held in an inactive status. The bill removes the division's discretion to waive or extend the activation requirement for up to 12 months and to provide a continuance for an additional 12 months. Instead, upon the written request of such licensee, the division must provide a written waiver or extension of the requirement to maintain the licensed premises in an active manner for a period not to exceed 24 months. The bill deletes the list of circumstances that the licensee must demonstrate for the grant of a waiver. (Section 4).

Special License for Railroad Transit Stations

The bill creates a special license for railroad transit stations. The bill defines "railroad transit station" as a platform or terminal facility where passenger trains operating on a guided rail system according to a fixed schedule between two or more cities regularly stop to load and unload passengers or goods. The term includes the passenger waiting lounge or dining, retail, entertainment, or recreational facilities within the premises owned or leased by the railroad operator or owner. (Section 3).

The bill allows a railroad transit station to obtain a license to sell beverages mentioned in the Beverage Law upon the payment of an annual license tax of \$2,500 to the division. Licenses issued to railroad transit stations would not be subject to the quota licenses restrictions that limit the number of such licenses that may be issued per county. A license issued to a railroad transit station may not be transferred to locations beyond the premises of the railroad transit station. The bill prohibits municipalities and counties from requiring any additional license or levying any tax for the privilege of selling alcoholic beverages. (Section 7).

Railroad transit stations are not required to purchase and sell liquor in miniature bottles of not more than two ounces, which is the limitation currently imposed on railroads and sleeping cars.

The bill authorizes the division to issue alcoholic beverage licenses to the operators of restaurants, shops, or other facilities that are part, or that serve, railroad transit stations.

Alcoholic Beverage Tax and Tobacco Taxes related to Passenger Vessels

Cigarette Taxation

The bill amends s. 210.13, F.S., to include other persons who are required to remit the tax under part I of ch. 210, F.S., within the process for determining the amount of unpaid taxes, including the three-year limitation on the determination and the judicial review process. (Section 1).

Passenger Vessels

Permits issued to passenger vessels under the Beverage Law apply to alcoholic beverages, *cigarettes, and other tobacco products*. (Section 7). Passenger vessels are not required to obtain tobacco products from licensees under ch. 210, F.S. The bill also provides a new methodology for calculating excise tax payments by passenger vessels. In doing so the bill defines the following terms:

- “Base rate” as an amount equal to the total excise taxes and surcharge paid by all permittees in s. 565.02(2), F.S., for sales of alcoholic beverages, cigarettes, and other tobacco products taking place between January 1, 2015, and December 31, 2015, inclusive, divided by the sum of the annual capacities of all vessels permitted pursuant to the subsection for calendar year 2015;
- “Annual capacity” as an amount equal to the number of lower berths on a vessel multiplied by the number of embarkations by that vessel during a calendar year;
- “Embarkation” as each instance a vessel departs from a Florida port;
- “Lower berth” as a bed that is affixed to a vessel that is not located above another bed in the same cabin and located in a cabin not in use by employees of the operator of the vessel or its contractors;
- “Quarterly capacity” as an amount equal to the number of lower berths on a vessel multiplied by the number of embarkations by the vessel during the calendar quarter.

The methodology calculates the taxes based on ship capacity rather than volume of alcohol or tobacco sold at port. The bill requires each permittee to keep a strict account of the quarterly capacity of each of its vessel and make quarterly reports to the division. The excise taxes and surcharge must be an amount equal to the base rate multiplied by the permittee’s quarterly capacity during the calendar quarter.

Passenger vessels must report to the division the annual capacity for each of its vessels for calendar year 2015. The report must be filed no later than August 1, 2016, on forms prepared and furnished by the division. No later than September 1, 2016, the division must calculate the base rate and report it to each permittee. The department must publish the base rate in the Florida Administrative Register and on its website.

Package Stores

The bill amends s. 565.04, F.S., to allow, notwithstanding any other law, a licensed vendor to transport the beverages through another premise owned in whole or in part by the vendor when delivering alcoholic beverages to a licensed distributor,. (Section 8).

Effective Date

The bill is effective July 1, 2016.

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

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

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

The bill authorizes operators of railroad transit stations to obtain alcoholic beverage licenses upon the payment of a \$2,500 annual license tax. This has an indeterminate positive fiscal impact due to the additional annual revenue from operators of railroad transit stations who apply for licensure; however, the number of individually owned railroad transit stations is unknown.

The Revenue Estimating Conference has determined that certain provisions in the bill related the calculation of the taxes for passenger vessels will negatively impact the General Revenue Fund by \$100,000 in Fiscal Year 2016-2017.²⁷

B. Private Sector Impact:

Vendors would not be required to provide malt beverage distributors with a draft keg deposit. Vendors and distributors may incur unspecified costs in the development and implementation of the inventory and reconciliation process for draft kegs required by the bill.

The transit railroad stations and operators of restaurants, shops, or other facilities that are part of or serve the stations will be able to obtain beverage licenses.

²⁷ Revenue Estimating Conference, *Cruise Line Per Berth Tax, Proposed Language*, (January 8, 2016) available at http://edr.state.fl.us/Content/conferences/revenueimpact/archives/2016/_pdf/Impact0108.pdf (last visited January 28, 2016).

C. Government Sector Impact:

The bill creates a new license type with an established license fee and may result in additional annual revenue from license fees.²⁸ Although the number of individually owned railroad transit stations is unknown, each operator of a railroad transit station is authorized to obtain an alcoholic beverage license upon payment of the \$2,500 license tax.

The new railroad transit station license classification and fee require minimal information system program changes to the Department of Business and Professional Regulation information technology system, which can be handled within existing resources.²⁹

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 210.13, 218.32, 561.01, 561.29, 561.422, 565.02 and 565.04.

This bill creates section 561.4205 of the Florida Statutes.

IX. Additional Information:

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

CS/CS by Fiscal Policy on February 4, 2016:

The committee substitute:

- Allows the director of the division to issue more than three permits in a year to a municipality or county if the permits are for events authorized by a majority vote of the governing body of the municipality or county;
- Removes the provisions in the bill that exempt railroad transit stations from local ordinances and restrictions;
- Makes technical changes to correctly refer to the excise taxes in the new methodology for calculating tax payments by passenger vessels; and
- Allows a licensed vendor, when delivering alcoholic beverages to a licensed distributor, to transport the beverages through another premise owned in whole or in part by the vendor.

²⁸ Department of Business and Professional Regulation, *HB 645 2016 Agency Legislative Bill Analysis* (December 9, 2015) (on file with the Senate Appropriations Subcommittee on General Government).

²⁹ *Id.*

CS by Regulated Industries on January 13, 2016:

The committee substitute (CS) changes the title of the bill from “an act relating to malt beverages” to “an act relating to alcoholic beverages and tobacco.” The CS:

- Amends s. 210.13, F.S., to include other persons who are required to remit the tax required under part I of ch. 210, F.S.;
- Amends s. 218.32(1)(a), F.S., to require the annual financial reports required of local government entities and independent special districts must include all revenues derived from the use of temporary permits obtained by the reporting entity;
- Creates s. 561.01(22), F.S., to define the term “railroad transit station”;
- Amends ss. 561.29(1)(h) and 561.29(1)(i), F.S., to require the division, upon the written request of a licensee, to give a written waiver of the requirement to commence operations of a quota license;
- Amends s. 561.422, F.S., relating to temporary alcoholic beverage permits for municipalities and counties;
- Amends s. 562.14(1), F.S., to exempt rail road transit stations from municipal and county ordinances that prohibit selling, serving or consuming alcoholic beverages at a licensed premises between the hours of midnight and 7:00 a.m., and to prohibit municipalities and counties from requiring any additional license or levying any tax for the privilege of selling alcoholic beverages;
- Creates s. 561.4205, F.S., to require distributors to charge a deposit with specified conditions and to provide an inventory and reconciliation process for keg deposits;
- Amends s. 565.02(2)(c), F.S., to permit the division to issue alcoholic beverage licenses to the operators or restaurants, shops, or other facilities that are part or, or that serve, railroad transit stations, to also hold an alcoholic beverage license for the sale of beer, wine, and liquor; and
- Amends s. 565.02(9), F.S., to provide a process for calculating excise tax payments by passenger vessels. The bill also provides that the permit issued passenger vessels under the Beverage Law in s. 565.02(9), F.S., is for the sale of alcoholic beverages, cigarettes, and other tobacco products.

B. Amendments:

None.



LEGISLATIVE ACTION

Senate	.	House
Comm: WD	.	
02/03/2016	.	
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The Committee on Fiscal Policy (Bradley) recommended the following:

Senate Amendment

Delete lines 134 - 164
and insert:
upon written request of the licensee, give a one-time written waiver or extension of the requirement of this paragraph for a period not to exceed 12 months ~~may waive or extend the requirement of this section upon the finding of hardship, including the purchase of the license in order to transfer it to a newly constructed or remodeled location. However, during such~~



~~closed period, the licensee shall make reasonable efforts toward restoring the license to active status.~~ This paragraph shall apply to all annual license periods commencing on or after July 1, 1981, but shall not apply to licenses issued after September 30, 1988.

(i) Failure of any licensee issued a new or transfer license after September 30, 1988, under s. 561.20(1) to maintain the licensed premises in an active manner in which the licensed premises are open for business to the public for the bona fide retail sale of authorized alcoholic beverages during regular and reasonable business hours for at least 8 hours a day for a period of 210 days or more during any 12-month period commencing 6 months after the acquisition of the license by the licensee. It is the intent of this act that for purposes of compliance with this paragraph, a licensee shall operate the licensed premises in a manner so as to maximize sales and tax revenues thereon; this includes maintaining a reasonable inventory of merchandise, including authorized alcoholic beverages, and the use of good business practices to achieve the intent of this law. Any attempt by a licensee to circumvent the intent of this law shall be grounds for revocation or suspension of the alcoholic beverage license. Every licensee must notify the division in writing of any period during which his or her license is inactive and place the physical license with the division to be held in an inactive status. The division ~~shall~~ may, upon written request of the licensee, give a one-time written waiver



LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
02/04/2016	.	
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The Committee on Fiscal Policy (Bradley) recommended the following:

Senate Amendment (with title amendment)

Delete line 231

and insert:

permits per calendar year; however, the director of the division may issue more than three permits per calendar year to a municipality or county so long as such permits are for those events that have been authorized by a majority vote from the governing body of the municipality or county at a duly noticed public meeting. The sworn application filed by a



11

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

12

And the title is amended as follows:

13

Delete line 26

14

and insert:

15

consumption on the premises of an event; authorizing

16

the director of the division to issue more than three

17

permits per calendar year under certain circumstances;

18

providing

19



LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
02/04/2016	.	
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The Committee on Fiscal Policy (Bradley) recommended the following:

Senate Amendment (with title amendment)

Delete lines 243 - 292

and insert:

Section 7. Subsections (2) and (9) of section 565.02, Florida Statutes, are amended to read:

565.02 License fees; vendors; clubs; caterers; and others.—

(2) (a) Any operator of railroad transit stations, railroads, or sleeping cars in this state may obtain a license to sell the beverages mentioned in the Beverage Law ~~on passenger~~



11 ~~trains~~ upon the payment of an annual license tax of \$2,500, ~~the~~
12 ~~tax to be paid~~ to the division. ~~The~~ ~~such~~ license is good
13 ~~throughout the state and authorizes~~ ~~shall authorize~~ the licensee
14 ~~holder thereof~~ to keep for sale and ~~to~~ sell all beverages
15 mentioned in the Beverage Law ~~on~~ ~~upon~~ any dining, club, parlor,
16 buffet, or observation car ~~or within the property of a railroad~~
17 ~~transit station operated by the licensee.~~ ~~it in this state, but~~
18 Such beverages may be sold only to passengers ~~on such~~ ~~upon the~~
19 cars ~~or within the property of the railroad transit station and~~
20 must be served for consumption thereon. Licenses issued pursuant
21 to this paragraph for railroad transit stations may not be
22 transferred to locations beyond the premises of the railroad
23 transit station. A municipality or county may not require an
24 additional license or levy a tax for the privilege of selling
25 such beverages.

26 (b) Except for alcoholic beverages sold within the property
27 of a railroad transit station, it is unlawful for such licensees
28 to purchase or sell any liquor except in miniature bottles of
29 not more than 2 ounces. ~~Every such license shall be good~~
30 ~~throughout the state. No license shall be required, or tax~~
31 ~~levied by any municipality or county, for the privilege of~~
32 ~~selling such beverages for consumption in such cars.~~ Such
33 beverages ~~may~~ ~~shall~~ be sold only on cars in which ~~are posted~~
34 certified copies of the licenses issued to ~~the~~ ~~such~~ operator ~~are~~
35 ~~posted.~~ ~~Such~~ Certified copies of such licenses shall be issued
36 by the division upon the payment of a tax of \$10.

37 (c) A limitation of the number of licenses issued pursuant
38 to this section does not prohibit the issuance of a license
39 authorized by the Beverage Law or a special license issued



40 pursuant to s. 561.20 to operators of restaurants, shops, or
41 other facilities that are part of, or that serve, railroad
42 transit stations. The alcoholic beverages sold by a licensed

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

45 And the title is amended as follows:

46 Delete lines 30 - 44

47 and insert:

48 565.02, F.S.; authorizing operators of railroad
49 transit stations to obtain licenses to sell alcoholic
50 beverages; revising the locations where certain
51 beverages may be sold; prohibiting the transfer of
52 specified licenses to certain locations; prohibiting a
53 municipality or county from requiring an additional
54 license or levying a tax to sell certain beverages;
55 exempting railroad transit stations from liquor bottle
56 size restrictions; authorizing alcoholic beverages



LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
02/04/2016	.	
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The Committee on Fiscal Policy (Bradley) recommended the following:

1 **Senate Amendment**

2

3 Delete lines 299 - 362

4 and insert:

5 2. "Base rate" means an amount equal to the total excise
6 taxes and surcharge paid by all permittees pursuant to this
7 subsection for sales of alcoholic beverages, cigarettes, and
8 other tobacco products taking place between January 1, 2015 and
9 December 31, 2015, inclusive, divided by the sum of the annual
10 capacities of all vessels permitted pursuant to this subsection



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11 for calendar year 2015.
12 3. "Embarkation" means an instance where a vessel departs
13 from a port in Florida.
14 4. "Lower berth" means a bed that is:
15 a. Affixed to a vessel;
16 b. Not located above another bed in the same cabin; and
17 c. Located in a cabin not in use by employees of the
18 operator of the vessel or its contractors.
19 5. "Quarterly capacity" means an amount equal to the number
20 of lower berths on a vessel multiplied by the number of
21 embarkations of that vessel during a calendar quarter.
22 (b) It is the finding of the Legislature that passenger
23 vessels engaged exclusively in foreign commerce are susceptible
24 to a distinct and separate classification for purposes of the
25 sale of alcoholic beverages, cigarettes, and other tobacco
26 products under the Beverage Law and chapter 210.
27 (c) Upon the filing of an application and payment of an
28 annual fee of \$1,100, the director is authorized to issue a
29 permit authorizing the operator, or, if applicable, his or her
30 concessionaire, of a passenger vessel which has cabin-berth
31 capacity for at least 75 passengers, and which is engaged
32 exclusively in foreign commerce, to sell alcoholic beverages,
33 cigarettes, and other tobacco products on the vessel for
34 consumption on board only:
35 1. (a) During a period not in excess of 24 hours prior to
36 departure while the vessel is moored at a dock or wharf in a
37 port of this state; or
38 2. (b) At any time while the vessel is located in Florida
39 territorial waters and is in transit to or from international



820114

40 waters.
41
42 One such permit shall be required for each such vessel and shall
43 name the vessel for which it is issued. No license shall be
44 required or tax levied by any municipality or county for the
45 privilege of selling beverages, cigarettes, or other tobacco
46 products for consumption on board such vessels. The beverages,
47 cigars, or other tobacco products so sold may be purchased
48 outside the state by the permittee, and the same shall not be
49 considered as imported for the purposes of s. 561.14(3) solely
50 because of such sale. The permittee is not required to obtain
51 its beverages, cigarettes, or other tobacco products from
52 licensees under the Beverage law or chapter 210. Each permittee,
53 ~~but it shall keep a strict account of the quarterly capacity of~~
54 ~~each of its vessels all such beverages sold within this state~~
55 ~~and shall make quarterly monthly reports to the division on~~
56 ~~forms prepared and furnished by the division. A permittee who~~
57 ~~sells on board the vessel beverages withdrawn from United States~~
58 ~~Bureau of Customs and Border Protection bonded storage on board~~
59 ~~the vessel may satisfy such accounting requirement by supplying~~
60 ~~the division with copies of the appropriate United States Bureau~~
61 ~~of Customs and Border Protection forms evidencing such~~
62 ~~withdrawals as importations under United States customs laws.~~
63 (d) Each Such permittee shall pay to the state an excise
64 tax for beverages and an excise tax and surcharge for cigarettes
65 and other tobacco products sold pursuant to this subsection
66 section, if such excise taxes and surcharge have tax has not
67 previously been paid, in an amount equal to the tax which would
68 be required to be paid on such sales by a licensed manufacturer



69 ~~or distributor.~~ The excise taxes and surcharge must be an amount
70 equal to the



LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
02/04/2016	.	
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The Committee on Fiscal Policy (Bradley) recommended the following:

1 **Senate Amendment (with title amendment)**
2
3 Between lines 377 and 378
4 insert:
5 Section 9. Section 565.04, Florida Statutes, is amended to
6 read:
7 565.04 Package store restrictions.—
8 (1) Vendors licensed under s. 565.02(1)(a) shall not in
9 said place of business sell, offer, or expose for sale any
10 merchandise other than such beverages, and such places of



11 business shall be devoted exclusively to such sales; provided,
12 however, that such vendors shall be permitted to sell bitters,
13 grenadine, nonalcoholic mixer-type beverages (not to include
14 fruit juices produced outside this state), fruit juices produced
15 in this state, home bar, and party supplies and equipment
16 (including but not limited to glassware and party-type foods),
17 miniatures of no alcoholic content, and tobacco products. Such
18 places of business shall have no openings permitting direct
19 access to any other building or room, except to a private office
20 or storage room of the place of business from which patrons are
21 excluded.

22 (2) Notwithstanding any other law, when delivering
23 alcoholic beverages to a vendor licensed under s. 565.02(1)(a),
24 a licensed distributor may transport the beverages through
25 another premises owned in whole or in part by the vendor.

26
27 ===== T I T L E A M E N D M E N T =====

28 And the title is amended as follows:

29 Delete line 49

30 and insert:

31 report; amending s. 565.04, F.S.; authorizing a
32 licensed distributor to transport alcoholic beverages
33 through certain premises under specified
34 circumstances; providing an effective date.

By the Committee on Regulated Industries; and Senator Bradley

580-02108-16

2016698c1

1 A bill to be entitled
 2 An act relating to alcoholic beverages and tobacco;
 3 amending s. 210.13, F.S.; revising applicability to
 4 include other persons who may be subject to a
 5 determination of tax on failure to file and return;
 6 amending s. 218.32, F.S.; requiring local governmental
 7 entities to include revenues derived from the use of
 8 temporary alcoholic beverage permits in annual
 9 financial reports; amending s. 561.01, F.S.; defining
 10 the term "railroad transit station"; amending s.
 11 561.29, F.S.; requiring, rather than authorizing, the
 12 Division of Alcoholic Beverages and Tobacco to give a
 13 licensee a written waiver of certain requirements;
 14 revising the requirements to obtain such waivers;
 15 extending a certain waiver period; deleting a
 16 provision prohibiting waivers from totaling more than
 17 24 months; creating s. 561.4205, F.S.; requiring an
 18 alcoholic beverage distributor to charge a deposit for
 19 certain alcoholic beverage sales; providing an
 20 inventory and reconciliation process as an accounting
 21 alternative for specified vendors; providing an
 22 inventory and reconciliation process for malt beverage
 23 kegs; amending s. 561.422, F.S.; authorizing the
 24 division to issue temporary permits to municipalities
 25 and counties to sell alcoholic beverages for
 26 consumption on the premises of an event; providing
 27 conditions for such permits; requiring such
 28 municipalities and counties to remove and properly
 29 dispose of unconsumed alcoholic beverages; amending s.
 30 562.14, F.S.; exempting railroad transit stations from
 31 provisions regulating the time during which alcoholic
 32 beverages may be sold, served, and consumed; amending

Page 1 of 13

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

580-02108-16

2016698c1

33 s. 565.02, F.S.; authorizing operators of railroad
 34 transit stations to obtain licenses to sell alcoholic
 35 beverages; revising the locations where certain
 36 beverages may be sold; prohibiting the transfer of
 37 specified licenses to certain locations; prohibiting a
 38 municipality or county from requiring an additional
 39 license or levying a tax to sell certain beverages;
 40 exempting railroad transit stations from liquor bottle
 41 size restrictions; exempting operators of restaurants,
 42 shops, or other facilities that are part of, or that
 43 serve, railroad transit stations from certain
 44 licensing regulations; authorizing alcoholic beverages
 45 to be consumed in all areas within the property of a
 46 railroad transit station; defining terms; revising
 47 legislative findings; requiring permittees to submit a
 48 report to the division; providing requirements for the
 49 report; providing an effective date.
 50
 51 Be It Enacted by the Legislature of the State of Florida:
 52
 53 Section 1. Section 210.13, Florida Statutes, is amended to
 54 read:
 55 210.13 Determination of tax on failure to file a return.—If
 56 a dealer or other person required to remit the tax under this
 57 part fails to file any return required under this part, or
 58 having filed an incorrect or insufficient return, fails to file
 59 a correct or sufficient return, as the case may require, within
 60 10 days after the giving of notice to the dealer by the Division
 61 of Alcoholic Beverages and Tobacco that such return or corrected

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62 or sufficient return is required, the division shall determine
 63 the amount of tax due by such dealer any time within 3 years
 64 after the making of the earliest sale included in such
 65 determination and give written notice of such determination to
 66 such dealer. Such a determination shall finally and irrevocably
 67 fix the tax unless the dealer against whom it is assessed shall,
 68 within 30 days after the giving of notice of such determination,
 69 apply to the division for a hearing. Judicial review shall not
 70 be granted unless the amount of tax stated in the decision, with
 71 penalties thereon, if any, shall have been first deposited with
 72 the division, and an undertaking or bond filed in the court in
 73 which such cause may be pending in such amount and with such
 74 sureties as the court shall approve, conditioned that if such
 75 proceeding be dismissed or the decision of the division
 76 confirmed, the applicant for review will pay all costs and
 77 charges which may accrue against the applicant in the
 78 prosecution of the proceeding. At the option of the applicant,
 79 such undertaking or bond may be in an additional sum sufficient
 80 to cover the tax, penalties, costs, and charges aforesaid, in
 81 which event the applicant shall not be required to pay such tax
 82 and penalties precedent to the granting of such review by such
 83 court.

84 Section 2. Paragraph (a) of subsection (1) of section
 85 218.32, Florida Statutes, is amended to read:

86 218.32 Annual financial reports; local governmental
 87 entities.—

88 (1)(a) Each local governmental entity that is determined to
 89 be a reporting entity, as defined by generally accepted
 90 accounting principles, and each independent special district as

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91 defined in s. 189.012, shall submit to the department a copy of
 92 its annual financial report for the previous fiscal year in a
 93 format prescribed by the department. The annual financial report
 94 must include a list of each local governmental entity included
 95 in the report and each local governmental entity that failed to
 96 provide financial information as required by paragraph (b). The
 97 annual financial report must also include all revenues derived
 98 from the use of temporary permits obtained by a reporting entity
 99 pursuant to s. 561.422. The chair of the governing body and the
 100 chief financial officer of each local governmental entity shall
 101 sign the annual financial report submitted pursuant to this
 102 subsection attesting to the accuracy of the information included
 103 in the report. The county annual financial report must be a
 104 single document that covers each county agency.

105 Section 3. Subsection (22) is added to section 561.01,
 106 Florida Statutes, to read:

107 561.01 Definitions.—As used in the Beverage Law:

108 (22) "Railroad transit station" means a platform or a
 109 terminal facility where passenger trains operating on a guided
 110 rail system according to a fixed schedule between two or more
 111 cities regularly stop to load and unload passengers or goods.
 112 The term includes a passenger waiting lounge and dining, retail,
 113 entertainment, or recreational facilities within the premises
 114 owned or leased by the railroad operator or owner.

115 Section 4. Paragraphs (h) and (i) of subsection (1) of
 116 section 561.29, Florida Statutes, are amended to read:

117 561.29 Revocation and suspension of license; power to
 118 subpoena.—

119 (1) The division is given full power and authority to

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120 revoke or suspend the license of any person holding a license
 121 under the Beverage Law, when it is determined or found by the
 122 division upon sufficient cause appearing of:

123 (h) Failure by the holder of any license under s. 561.20(1)
 124 to maintain the licensed premises in an active manner in which
 125 the licensed premises are open for the bona fide sale of
 126 authorized alcoholic beverages during regular business hours of
 127 at least 6 hours a day for a period of 120 days or more during
 128 any 12-month period commencing 18 months after the acquisition
 129 of the license by the licensee, regardless of the date the
 130 license was originally issued. Every licensee must notify the
 131 division in writing of any period during which his or her
 132 license is inactive and place the physical license with the
 133 division to be held in an inactive status. The division shall,
 134 upon written request of the licensee, give a written waiver or
 135 extension of the requirement of this paragraph for a period not
 136 to exceed 12 months ~~may waive or extend the requirement of this~~
 137 ~~section upon the finding of hardship, including the purchase of~~
 138 ~~the license in order to transfer it to a newly constructed or~~
 139 ~~remodeled location. However, during such closed period, the~~
 140 ~~licensee shall make reasonable efforts toward restoring the~~
 141 ~~license to active status.~~ This paragraph shall apply to all
 142 annual license periods commencing on or after July 1, 1981, but
 143 shall not apply to licenses issued after September 30, 1988.

144 (i) Failure of any licensee issued a new or transfer
 145 license after September 30, 1988, under s. 561.20(1) to maintain
 146 the licensed premises in an active manner in which the licensed
 147 premises are open for business to the public for the bona fide
 148 retail sale of authorized alcoholic beverages during regular and

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149 reasonable business hours for at least 8 hours a day for a
 150 period of 210 days or more during any 12-month period commencing
 151 6 months after the acquisition of the license by the licensee.
 152 It is the intent of this act that for purposes of compliance
 153 with this paragraph, a licensee shall operate the licensed
 154 premises in a manner so as to maximize sales and tax revenues
 155 thereon; this includes maintaining a reasonable inventory of
 156 merchandise, including authorized alcoholic beverages, and the
 157 use of good business practices to achieve the intent of this
 158 law. Any attempt by a licensee to circumvent the intent of this
 159 law shall be grounds for revocation or suspension of the
 160 alcoholic beverage license. Every licensee must notify the
 161 division in writing of any period during which his or her
 162 license is inactive and place the physical license with the
 163 division to be held in an inactive status. The division shall
 164 ~~may,~~ upon written request of the licensee, give a written waiver
 165 or extension of the this requirement of this paragraph for a
 166 period not to exceed 24 ~~12~~ months in cases where the licensee
 167 demonstrates that the licensed premises has been physically
 168 destroyed through no fault of the licensee, when the licensee
 169 has suffered an incapacitating illness or injury which is likely
 170 to be prolonged, or when the licensed premises has been
 171 prohibited from making sales as a result of any action of any
 172 court of competent jurisdiction. Any waiver given pursuant to
 173 this subsection may be continued upon subsequent written request
 174 showing that substantial progress has been made toward restoring
 175 the licensed premises to a condition suitable for the resumption
 176 of sales or toward allowing for a court having jurisdiction over
 177 the premises to release said jurisdiction, or that an

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178 ~~incapacitating illness or injury continues to exist. However, in~~
 179 ~~no event may the waivers necessitated by any one occurrence~~
 180 ~~cumulatively total more than 24 months. Every licensee shall~~
 181 ~~notify the division in writing of any period during which his or~~
 182 ~~her license is inactive and place the physical license with the~~
 183 ~~division to be held in an inactive status.~~

184 Section 5. Section 561.4205, Florida Statutes, is created
 185 to read:

186 561.4205 Keg deposits; limited alternative inventory and
 187 reconciliation process.-

188 (1) A distributor selling an alcoholic beverage to a vendor
 189 in bulk, by recyclable keg or other similar reusable container,
 190 for the purpose of sale in draft form on tap, must charge the
 191 vendor a deposit, to be referred to as a "keg deposit," in an
 192 amount not less than that charged to the distributor by the
 193 manufacturer for each keg or container of the beverage sold. The
 194 deposit amount charged to a vendor for a draft keg or container
 195 of a like brand must be uniform. Charges made for deposits
 196 collected or credits allowed for empty kegs or containers
 197 returned must be shown separately on all sale tickets or
 198 invoices. A copy of such sales tickets or invoices must be given
 199 to the vendor at the time of delivery.

200 (2) In lieu of receiving a keg deposit, a distributor
 201 selling alcoholic beverages by recyclable keg or other similar
 202 reusable container for the purpose of sale in draft form to a
 203 vendor identified in s. 561.01(18) or s. 565.02(6) or (7) shall
 204 implement an inventory and reconciliation process with such
 205 vendor in which an accounting of kegs is completed and any loss
 206 or variance in the number of kegs is paid for by the vendor on a

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207 per-keg basis equivalent to the required keg deposit. This
 208 inventory and reconciliation process may occur twice per year,
 209 at the discretion of the distributor, but must occur at least
 210 annually. Upon completion of an agreed upon keg inventory and
 211 reconciliation, the vendor shall remit payment within 15 days
 212 after receiving an invoice from the distributor. The vendor may
 213 choose to establish and fund a separate account with the
 214 distributor for the purpose of expediting timely payments.

215 Section 6. Section 561.422, Florida Statutes, is amended to
 216 read

217 561.422 Municipalities, counties, and nonprofit civic
 218 organizations; temporary permits.-

219 (1) Upon the filing of an application, presentation of a
 220 local building and zoning permit, and payment of a fee of \$25
 221 per permit, the director of the division may issue a permit
 222 authorizing a municipality, county, or ~~bona-fide~~ nonprofit civic
 223 organization to sell alcoholic beverages for consumption on the
 224 premises of an event only, for a period not to exceed 3 days,
 225 subject to any state law or municipal or county ordinance
 226 regulating the time for selling such beverages. All net profits
 227 from sales of alcoholic beverages collected during the permit
 228 period must be retained by the municipality, county, or
 229 nonprofit civic organization. Any such municipality, county, or
 230 nonprofit civic organization may be issued only three such
 231 permits per calendar year. The sworn application filed by a
 232 municipality or county for a temporary permit under this section
 233 must be signed by the chief executive officer of the
 234 municipality or county.

235 (2) Notwithstanding other provisions of the Beverage Law,

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236 any municipality, county, or nonprofit civic organization
 237 licensed under this section may purchase alcoholic beverages
 238 from a distributor or vendor licensed under the Beverage Law.

239 (3) All alcoholic beverages purchased for sale by a
 240 municipality or county which remain unconsumed after an event
 241 must be removed from the premises of the event and properly
 242 disposed of by the municipality or county.

243 Section 7. Subsection (1) of section 562.14, Florida
 244 Statutes, is amended to read:

245 562.14 Regulating the time for sale of alcoholic and
 246 intoxicating beverages; prohibiting use of licensed premises.-

247 (1) Except as otherwise provided by county or municipal
 248 ordinance, ~~no~~ alcoholic beverages may not be sold, consumed,
 249 served, or permitted to be served or consumed in any place
 250 holding a license under the division between the hours of
 251 midnight and 7 a.m. of the following day. This section does
 252 ~~shall~~ not apply to railroad transit stations or to railroads
 253 selling only to passengers for consumption on railroad cars.

254 Section 8. Subsections (2) and (9) of section 565.02,
 255 Florida Statutes, are amended to read:

256 565.02 License fees; vendors; clubs; caterers; and others.-

257 (2) (a) Any operator of railroad transit stations,
 258 railroads, or sleeping cars in this state may obtain a license
 259 to sell the beverages mentioned in the Beverage Law ~~on passenger~~
 260 ~~trains~~ upon the payment of an annual license tax of \$2,500, ~~the~~
 261 ~~tax to be paid~~ to the division. The ~~such~~ license is good
 262 throughout the state and authorizes ~~shall authorize~~ the licensee
 263 holder thereof to keep for sale and to sell all beverages
 264 mentioned in the Beverage Law ~~on upon~~ any dining, club, parlor,

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265 buffet, or observation car or within the property of a railroad
 266 transit station operated by the licensee. ~~it in this state, but~~
 267 Such beverages may be sold only to passengers ~~on such upon the~~
 268 cars or within the property of the railroad transit station and
 269 must be served for consumption thereon. Licenses issued pursuant
 270 to this paragraph for railroad transit stations may not be
 271 transferred to locations beyond the premises of the railroad
 272 transit station. A municipality or county may not require an
 273 additional license or levy a tax for the privilege of selling
 274 such beverages.

275 (b) Except for alcoholic beverages sold within the property
 276 of a railroad transit station, it is unlawful for such licensees
 277 to purchase or sell any liquor except in miniature bottles of
 278 not more than 2 ounces. ~~Every such license shall be good~~
 279 throughout the state. ~~No license shall be required, or tax~~
 280 levied by any municipality or county, for the privilege of
 281 selling such beverages for consumption in such cars. Such
 282 beverages ~~may shall~~ be sold only on cars in which ~~are posted~~
 283 certified copies of the licenses issued to ~~the such~~ operator are
 284 posted. ~~Such~~ Certified copies of such licenses shall be issued
 285 by the division upon the payment of a tax of \$10.

286 (c) A limitation of the number of licenses issued pursuant
 287 to this section does not prohibit the issuance of a license
 288 authorized by the Beverage Law or a special license issued
 289 pursuant to s. 561.20 to operators of restaurants, shops, or
 290 other facilities that are part of, or that serve, railroad
 291 transit stations, and any such licenses issued are exempt from
 292 s. 562.45(2). The alcoholic beverages sold by a licensed
 293 operator may be consumed in all areas within the property of the

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294 railroad transit station as defined in s. 561.01(22).
 295 (9)(a) As used in this subsection, the term:
 296 1. "Annual capacity" means an amount equal to the number of
 297 lower berths on a vessel multiplied by the number of
 298 embarkations of that vessel during a calendar year.
 299 2. "Base rate" means an amount equal to the total taxes
 300 paid by all permittees pursuant to this subsection for sales of
 301 alcoholic beverages, cigarettes, and other tobacco products
 302 taking place between January 1, 2015 and December 31, 2015,
 303 inclusive, divided by the sum of the annual capacities of all
 304 vessels permitted pursuant to this subsection for calendar year
 305 2015.
 306 3. "Embarkation" means an instance where a vessel departs
 307 from a port in Florida.
 308 4. "Lower berth" means a bed that is:
 309 a. Affixed to a vessel;
 310 b. Not located above another bed in the same cabin; and
 311 c. Located in a cabin not in use by employees of the
 312 operator of the vessel or its contractors.
 313 5. "Quarterly capacity" means an amount equal to the number
 314 of lower berths on a vessel multiplied by the number of
 315 embarkations of that vessel during a calendar quarter.
 316 (b) It is the finding of the Legislature that passenger
 317 vessels engaged exclusively in foreign commerce are susceptible
 318 to a distinct and separate classification for purposes of the
 319 sale of alcoholic beverages, cigarettes, and other tobacco
 320 products under the Beverage Law and chapter 210.
 321 (c) Upon the filing of an application and payment of an
 322 annual fee of \$1,100, the director is authorized to issue a

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323 permit authorizing the operator, or, if applicable, his or her
 324 concessionaire, of a passenger vessel which has cabin-berth
 325 capacity for at least 75 passengers, and which is engaged
 326 exclusively in foreign commerce, to sell alcoholic beverages,
 327 cigarettes, and other tobacco products on the vessel for
 328 consumption on board only:
 329 1.~~(a)~~ During a period not in excess of 24 hours prior to
 330 departure while the vessel is moored at a dock or wharf in a
 331 port of this state; or
 332 2.~~(b)~~ At any time while the vessel is located in Florida
 333 territorial waters and is in transit to or from international
 334 waters.
 335
 336 One such permit shall be required for each such vessel and shall
 337 name the vessel for which it is issued. No license shall be
 338 required or tax levied by any municipality or county for the
 339 privilege of selling beverages, cigarettes, or other tobacco
 340 products for consumption on board such vessels. The beverages,
 341 cigars, or other tobacco products so sold may be purchased
 342 outside the state by the permittee, and the same shall not be
 343 considered as imported for the purposes of s. 561.14(3) solely
 344 because of such sale. The permittee is not required to obtain
 345 its beverages, cigarettes, or other tobacco products from
 346 licensees under the Beverage law or chapter 210. Each permittee,
 347 ~~but it~~ shall keep a strict account of the quarterly capacity of
 348 each of its vessels ~~all such beverages sold within this state~~
 349 and shall make quarterly ~~monthly~~ reports to the division on
 350 forms prepared and furnished by the division. ~~A permittee who~~
 351 ~~sells on board the vessel beverages withdrawn from United States~~

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352 ~~Bureau of Customs and Border Protection bonded storage on board~~
353 ~~the vessel may satisfy such accounting requirement by supplying~~
354 ~~the division with copies of the appropriate United States Bureau~~
355 ~~of Customs and Border Protection forms evidencing such~~
356 ~~withdrawals as importations under United States customs laws.~~

357 (d) Each such permittee shall pay to the state an excise
358 tax for beverages, cigarettes, and other tobacco products sold
359 pursuant to this subsection ~~section~~, if such excise tax has not
360 previously been paid, ~~in an amount equal to the tax which would~~
361 ~~be required to be paid on such sales by a licensed manufacturer~~
362 ~~or distributor.~~ The excise tax must be an amount equal to the
363 base rate multiplied by the permittee's quarterly capacity
364 during the calendar quarter.

365 (e) A vendor holding such permit shall pay the tax
366 quarterly ~~monthly~~ to the division at the same time he or she
367 furnishes the required report. Such report shall be filed on or
368 before the 15th day of each quarter ~~month~~ for the quarterly
369 capacity sales occurring during the previous calendar quarter
370 ~~month~~.

371 (f) No later than August 1, 2016, each permittee shall
372 report the annual capacity for each of its vessels for calendar
373 year 2015 to the division on forms prepared and furnished by the
374 division. No later than September 1, 2016, the division shall
375 calculate the base rate and report it to each permittee. The
376 department shall publish the base rate in the Florida
377 Administrative Register and on the department's website.

378 Section 9. This act shall take effect July 1, 2016.



The Florida Senate

Committee Agenda Request

To: Senator Anitere Flores, Chair
Committee on Fiscal Policy

Subject: Committee Agenda Request

Date: January 26, 2016

I respectfully request that **Senate Bill # 698**, relating to Alcoholic Beverages and Tobacco, be placed on the:

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

A handwritten signature in black ink, appearing to read "Rob Bradley", written over a horizontal line.

Senator Rob Bradley
Florida Senate, District 7

THE FLORIDA SENATE

APPEARANCE RECORD

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

2/4/2016
Meeting Date

CS/SB 698
Bill Number (if applicable)

618046
Amendment Barcode (if applicable)

Topic Beverage Permits

Name Mark Delegal

Job Title Retained Counsel

Address 315 S. Calhoun #600

Phone 224-7000

Tallahassee FL 32301
City State Zip

Email

Speaking: For Against Information

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

Representing City of West Palm Beach

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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

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

THE FLORIDA SENATE

APPEARANCE RECORD

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

2/4/16

Meeting Date

698

Bill Number (if applicable)

166462

Amendment Barcode (if applicable)

Topic Alcoholic Beverages

Name Rebecca O'Hara

Job Title

Address 433 N Magnolia Street

Phone 339 6211

Tall FL 32301 City State Zip

Email rao@theriaquelaw.com

Speaking: [X] For [] Against [] Information

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

Representing Fla. League of Cities

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

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

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

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THE FLORIDA SENATE
APPEARANCE RECORD

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

2/4/16

Meeting Date

698

Bill Number (if applicable)

122384

Amendment Barcode (if applicable)

Topic Package Store Delivery

Name Melissa Ramba

Job Title VP of Government Affairs

Address 227 S Adams Street

Street

Tallahassee

City

FL

State

Zip

Phone 850-570-0269

Email melissa@frf.org

Speaking: For Against Information

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

Representing Florida Retail Federation

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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

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

S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

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

2-4-16

Meeting Date

Topic Alcoholic BEVERAGES Bill Number 698
(if applicable)

Name Richard Turner Amendment Barcode _____
(if applicable)

Job Title Gen Counsel ; V.P. Governmental Relations

Address 201 S. Adams St Phone 850. 224. 2250.
Street

Tallahassee FL 32301 E-mail rturner@fla.org
City State Zip

Speaking: For Against Information

Representing FLORIDA Restaurant & Lodging Assoc

Appearing at request of Chair: Yes No Lobbyist registered with Legislature: Yes No

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

This form is part of the public record for this meeting. S-001 (10/20/11)

THE FLORIDA SENATE

APPEARANCE RECORD

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

2-4-16

Meeting Date

698

Bill Number (if applicable)

Topic Alcoholic Beverages

Amendment Barcode (if applicable)

Name Melanie Becker

Job Title Director of Government Relations

Address 1000 Universal Studios Plaza

Phone 407-316-2561

City Orlando State FL Zip 32819

Email melanie.becker@universalorlando.com

Speaking: [] For [] Against [] Information

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

Representing Universal Orlando

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

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

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

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

THE FLORIDA SENATE

APPEARANCE RECORD

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

2-4-16

Meeting Date

698
Bill Number (if applicable)

Topic Malt Beverages

Amendment Barcode (if applicable)

Name Jon Costello

Job Title Lobbyist

Address 119 S. August

Phone 850-681-6788

Street

Tallahassee

City

FL

State

32301

Zip

Email Jon@ruffledge-econ.com

Speaking: For Against Information

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

Representing Miller Coors

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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

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

THE FLORIDA SENATE
APPEARANCE RECORD

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

2/4/14

Meeting Date

698

Bill Number (if applicable)

Topic _____

Amendment Barcode (if applicable)

Name Leticia M Adams

Job Title Manager, Gov't Relations

Address _____
Street

Phone 407 934 6247

City

State

Zip

Email _____

Speaking: For Against Information

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

Representing Walt Disney Parks + Resorts

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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

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

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Committee on Fiscal Policy

BILL: CS/CS/SB 828

INTRODUCER: Finance and Tax Committee; Banking and Insurance Committee; and Senator Bean

SUBJECT: Insurance Guaranty Association Assessments

DATE: February 3, 2016

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Johnson</u>	<u>Knudson</u>	<u>BI</u>	<u>Fav/CS</u>
2.	<u>Fournier</u>	<u>Diez-Arguelles</u>	<u>FT</u>	<u>Fav/CS</u>
3.	<u>Hrdlicka</u>	<u>Hrdlicka</u>	<u>FP</u>	<u>Favorable</u>

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/CS/SB 828 substantially revises the assessment process of the Florida Workers' Compensation Insurance Guaranty Association (FWCIGA) by:

- Increasing the assessment cap for self-insurance funds from 1.5 to 2 percent of net direct written premiums in Florida for workers' compensation insurance, which is consistent with the cap for insurers;
- Revising the assessment recoupment method from recouping the assessment as part of the premium in a rate filing to adding a policy surcharge that is collected by the insurer. The surcharge will not be subject to the insurance premium tax;
- Authorizing two assessment options for the FWCIGA: an immediate single assessment payment by insurers with recoupment through policy surcharges, and an installment payment, which requires insurers to collect and remit policy surcharges quarterly to the FWCIGA;
- Revising the insurer's premium subject to an assessment from being based on the prior year's net direct written premium to the net direct written premium of the calendar year of the assessment; and
- Transferring order authority for assessments and other FWCIGA reporting related to insurer financial condition from the Department of Financial Services to the Office of Insurance Regulation.

The bill has no impact on state or local funds.

II. Present Situation:

Florida Workers' Compensation Insurance Guaranty Association

As a condition of their authority to offer workers' compensation insurance coverage in Florida, all insurers and self-insurance funds are required to be members of the Florida Workers' Compensation Insurance Guaranty Association, Inc. (FWCIGA).¹ The FWCIGA is a not-for-profit corporation established pursuant to Part V of ch. 631, F.S., adjunct to the Department of Financial Services (DFS).

The FWCIGA assists in the detection and prevention of insurer insolvencies and provides for the payment of workers' compensation covered claims.² The FWCIGA evaluates workers' compensation claims made by insureds against insolvent member companies or funds, and determines if such claims are covered claims subject to payment by FWCIGA. The FWCIGA is funded by distributions from the estates of insolvent insurers, investment income, and assessments of member insurers.³

Assessments

The FWCIGA determines whether an assessment against member insurers is necessary to pay covered claims of an insolvent insurer or to reimburse the FWCIGA for expenses associated with administering its statutory functions. The assessments are levied by the Department of Financial Services on each insurer based upon the proportion of the insurer's net direct written premium in Florida to the total of all such insurers writing workers' compensation coverages in Florida for the preceding calendar year. The maximum assessment rate is 2 percent for insurers and 1.5 percent for self-insurance funds. If these assessments are insufficient to satisfy claims and administration costs, an additional assessment of 1.5 percent can be levied.⁴ The most recent assessment was levied in 2005.⁵

The current FWCIGA assessment mechanism requires companies to pay the assessment up front.

Recoupment of Assessments

Insurers are able to recoup the assessment through premiums. Assessments are included in the rate charged for workers' compensation coverage as part of the premium. The Office of Insurance Regulation (OIR) orders the rates and under s. 631.914(1)(b), F.S., can consider assessments "as an appropriate factor in the making of rates." The National Council on Compensation Insurance or NCCI is the insurer or rating organization approved by the OIR that files rates on behalf of all workers' compensation insurers in the state, and it may include the assessment in its rate filing.

¹ Section 631.911, F.S. Chapter 631, F.S., governs the rehabilitation and liquidation process for insurers in Florida. In Florida, the Division of Rehabilitation and Liquidation in the Department of Financial Services is responsible for rehabilitating or liquidating insurance companies.

² Section 631.902, F.S. The term "covered claim" is defined in s. 631.904(2), F.S.

³ See FWCIGA, *Frequently Asked Questions*, available at <http://fwciga.org/faq> (last visited Jan. 28, 2016).

⁴ Section 631.914, F.S.

⁵ A 2 percent assessment and a 1.5 percent assessment were levied against insurance companies and self-insurance funds, respectively, for inclusion in the 2005 premium rates. FWCIGA, *Assessments*, available at <http://fwciga.org/assessments> (last visited Jan. 28, 2016).

Usually, the rate following the year that the assessments are made is increased to allow insurers to recoup the assessments through premiums charged. This generally begins in January each year when the NCCI rate filing becomes effective. However, the NCCI can make a rate filing at any time if insurers want to recoup the assessment when levied, rather than at the beginning of the calendar year.⁶

According to the FWCIGA, the timing of the NCCI rate filing with the OIR requires the FWCIGA to determine the need for an assessment in June of each year. Because the FWCIGA cannot predict when insolvencies will occur, it must estimate the future cash needs over the next 18 months if the assessment is to be recouped in the upcoming year's rates.⁷

Assessments and Insurance Premium Tax

Because the assessment is included in the rate filing as part of the premium, the assessment is subject to the state's insurance premium tax.⁸ Section 624.509, F.S., imposes a premium tax of 1.75 percent of the gross amount of property and casualty premiums (which includes workers' compensation premiums⁹) received during the preceding calendar year. For group self-insurance funds, the tax is 1.6 percent of the gross amount of premiums.^{10, 11} Section 624.509, F.S., provides various tax credits and deductions that reduce the premium tax liability.

III. Effect of Proposed Changes:

The bill substantially revises the FWCIGA assessment process. The bill:

- Increases the assessment cap for self-insurance funds from 1.5 to 2 percent of net direct written premiums in Florida for workers' compensation insurance, which is consistent with the assessment cap for insurers.
- Revises the insurer's premium subject to an assessment from being based on the prior year's net direct written premium to the net direct written premium of the calendar year of the assessment.
- Transfers the authority to order assessments and other FWCIGA reporting related to insurer financial condition from the DFS to the OIR.
- Provides that only insurers are subject to assessments by the FWCIGA and the provisions do not give a policyholder a cause of action regarding the FWCIGA assessments.
- Provides that the failure of an insured to pay the surcharge or the recoupment of an assessment is considered nonpayment of premium, which could result in the cancellation of a policy.
- Provides that an insurer is not liable for any uncollectible assessments.

⁶ Office of Insurance Regulation, *2016 Agency Legislative Bill Analysis – SB 828* (Nov. 17, 2015) (on file with the Senate Committee on Banking and Insurance).

⁷ FWCIGA Proposed Change to the FWCIGA Assessment Summary (Aug. 28, 2015) (on file with the Senate Committee on Banking and Insurance).

⁸ Section 631.914(1)(b) and (c), F.S.

⁹ Section 624.605(1)(c), F.S.

¹⁰ Section 624.475, F.S.

¹¹ For purposes of the FWCIGA assessments, under s. 631.904(6), F.S., "self-insurance fund" includes a group self-insurance fund authorized under 624.4621, F.S., a commercial self-insurance fund writing worker's compensation insurance authorized under 624.462, F.S., or an assessable mutual insurer authorized under s. 628.6011, F.S.

- Provides that FWCIGA assessments (policy surcharges) are not premium and are not subject to any premium tax, fees, or commissions.

Assessment Methods

The bill eliminates the recoupment of assessments through the rate filing process and institutes a recoupment through policy surcharges. The bill allows the FWCIGA two options of assessment methods: an immediate single assessment method (advance payment by the insurer before the collection of the surcharge from policyholders) or an installment method (allows the insurer to collect and remit assessments as premium is written).

Under the bill, the FWCIGA certifies the need for an assessment and the OIR orders the assessment on member insurers. Under both methods, the member insurers would collect policy surcharges at a uniform percentage rate over a specific four-quarter assessment year specified in an order by the OIR. The four-quarter assessment year may begin on January 1, April 1, July 1, or October 1. The collection of such surcharges begins 90 days after the FWCIGA certifies the need for an assessment to the OIR.

Immediate Single Assessment Method

The assessment is due and payable by insurers no earlier than 30 days following the written notice of the assessment order to the insurers. Thus, insurers pay the assessment before surcharging the policyholders. Insurers are required to collect surcharges at a uniform percentage over the specific four-quarter assessment year in order to recoup the assessment through policy surcharges.

For purposes of statutory accounting, the bill provides that billed policy surcharges are recognized as a receivable and an admissible asset under the National Association of Insurance Commissioners' Statement of Statutory Accounting Principles No. 4, to the extent the receivable is likely to be realized. However, if the insurer is unable to recoup the amount of the assessment, the amount recognized as an asset must be reduced to the amount reasonably expected to be recouped.

Installment Method

Insurers are required to collect surcharges at a uniform percentage rate over the specified four-quarter assessment year and remit the surcharges to the FWCIGA quarterly. Insurers pay the assessment after surcharging the policyholders.

The bill provides that the recognition of assets is based on actual premium written offset by the obligation to the FWCIGA.

Assessment Reporting

Under both assessment methods, insurers are required to submit a reconciliation report to the FWCIGA within 120 days after the end of the 12-month assessment period, and annually for two additional years. If the insurer's reconciled assessment obligation was more than the amount paid to the FWCIGA, the insurer is required to pay the difference to the FWCIGA. If the insurer's

reconciled assessment obligation was less than the amount paid to the FWCIGA, the overpayment is returned to the insurer.

The bill is effective July 1, 2016.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

The Revenue Estimating Conference determined that CS/HB 467 (House companion to CS/CS/SB 828) has no impact on state or local revenues.¹²

B. Private Sector Impact:

The FWCIGA is given the discretion to use an immediate single assessment method or installment method. The installment method does not require insurers to advance funds to the FWCIGA. The clarification of the statutory accounting treatment of a “receivable for policy surcharges to be billed” as an admissible asset should mitigate the impact on an insurer’s financial statements of assessments under the immediate single assessment method.

The OIR has indicated that workers’ compensation insurers will be required to file new forms with the OIR to incorporate the changes in the assessment process. For example, the forms should disclose the surcharge as a separate line item on the declaration page of the policy and include a provision that coverage is subject to cancellation if the insured fails to pay the policy surcharge. Additionally, the OIR stated that it will require the filing and review of all large deductible programs.¹³

C. Government Sector Impact:

None.

¹² Office of Economic and Demographic Research, Revenue Estimating Conference, *Workers Comp Insurance Guarantee Association, CS/HB 467* (Dec. 4, 2015).

¹³ *Supra* note 6.

VI. Technical Deficiencies:

The bill does not include the FWCIGA assessments in the definition of an admissible asset in s. 625.012, F.S. According to the OIR, this omission is not consistent with s. 625.012(15), F.S., which allow for the assessments levied pursuant to s. 631.57(3)(a) and (e), F.S., for the Florida Insurance Guaranty Association to be included in the definition of “assets.”¹⁴

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 631.914 of the Florida Statutes.

IX. Additional Information:

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

CS/CS by Finance and Tax on January 25, 2016:

The CS/CS provides that if an insurer’s reconciled assessment is less than the amount paid to FWCIGA, the association must return the overpayment to the insurer.

CS by Banking and Insurance on January 11, 2016:

The CS provides technical, clarifying amendments relating to the assessment process.

- B. **Amendments:**

None.

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

¹⁴ *Id.*

By the Committees on Finance and Tax; and Banking and Insurance;
and Senator Bean

593-02546-16

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A bill to be entitled

An act relating to insurance guaranty association assessments; amending s. 631.914, F.S.; requiring the Office of Insurance Regulation to levy assessments for certain purposes; revising and providing requirements for the levy of assessments; requiring insurers and self-insurance funds to report certain premiums; requiring insurers to collect policy surcharges and pay assessments to the association; revising requirements for reporting premium for assessment calculations; revising and providing requirements and limitations for remittance of assessments to the association; providing an effective date.

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

Section 1. Section 631.914, Florida Statutes, is amended to read:

631.914 Assessments.—

(1) (a) To the extent necessary to secure the funds for the payment of covered claims, and also to pay the reasonable costs to administer the same, the Office of Insurance Regulation ~~department~~, upon certification by the board, shall levy assessments on each insurer initially estimated in the proportion that the insurer's net direct written premiums in this state bears to the total of said net direct written premiums received in this state by all such workers' compensation insurers for the preceding calendar year. Assessments levied against insurers and self-insurance funds pursuant to this paragraph must be computed and levied on the basis of the full policy premium value on the net direct written

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premium amount as set forth in the state for workers' compensation insurance without consideration of any applicable discount or credit for deductibles. Insurers and self-insurance funds must report premiums in compliance with this paragraph. Assessments shall be remitted to and administered by the board of directors in the manner specified by the approved plan of operation and paragraph (d). ~~The board shall give each insurer 30 days' written notice of the date the assessment is due and payable.~~ Each assessment shall be a uniform percentage applicable to the net direct written premiums of each insurer writing workers' compensation insurance.

~~1. Beginning July 1, 1997, Assessments levied against insurers and, other than self-insurance funds, shall not exceed in any calendar year more than 2 percent of that insurer's net direct written premiums in this state for workers' compensation insurance during the calendar year next preceding the date of such assessments.~~

(b) Member insurers shall collect surcharges at a uniform percentage rate on new and renewal policies issued and effective during the period of 12 months beginning on January 1, April 1, July 1, or October 1, whichever is the first day of the following calendar quarter as specified in an order issued by the office directing insurers to pay an assessment to the association. The surcharge may not begin until 90 days after the board of directors certifies the assessment.

~~2. Beginning July 1, 1997, assessments levied against self-insurance funds shall not exceed in any calendar year more than 1.50 percent of that self insurance fund's net direct written premiums in this state for workers' compensation insurance~~

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61 ~~during the calendar year next preceding the date of such~~
 62 ~~assessments.~~

63 ~~3. Beginning July 1, 2003, assessments levied against~~
 64 ~~insurers and self-insurance funds pursuant to this paragraph are~~
 65 ~~computed and levied on the basis of the full policy premium~~
 66 ~~value on the net direct premiums written in the state for~~
 67 ~~workers' compensation insurance during the calendar year next~~
 68 ~~preceding the date of the assessment without taking into account~~
 69 ~~any applicable discount or credit for deductibles. Insurers and~~
 70 ~~self-insurance funds must report premiums in compliance with~~
 71 ~~this subparagraph.~~

72 ~~(b) Assessments shall be included as an appropriate factor~~
 73 ~~in the making of rates.~~

74 ~~(c)1. Effective July 1, 1999, If assessments otherwise~~
 75 ~~authorized in paragraph (a) are insufficient to make all~~
 76 ~~payments on reimbursements then owing to claimants in a calendar~~
 77 ~~year, then upon certification by the board, the office~~
 78 ~~department shall levy additional assessments of up to 1.5~~
 79 ~~percent of the insurer's net direct written premiums in this~~
 80 ~~state during the calendar year next preceding the date of such~~
 81 ~~assessments against insurers to secure the necessary funds.~~

82 (d) The association may use an installment method to
 83 require the insurer to remit the assessment as premium is
 84 written or may require the insurer to remit the assessment to
 85 the association before collecting the policyholder surcharge. If
 86 the assessment is remitted before the surcharge is collected,
 87 the assessment remitted must be based on an estimate of the
 88 assessment due based on the proportion of each insurer's net
 89 direct written premium in this state for the preceding calendar

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90 year as described in paragraph (a) and adjusted following the
 91 end of the 12-month period during which the assessment is
 92 levied.

93 1. If the association elects to use the installment method,
 94 the office may, in the order levying the assessment on insurers,
 95 specify that the assessment is due and payable quarterly as
 96 premium is written throughout the assessment year. Insurers
 97 shall collect surcharges at a uniform percentage rate specified
 98 by order as described in paragraph (b). Insurers are not
 99 required to advance funds if the association and the office
 100 elect to use the installment option. Assessments levied under
 101 this subparagraph are paid after policy surcharges are
 102 collected, and the recognition of assets is based on actual
 103 premium written offset by the obligation to the association.

104 2. If the association elects to require insurers to remit
 105 the assessment before surcharging the policyholder, the
 106 following shall apply:

107 a. The levy order shall provide each insurer so assessed at
 108 least 30 days written notice of the date the initial assessment
 109 payment is due and payable by the insurer.

110 b. Insurers shall collect surcharges at a uniform
 111 percentage rate specified by the order, as described in
 112 paragraph (b).

113 c. Assessments levied under this subparagraph are paid
 114 before policy surcharges are billed and result in a receivable
 115 for policy surcharges to be billed in the future. The amount of
 116 billed surcharges, to the extent it is likely that it will be
 117 realized, meets the definition of an admissible asset as
 118 specified in the National Association of Insurance

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119 Commissioners' Statement of Statutory Accounting Principles No.
 120 4. The asset shall be established and recorded separately from
 121 the liability. If an insurer is unable to fully recoup the
 122 amount of the assessment, the amount recorded as an asset shall
 123 be reduced to the amount reasonably expected to be recouped.

124 3. Insurers must submit a reconciliation report to the
 125 association within 120 days after the end of the 12-month
 126 assessment period and annually thereafter for a period of three
 127 years. The report must indicate the amount of the initial
 128 payment or installment payments made to the association and the
 129 amount of written premium pursuant to paragraph (a) for the
 130 assessment year. If the insurer's reconciled assessment
 131 obligation is more than the amount paid to the association, the
 132 insurer shall pay the excess surcharges collected to the
 133 association. If the insurer's reconciled assessment obligation
 134 is less than the initial amount paid to the association, the
 135 association shall return the overpayment to the insurer.

136 (2) Assessments levied under this section are not premium
 137 and are not subject to any premium tax, fees, or commissions.
 138 Insurers shall treat the failure of an insured to pay
 139 assessment-related surcharges as a failure to pay premium. An
 140 insurer is not liable for any uncollectible assessment-related
 141 surcharges.

142 (3) Assessments levied under this section may be levied
 143 only upon insurers. This section does not create a cause of
 144 action by a policyholder with respect to the levying of an
 145 assessment or a policyholder's duty to pay assessment-related
 146 surcharges.

147 2. To assure that insurers paying assessments levied under

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148 ~~this paragraph continue to charge rates that are neither~~
 149 ~~inadequate nor excessive, each insurer that is to be assessed~~
 150 ~~pursuant to this paragraph, or a licensed rating organization to~~
 151 ~~which the insurer subscribes, may make, within 90 days after~~
 152 ~~being notified of such assessments, a rate filing for workers'~~
 153 ~~compensation coverage pursuant to ss. 627.072 and 627.091. If~~
 154 ~~the filing reflects a percentage rate change equal to the~~
 155 ~~difference between the rate of such assessment and the rate of~~
 156 ~~the previous year's assessment under this paragraph, the filing~~
 157 ~~shall consist of a certification so stating and shall be deemed~~
 158 ~~approved when made. Any rate change of a different percentage~~
 159 ~~shall be subject to the standards and procedures of ss. 627.072~~
 160 ~~and 627.091.~~

161 (4)(2)(a) The board may exempt any insurer from an
 162 assessment if, in the opinion of the office department, an
 163 assessment would result in such insurer's financial statement
 164 reflecting an amount of capital or surplus less than the minimum
 165 amount required by any jurisdiction in which the insurer is
 166 authorized to transact insurance.

167 (b) The board may temporarily defer, in whole or in part,
 168 assessments against an insurer if, in the opinion of the office
 169 department, payment of the assessment would endanger the ability
 170 of the insurer to fulfill its contractual obligations. In the
 171 case of a self-insurance fund, the trustees of the fund
 172 determined to be endangered must immediately levy an assessment
 173 upon the members of that self-insurance fund in an amount
 174 sufficient to pay the assessments to the corporation.

175 (c) The board may allow an insurer to pay an assessment on
 176 a quarterly basis.

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177

Section 2. This act shall take effect July 1, 2016.



The Florida Senate

Committee Agenda Request

To: Senator Anitere Flores, Chair
Committee on Fiscal Policy

Subject: Committee Agenda Request

Date: January 29, 2016

I respectfully request that **Senate Bill # 828**, relating to Insurance Guaranty Association Assessments, be placed on the:

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

A handwritten signature in cursive script that reads "Aaron Bean".

Senator Aaron Bean
Florida Senate, District 4

THE FLORIDA SENATE
APPEARANCE RECORD

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

828

Meeting Date _____

Bill Number (if applicable) _____

Topic _____

Amendment Barcode (if applicable) _____

Name Robert Reyes

Job Title _____

Address 325 W College Ave
Street

Phone 850 502 1802

DAI FL 32301
City State Zip

Email _____

Speaking: For Against Information

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

Representing FL workers Compensation Insurance Guaranty Fund

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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

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

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Committee on Fiscal Policy

BILL: CS/CS/SB 940

INTRODUCER: Commerce and Tourism Committee; Banking and Insurance Committee; and Senator Bradley

SUBJECT: Title Insurance

DATE: February 3, 2016

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Billmeier</u>	<u>Knudson</u>	<u>BI</u>	Fav/CS
2.	<u>Little</u>	<u>McKay</u>	<u>CM</u>	Fav/CS
3.	<u>Pace</u>	<u>Hrdlicka</u>	<u>FP</u>	Favorable

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/CS/SB 940 changes the unearned premium reserve requirement for title insurers that are members of an insurance holding company system having \$1 billion or more in surplus as to policyholders and have a financial strength rating of “superior,” “excellent,” “exceptional,” or an equivalent rating by a rating agency acceptable to the Office of Insurance Regulation.

The bill removes the requirement that a title insurer that transfers its domicile to Florida must set an unearned premium reserve and release its unearned premium reserve under the laws of its previous domicile state. Instead, the bill requires a title insurer that transfers its domicile to Florida to calculate an adjusted statutory or unearned premium reserve as if, on the effective date of redomestication, the insurer had been domesticated in Florida for the previous 20 years and authorizes the release of such reserve.

The bill is not anticipated to have an impact on state funds.

II. Present Situation:

Title insurance is (1) insurance of owners of real property or others having an interest in real property or contractual interest derived therefrom, or liens or encumbrances on real property, against loss by encumbrance, defective titles, invalidity, or adverse claim to title; or (2) insurance of owners and secured parties of the existence, attachment, perfection, and priority of security

interests in personal property under the Uniform Commercial Code.¹ Title insurance serves to indemnify the insured against financial loss caused by defects in the title arising out of events that occurred before the date of the policy.²

Title insurance agents and agencies are licensed and regulated by the Department of Financial Services (DFS), while title insurance companies are licensed and regulated by the Office of Insurance Regulation (OIR).³

Title Insurance Reserve Requirements

Insurance companies must maintain adequate reserves (cash or liquid assets) to pay claims and satisfy other liabilities and must report its reserves to the OIR.⁴ Generally, an insurer's reserve is a fund of capital that it keeps to meet its best estimate of known or expected losses for claims on policies it has written or assumed.⁵ A title insurer must maintain two types of reserves. First, a title insurer must maintain reserves sufficient to pay all of its unpaid losses.⁶ Second, a title insurer must maintain a guaranty fund or unearned premium reserve to be used for reinsurance in the event the insurer becomes insolvent.⁷

Since 2014,⁸ Florida has implemented different unearned premium reserve requirements depending on whether a title insurer has \$50 million or more in surplus.⁹ For title insurers with less than \$50 million in surplus, the unearned premium reserve must consist of at least the sum of:

- For unearned premiums for policies written or title liability assumed in reinsurance before July 1, 1999, a reserve equal to the reserve established on June 30, 1999;¹⁰
- A total amount equal to 30 cents for each \$1,000 of net retained liability¹¹ for policies written or title liability assumed in reinsurance on or after July 1, 1999.
- An additional amount, if deemed necessary by a qualified actuary.¹²

¹ Section 624.608, F.S.

² See *Lawyers Title Insurance Co., Inc., v. Novastar Mortgage, Inc.*, 862 So.2d 793, 797 (Fla. 4th DCA 2003).

³ See ss. 626.016, 626.8417, 624.404, and 626.8418, F.S.

⁴ Section 624.424, F.S.

⁵ INSURANCE INFORMATION INSTITUTE, *Glossary: Reserve*, <http://www.iii.org/services/glossary> (last viewed Nov. 25, 2015).

⁶ See ss. 625.041(2) and 625.111, F.S.

⁷ See s. 625.111, F.S. "It is common for title defects to go undiscovered many years after the issuance of a title insurance policy. The purpose of the statutory or unearned premium reserve is to provide a fund for the payment of these late-reported claims." See *infra* note 21 at 8.

⁸ The reserve requirements were changed by ch. 2014-132, L.O.F.

⁹ The capital and surplus of an insurance company is sometimes referred to as "surplus as to policyholders" or "policyholders' surplus." Policyholders' surplus is equal to net admitted assets, or admitted assets minus liabilities. See ss. 627.778(2), and 624.408, F.S.

¹⁰ For domestic title insurers, the amounts must be calculated according to law in effect at the time the associated premiums were written or assumed and as amended prior to July 1, 1999.

¹¹ Section 625.111(6)(b), F.S., defines "net retained liability" as the "total liability retained by a title insurer for a single risk, after taking into account the deduction for ceded liability, if any."

¹² Section 625.111(1)(a),(b), and (d), F.S.

For title insurance with \$50 million or more in surplus, the unearned premium reserve must be the sum of:

- A minimum of 6.5 percent of the total of (1) direct premiums written and (2) premiums for reinsurance assumed, plus other income, less premiums for reinsurance ceded as displayed in Schedule P of the title insurer's most recent annual statement filed with the OIR.
- An additional amount, if deemed necessary by a qualified actuary.¹³

Releasing Unearned Premium Reserve

Title insurance policies cover an exceptionally long period of risk, therefore, the conversion of reserves to surplus capital occurs quarterly over a period 20 years.¹⁴ Section 625.111, F.S., sets the following schedule for release of reserves. Once the reserve money is released, it is available for use by the title insurer. For policies written before July 1, 1999, an insurer must release:

- 30 percent of the initial aggregate sum during 1999;
- 15 percent during calendar year 2000;
- 10 percent during each of calendar years 2001 and 2002;
- 5 percent during each of calendar years 2003 and 2004;
- 3 percent during each of calendar years 2005 and 2006;
- 2 percent during each of calendar years 2007-2013; and
- 1 percent during each of calendar years 2014-2018.¹⁵

For policies written on or after July 1, 1999, an insurer must release:

- 30 percent of the initial sum during calendar year next succeeding the year the premium was written
- 15 percent during the next succeeding year;
- 10 percent during each of the next succeeding 2 years;
- 5 percent during each of the next succeeding 2 years;
- 3 percent during each of the next succeeding 2 years;
- 2 percent during each of the next succeeding 7 years; and
- 1 percent during each of the next succeeding 5 years.¹⁶

For companies with more than \$50 million in surplus, the title insurer must release:

- 35 percent of the initial sum during the year following the year the premium was written or assumed;
- 15 percent during each year of the next succeeding 2 years;
- 10 percent during the next succeeding year;
- 3 percent during each of the next succeeding 3 years;
- 2 percent during each of the next succeeding 3 years; and
- 1 percent during each of the next succeeding 10 years.¹⁷

¹³ Section 625.111(1)(c) and (d), F.S.

¹⁴ Section 625.111(2)(a), F.S.

¹⁵ Section 625.111(2)(a), F.S.

¹⁶ Section 625.111(2)(b), F.S.

¹⁷ Section 625.111(2)(c), F.S.

Reserve Requirement When a Title Insurer Moves to Florida

Currently, a title insurer organized under the laws of another state that transfers its domicile to Florida has the same unearned premium reserve requirement as set by the laws of the title insurer's former state of domicile. The reserve is released according to the requirements of law in effect in the former state at the time of domicile. For business written after January 1, 2014, the title insurer must add to and set aside in the statutory or unearned premium reserve the appropriate amount as determined by the company's surplus.¹⁸

Rating Agencies

Rating agencies issue financial strength ratings for insurance companies. The opinions of rating agencies such as Standard & Poor's, Moody's Investors Service, Fitch Ratings, A.M. Best Company, and Demotech are used by the OIR in regulation of the insurance industry.¹⁹ Financial strength ratings are an attempt by the rating agencies to judge whether an insurance company can survive an economic downturn or meet policy obligations.²⁰ For example, the A.M. Best Company ratings range from "A+" to "D." A rating of A- or higher by A.M. Best Company is considered "superior" or "excellent" under that company's rating system. Under the Demotech rating system ratings range from "A" to "M," with an "A" rating considered "exceptional".

III. Effect of Proposed Changes:

The bill allows title insurers that are members of an insurance holding company system having \$1 billion or more in surplus as to policyholders and a "superior," "excellent," "exceptional," or equivalent financial strength rating, as determined by a rating agency acceptable to the OIR, to set an unearned premium reserve in the same manner as companies with \$50 million or more in surplus as to policyholders. This unearned premium reserve requirement will give smaller insurers access to additional surplus capital if they are members of larger holding companies.

The bill removes the requirement that a title insurer that transfers its domicile to Florida must set an unearned premium reserve and release its unearned premium reserve under the laws of its previous domicile state. Instead, the bill requires a title insurer that transfers its domicile to Florida to calculate an adjusted statutory or unearned premium reserve as if, on the effective date of redomestication, the insurer had been domesticated in Florida for the previous 20 years.

If the calculated adjusted statutory or unearned premium reserve exceeds the amount set aside for statutory or unearned premiums in the insurer's annual statement, then the insurer is required to increase its statutory or unearned premium reserve by an amount equal to one sixth of the excess over a specific timeframe. However, if the adjusted statutory or unearned premium is less than the aggregate amount set aside for statutory or unearned premiums in the insurer's annual statement, the insurer can release the excess into surplus.

¹⁸ Section 625.111(3), F.S.

¹⁹ See s. 624.610(3)(e), F.S.

²⁰ Demotech, Inc., Financial Stability Ratings Definitions, available at http://www.demotech.com/fsr_definitions.asp; and A.M. Best Company, Best's Financial Strength Rating Guide, (version 061515) available at <http://www.ambest.com/ratings/guide.pdf> (both sites last accessed January 28, 2016).

The new reserve and release requirements for a title insurer that transfers its domicile to Florida conform to the provisions under the National Association of Insurance Commissioner's Title Insurance Model Act.²¹

This bill takes effect July 1, 2016.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

This bill could allow some title insurers to have access to additional surplus capital due to revised reserve requirements.

C. Government Sector Impact:

The OIR does not anticipate a fiscal impact on the agency due to this bill.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 625.111 of the Florida Statutes.

²¹ The purpose of the model act is to provide effective regulation and supervision of title insurance and title insurers. See National Association of Insurance Commissioners, *Title Insurers Model Act*, MDL-628 (April 1996) p. 8-9, available at <http://naic.org/store/free/MDL-628.pdf> (last accessed January 28, 2016).

IX. Additional Information:

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

CS/CS by Commerce and Tourism on January 25, 2016:

The CS amends the bill to require a title insurer that transfers its domicile to Florida to calculate an adjusted statutory or unearned premium reserve as if, on the effective date of redomestication, the insurer had been domesticated in Florida for the previous 20 years.

CS by Banking and Insurance on January 11, 2016:

The CS allows a title insurer that is a member of an insurance holding company system that has \$1 billion or more in surplus and a superior, excellent, exceptional or equivalent financial strength rating from a rating agency acceptable to the OIR to have different reserve requirements from companies with less than \$50 million in surplus. The original bill only applied to companies with a specified rating by the A.M. Best Company. The CS allows companies to use different rating agencies if the agency is acceptable to the OIR.

- B. **Amendments:**

None.

By the Committees on Commerce and Tourism; and Banking and Insurance; and Senator Bradley

577-02548-16

2016940c2

A bill to be entitled

An act relating to title insurance; amending s. 625.111, F.S.; revising the reserves that certain title insurers must set aside after a certain date; revising the manner in which reserves must be released; revising premium reserve requirements and calculations for a title insurer who transfers domicile to this state; providing an effective date.

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

Section 1. Subsections (1) and (3) of section 625.111, Florida Statutes, are amended to read:

625.111 Title insurance reserve.—In addition to an adequate reserve as to outstanding losses relating to known claims as required under s. 625.041, a domestic title insurer shall establish, segregate, and maintain a guaranty fund or unearned premium reserve as provided in this section. The sums to be reserved for unearned premiums on title guarantees and policies shall be considered and constitute unearned portions of the original premiums and shall be charged as a reserve liability of the insurer in determining its financial condition. Such reserved funds shall be withdrawn from the use of the insurer for its general purposes, impressed with a trust in favor of the holders of title guarantees and policies, and held available for reinsurance of the title guarantees and policies in the event of the insolvency of the insurer. This section does not preclude the insurer from investing such reserve in investments authorized by law, and the income from such investments shall be included in the general income of the insurer and may be used by such insurer for any lawful purpose.

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(1) For an unearned premium reserve established on or after July 1, 1999, such reserve must be in an amount at least equal to the sum of paragraphs (a), (b), and (d) for title insurers holding less than \$50 million in surplus as to policyholders as of the previous year end and the sum of paragraphs (c) and (d) for title insurers holding \$50 million or more in surplus as to policyholders as of the previous year end or title insurers that are members of an insurance holding company system that has \$1 billion or more in surplus as to policyholders and a superior, excellent, exceptional, or an equivalent financial strength rating by a rating agency acceptable to the office:

(a) A reserve with respect to unearned premiums for policies written or title liability assumed in reinsurance before July 1, 1999, equal to the reserve established on June 30, 1999, for those unearned premiums with such reserve being subsequently released as provided in subsection (2). For domestic title insurers subject to this section, such amounts shall be calculated in accordance with state law in effect at the time the associated premiums were written or assumed and as amended before July 1, 1999.

(b) A total amount equal to 30 cents for each \$1,000 of net retained liability for policies written or title liability assumed in reinsurance on or after July 1, 1999, with such reserve being subsequently released as provided in subsection (2). For the purpose of calculating this reserve, the total of the net retained liability for all simultaneous issue policies covering a single risk shall be equal to the liability for the policy with the highest limit covering that single risk, net of any liability ceded in reinsurance.

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61 (c) On or after January 1, 2014, for title insurers that
 62 are members of an insurance holding company system that has \$1
 63 billion or more in surplus as to policyholders and a superior,
 64 excellent, exceptional, or an equivalent financial strength
 65 rating by a rating agency acceptable to the office, or title
 66 insurers holding \$50 million or more in surplus as to
 67 policyholders as of the previous year end, a minimum of 6.5
 68 percent of the total of the following:

- 69 1. Direct premiums written; and
- 70 2. Premiums for reinsurance assumed, plus other income,
 71 less premiums for reinsurance ceded as displayed in Schedule P
 72 of the title insurer's most recent annual statement filed with
 73 the office with such reserve being subsequently released as
 74 provided in subsection (2). Title insurers with less than \$50
 75 million in surplus as to policyholders that are not members of
 76 an insurance holding company system that has \$1 billion or more
 77 in surplus as to policyholders and a superior, excellent,
 78 exceptional, or an equivalent financial strength rating by a
 79 rating agency acceptable to the office must continue to record
 80 unearned premium reserve in accordance with paragraph (b).

81 (d) An additional amount, if deemed necessary by a
 82 qualified actuary, to be subsequently released as provided in
 83 subsection (2). Using financial results as of December 31 of
 84 each year, all domestic title insurers shall obtain a Statement
 85 of Actuarial Opinion from a qualified actuary regarding the
 86 insurer's loss and loss adjustment expense reserves, including
 87 reserves for known claims, incurred but not reported claims, and
 88 unallocated loss adjustment expenses. The actuarial opinion must
 89 conform to the annual statement instructions for title insurers

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90 adopted by the National Association of Insurance Commissioners
 91 and include the actuary's professional opinion of the insurer's
 92 reserves as of the date of the annual statement. If the amount
 93 of the reserve stated in the opinion and displayed in Schedule P
 94 of the annual statement for that reporting date is greater than
 95 the sum of the known claim reserve and unearned premium reserve
 96 as calculated under this section, as of the same reporting date
 97 and including any previous actuarial provisions added at earlier
 98 dates, the insurer shall add to the insurer's unearned premium
 99 reserve an actuarial amount equal to the reserve shown in the
 100 actuarial opinion, minus the known claim reserve and the
 101 unearned premium reserve, as of the current reporting date and
 102 calculated in accordance with this section, but not calculated
 103 as of any date before December 31, 1999. The comparison shall be
 104 made using that line on Schedule P displaying the Total Net Loss
 105 and Loss Adjustment Expense which is comprised of the Known
 106 Claim Reserve, and any associated Adverse Development Reserve,
 107 the reserve for Incurred But Not Reported Losses, and
 108 Unallocated Loss Adjustment Expenses.

109 (3) If a title insurer that is organized under the laws of
 110 another state transfers its domicile to this state, the insurer
 111 shall calculate an adjusted statutory or unearned premium
 112 reserve as of the effective date of redomestication to this
 113 state. The adjusted statutory or unearned premium reserve shall
 114 be calculated as if subsections (1) and (2) had been in effect
 115 as to the insurer's foreign statutory premium reserve for all
 116 years beginning 20 years before the effective date of
 117 redomestication. For purposes of calculating the adjusted
 118 statutory or unearned premium reserve, the balance of the

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119 insurer's foreign statutory premium reserve as of the date 20
120 years before the redomestication shall be \$0. If the adjusted
121 statutory or unearned premium reserve exceeds the aggregate
122 amount set aside for statutory or unearned premiums in the
123 insurer's annual statement on file with the office on the date
124 of redomestication, the insurer shall, out of total charges for
125 policies of title insurance, increase its statutory or unearned
126 premium reserve by an amount equal to one-sixth of that excess
127 in each of the succeeding 6 years, commencing with the calendar
128 year that includes the redomestication, until the entire excess
129 has been added. If the adjusted statutory or unearned premium
130 reserve is less than the aggregate amount set aside for
131 statutory or unearned premiums in the insurer's annual statement
132 on file with the office on the date of redomestication, the
133 insurer may release the excess into surplus ~~statutory or~~
134 unearned premium reserve shall be the amount required by the
135 laws of the state of the title insurer's former state of
136 domicile as of the date of transfer of domicile and shall be
137 released from reserve according to the requirements of law in
138 effect in the former state at the time of domicile. On or after
139 January 1, 2014, for new business written after the effective
140 date of the transfer of domicile to this state, the domestic
141 title insurer shall add to and set aside in the statutory or
142 unearned premium reserve such amount as provided in subsection
143 (1).

144 Section 2. This act shall take effect July 1, 2016.



The Florida Senate

Committee Agenda Request

To: Senator Anitere Flores, Chair
Committee on Fiscal Policy

Subject: Committee Agenda Request

Date: January 27, 2016

I respectfully request that **Senate Bill # 940**, relating to Title Insurance, be placed on the:

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

A handwritten signature in black ink, appearing to read "Rob Bradley", written over a horizontal line.

Senator Rob Bradley
Florida Senate, District 7

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Committee on Fiscal Policy

BILL: SB 956

INTRODUCER: Senator Stargel

SUBJECT: Special Districts

DATE: February 3, 2016

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Present</u>	<u>Yeatman</u>	<u>CA</u>	Favorable
2.	<u>Gusky</u>	<u>Miller</u>	<u>ATD</u>	Recommend: Favorable
3.	<u>Jones</u>	<u>Hrdlicka</u>	<u>FP</u>	Favorable

I. Summary:

SB 956 requires a special district to publish additional information on its website and to ensure other current information is maintained on their website for longer periods of time. The bill also reorganizes the oversight provisions of ch. 189, F.S., to increase clarity and avoid duplication. The bill clarifies the power of the Legislature to create dependent special districts. The bill revises the process for the Department of Economic Opportunity (DEO) to declare a special district inactive and clarifies the power of the Legislature to dissolve inactive independent special districts by general law. It also makes conforming changes to a number of related statutes.

According to the DEO, the bill will have a minimal fiscal impact that the agency can absorb within existing resources.

The bill is effective October 1, 2016.

II. Present Situation:

A “special district” is “a unit of local government created for a special purpose... operat[ing] within a limited geographic boundary and is created by general law, special act, local ordinance, or rule of the Governor and Cabinet.”¹ Special districts are created to provide a wide variety of services, such as mosquito control,² beach facilities,³ children’s services,⁴ fire control and rescue,⁵ or drainage control.⁶

¹ Section 189.012(6), F.S.

² Section 388.021(1), F.S. (however, new independent mosquito control districts are prohibited, *see* s. 388.021(2), F.S.).

³ *See* s. 189.011, F.S.

⁴ Section 125.901(1), F.S.

⁵ Section 191.002, F.S.

⁶ Section 298.01, F.S.

Special districts can be classified as “dependent special districts” or “independent special districts.” For a district to be classified as a “dependent special district,” the district must meet at least one of the following criteria:

- Membership of its governing body is identical to that of the governing body of a single county or a single municipality;
- All members of its governing body are appointed by the governing body of a single county or a single municipality;
- The members of its governing body are subject to removal at will by the governing body of a single county or single municipality, during their unexpired terms; or
- The district’s budget requires approval or can be vetoed by the governing body of a single county or a single municipality.⁷

An “independent special district” is any special district that does not meet the definition of “dependent special district.” Furthermore, any special district that includes territory in more than one county is an independent special district, unless the district lies entirely within the borders of a single municipality.⁸

Special districts are governed generally by the Uniform Special District Accountability Act of 1989 (act) which was enacted by the Legislature to reform and consolidate laws relating to special districts.⁹ In 2014, the act was revised extensively and reorganized into eight parts. The revision made significant changes to provisions concerning independent special districts and special district oversight and accountability.¹⁰

According to the DEO’s Special District Accountability Program Official List of Special Districts, the state currently has 1,659 special districts. Specially there are:

- 1,648 active districts, 11 inactive districts;
- 634 dependent special districts; and
- 1,025 independent special districts.¹¹

Internet Accessible Budgets

Each special district is required to post a tentative budget to its website at least 2 days before a budget hearing. When a budget is approved, it must be posted to the website within 30 days. If the budget is later amended, the adopted amendment must be posted on the district’s website within 5 days after adoption. If a dependent special district does not operate a website, the act creates alternative avenues for publication.¹²

⁷ Section 189.012(2), F.S.

⁸ *Id.* at (3).

⁹ Section 189.06, F.S.

¹⁰ Chapter 2014-22, L.O.F.

¹¹ See Department of Economic Opportunity, Division of Community Development, Special District Accountability Program, *Official List of Special Districts Online – Directory*, available at <https://dca.deo.myflorida.com/fhcd/sdip/OfficialListdeo/> (last visited January 29, 2016).

¹² Sections 189.016(4) and (7), F.S.

If a special district does not operate a website the special district must, within a reasonable period of time, transmit the tentative and final budget or amendment to the local government authority. The local governing authority must then post the budget or amendment to its own website.¹³

Creation of Dependent Special Districts

Dependent special districts typically are created by the passage of an ordinance.¹⁴ The ordinance creating the special district must include:

- Purpose, powers, functions, and duties of the district;
- Geographic boundaries of the district;
- Authority of the district;
- An explanation of why the district is the best mechanism for service delivery;
- Membership, organization, compensation, and administrative duties of the district's board;
- Applicable financial disclosure, noticing, and reporting requirements;
- Method for financing the district; and
- A declaration that the creation of the district is consistent with the approved local government comprehensive plans.¹⁵

Status Statement as dependent or independent

The charter for any new special district created after October 1, 1997, must contain a reference to the status of the district as dependent or independent. Existing special districts are required to amend their charter to contain status information, as practical.¹⁶ If a district fails to submit its status to the DEO, then the department is authorized to determine the district's status as dependent or independent.¹⁷

Oversight of Special Districts

When an independent special district fails to file required reports or requested information, the Joint Legislative Auditing Committee (JLAC) must provide written notice of the district's noncompliance to the;

- President of the Senate,
- Speaker of the House of Representatives,
- Standing committees of the Senate and House of Representatives charged with special district oversight, and
- Legislators who represent any portion of the geographic jurisdiction of the district.¹⁸

¹³ *Id.*

¹⁴ Section 189.02(1), F.S. Prior to September 30, 1989, some dependent special districts were created by general law or special act. There are currently 108 active dependent special districts that were created by general law and 74 created by special act.

¹⁵ Section 189.02(4), F.S.

¹⁶ Section 189.031(5), F.S.

¹⁷ Section 189.061(4), F.S.

¹⁸ Section 189.034(2), F.S.

The JLAC may then convene a public hearing and the special district is required to provide the annual financial report for the prior fiscal year, audit report for the previous fiscal year, and the annual report for the previous fiscal year, providing a detailed review of the performance of the special district.¹⁹

When a dependent special district fails to file required reports or requested information, the JLAC provides written notice of the district's noncompliance to the head of the local general-purpose government to which the district is dependent.²⁰ The local general-purpose government may conduct a public hearing on the issue of noncompliance within 3 months of the receipt of the notice. The local general-purpose government has 30 days upon receipt of the notice to inform the JLAC of the date, time, and place of the public hearing.²¹

The special district must provide the local general-purpose government the same information required by an independent special district to the JLAC. If the local general-purpose government convenes a public hearing, it must provide the DEO and the JLAC a report containing findings and conclusions within 60 days.²²

Special District Accountability Program

The DEO is tasked with the administration of the Special District Accountability Program.²³ As part of administering the program, the DEO is required to publish and update the "Florida Special District Handbook." The Florida Special District Handbook must contain:

- Definitions of special districts and status distinctions;
- Provisions concerning special district creation, implementation, modification, dissolution, and operating procedures; and
- Summary of reporting requirements.²⁴

Official List of Special Districts

The official list of special districts contains all special districts and identifies the district's status as independent or dependent. The DEO must make the list available on its website and must provide links to the website of each special district that operates a website.²⁵

Inactive Special Districts

Whether dependent or independent, when a special district no longer fully functions or fails to meet its statutory responsibilities, the DEO is required to declare that district inactive by following a specified process. The DEO must declare a special district inactive by documenting one of the following criteria:

¹⁹ Sections 189.034(3) and (4), F.S.

²⁰ Section 189.035(2), F.S.

²¹ Sections 189.035(2) and (3), F.S.

²² Sections 189.035(4) and (5), F.S.

²³ Section 189.064, F.S.

²⁴ Section 189.064(3), F.S.

²⁵ Sections 189.061(1) and (5), F.S. *See also supra* note 11.

- The registered agent of the district, the chair of the district governing body, or the governing body of the appropriate local general-purpose government:
- Provides the DEO with written notice that the district has taken no action for 2 or more years.
- Provides the DEO with written notice that the district has not had any members on its governing body or insufficient numbers to constitute a quorum for 2 or more years.
- Fails to respond to an inquiry from the DEO within 21 days.
- Following statutory procedure, the DEO determines the district failed to file specified reports,²⁶ including required financial reports.
- For more than 1 year, no registered office or agent for the district was on file with the DEO.
- The governing body of the district unanimously adopts a resolution declaring the district inactive and provides documentation of the resolution to the DEO.²⁷

Once the DEO determines which criterion applies to the district, notice of the proposed declaration of inactive status is published by the DEO.²⁸ The notice must state that any objections to declaring the district inactive must be filed with the DEO pursuant to ch. 120, F.S., within 21 days after the publication date. If no objection is filed within the 21-day period, the DEO declares the district inactive.²⁹

Prior to 2014, the former statute required the DEO to document the existence of one of the criteria listed in paragraph s. 189.062(1)(a), publication and service under paragraph (1)(b) of a notice of intent to declare the district inactive, and the lack of any administrative appeal of the declaration within 21 days of that publication.³⁰ In 2014, as ch. 189, F.S., was extensively revised and restructured, the word “or” was added at the end of s. 189.062(1)(a)6., F.S., allowing the DEO either to document one of the six criteria or publish notice of intent to declare the district inactive and find no objection is filed.³¹

Internet Accessible Reporting

Each special district is required to maintain an official website containing essential information about the district.³² Independent special districts are required to maintain their own website, while a link to information about dependent special districts must be displayed on the home page of the local general-purpose government which created the district. Dependent special districts may maintain their own webpages, but are not required to do so.³³

²⁶ Section 189.066, F.S.

²⁷ Section 189.062(1)(a), F.S.

²⁸ Section 189.062(1)(b), F.S. Publication must be in a newspaper of general circulation in the county or municipality where the district is located and a copy sent by certified mail to the district’s registered agent or chair of the district’s governing body, if any.

²⁹ Section 189.062(1), F.S.

³⁰ Section 189.4044, F.S. (2013).

³¹ Chapter 2014-22, s. 24, L.O.F.

³² Section 189.069(1), F.S. The website must include: the district’s legal name, public purpose, geographic area, code of ethics, charter and associated information, budget, fiscal year, and audit report for the most recently completed fiscal year; vital information about the district’s governing body; contact information for the district, including for district’s spokesperson; and a table of all taxes and fees of the district. Section 189.069(2)(a), F.S.

³³ Section 189.069(1), F.S.

III. Effect of Proposed Changes:

Section 1 amends s. 11.40, F.S., to conform cross-references.

Section 2 amends s. 189.011, F.S., to expand legislative intent to include all special districts in the requirements of registration and reporting financial and other activities. The bill also clarifies that failure to comply with the minimum disclosure requirements may result in action against the special district, as opposed to the officers of the district.

Section 3 amends s. 189.016, F.S., to require a special district to post its tentative budget on its website where it must remain for at least 45 days after the budget hearing. The final budget must be posted 30 days after adoption and remain online for at least 2 years. If the budget is amended, then any adopted amendment must be posted on the website within 5 days and remain online for at least 2 years after adoption.

The bill removes the requirement for a special district without a website to transmit its tentative budgets, final budgets, and amendments to the local governing authority or the local general-purpose government in which the special district is located. Beginning October 1, 2015, all special districts were required to maintain an official website.

Section 4 reenacts s. 165.0615(16), F.S., relating to municipal conversion of independent special districts upon elector-initiated and approved referendum to incorporate amendments made by the bill

Section 5 creates s. 189.02(5), F.S., to allow the Legislature create dependent special districts by special act at the request or with the consent of the local government upon which the special district will be dependent.

Section 6 creates s. 189.022, F.S., to require dependent special districts to identify themselves as such in their charters.

Section 7 amends s. 189.031, F.S., to require independent special districts to identify themselves as such in their charters.

Section 8 renumbers, transfers and amends s. 189.034, F.S., concerning oversight of special districts created by special act of the Legislature. **Section 9** renumbers, transfers, and amends s. 189.035, F.S., concerning oversight of special districts created by local ordinance or resolution. Identical provisions in these sections related to information that must be submitted to the JLAC or the local general-purpose government pursuant to a hearing about noncompliance are instead consolidated into a newly created s. 189.0653, F.S. (**Section 13**).

Section 10 amends s. 189.061, F.S., to revise criteria for the official list of special districts to exclude all districts that are declared inactive. The official list must be maintained by the DEO using the information filed by the special districts with the DEO. If a special district does not submit the required written status statement, the DEO may determine the status of the district. After the DEO determines the status, the DEO must render its determination to an agent of the special district.

The official list of special districts or the determination of status does not constitute final agency action pursuant to ch. 120, F.S. The bill provides a procedural process if there is an inconsistency between the status of a special district on the official list and the status submitted by the district.

The Auditor General must notify the DEO of each entity that attempts to report as a special district in an audit report issued pursuant to s. 218.39, F.S., which is not included on the official list of special districts. If the DEO determines that such an entity is a special district, the DEO must add the entity to the official list and notify each such entity that it is required to comply with s. 189.013, F.S.

Section 11 amends s. 189.062, F.S., to clarify that the DEO must declare a special district inactive by documenting that the special district meets one of the six statutory criteria for being considered inactive, publishing notice of intent to declare the district inactive, and affirming that no administrative appeal of the declaration has been filed within 21 days of publication.

The bill provides that each special act creating or amending the charter of a special district declared to be inactive may be repealed by general law initiated by either of the standing committees of the Senate or the House of Representatives with the approval of the chamber's presiding officer. Notice of the introduction of legislation providing for such repeal of a special act must be given to each member of the Legislature who represents any portion of the geographic jurisdiction of the special district.

The DEO must immediately remove each special district declared inactive from the official list of special districts. The DEO must create a separate list of all special districts declared inactive and must keep each inactive district on the list until the DEO has determined that the district has resumed active status or has dissolved.

Section 12 amends s. 189.064, F.S., to require the special district handbook to contain a section that summarizes the public facilities reporting requirements and the evaluation and appraisal notification schedule provided in s. 189.08(2), F.S.

Section 13 creates s. 189.0653, F.S., to require a special district to provide certain information at the request of the local general-purpose government or the Joint Legislative Auditing Committee. The section does not make any substantive changes to current law. Rather, this section is the consolidation of provisions that were shared by the independent and dependent special district oversight processes in ss. 189.034 and 189.035, F.S.

Section 14 amends s. 189.067, F.S., to conform cross-references.

Section 15 amends s. 189.068, F.S., to conform cross-references and other changes made in the bill.

Section 16 amends s. 189.069, F.S., to require the website for a dependent special district to be displayed prominently on the home page of the local general-purpose government upon which it is dependent, whether that government created the special district or not. Related to the list of items required to be on a special districts website, the bill also requires the district's website include a:

- Listing of regularly scheduled public meetings (including date, time, and location);
- Copy of the district's public facilities report;
- Link to the Department of Financial Services website; and
- Agenda and meeting materials at least 7 days before a meeting or workshop. This information must remain online for at least 1 year after the event.

Section 17 amends s. 189.071, F.S., to clarify language concerning the merger or dissolution of dependent special districts.

Section 18 amends s. 189.072, F.S., to remove redundant language.

Section 19 reenacts ss. 189.074(2)(e), (3)(g), F.S., relating to voluntary merger of independent special districts, to incorporate the amendment made by the bill to s. 189.016, F.S.

Section 20 provides that the bill is effective October 1, 2016.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

According to the DEO, the bill will have a minimal fiscal impact on the department that can be absorbed within existing resources. The current system used to generate special districts already has the ability to report separately on active and inactive special districts.³⁴

³⁴ Department of Economic Opportunity, *2016 Legislative Bill Analysis for HB 479*, (November 6, 2015) (on file with the Senate Committee on Fiscal Policy).

VI. Technical Deficiencies:

Lines 380 – 394 restate law already provided in subsection (6) in the same section of s. 189.061, F.S.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends sections 11.40, 189.011, 189.016, 189.02, 189.031, 189.034, 189.035, 189.061, 189.062, 189.064, 189.067, 189.068, 189.069, 189.071, and 189.072 of the Florida Statutes.

This bill reenacts sections 165.0615 and 189.074 of the Florida Statutes.

This bill creates sections 189.022 and 189.0653 of the Florida Statutes.

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

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

None.

B. Amendments:

None.

By Senator Stargel

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1 A bill to be entitled
 2 An act relating to special districts; amending s.
 3 11.40, F.S.; conforming cross-references; amending s.
 4 189.011, F.S.; revising legislative intent with
 5 respect to the Uniform Special District Accountability
 6 Act to include dependent special districts; amending
 7 s. 189.016, F.S.; specifying the period of time for
 8 which certain budget information must remain on the
 9 special district's website; deleting provisions
 10 requiring a special district to transmit certain
 11 budgets to the local government under specific
 12 circumstances; reenacting s. 165.0615(16), F.S.,
 13 relating to municipal conversion of independent
 14 special districts upon an elector-initiated and
 15 approved referendum, to incorporate the amendment to
 16 s. 189.016, F.S., in references thereto; amending s.
 17 189.02, F.S.; specifying the Legislature's authority
 18 to create dependent special districts by special act;
 19 creating s. 189.022, F.S.; providing for the
 20 identification of a dependent special district as
 21 dependent in its charter; amending s. 189.031, F.S.;
 22 providing for the identification of an independent
 23 special district as independent in its charter;
 24 transferring, renumbering, and amending ss. 189.034
 25 and 189.035, F.S.; authorizing the Legislative
 26 Auditing Committee, for districts created by special
 27 act, or local general-purpose governments, for
 28 districts created by local ordinance or enacted by
 29 local resolution, to convene public hearings for

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30 special districts that fail to file specified required
 31 reports or requested information; deleting related
 32 provisions requiring the committee to provide certain
 33 notice to the Legislature or local general-purpose
 34 government, as appropriate, when a special district
 35 fails to file certain required reports or requested
 36 information, to conform; amending s. 189.061, F.S.;
 37 requiring the Department of Economic Opportunity to
 38 exclude inactive special districts from the official
 39 list of special districts; revising procedures for
 40 maintaining the official list of special districts;
 41 specifying that the official list or determination of
 42 status of a special district does not constitute final
 43 agency action; providing procedures for use in
 44 resolving inconsistencies in status determinations of
 45 special districts as identified in the official lists;
 46 requiring the Auditor General to notify the department
 47 of entities that attempt to report as special
 48 districts in certain reports; amending s. 189.062,
 49 F.S.; revising the criteria that must be documented
 50 before a special district may be declared inactive;
 51 authorizing the repeal of certain special acts of
 52 inactive special districts by general law; providing
 53 criteria for initiating such general law; revising the
 54 circumstances under which a declaration of inactive
 55 status may be invalidated; requiring the department to
 56 remove special districts declared inactive from the
 57 official list of special districts; requiring the
 58 department to keep a separate list of inactive

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59 districts; amending s. 189.064, F.S.; revising the
 60 required content of the special district handbook;
 61 creating s. 189.0653, F.S.; requiring special
 62 districts created by special act or local ordinance to
 63 provide specified information to the committee or
 64 local general-purpose government, as appropriate;
 65 amending s. 189.067, F.S.; conforming cross-
 66 references; amending s. 189.068, F.S.; conforming
 67 cross-references; specifying that certain dependent
 68 special districts may be reviewed by specified local
 69 general-purpose governments; amending s. 189.069,
 70 F.S.; revising the list of items required to be
 71 included on the websites of special districts;
 72 amending ss. 189.071 and 189.072, F.S.; conforming
 73 provisions to changes made by the act; reenacting s.
 74 189.074(2)(e) and (3)(g), F.S., relating to the
 75 voluntary merger of independent special districts, to
 76 incorporate the amendment to s. 189.016, F.S., in
 77 references thereto; providing an effective date.

78
 79 Be It Enacted by the Legislature of the State of Florida:

80
 81 Section 1. Paragraph (b) of subsection (2) of section
 82 11.40, Florida Statutes, is amended to read:

83 11.40 Legislative Auditing Committee.—

84 (2) Following notification by the Auditor General, the
 85 Department of Financial Services, or the Division of Bond
 86 Finance of the State Board of Administration of the failure of a
 87 local governmental entity, district school board, charter

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88 school, or charter technical career center to comply with the
 89 applicable provisions within s. 11.45(5)-(7), s. 218.32(1), s.
 90 218.38, or s. 218.503(3), the Legislative Auditing Committee may
 91 schedule a hearing to determine if the entity should be subject
 92 to further state action. If the committee determines that the
 93 entity should be subject to further state action, the committee
 94 shall:

95 (b) In the case of a special district created by:

96 1. A special act, notify the President of the Senate, the
 97 Speaker of the House of Representatives, the standing committees
 98 of the Senate and the House of Representatives charged with
 99 special district oversight as determined by the presiding
 100 officers of each respective chamber, the legislators who
 101 represent a portion of the geographical jurisdiction of the
 102 special district ~~pursuant to s. 189.034(2)~~, and the Department
 103 of Economic Opportunity that the special district has failed to
 104 comply with the law. Upon receipt of notification, the
 105 Department of Economic Opportunity shall proceed pursuant to s.
 106 189.062 or s. 189.067. If the special district remains in
 107 noncompliance after the process set forth in s. 189.0651
 108 ~~189.034(3)~~, or if a public hearing is not held, the Legislative
 109 Auditing Committee may request the department to proceed
 110 pursuant to s. 189.067(3).

111 2. A local ordinance, notify the chair or equivalent of the
 112 local general-purpose government pursuant to s. 189.0652
 113 ~~189.035(2)~~ and the Department of Economic Opportunity that the
 114 special district has failed to comply with the law. Upon receipt
 115 of notification, the department shall proceed pursuant to s.
 116 189.062 or s. 189.067. If the special district remains in

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117 noncompliance after the process set forth in s. 189.0652
 118 ~~189.034(3)~~, or if a public hearing is not held, the Legislative
 119 Auditing Committee may request the department to proceed
 120 pursuant to s. 189.067(3).

121 3. Any manner other than a special act or local ordinance,
 122 notify the Department of Economic Opportunity that the special
 123 district has failed to comply with the law. Upon receipt of
 124 notification, the department shall proceed pursuant to s.
 125 189.062 or s. 189.067(3).

126 Section 2. Subsection (2) of section 189.011, Florida
 127 Statutes, is amended to read:

128 189.011 Statement of legislative purpose and intent.—

129 (2) The Legislature finds that special districts serve a
 130 necessary and useful function by providing services to residents
 131 and property in the state. The Legislature finds further that
 132 special districts operate to serve a public purpose and that
 133 this is best secured by certain minimum standards of
 134 accountability designed to inform the public and appropriate
 135 local general-purpose governments of the status and activities
 136 of special districts. It is the intent of the Legislature that
 137 this public trust be secured by requiring each ~~independent~~
 138 special district in the state to register and report its
 139 financial and other activities. The Legislature further finds
 140 that failure of a ~~an independent~~ special district to comply with
 141 the minimum disclosure requirements set forth in this chapter
 142 may result in action against the special officers of such
 143 district ~~body~~.

144 Section 3. Subsections (4) and (7) of section 189.016,
 145 Florida Statutes, are amended to read:

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146 189.016 Reports; budgets; audits.—

147 (4) The tentative budget must be posted on the special
 148 district's official website at least 2 days before the budget
 149 hearing, held pursuant to s. 200.065 or other law, to consider
 150 such budget and must remain on the website for at least 45 days.
 151 The final adopted budget must be posted on the special
 152 district's official website within 30 days after adoption and
 153 must remain on the website for at least 2 years. ~~If the special~~
 154 ~~district does not operate an official website, the special~~
 155 ~~district must, within a reasonable period of time as established~~
 156 ~~by the local general-purpose government or governments in which~~
 157 ~~the special district is located or the local governing authority~~
 158 ~~to which the district is dependent, transmit the tentative~~
 159 ~~budget or final budget to the manager or administrator of the~~
 160 ~~local general-purpose government or the local governing~~
 161 ~~authority. The manager or administrator shall post the tentative~~
 162 ~~budget or final budget on the website of the local general-~~
 163 ~~purpose government or governing authority.~~ This subsection and
 164 subsection (3) do not apply to water management districts as
 165 defined in s. 373.019.

166 (7) If the governing body of a special district amends the
 167 budget pursuant to paragraph (6) (c), the adopted amendment must
 168 be posted on the official website of the special district within
 169 5 days after adoption and must remain on the website for at
 170 least 2 years. ~~If the special district does not operate an~~
 171 ~~official website, the special district must, within a reasonable~~
 172 ~~period of time as established by the local general-purpose~~
 173 ~~government or governments in which the special district is~~
 174 ~~located or the local governing authority to which the district~~

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175 ~~is dependent, transmit the adopted amendment to the manager or~~
 176 ~~administrator of the local general-purpose government or~~
 177 ~~governing authority. The manager or administrator shall post the~~
 178 ~~adopted amendment on the website of the local general-purpose~~
 179 ~~government or governing authority.~~

180 Section 4. For the purpose of incorporating the amendment
 181 made by this act to section 189.016, Florida Statutes, in a
 182 reference thereto, subsection (16) of section 165.0615, Florida
 183 Statutes, is reenacted to read:

184 165.0615 Municipal conversion of independent special
 185 districts upon elector-initiated and approved referendum.-

186 (16) If the incorporation plan is approved by a majority of
 187 the votes cast in the independent special district, the district
 188 shall notify the special district accountability program
 189 pursuant to s. 189.016(2) and the local general-purpose
 190 governments in which any part of the independent special
 191 district is situated pursuant to s. 189.016(7).

192 Section 5. Subsection (5) is added to section 189.02,
 193 Florida Statutes, to read:

194 189.02 Dependent special districts.-

195 (5) The Legislature may create a dependent special district
 196 by special act at the request or with the consent of the local
 197 government upon which the special district will be dependent.

198 Section 6. Section 189.022, Florida Statutes, is created to
 199 read:

200 189.022 Status statement.-The charter of a newly created
 201 dependent special district shall contain, and where practical
 202 and feasible, the charter of an existing dependent special
 203 district shall be amended to contain, a reference to the status

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204 of the special district as dependent. When necessary, the status
 205 statement shall be amended to conform to the department's
 206 determination or declaratory statement regarding the status of
 207 the district.

208 Section 7. Subsection (5) of section 189.031, Florida
 209 Statutes, is amended to read:

210 189.031 Legislative intent for the creation of independent
 211 special districts; special act prohibitions; model elements and
 212 other requirements; local general-purpose government/Governor
 213 and Cabinet creation authorizations.-

214 (5) STATUS STATEMENT.-~~After October 1, 1997,~~ The charter of
 215 a any newly created independent special district shall contain,
 216 and, where as practical and feasible, the charter of an existing
 217 independent a preexisting special district shall be amended to
 218 contain, a reference to the status of the special district as
 219 ~~dependent or~~ independent. When necessary, the status statement
 220 shall be amended to conform to with the department's
 221 determination or declaratory statement regarding the status of
 222 the district.

223 Section 8. Section 189.034, Florida Statutes, is
 224 transferred, renumbered as section 189.0651, Florida Statutes,
 225 and amended to read:

226 189.0651 189.034 Oversight of special districts created by
 227 special act of the Legislature.-

228 (1) This section applies to any special district created by
 229 special act of the Legislature.

230 (2) If a special district fails to file required reports or
 231 requested information under s. 11.45(6), s. 11.45(7), s. 218.32,
 232 s. 218.38(3), s. 218.39, or s. 218.503(3), with the appropriate

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233 state agency or office, the Legislative Auditing Committee ~~or~~
 234 ~~its designee shall provide written notice of the district's~~
 235 ~~noncompliance to the President of the Senate, the Speaker of the~~
 236 ~~House of Representatives, the standing committees of the Senate~~
 237 ~~and the House of Representatives charged with special district~~
 238 ~~oversight as determined by the presiding officers of each~~
 239 ~~respective chamber, and the legislators who represent a portion~~
 240 ~~of the geographical jurisdiction of the special district.~~

241 ~~(3) the Legislative Auditing Committee may convene a public~~
 242 ~~hearing on the issue of such noncompliance, as well as general~~
 243 ~~oversight of the special district as provided in s. 189.068, at~~
 244 ~~the direction of the President of the Senate and the Speaker of~~
 245 ~~the House of Representatives.~~

246 ~~(4) Before the public hearing as provided in subsection~~
 247 ~~(3), the special district shall provide the following~~
 248 ~~information at the request of the Legislative Auditing~~
 249 ~~Committee:~~

250 ~~(a) The district's annual financial report for the prior~~
 251 ~~fiscal year.~~

252 ~~(b) The district's audit report for the previous fiscal~~
 253 ~~year.~~

254 ~~(c) An annual report for the previous fiscal year providing~~
 255 ~~a detailed review of the performance of the special district,~~
 256 ~~including the following information:~~

257 ~~1. The purpose of the special district.~~

258 ~~2. The sources of funding for the special district.~~

259 ~~3. A description of the major activities, programs, and~~
 260 ~~initiatives the special district undertook in the most recently~~
 261 ~~completed fiscal year and the benchmarks or criteria under which~~

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262 ~~the success or failure of the district was determined by its~~
 263 ~~governing body.~~

264 ~~4. Any challenges or obstacles faced by the special~~
 265 ~~district in fulfilling its purpose and related responsibilities.~~

266 ~~5. Ways the special district believes it could better~~
 267 ~~fulfill its purpose and related responsibilities and a~~
 268 ~~description of the actions that it intends to take during the~~
 269 ~~ensuing fiscal year.~~

270 ~~6. Proposed changes to the special act that established the~~
 271 ~~special district and justification for such changes.~~

272 ~~7. Any other information reasonably required to provide the~~
 273 ~~Legislative Auditing Committee with an accurate understanding of~~
 274 ~~the purpose for which the special district exists and how it is~~
 275 ~~fulfilling its responsibilities to accomplish that purpose.~~

276 ~~8. Any reasons for the district's noncompliance.~~

277 ~~9. Whether the district is currently in compliance.~~

278 ~~10. Plans to correct any recurring issues of noncompliance.~~
 279 ~~11. Efforts to promote transparency, including maintenance~~
 280 ~~of the district's website in accordance with s. 189.069.~~

281 Section 9. Section 189.035, Florida Statutes, is
 282 transferred, renumbered as section 189.0652, Florida Statutes,
 283 and amended to read:

284 189.0652 ~~189.035~~ Oversight of special districts created by
 285 local ordinance or enacted by local resolution.—

286 (1) This section applies to any special district created by
 287 local ordinance or enacted by local resolution.

288 (2) If a special district fails to file required reports or
 289 requested information under s. 11.45(6), s. 11.45(7), s. 218.32,
 290 s. 218.38(3), s. 218.39, or s. 218.503(3) with the appropriate

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291 state agency or office, ~~the Legislative Auditing Committee or~~
 292 ~~its designee shall provide written notice of the district's~~
 293 ~~noncompliance to the chair or equivalent of the local general-~~
 294 ~~purpose government.~~

295 ~~(3)~~ the chair or equivalent of the local general-purpose
 296 government may convene a public hearing on the issue of such
 297 noncompliance, as well as general oversight of the special
 298 district as provided in s. 189.068, within 3 months after
 299 receipt of notice of noncompliance from the Legislative Auditing
 300 Committee. Within 30 days after receiving written notice of
 301 noncompliance, the local general-purpose government shall notify
 302 the Legislative Auditing Committee as to whether a hearing under
 303 this section will be held and, if so, provide the date, time,
 304 and place of the hearing.

305 ~~(4)~~ Before the public hearing as provided in subsection
 306 ~~(3)~~, the special district shall provide the following
 307 information at the request of the local general-purpose
 308 government:

309 ~~(a) The district's annual financial report for the previous~~
 310 ~~fiscal year.~~

311 ~~(b) The district's audit report for the previous fiscal~~
 312 ~~year.~~

313 ~~(c) An annual report for the previous fiscal year, which~~
 314 ~~must provide a detailed review of the performance of the special~~
 315 ~~district and include the following information:~~

316 ~~1. The purpose of the special district.~~

317 ~~2. The sources of funding for the special district.~~

318 ~~3. A description of the major activities, programs, and~~
 319 ~~initiatives the special district undertook in the most recently~~

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320 ~~completed fiscal year and the benchmarks or criteria under which~~
 321 ~~the success or failure of the district was determined by its~~
 322 ~~governing body.~~

323 ~~4. Any challenges or obstacles faced by the special~~
 324 ~~district in fulfilling its purpose and related responsibilities.~~

325 ~~5. Ways in which the special district believes that it~~
 326 ~~could better fulfill its purpose and related responsibilities~~
 327 ~~and a description of the actions that it intends to take during~~
 328 ~~the ensuing fiscal year.~~

329 ~~6. Proposed changes to the ordinance or resolution that~~
 330 ~~established the special district and justification for such~~
 331 ~~changes.~~

332 ~~7. Any other information reasonably required to provide the~~
 333 ~~reviewing entity with an accurate understanding of the purpose~~
 334 ~~for which the special district exists and how it is fulfilling~~
 335 ~~its responsibilities to accomplish that purpose.~~

336 ~~8. Any reasons for the district's noncompliance.~~

337 ~~9. Whether the district is currently in compliance.~~

338 ~~10. Plans to correct any recurring issues of noncompliance.~~

339 ~~11. Efforts to promote transparency, including maintenance~~
 340 ~~of the district's website in accordance with s. 189.069.~~

341 ~~(3)-(5)~~ If the local general-purpose government convenes a
 342 public hearing under subsection (2) ~~this section~~, it shall
 343 provide the department and the Legislative Auditing Committee
 344 with a report containing its findings and conclusions within 60
 345 days after completion of the public hearing.

346 Section 10. Subsections (1), (2), and (4) of section
 347 189.061, Florida Statutes, are amended, present subsection (3)
 348 of that section is renumbered as subsection (4) and amended, and

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349 a new subsection (3) is added to that section, to read:

350 189.061 Official list of special districts.-

351 (1)(a) The department shall maintain the official list of
 352 special districts. The official list of special districts shall
 353 include all special districts in this state and shall indicate
 354 the independent or dependent status of each district. All
 355 special districts on the list shall be sorted by county. The
 356 definitions in s. 189.012 shall be the criteria for
 357 determination of the independent or dependent status of each
 358 special district on the official list. The status of community
 359 development districts shall be independent on the official list
 360 of special districts.

361 (b) The official list shall exclude all districts declared
 362 inactive as provided in s. 189.062.

363 (2) The official list shall be maintained ~~produced~~ by the
 364 department using the information filed with the department by
 365 the special districts pursuant to this chapter. If a special
 366 district does not submit its written status statement required
 367 by s. 189.016(1) within the required time, the department may
 368 determine the status of the district. If the department
 369 determines the status, the department shall render its
 370 determination to an agent of the special district after the
 371 department has notified each special district that is currently
 372 reporting to the department, the Department of Financial
 373 Services pursuant to s. 218.32, or the Auditor General pursuant
 374 to s. 218.39. Upon notification, each special district shall
 375 submit, within 60 days, its determination of its status. The
 376 determination submitted by a special district shall be
 377 consistent with the status reported in the most recent local

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378 ~~government audit of district activities submitted to the Auditor~~
 379 ~~General pursuant to s. 218.39.~~

380 (3) The official list of special districts or the
 381 determination of status does not constitute final agency action
 382 pursuant to chapter 120. If the status of a special district on
 383 the official list is inconsistent with the status submitted by
 384 the district, the district may request the department to issue a
 385 declaratory statement setting forth the requirements necessary
 386 to resolve the inconsistency. If necessary, upon issuance of a
 387 declaratory statement by the department that is not appealed
 388 pursuant to chapter 120, the governing body of any special
 389 district receiving such a declaratory statement shall apply to
 390 the entity that originally established the district for an
 391 amendment to its charter correcting the specified defects in its
 392 original charter. This amendment shall be for the sole purpose
 393 of resolving inconsistencies between a district charter and the
 394 status of a district as it appears on the official list.

395 (4)(3) The Department of Financial Services shall notify
 396 provide the department of each entity that attempts to report as
 397 a special district in the annual financial report with a list of
 398 dependent special districts reporting pursuant to s. 218.32 that
 399 is not included for inclusion on the official list of special
 400 districts. The Auditor General shall notify the department of
 401 each entity that attempts to report as a special district in an
 402 audit report issued pursuant to s. 218.39 which is not included
 403 on the official list of special districts. Upon notification by
 404 the Department of Financial Services or the Auditor General, the
 405 department shall determine whether the entity is a special
 406 district as defined in s. 189.012. If the entity is a special

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407 district, the department shall add the entity to the official
 408 list of special districts and shall notify each such entity that
 409 it is required to comply with s. 189.013.

410 ~~(4) If a special district does not submit its status to the~~
 411 ~~department within the required time period, then the department~~
 412 ~~shall have the authority to determine the status of said~~
 413 ~~district. After such determination of status is completed, the~~
 414 ~~department shall render the determination to an agent of the~~
 415 ~~special district.~~

416 Section 11. Section 189.062, Florida Statutes, is amended
 417 to read:

418 189.062 Special procedures for inactive districts.-

419 (1) The department shall declare inactive any special
 420 district in this state by documenting that:

421 (a) The special district meets one of the following
 422 criteria:

423 1. The registered agent of the district, the chair of the
 424 governing body of the district, or the governing body of the
 425 appropriate local general-purpose government notifies the
 426 department in writing that the district has taken no action for
 427 2 or more years;

428 2. The registered agent of the district, the chair of the
 429 governing body of the district, or the governing body of the
 430 appropriate local general-purpose government notifies the
 431 department in writing that the district has not had a governing
 432 body or a sufficient number of governing body members to
 433 constitute a quorum for 2 or more years;

434 3. The registered agent of the district, the chair of the
 435 governing body of the district, or the governing body of the

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436 appropriate local general-purpose government fails to respond to
 437 an inquiry by the department within 21 days;

438 4. The department determines, pursuant to s. 189.067, that
 439 the district has failed to file any of the reports listed in s.
 440 189.066;

441 5. The district has not had a registered office and agent
 442 on file with the department for 1 or more years; or

443 6. The governing body of a special district provides
 444 documentation to the department that it has unanimously adopted
 445 a resolution declaring the special district inactive. The
 446 special district is ~~shall be~~ responsible for payment of any
 447 expenses associated with its dissolution. ~~A special district~~
 448 ~~declared inactive pursuant to this subparagraph may be dissolved~~
 449 ~~without a referendum; or~~

450 (b) The department, special district, or local general-
 451 purpose government has published a notice of proposed
 452 declaration of inactive status in a newspaper of general
 453 circulation in the county or municipality in which the territory
 454 of the special district is located and has sent a copy of such
 455 notice by certified mail to the registered agent or chair of the
 456 governing body, if any. Such notice must include the name of the
 457 special district, the law under which it was organized and
 458 operating, a general description of the territory included in
 459 the special district, and a statement that any objections must
 460 be filed pursuant to chapter 120 within 21 days after the
 461 publication date. ~~and~~

462 (c) Twenty-one days have elapsed from the publication date
 463 of the notice of proposed declaration of inactive status and no
 464 administrative appeals were filed.

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465 (2) If any special district is declared inactive pursuant
 466 to this section, the property or assets of the special district
 467 are subject to legal process for payment of any debts of the
 468 district. After the payment of all the debts of said inactive
 469 special district, the remainder of its property or assets shall
 470 escheat to the county or municipality wherein located. If,
 471 however, it shall be necessary, in order to pay any such debt,
 472 to levy any tax or taxes on the property in the territory or
 473 limits of the inactive special district, the same may be
 474 assessed and levied by order of the local general-purpose
 475 government wherein the same is situated and shall be assessed by
 476 the county property appraiser and collected by the county tax
 477 collector.

478 (3) (a) In the case of a district created by special act of
 479 the Legislature, the department shall send a notice of
 480 declaration of inactive status to the Speaker of the House of
 481 Representatives and the President of the Senate, and the
 482 standing committees of the Senate and the House of
 483 Representatives charged with special district oversight as
 484 determined by the presiding officers of each respective chamber
 485 and the Legislative Auditing Committee. The notice of
 486 declaration of inactive status shall reference each known
 487 special act creating or amending the charter of any special
 488 district declared to be inactive under this section. The
 489 declaration of inactive status shall be sufficient notice as
 490 required by s. 10, Art. III of the State Constitution to
 491 authorize the Legislature to repeal any special laws so
 492 reported. Each special act creating or amending the charter of a
 493 special district declared to be inactive under this section may

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494 be repealed by general law initiated by either of the standing
 495 committees with the approval of the chamber's presiding officer;
 496 however, notice of the introduction of legislation providing for
 497 such repeal of a special act must be given to each member of the
 498 Legislature who represents any portion of the area within the
 499 jurisdiction of the special district.

500 (b) In the case of a district created by one or more local
 501 general-purpose governments, the department shall send a notice
 502 of declaration of inactive status to the chair of the governing
 503 body of each local general-purpose government that created the
 504 district.

505 (c) In the case of a district created by interlocal
 506 agreement, the department shall send a notice of declaration of
 507 inactive status to the chair of the governing body of each local
 508 general-purpose government which entered into the interlocal
 509 agreement.

510 (4) The entity that created a special district declared
 511 inactive under this section must dissolve the special district
 512 by repealing its enabling laws or by other ~~appropriate~~ as
 513 set forth in s. 189.071 or s. 189.072. ~~Any special district~~
 514 ~~declared inactive pursuant to subparagraph (1)(a)5. may be~~
 515 ~~dissolved without a referendum.~~

516 (5) A special district declared inactive under this section
 517 may not collect taxes, fees, or assessments unless the
 518 declaration is:

519 (a) Withdrawn or revoked by the department; or

520 (b) Invalidated in proceedings initiated by the special
 521 district within 30 days after the publication date of the
 522 newspaper notice required under paragraph (1)(b) written notice

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523 ~~of the declaration was provided to the special district~~
 524 ~~governing body by physical or electronic delivery, receipt~~
 525 ~~confirmed.~~ The special district governing body may initiate
 526 proceedings within the period authorized in this paragraph by:

527 1. Filing with the department a petition for an
 528 administrative hearing pursuant to s. 120.569; or
 529 2. Filing an action for declaratory and injunctive relief
 530 under chapter 86 in the circuit court of the judicial circuit in
 531 which the majority of the area of the district is located.

532 (c) If a timely challenge to the declaration is not
 533 initiated by the special district governing body, or the
 534 department prevails in a proceeding initiated under paragraph
 535 (b), the department may enforce the prohibitions in this
 536 subsection by filing a petition for enforcement with the circuit
 537 court in and for Leon County. The petition may request
 538 declaratory, injunctive, or other equitable relief, including
 539 the appointment of a receiver, and any forfeiture or other
 540 remedy provided by law.

541 (d) The prevailing party shall be awarded costs of
 542 litigation and reasonable attorney fees in any proceeding
 543 brought under this subsection.

544 (6) (a) The department shall immediately remove each special
 545 district declared inactive as provided in this section from the
 546 official list of special districts maintained as provided in ss.
 547 189.061 and 189.064.

548 (b) The department shall create a separate list of all
 549 special districts declared inactive as provided in this section
 550 and shall maintain each such district on the inactive list until
 551 the department determines that the district has resumed active

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552 status, the district is merged as provided in s. 189.071 or s.
 553 189.074, or the district is dissolved as provided in s. 189.071
 554 or s. 189.072.

555 Section 12. Subsections (1), (2), and (3) of section
 556 189.064, Florida Statutes, are amended to read:

557 189.064 Special District Accountability Program; duties and
 558 responsibilities.—The Special District Accountability Program of
 559 the department has the following duties:

560 (1) Electronically publishing special district
 561 noncompliance status reports from the Department of Management
 562 Services, the Department of Financial Services, the Division of
 563 Bond Finance of the State Board of Administration, the Auditor
 564 General, and the Legislative Auditing Committee, for the
 565 reporting required in ss. 112.63, 218.32, 218.38, and 218.39.
 566 The noncompliance reports must list those special districts that
 567 did not comply with the statutory reporting requirements and be
 568 made available to the public electronically.

569 (2) Maintaining the official list of special districts as
 570 set forth in s. 189.061.

571 (3) Publishing and updating of a "Florida Special District
 572 Handbook" that contains, at a minimum:

573 (a) A section that specifies definitions of special
 574 districts and status distinctions in the statutes.

575 (b) A section or sections that specify current statutory
 576 provisions for special district creation, implementation,
 577 modification, dissolution, and operating procedures.

578 (c) A section that summarizes the reporting requirements
 579 applicable to all types of special districts as provided in ss.
 580 189.015 and 189.016.

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581 (d) A section that summarizes the public facilities
 582 reporting requirements and the evaluation and appraisal
 583 notification schedule as provided in s. 189.08(2).
 584 Section 13. Section 189.0653, Florida Statutes, is created
 585 to read:
 586 189.0653 Information before public hearing on
 587 noncompliance.—Before the public hearing as provided in s.
 588 189.0651(2) or s. 189.0652(2) is held, the special district
 589 shall provide the following information at the request of the
 590 local general-purpose government or the Legislative Auditing
 591 Committee, as appropriate:
 592 (1) The district's annual financial report for the previous
 593 fiscal year.
 594 (2) The district's audit report for the previous fiscal
 595 year.
 596 (3) Minutes of meetings of the special district's governing
 597 body for the previous fiscal year and the current fiscal year to
 598 date.
 599 (4) A report for the previous fiscal year providing the
 600 following:
 601 (a) The purpose of the special district.
 602 (b) The sources of funding for the special district.
 603 (c) A description of the major activities, programs, and
 604 initiatives the special district undertook in the most recently
 605 completed fiscal year and the benchmarks or criteria under which
 606 the success or failure of the district was or will be determined
 607 by its governing body.
 608 (d) Any challenges or obstacles faced by the special
 609 district in fulfilling its purpose and related responsibilities.

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

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610 (e) Ways in which the special district's governing body
 611 believes it could better fulfill the special district's purpose
 612 and a description of the actions it intends to take.
 613 (f) Proposed changes to the special act, ordinance, or
 614 resolution, as appropriate, which established the special
 615 district and justification for such changes.
 616 (g) Any other information reasonably required to provide
 617 the reviewing entity with an accurate understanding of the
 618 purpose of the special district and how the special district is
 619 fulfilling that purpose.
 620 (h) Any reasons for the district's noncompliance resulting
 621 in the public hearing.
 622 (i) Whether the district is currently in compliance.
 623 (j) Plans to correct any recurring issues of noncompliance.
 624 (k) Efforts to promote transparency, including a statement
 625 indicating whether the district's website complies with s.
 626 189.069.
 627 Section 14. Subsection (2) of section 189.067, Florida
 628 Statutes, is amended to read:
 629 189.067 Failure of district to disclose financial reports.—
 630 (2) Failure of a special district to comply with the
 631 actuarial and financial reporting requirements under s. 112.63,
 632 s. 218.32, or s. 218.39 after the procedures of subsection (1)
 633 are exhausted shall be deemed final action of the special
 634 district. The actuarial and financial reporting requirements are
 635 declared to be essential requirements of law. Remedies for
 636 noncompliance with ss. 218.32 and 218.39 shall be as provided in
 637 ss. ~~189.0651 and 189.0652~~ 189.034 and 189.035. Remedy for
 638 noncompliance with s. 112.63 shall be as set forth in subsection

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639 (4).

640 Section 15. Paragraphs (a), (b), and (c) of subsection (2)
641 of section 189.068, Florida Statutes, are amended to read:

642 189.068 Special districts; authority for oversight; general
643 oversight review process.-

644 (2) Special districts may be reviewed for general oversight
645 purposes under this section as follows:

646 (a) Each ~~All~~ special district ~~districts~~ created by special
647 act may be reviewed by the Legislature using the ~~public hearing~~
648 process provided in s. 189.0651 ~~189.034~~.

649 (b) Each ~~All~~ special district ~~districts~~ created by local
650 ordinance or resolution may be reviewed by the local general-
651 purpose government that enacted the ordinance or resolution
652 using the ~~public hearing~~ process provided in s. 189.0652
653 ~~189.035~~.

654 (c) Each ~~All~~ dependent special district ~~not created by~~
655 special act ~~districts~~ may be reviewed by the local general-
656 purpose government upon ~~to~~ which it is ~~they are~~ dependent.

657 Section 16. Section 189.069, Florida Statutes, is amended
658 to read:

659 189.069 Special districts; required reporting of
660 information; web-based public access.-

661 (1) Beginning on October 1, 2015, or by the end of the
662 first full fiscal year after its creation, each special district
663 shall maintain an official ~~Internet~~ website containing the
664 information required by this section ~~in accordance with s.~~
665 ~~189.016~~. Each special district ~~districts~~ shall submit its ~~their~~
666 official ~~Internet~~ website address ~~addresses~~ to the department.

667 (a) Each independent special district ~~districts~~ shall

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668 maintain a separate ~~Internet~~ website.

669 (b) Each dependent special district ~~districts~~ shall be
670 prominently ~~preeminently~~ displayed on the home page of the
671 ~~Internet~~ website of the local general-purpose government upon
672 which it is dependent ~~that created the special district~~ with a
673 hyperlink to such webpages as are necessary to provide the
674 information required by this section. A dependent special
675 district ~~districts~~ may maintain a separate ~~Internet~~ website
676 providing the information required by this section.

677 (2) (a) A special district shall post the following
678 information, at a minimum, on the district's official website:

- 679 1. The full legal name of the special district.
- 680 2. The public purpose of the special district.
- 681 3. The name, official address, official e-mail address,
682 and, if applicable, ~~the~~ term and appointing authority for each
683 member of the governing body of the special district.
- 684 4. The fiscal year of the special district.
- 685 5. The full text of the special district's charter, the
686 date of establishment, the establishing entity, and the statute
687 or statutes under which the special district operates, if
688 different from the statute or statutes under which the special
689 district was established. Community development districts may
690 reference chapter 190 as the uniform charter, but must include
691 information relating to any grant of special powers.
- 692 6. The mailing address, e-mail address, telephone number,
693 and ~~Internet~~ website uniform resource locator of the special
694 district.
- 695 7. A description of the boundaries or service area of, and
696 the services provided by, the special district.

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697 8. A listing of all taxes, fees, assessments, or charges
698 imposed and collected by the special district, including the
699 rates or amounts for the fiscal year and the statutory authority
700 for the levy of the tax, fee, assessment, or charge. For
701 purposes of this subparagraph, charges do not include patient
702 charges by a hospital or other health care provider.

703 9. The primary contact information for the special district
704 for purposes of communication from the department.

705 10. A code of ethics adopted by the special district, if
706 applicable, and a hyperlink to generally applicable ethics
707 provisions.

708 11. The budget of the each special district and any, in
709 addition to amendments thereto in accordance with s. 189.016.

710 12. The final, complete audit report for the most recent
711 completed fiscal year, and audit reports required by law or
712 authorized by the governing body of the special district.

713 13. A listing of its regularly scheduled public meetings as
714 required by s. 189.015(1).

715 14. The public facilities report, if applicable.

716 15. The link to the Department of Financial Services'
717 website as set forth in s. 218.32(1)(g).

718 16. At least 7 days before each meeting or workshop, the
719 agenda of the event, along with any meeting materials available
720 in an electronic format, excluding confidential and exempt
721 information. The information must remain on the website for at
722 least 1 year after the event.

723 (b) The department's ~~Internet~~ website list of special
724 districts in the state required under s. 189.061 shall include a
725 link for each special district that provides web-based access to

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726 the public for all information and documentation required for
727 submission to the department pursuant to subsection (1).

728 Section 17. Subsections (2) and (3) of section 189.071,
729 Florida Statutes, are amended to read:

730 189.071 Merger or dissolution of a dependent special
731 district.—

732 (2) The merger or dissolution of an active a dependent
733 special district created and operating pursuant to a special act
734 may be effectuated only by further act of the Legislature unless
735 otherwise provided by general law.

736 (3) A dependent special district that meets any criteria
737 for being declared inactive, ~~or that has already been declared~~
738 ~~inactive~~, pursuant to s. 189.062 may be dissolved or merged by
739 special act without a referendum.

740 Section 18. Subsection (3) of section 189.072, Florida
741 Statutes, is amended to read:

742 189.072 Dissolution of an independent special district.—

743 (3) INACTIVE INDEPENDENT SPECIAL DISTRICTS.—An independent
744 special district that meets any criteria for being declared
745 inactive, ~~or that has already been declared inactive~~, pursuant
746 to s. 189.062 may be dissolved by special act without a
747 referendum. If an inactive independent special district was
748 created by a county or municipality through a referendum, the
749 county or municipality that created the district may dissolve
750 the district after publishing notice as described in s. 189.062.

751 Section 19. For the purpose of incorporating the amendment
752 made by this act to section 189.016, Florida Statutes, in
753 references thereto, paragraph (e) of subsection (2) and
754 paragraph (g) of subsection (3) of section 189.074, Florida

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755 Statutes, are reenacted to read:

756 189.074 Voluntary merger of independent special districts.—
757 Two or more contiguous independent special districts created by
758 special act which have similar functions and elected governing
759 bodies may elect to merge into a single independent district
760 through the act of merging the component independent special
761 districts.

762 (2) JOINT MERGER PLAN BY RESOLUTION.—The governing bodies
763 of two or more contiguous independent special districts may, by
764 joint resolution, endorse a proposed joint merger plan to
765 commence proceedings to merge the districts pursuant to this
766 section.

767 (e) After the final public hearing, the governing bodies
768 shall notify the supervisors of elections of the applicable
769 counties in which district lands are located of the adoption of
770 the resolution by each governing body. The supervisors of
771 elections shall schedule a separate referendum for each
772 component independent special district. The referenda may be
773 held in each district on the same day, or on different days, but
774 no more than 20 days apart.

775 1. Notice of a referendum on the merger of independent
776 special districts must be provided pursuant to the notice
777 requirements in s. 100.342. At a minimum, the notice must
778 include:

- 779 a. A brief summary of the resolution and joint merger plan;
780 b. A statement as to where a copy of the resolution and
781 joint merger plan may be examined;
782 c. The names of the component independent special districts
783 to be merged and a description of their territory;

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784 d. The times and places at which the referendum will be
785 held; and

786 e. Such other matters as may be necessary to call, provide
787 for, and give notice of the referendum and to provide for the
788 conduct thereof and the canvass of the returns.

789 2. The referenda must be held in accordance with the
790 Florida Election Code and may be held pursuant to ss. 101.6101-
791 101.6107. All costs associated with the referenda shall be borne
792 by the respective component independent special district.

793 3. The ballot question in such referendum placed before the
794 qualified electors of each component independent special
795 district to be merged must be in substantially the following
796 form:

797

798 "Shall ...(name of component independent special
799 district)... and ...(name of component independent special
800 district or districts)... be merged into ...(name of newly
801 merged independent district)...?

802

803 ...YES

804 ...NO"

805

806 4. If the component independent special districts proposing
807 to merge have disparate millage rates, the ballot question in
808 the referendum placed before the qualified electors of each
809 component independent special district must be in substantially
810 the following form:

811

812 "Shall ...(name of component independent special

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813 district)... and ...(name of component independent special
 814 district or districts)... be merged into ...(name of newly
 815 merged independent district)... if the voter-approved maximum
 816 millage rate within each independent special district will not
 817 increase absent a subsequent referendum?
 818
 819YES
 820NO"
 821
 822 5. In any referendum held pursuant to this section, the
 823 ballots shall be counted, returns made and canvassed, and
 824 results certified in the same manner as other elections or
 825 referenda for the component independent special districts.
 826 6. The merger may not take effect unless a majority of the
 827 votes cast in each component independent special district are in
 828 favor of the merger. If one of the component districts does not
 829 obtain a majority vote, the referendum fails, and merger does
 830 not take effect.
 831 7. If the merger is approved by a majority of the votes
 832 cast in each component independent special district, the merged
 833 independent district is created. Upon approval, the merged
 834 independent district shall notify the Special District
 835 Accountability Program pursuant to s. 189.016(2) and the local
 836 general-purpose governments in which any part of the component
 837 independent special districts is situated pursuant to s.
 838 189.016(7).
 839 8. If the referendum fails, the merger process under this
 840 subsection may not be initiated for the same purpose within 2
 841 years after the date of the referendum.

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842 (3) QUALIFIED ELECTOR-INITIATED MERGER PLAN.—The qualified
 843 electors of two or more contiguous independent special districts
 844 may commence a merger proceeding by each filing a petition with
 845 the governing body of their respective independent special
 846 district proposing to be merged. The petition must contain the
 847 signatures of at least 40 percent of the qualified electors of
 848 each component independent special district and must be
 849 submitted to the appropriate component independent special
 850 district governing body no later than 1 year after the start of
 851 the qualified elector-initiated merger process.
 852 (g) After the final public hearing, the governing bodies
 853 shall notify the supervisors of elections of the applicable
 854 counties in which district lands are located of the adoption of
 855 the resolution by each governing body. The supervisors of
 856 elections shall schedule a date for the separate referenda for
 857 each district. The referenda may be held in each district on the
 858 same day, or on different days, but no more than 20 days apart.
 859 1. Notice of a referendum on the merger of the component
 860 independent special districts must be provided pursuant to the
 861 notice requirements in s. 100.342. At a minimum, the notice must
 862 include:
 863 a. A brief summary of the resolution and elector-initiated
 864 merger plan;
 865 b. A statement as to where a copy of the resolution and
 866 petition for merger may be examined;
 867 c. The names of the component independent special districts
 868 to be merged and a description of their territory;
 869 d. The times and places at which the referendum will be
 870 held; and

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871 e. Such other matters as may be necessary to call, provide
872 for, and give notice of the referendum and to provide for the
873 conduct thereof and the canvass of the returns.

874 2. The referenda must be held in accordance with the
875 Florida Election Code and may be held pursuant to ss. 101.6101-
876 101.6107. All costs associated with the referenda shall be borne
877 by the respective component independent special district.

878 3. The ballot question in such referendum placed before the
879 qualified electors of each component independent special
880 district to be merged must be in substantially the following
881 form:

882

883 "Shall ...(name of component independent special
884 district)... and ...(name of component independent special
885 district or districts)... be merged into ...(name of newly
886 merged independent district)...?

887

888 ...YES

889 ...NO"

890

891 4. If the component independent special districts proposing
892 to merge have disparate millage rates, the ballot question in
893 the referendum placed before the qualified electors of each
894 component independent special district must be in substantially
895 the following form:

896

897 "Shall ...(name of component independent special
898 district)... and ...(name of component independent special
899 district or districts)... be merged into ...(name of newly

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900 merged independent district)... if the voter-approved maximum
901 millage rate within each independent special district will not
902 increase absent a subsequent referendum?

903

904 ...YES

905 ...NO"

906

907 5. In any referendum held pursuant to this section, the
908 ballots shall be counted, returns made and canvassed, and
909 results certified in the same manner as other elections or
910 referenda for the component independent special districts.

911

912 6. The merger may not take effect unless a majority of the
913 votes cast in each component independent special district are in
914 favor of the merger. If one of the component independent special
915 districts does not obtain a majority vote, the referendum fails,
916 and merger does not take effect.

917

918 7. If the merger is approved by a majority of the votes
919 cast in each component independent special district, the merged
920 district shall notify the Special District Accountability
921 Program pursuant to s. 189.016(2) and the local general-purpose
922 governments in which any part of the component independent
923 special districts is situated pursuant to s. 189.016(7).

924

925 8. If the referendum fails, the merger process under this
926 subsection may not be initiated for the same purpose within 2
927 years after the date of the referendum.

928

929 Section 20. This act shall take effect October 1, 2016.



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:
Higher Education, *Chair*
Appropriations Subcommittee on Education
Fiscal Policy
Judiciary
Military and Veterans Affairs, Space, and Domestic
Security
Regulated Industries

JOINT COMMITTEE:
Joint Committee on Public Counsel Oversight

SENATOR KELLI STARGEL
15th District

January 28, 2016

The Honorable Anitere Flores
Senate Fiscal Policy, Chair
413 Senate Office Building
404 S. Monroe Street
Tallahassee, FL 32399

Dear Chair Flores:

I respectfully request that SB 956, related to *Special Districts*, be placed on the committee agenda at your earliest convenience.

Thank you for your consideration and please do not hesitate to contact me should you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Kelli Stargel".

Kelli Stargel
State Senator, District 15

Cc: Jennifer Hrdlicka/ Staff Director
Tamra Lyon/ AA

REPLY TO:

- 2033 East Edgewood Drive, Suite 1, Lakeland, Florida 33803
- 324 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5015

Senate's Website: www.flsenate.gov

ANDY GARDINER
President of the Senate

GARRETT RICHTER
President Pro Tempore

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Committee on Fiscal Policy

BILL: CS/SB 974

INTRODUCER: Fiscal Policy Committee; and Senators Sobel and Garcia

SUBJECT: Hair Restoration or Transplant

DATE: February 4, 2016

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Rossitto-Van Winkle	Stovall	HP	Favorable
2.	Brown	Pigott	AHS	Recommend: Favorable
3.	Pace	Hrdlicka	FP	Fav/CS

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 974 prohibits anyone other than a physician or physician assistant licensed under the medical practice act or the osteopathic practice act or an advanced registered nurse practitioner from performing a hair restoration or transplant or making incisions for the purpose of performing a hair restoration or transplant. The bill authorizes nurses licensed under ch. 464, F.S., to perform hair restoration and transplant services under the direction of a person licensed under chs. 458 or 459, F.S.

The bill has no fiscal impact on state government.

II. Present Situation:

Hair Restoration Procedures

There are several techniques a physician can employ to restore hair to bald or balding portions of the human scalp. The most recently developed procedure is the follicular unit transplant. This procedure involves the removal of a strip of tissue from the donor area of a patient's scalp which is then divided into a number of individual follicular units. The physician then grafts the

individual follicular units into tiny holes made in the bald area of the scalp, called recipient sites.¹

Another type of hair restoration procedure is the bald scalp reduction procedure. As implied by the name, a bald scalp reduction procedure entails the removal of a bald area of the patient's scalp, and hair-producing areas of the scalp are stretched to cover the area removed. A similar procedure, the scalp flap surgery, involves the cutting and grafting of an entire flap of hair-producing scalp onto a bald area of the scalp. Both bald scalp reduction and scalp flap surgeries can have rapid results, but the follicular unit transplant surgery is generally preferred due to the more natural look produced and the risk of scarring or failure inherent with bald scalp reduction and scalp flap surgeries.²

Tissue or scalp expansion procedures can also be used to restore bald areas of the scalp. Tissue expansion uses a balloon, called an expander, to stretch the skin in order to create extra skin which can be removed and grafted onto the bald area. Tissue expansion can be used for scalp repair since the stretched skin on the scalp retains normal hair growth.³

Regulation of Physician Assistants in Florida

Chapter 458, F.S., provides for the regulation of the practice of medicine by the Board of Medicine. Chapter 459, F.S., similarly provides for the regulation of the practice of osteopathic medicine by the Board of Osteopathic Medicine. Physician assistants (PA) are regulated by both boards. Licensure of PAs is overseen jointly by the boards through the Council on Physician Assistants.⁴

Physician assistants are trained and required by statute to work under the supervision and control of medical physicians or osteopathic physicians.⁵ The Board of Medicine and the Board of Osteopathic Medicine have adopted rules that set out the general principles a supervising physician must use in developing the scope of practice of the PA under both direct⁶ and indirect⁷ supervision.

A supervising physician's decision to permit a PA to perform a task or procedure under direct or indirect supervision must be based on reasonable medical judgment regarding the probability of morbidity and mortality to the patient. The supervising physician must be certain that the PA is

¹ Bernstein Medical Center for Hair Restoration, *Follicular Unit Transplant*, available at <http://www.bernsteinmedical.com/fut-hair-transplant/> (last visited on Jan. 28, 2016).

² Foundation for Hair Restoration, *Bald Scalp Reduction and Scalp Flap Surgery: A Historical Perspective*, available at <http://www.foundhair.com/pages/baldScalp.shtml> (last visited on Jan. 28, 2016).

³ University of Pittsburgh Medical Center, Children's Hospital of Pittsburgh, *Tissue Expansion*, available at <http://www.chp.edu/our-services/plastic-surgery/patient-procedures/tissue-expansion> (last visited on Jan. 28, 2016).

⁴ The council on Physician Assistants consists of three physicians who are members of the Board of Medicine; one physician who is a member of the Board of Osteopathic Medicine; and a physician assistant appointed by the State Surgeon General. See ss. 458.347(9) and 459.022(9), F.S.

⁵ Sections 458.347(4) and 459.022(4), F.S.

⁶ "Direct supervision" requires the physician to be on the premises and immediately available. See Rules 64B8-30.001(4) and 64B15-6.001(4), F.A.C.

⁷ "Indirect supervision" refers to the easy availability of the supervising physician to the PA, which includes the ability to communicate by telecommunications, and requires the physician to be within reasonable physical proximity. See Rules 64B8-30.001(5) and 64B15-6.001(5), F.A.C.

knowledgeable and skilled in performing the tasks and procedures assigned.⁸ Each physician or group of physicians supervising a licensed PA must be qualified in the medical areas in which the PA is to perform and must be individually or collectively responsible and liable for the performance and the acts and omissions of the PA.⁹

Regulation of Registered Nurses and Advanced Registered Nurse Practitioners in Florida

Chapter 464, F.S., governs the licensure and regulation of nurses in Florida. Nurses are licensed by the Department of Health and are regulated by the Board of Nursing (BON).¹⁰

Advanced Registered Nurse Practitioners

An advanced registered nurse practitioner (ARNP) is a licensed nurse who is certified in advanced or specialized nursing.¹¹ Florida recognizes three types of ARNPs: nurse practitioner (NP), certified registered nurse anesthetist (CRNA), and certified nurse midwife (CNM).¹² To be certified as an ARNP, a nurse must hold a current license as a registered nurse¹³ and submit proof to the BON that he or she meets one of the following requirements:¹⁴

- Satisfactory completion of a formal post-basic educational program of specialized or advanced nursing practice;
- Certification by an appropriate specialty board;¹⁵ or
- Graduation from a master's degree program in a nursing clinical specialty area with preparation in specialized practitioner skills.

Advanced or specialized nursing functions may only be performed under protocol of a supervising physician or dentist. Within the established framework of the protocol, an ARNP may:¹⁶

- Monitor and alter drug therapies;
- Initiate appropriate therapies for certain conditions; and
- Order diagnostic tests and physical and occupational therapy.

Chapter 464, F.S., further describes additional functions that may be performed within an ARNP's specialty certification (CRNA, CNM, and NP).¹⁷

⁸ Rules 64B8-30.012(2) and 64B15-6.010(2), F.A.C.

⁹ Sections 458.347(3) and 459.022(3), F.S.

¹⁰ The BON is comprised of 13 members appointed by the Governor and confirmed by the Senate who serve 4-year terms. See s. 464.004, F.S.

¹¹ "Advanced or specialized nursing practice" is defined as the performance of advanced-level nursing acts approved by the BON which, by virtue of post-basic specialized education, training, and experience, are appropriately performed by an advanced registered nurse practitioner. See s. 464.003(2) and (3), F.S.

¹² Section 464.003(3), F.S. Florida certifies clinical nurse specialists as a category distinct from advanced registered nurse practitioners. See ss. 464.003(7) and 464.0115, F.S.

¹³ Also referred to as "practice of professional nursing," which is defined in s. 464.003(20), F.S.

¹⁴ Section 464.012(1), F.S.

¹⁵ Specialty boards expressly recognized by the BON are set forth in Rule 64B9-4.002(2), F.A.C.

¹⁶ Section 464.012(3), F.S.

¹⁷ Section 464.012(4), F.S.

Practice of Professional Nursing in Florida

Section 464.003, F.S., defines the “practice of professional nursing” as the performance of those acts requiring substantial specialized knowledge, judgment, and nursing skill based upon applied principles of psychological, biological, physical, and social sciences including:

- The observation, assessment, nursing diagnosis, planning, intervention, and evaluation of care;
- Health teaching and counseling of the ill, injured, or infirm;
- The promotion of wellness, maintenance of health, and prevention of illness of others;
- The administration of medications and treatments as prescribed or authorized by a licensed practitioner authorized to prescribe such medications and treatments; and
- The supervision and teaching of other personnel in the theory and performance of the practice of nursing.

Regulation of Hair Restoration Procedures in Florida

Currently, there is no provision under chs. 458 or 459, F.S., that defines “hair restoration or transplant” or provides guidelines on who may perform a hair restoration or transplant procedure.

III. Effect of Proposed Changes:

This bill creates new sections of Florida Statutes relating to hair restoration or transplant in the medical practice act, ch. 458, F.S., and the osteopathic medical practice act, ch. 459, F.S. The bill defines hair restoration or transplant to mean a surgical procedures that extracts or removes hair follicles from one location on a person’s body for the purpose of redistributing the hair follicles to another location on that body.

The bill prohibits anyone other than a physician or PA licensed under either practice act or an ARNP from performing a health restoration or transplant or making incisions for the purpose of performing a hair restoration or transplant. This has the effect of restricting a physician from delegating certain aspects of a hair transplant or hair restoration surgery to anyone other than a licensed PA or an ARNP.

The bill authorizes nurses licensed under ch. 464, F.S. to perform hair restoration and transplant services under the direction of a person licensed under chs. 458 or 459, F.S. The bill does not define “hair restoration and transplant services.”

The effective date of the bill is July 1, 2016.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The bill prevents persons other than licensed physicians or PAs under the medical practice act or osteopathic practice act and ARNPs from performing a hair restoration or transplant or making incisions for the purpose of performing a hair restoration or transplant.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

It is unclear what hair restoration and transplant “services” are authorized by the bill.

VIII. Statutes Affected:

This bill creates the following sections of the Florida Statutes: 458.352 and 459.027.

IX. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:

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

CS by Fiscal Policy on February 4, 2016:

The committee substitute authorizes nurses licensed under ch. 464, F.S. to perform hair restoration and transplant services under the direction of a person licensed under ch. 458 or ch. 459, F.S.

B. Amendments:

None.



LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
02/04/2016	.	
	.	
	.	
	.	

The Committee on Fiscal Policy (Abruzzo) recommended the following:

Senate Amendment (with title amendment)

Delete lines 25 - 37

and insert:

performing a hair restoration or transplant, except that a registered nurse licensed under chapter 464 may perform hair restoration and transplant services under the direction of a person licensed under this chapter or chapter 459.

Section 2. Section 459.027, Florida Statutes, is created to read:



11 459.027 Hair restoration or transplant.-
 12 (1) As used in this section, the term "hair restoration or
 13 transplant" means a surgical procedure that extracts or removes
 14 hair follicles from one location on an individual living human
 15 body for the purpose of redistributing the hair follicles to
 16 another location on that body.
 17 (2) A person who is not licensed under this chapter or
 18 chapter 458 or certified under s. 464.012 may not perform a hair
 19 restoration or transplant or make incisions for the purpose of
 20 performing a hair restoration or transplant, except that a
 21 registered nurse licensed under chapter 464 may perform hair
 22 restoration and transplant services under the direction of a
 23 person licensed under this chapter or chapter 458.

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

And the title is amended as follows:

Delete line 9

and insert:

restoration or transplant; providing an exception;
providing an effective

By Senator Sobel

33-00403B-16

2016974__

1 A bill to be entitled
 2 An act relating to hair restoration or transplant;
 3 creating ss. 458.352 and 459.027, F.S.; defining the
 4 term "hair restoration or transplant"; prohibiting a
 5 person who is not licensed or is not certified under
 6 ch. 458, F.S., ch. 459, F.S., or s. 464.012, F.S.,
 7 from performing a hair restoration or transplant or
 8 making incisions for the purpose of performing a hair
 9 restoration or transplant; providing an effective
 10 date.

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

13
 14 Section 1. Section 458.352, Florida Statutes, is created to
 15 read:

16 458.352 Hair restoration or transplant.-

17 (1) As used in this section, the term "hair restoration or
 18 transplant" means a surgical procedure that extracts or removes
 19 hair follicles from one location on an individual living human
 20 body for the purpose of redistributing the hair follicles to
 21 another location on that body.

22 (2) A person who is not licensed under this chapter or
 23 chapter 459 or certified under s. 464.012 may not perform a hair
 24 restoration or transplant or make incisions for the purpose of
 25 performing a hair restoration or transplant.

26 Section 2. Section 459.027, Florida Statutes, is created to
 27 read:

28 459.027 Hair restoration or transplant.-

29 (1) As used in this section, the term "hair restoration or

Page 1 of 2

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

33-00403B-16

2016974__

30 transplant" means a surgical procedure that extracts or removes
 31 hair follicles from one location on an individual living human
 32 body for the purpose of redistributing the hair follicles to
 33 another location on that body.

34 (2) A person who is not licensed under this chapter or
 35 chapter 458 or certified under s. 464.012 may not perform a hair
 36 restoration or transplant or make incisions for the purpose of
 37 performing a hair restoration or transplant.

38 Section 3. This act shall take effect July 1, 2016.

Page 2 of 2

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

THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:
Children, Families, and Elder Affairs, *Chair*
Health Policy, *Vice Chair*
Agriculture
Education Pre-K-12
Appropriations Subcommittee on Health
and Human Services

SENATOR ELEANOR SOBEL

33rd District

January 27, 2016

Senator Anitere Flores
Chair of the Committee on Fiscal Policy
413 Senate Office Building
404 South Monroe Street
Tallahassee, Florida 32399

Dear Chair Flores,

This letter is to request that **SB 974**, relating to Hair Restoration or Transplant, be placed on the agenda of the next scheduled meeting of the Committee on Fiscal Policy.

SB 974 would prohibit a person who is not licensed or is not certified under specified provisions from performing a hair restoration or transplant or making incisions for the purpose of performing a hair restoration or transplant. The bill also defines the term "hair restoration or transplant."

Thank you for your consideration of this request.

With Best Regards,



Eleanor Sobel
State Senator, 33rd District

Cc:

REPLY TO:

- The "Old" Library, First Floor, 2600 Hollywood Blvd., Hollywood, Florida 33020 (954) 924-3693 FAX: (954) 924-3695
- 410 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5033

Senate's Website: www.flsenate.gov

ANDY GARDINER
President of the Senate

GARRETT RICHTER
President Pro Tempore

THE FLORIDA SENATE
APPEARANCE RECORD

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

2/4/16

Meeting Date

974

Bill Number (if applicable)

Late filed 355200

Amendment Barcode (if applicable)

Topic Hair Restoration/Transplant

Name Jen Gauria

Job Title Consultant

Address 8: 101 East College Ave, #502

Street

Tallahassee FL

City

State

Zip

Phone (954) 648-9977

Email jgauria@capcityconsult.com

Speaking: For Against Information

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

Representing Neograft

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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

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

THE FLORIDA SENATE

APPEARANCE RECORD

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

2/4/16

Meeting Date

SB 974

Bill Number (if applicable)

Topic Hair Transplant Surgery

Amendment Barcode (if applicable)

Name Ron Book

Job Title

Address 104 West Jefferson

Phone 850 224 3427

Street

City FLA

State

Zip 32301

Zip

Email

Speaking: For Against Information

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

Representing International Society of Hair Transplant Surgery

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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

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

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Committee on Fiscal Policy

BILL: SB 996

INTRODUCER: Senator Negrón

SUBJECT: Civil Remedies for Terrorism

DATE: February 3, 2016

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Davis</u>	<u>Cibula</u>	<u>JU</u>	Favorable
2.	<u>Harkness</u>	<u>Sadberry</u>	<u>ACJ</u>	Recommend: Favorable
3.	<u>Jones</u>	<u>Hrdlicka</u>	<u>FP</u>	Favorable

I. Summary:

SB 996 creates a civil cause of action for a person who is injured by an act of terrorism or by a violation of a law that facilitates or furthers an act of terrorism. A successful plaintiff is entitled to three times the actual damages sustained, a minimum of \$1,000, and reasonable attorney fees and court costs at the trial and appellate levels. In contrast, a defendant is entitled to recover reasonable attorney fees and court costs at the trial and appellate levels if it is determined that the claimant raised a claim that is not supported factually or legally.

When a court awards attorney fees and costs under the bill, it may not consider whether the opposing party is able to pay the fees and costs. The bill does not limit any other right to recover attorney fees or costs established in any other provisions of law.

A person who participates in the act of terrorism and is injured may not bring a claim under the cause of action authorized by the bill.

While the number of lawsuits filed as a result of the bill is unknown, the workload and fiscal impact on the courts is likely to be insignificant.

The bill is effective July 1, 2016.

II. Present Situation:

Torts

A tort is a civil wrong for which the person harmed may seek a remedy, generally in the form of damages. A basic purpose of tort law is to allow the wronged person to be compensated for his or her injury by the person responsible for the wrong. The burden of loss is shifted from the injured person to the one who is at fault. While some acts may be both a crime and a tort, the

crime is committed against the public and redress is pursued by the state. The tort, however, is a private injury and redress is pursued by the injured party through a civil suit.¹

An intentional tort is committed by a person who acts with general or specific intent to harm someone² or engages in conduct that is substantially certain to bring about injury or death.³ Some general examples of intentional torts are assault, battery, false imprisonment, fraud, intentional infliction of emotional distress, and invasion of privacy. Beyond the usual economic and non-economic damages, a defendant may also be held liable for punitive damages if there is a finding that the defendant was personally guilty of intentional misconduct or gross negligence.⁴

While the statutes do not provide a specific cause of action for someone in Florida to recover for injuries sustained by terrorism, it is arguable that a cause of action might be made for battery.

Civil Remedies for Criminal Practices in Chapter 772

Civil remedies are provided as redress for certain criminal practices enumerated in ch. 772, F.S. A civil cause of action is provided for any person who proves by clear and convincing evidence that he or she has been injured by someone who has received proceeds derived from a pattern of criminal activity.⁵ The criminal activity referred to includes offenses relating to the manufacture, distribution, and use of explosives, homicide, assault and battery, kidnapping, weapons and firearms, arson, computer-related crimes, bribery, and the obstruction of justice.⁶

While punitive damages are not generally recoverable for claims arising under ch. 772, F.S., a prevailing plaintiff may recover threefold, or treble, the actual damages and a minimum of \$200 in damages, or \$1,000 under the Drug Dealer Liability Act, as well as attorney fees and court costs at trial and on appeal.⁷ A defendant is entitled to recover reasonable attorney fees and court costs at the trial and appellate levels if it is determined that the claimant raised a claim that was without substantial fact or legal support. The court is precluded from considering whether the opposing party is able to pay fees and costs.⁸

A civil remedy under ch. 772, F.S., does not preclude any other remedy, whether civil or criminal, under any other provision of law.⁹ Additionally, if a defendant has been found guilty or pled guilty or nolo contendere to the same criminal act that is the basis of the plaintiff's civil cause of action under ch. 772, F.S., the defendant is estopped as if the plaintiff had been a party in the state's criminal action.¹⁰

¹ 55 FLA. JUR 2D TORTS s. 1 (2015).

² BLACK'S LAW DICTIONARY (14th ed. 2014).

³ 55 FLA. JUR 2D TORTS s. 6 (2015).

⁴ Section 768.72(2), F.S.

⁵ Sections 772.103(1) and 772.104, F.S.

⁶ Section 772.102(1), F.S. "Criminal activity" means to commit, attempt to commit, conspire to commit, or solicit, coerce, or intimidate another person to commit the list of crimes in s. 772.102(1)(a), F.S.

⁷ Sections 772.104(1), 772.11(1), and 772.12, F.S.

⁸ Section 772.104(3), F.S.

⁹ Section 772.18, F.S.

¹⁰ Section 772.14, F.S.

Terrorism

Terrorism is defined as an activity that involves a violent act or an act dangerous to human life which is a violation of the criminal laws of the state or of the United States or involves a violation of s. 815.06, F.S., relating to offenses against users of computers and electronic devices. The activity must also be intended to:

- Intimidate, injure, or coerce a civilian population;
- Influence the policy of a government by intimidation or coercion; or
- Affect the conduct of government through the destruction of property, assassination, murder, kidnapping, or aircraft piracy.¹¹

Terrorism is a predicate act for the crime of capital murder, but is not an independent crime in the statutes.¹² If someone is convicted of committing a felony or misdemeanor that facilitated or furthered an act of terrorism, the court is required to reclassify the felony or misdemeanor to the next higher degree.¹³ If the underlying crime is a first-degree misdemeanor or greater, the offense severity ranking is increased, thereby increasing the defendant's potential sentence.¹⁴

Federal Terrorism Statute

The federal Antiterrorism Act of 1990 provides a civil remedy for an injury sustained by a claimant for an act of *international* terrorism.¹⁵ The federal legislation also provides for the recovery of treble damages, cost of the suit, and attorney fees, but differs in that the injury sustained by the claimant must be for an act of international terrorism.¹⁶ The international provision requires that the act “occur primarily outside the territorial jurisdiction of the United States, or transcend national boundaries in terms of the means by which they are accomplished . . .”¹⁷

Liability for Intentional Torts

Under the doctrine of joint and several liability, all of the defendants at fault for a plaintiff's damages are responsible for the total of each defendant's fault.¹⁸ With a few exceptions, s. 768.81, F.S., generally abolished the application of the doctrine. One of the exceptions allows the doctrine of joint and several liability to apply to “any action based upon an intentional tort.”¹⁹

Attorney Fees and Sanctions for Raising Unsupported Claims or Defenses

Section 57.105, F.S., generally authorizes a court to award reasonable attorney fees, including prejudgment interest to the prevailing party from the losing party and the losing party's attorney

¹¹ Section 775.30, F.S.

¹² Section 782.04(1)(a)2.r., (3)(r), and (4)(s), F.S.

¹³ Section 775.31(1), F.S.

¹⁴ Section 775.31(2), F.S.

¹⁵ 18 U.S.C. s. 2331 *et. seq.*

¹⁶ 18 U.S.C. s. 2333(a).

¹⁷ 18 U.S.C. s. 2331(1)(C).

¹⁸ *Louisville & N. R. Co. v. Allen*, 65 So. 8 (Fla. 1914).

¹⁹ Section 768.81(4), F.S.

for unsupported claims and defenses presented to the court. The statute further provides that its remedies are supplemental to other sanctions available under law or court rules.²⁰

Similar Legislation in Other States

Private William “Andy” Long, U.S. Army, was killed in uniform outside of an Arkansas Army recruiting office on June 1, 2009. Another soldier was wounded in the shooting but survived. The defendant in the case claimed to be a terrorist and had traveled to Yemen and Somalia. In 2011, he pleaded guilty to capital murder and attempted capital murder and received a life sentence with no possibility of parole.²¹ Because of this incident, legislation has been enacted in Arkansas, Kansas, Louisiana, North Carolina, and Tennessee that permits victims of terrorist acts to recover damages as proposed in this legislation.²²

III. Effect of Proposed Changes:

The bill creates a civil cause of action for a person who is injured by an act of terrorism or by a violation of a law that facilitates or furthers an act of terrorism. A successful plaintiff is entitled to three times the actual damages sustained, a minimum of \$1,000, and reasonable attorney fees and court costs at the trial and appellate levels.

A person who participates in the act of terrorism and is injured may not bring a claim under this statute.

A defendant is entitled to recover reasonable attorney fees and court costs at the trial and appellate levels if it is determined that the claimant raised a claim that is not supported factually or legally.

When a court awards attorney fees and costs under the bill, it may not consider whether the opposing party is able to pay the fees and costs. This does not limit any other right to recover attorney fees or costs established in any other provisions of law.

Because terrorism is an intentional tort and because the doctrine of joint and several liability applies to actions based on an intentional tort, a defendant who was a minor participant in an act of terrorism may be liable for all of a plaintiff’s damages.²³

The bill is effective July 1, 2016.

²⁰ Section 57.105(6), F.S.

²¹ Arkansas News, *Senate approves ‘Andy’s Law’*, (April 1, 2013) available at <http://arkansasnews.com/sections/news/senate-approves-%E2%80%98andy%E2%80%99s-law%E2%80%99.html> (last visited January 29, 2016).

²² Center for Security Policy, *Andy’s Law Signed by Governor McCrory in North Carolina*, (August 24, 2015) available at <https://www.centerforsecuritypolicy.org/2015/08/24/andys-law-signed-by-governor-mccrory-in-north-carolina/> (last visited January 29, 2016).

²³ See s. 768.81(4), F.S.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The bill may provide a remedy for lawsuits for damages caused by terrorism when an international component does not exist or cannot be proven. An international component is required for lawsuits for damages for terrorism under federal law.

C. Government Sector Impact:

The impact on the courts will be based on the number of lawsuits filed which cannot be estimated at this time. However, the workload impact on the courts is likely to be insignificant.²⁴

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill creates section 772.13 of the Florida Statutes.

²⁴ Office of State Court Administrator, *2016 Judicial Impact State for SB 996*, (January 26, 2016) (on file with the Senate Committee on Fiscal Policy).

IX. Additional Information:

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

None.

- B. **Amendments:**

None.

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

By Senator Negrón

32-00932A-16

2016996__

A bill to be entitled

An act relating to civil remedies for terrorism;
creating s. 772.13, F.S.; creating a cause of action
for acts relating to terrorism; specifying a measure
of damages; prohibiting claims by specified
individuals; providing for attorney fees and costs;
providing an effective date.

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

Section 1. Section 772.13, Florida Statutes, is created to
read:

772.13 Civil remedy for terrorism or facilitation or
furthering terrorism.-

(1) Any person who has been injured by reason of an act of
terrorism as defined in s. 775.30 or a violation of any law for
which the penalty is increased under s. 775.31 for facilitating
or furthering terrorism shall have a cause of action for
threefold the actual damages sustained and, in any such action,
is entitled to minimum damages in the amount of \$1,000, and
reasonable attorney fees and court costs in the trial and
appellate courts.

(2) A person injured by reason of his or her participation
in the same act or transaction that resulted in the act of
terrorism or the defendant's penalty reclassification pursuant
to s. 775.31 may not bring a claim under this section.

(3) The defendant shall be entitled to recover reasonable
attorney fees and court costs in the trial and appellate courts
upon a finding that the claimant raised a claim which was

Page 1 of 2

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32-00932A-16

2016996__

without support in fact or law. In awarding attorney fees and
costs under this section, the court shall not consider the
ability of the opposing party to pay such fees and costs.

(4) Nothing under this section shall be interpreted as
limiting any right to recover attorney fees or costs provided
under other provisions of law.

Section 2. This act shall take effect July 1, 2016.

Page 2 of 2

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

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Committee on Fiscal Policy

BILL: SB 1202

INTRODUCER: Senator Abruzzo

SUBJECT: Discounts on Public Park Entrance Fees and Transportation Fares

DATE: February 3, 2016

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Sanders</u>	<u>Ryon</u>	<u>MS</u>	Favorable
2.	<u>Cochran</u>	<u>Yeatman</u>	<u>CA</u>	Favorable
3.	<u>Hrdlicka</u>	<u>Hrdlicka</u>	<u>FP</u>	Favorable

I. Summary:

SB 1202 requires county and municipal departments of parks and recreation to provide a full or partial discount on park entrance fees to the following individuals:

- Current military service members;
- Honorably discharged veterans;
- Honorably discharged veterans with a service-connected disability;
- The surviving spouse or parents of a military service member who died in combat; and
- The surviving spouse or parent of a law enforcement officer, firefighter, emergency medical technician, or paramedic who died in the line of duty.

The bill also requires regional transportation authorities to provide disabled veterans with discounts on fares for use of fixed-route transportation systems.

Counties, municipalities, and regional transportation authorities may experience a decrease in revenue generated from park entrance fees or transportation fares. In 2015, the Revenue Estimating Conference estimated that a similar bill filed in 2015 would have a negative, indeterminate fiscal impact on local government revenue.

II. Present Situation:

Veteran and Military Presence in Florida

The composition of military personnel who reside in Florida consists of the following:

- More than 1.6 million veterans;¹
- More than 249,000 veterans with a service-connected disability;²
- More than 84,000 active duty and federal reserve personnel;³ and
- More than 12,000 Florida National Guard members.⁴

After their military service, veterans and their families may qualify for a variety of benefits administered by the U.S. Department of Veterans Affairs and by the State of Florida.⁵

State Park Entrance Fee Discounts

The Division of Recreation and Parks (division) within the Department of Environmental Protection oversees Florida's 174 state parks. The division offers two types of annual entrance passes: the individual annual entrance pass for \$60 and the family annual entrance pass for \$120.⁶ The division currently provides the following park entrance fee discounts:

- Active duty members and honorably discharged veterans of the U.S. Armed Forces, their reserve components, or the National Guard or receive a 25 percent discount on an annual entrance pass;
- Veterans with service-connected disabilities who were honorably discharged receive lifetime family annual entrance passes at no charge;
- Surviving spouses and parents of deceased members of the U.S. Armed Forces, their reserve components, or the National Guard who have fallen in combat receive lifetime family annual entrance passes at no charge; and
- Surviving spouses and parents of a law enforcement officer or firefighter who died in the line of duty receive lifetime family annual entrance passes at no charge.⁷

¹ Florida Department of Veterans' Affairs, *Fast Facts*, available at http://floridavets.org/?page_id=50 (last visited Jan. 27, 2016).

² *Id.*

³ Data provided by Career Source Florida, Inc., staff on January 13, 2016 (on file with Senate Military and Veterans Affairs, Space, and Domestic Security Committee).

⁴ Florida Department of Military Affairs, *About Us*, available at <http://www.floridaguard.army.mil/about-us> (last visited Jan. 27, 2016).

⁵ See Florida Department of Veteran's Affairs, *Florida Veterans' Benefits Guide* (2015); U.S. Department of Veterans Affairs, Office of Public Affairs, *Federal Benefits for Veterans, Dependents and Survivors* (2014), available at http://floridavets.org/?page_id=110 (last visited Jan. 27, 2016).

⁶ Florida State Parks, *Annual Pass Information*, <https://www.floridastateparks.org/content/annual-pass-information> (last visited Jan. 27, 2016).

⁷ Section 258.0145, F.S.

The table below reflects the park entrance fee discounts provided for Fiscal Years 2013-14 and 2014-15:⁸

State Park Entrance Fee Discounts, s. 258.0145, F.S.	FY 2013-14	FY 2014-15
Individual Entrance Pass (25% discount: active duty service members and veterans)	1,295	1,466
<u>Value of Discount</u>	\$19,425	\$21,990
Family Annual Entrance Pass (25% discount: active duty service members and veterans)	4,103	4,688
<u>Value of Discount</u>	\$123,090	\$140,640
Lifetime Family Annual Entrance Pass (Full discount: disabled veterans; the spouse and parents of a fallen military service member, law enforcement officer, or firefighter)	9,804	10,977
<u>Value of Discount</u>	\$1,176,480	\$1,317,240
Total Passes	15,202	17,131
<u>Total Value of Discount</u>	<u>\$1,318,995</u>	<u>\$1,479,870</u>

Current law does not address entrance fee discounts for county and municipal parks for current and former military personnel and their families or the families of deceased first responders. There are approximately 269 county and municipal parks and recreation agencies in Florida, each managing a number of park areas, which offer a variety of amenities.⁹

Regional Transportation Authorities

Section 163.567, F.S., states that any two or more contiguous counties, municipalities, other political subdivisions, or combinations thereof are authorized to convene a charter committee for the purpose of developing a regional transportation authority. However, no county, municipality, or other political subdivision may be a member in more than one authority.¹⁰ A regional transportation authority has the authority to, in part, purchase, own, or operate, or provide for the operation of, transportation facilities.¹¹

Chapters 163, 343, and 349, F.S., govern the regional transportation authorities. The following authorities are created in statute or special law:

- Northeast Florida Regional Transportation Commission.
- South Florida Regional Transportation Authority.
- Central Florida Regional Transportation Authority.
- Northwest Florida Transportation Corridor Authority.

⁸ E-mail correspondence with the Florida Department of Environmental Protection on January 13, 2016 (on file with the Senate Military and Veterans Affairs, Space, and Domestic Security Committee).

⁹ Telephone conversation between Florida Recreation and Parks Association, Inc., staff and Senate Military and Veterans Affairs, Space, and Domestic Security Committee staff on January 12, 2016.

¹⁰ Section 163.567(1), F.S.

¹¹ Section 163.568, F.S.

- Tampa Bay Area Regional Transportation Authority.
- Jacksonville Transportation Authority.
- Pinellas Suncoast Transit Authority.
- Hillsborough Area Regional Transit Authority.

Of these regional transportation authorities, two provide commuter services. Tri-Rail, operated by the South Florida Regional Transportation Authority, currently offers a 50 percent discount on Fare EASY Cards to persons with disabilities.¹² LYNX, operated by the Central Florida Regional Transportation Authority, provides discounted fares to persons with medical disabilities.¹³

III. Effect of Proposed Changes:

The bill creates ss. 125.029 and 166.0447, F.S., (Sections 1 and 3) to require counties and municipalities to provide a partial or a full discount on park entrance fees to the following persons:

- A current member of the U.S. Armed Forces, their reserve components, or the National Guard;
- An honorably discharged veteran of the U.S. Armed Forces, their reserve components, or the National Guard;
- An honorably discharged veteran of the U.S. Armed Forces, their reserve components, or the National Guard who has a service-connected disability as determined by the U.S. Department of Veterans Affairs;
- A surviving spouse and parents of a deceased member of the U.S. Armed Forces, their reserve components, or the National Guard who died in the line of duty under combat-related conditions; and
- A surviving spouse and parents of a law enforcement officer, firefighter, emergency medical technician, or paramedic who died in the line of duty.¹⁴

The bill defines the term “park entrance fee” to mean a fee charged to access lands managed by a county or municipal park or recreation department. The term does not include expanded amenity fees for amenities such as campgrounds, aquatic facilities, stadiums or arenas, facility rentals, special events, boat launching, golf, zoos, museums, gardens, or programs taking place within public lands.

The bill also creates s. 163.58, F.S., (Section 2) to require a regional transportation authority to provide disabled veterans¹⁵ with a partial or a full discount on fares when using a fixed-route transportation system operated by the authority. A county, municipality, or regional transportation authority must provide the discount upon a satisfactory showing to the entity of information evidencing eligibility.

¹² Acceptable forms of documentation to present at the ticket kiosk include a disabled veteran ID, a letter from a physician, a Driver’s License indicating disability, or Social Security documentation for disability benefits. See Tri-Rail, *Discount Policy*, available at <http://www.tri-rail.com/fares/discount-policy/> (last visited Jan. 27, 2016).

¹³ See LYNX, *Reduced Fares Application*, available at <http://www.golynx.com/buy-tickets/reduced-fares-application.stml> (last visited Jan. 27, 2016).

¹⁴ The emergency medical technical or paramedic must also have been employed by the state or a local government.

¹⁵ As defined in s. 295.07(1)(a), F.S.

The bill is effective July 1, 2016.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

Article VII, s. 18(b) of the Florida Constitution requires any general law that reduces a local government's authority to raise revenues in the aggregate, to be passed by a two-thirds vote of the membership of each house of the Legislature. This bill has the effect of reducing municipal and county revenues generated from park entrance fees by requiring discounts for the military members, their families, and the families of deceased first responders. However, laws having insignificant fiscal impact are exempt from the mandates requirements.¹⁶

The Revenue Estimating Conference estimated in 2015 that a similar bill (CS/HB 721) would have a negative, indeterminate fiscal impact on local government revenue.¹⁷

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

The Revenue Estimating Conference (REC) has not yet adopted an estimate for this bill or its companion. However, the REC did review a similar bill filed during the 2015 Legislative Session (CS/HB 721). At that time the REC estimated that the bill would have a negative, indeterminate fiscal impact on local government revenue.¹⁸

B. Private Sector Impact:

The individuals described above will be eligible for a full or partial discount on entrance fees at county and municipal parks. Disabled veterans will be eligible for a full or partial discount when using a fixed-route transportation system operated by a regional transportation authority.

¹⁶ Section 18(d), art. VII, FLA. CONST. An insignificant fiscal impact generally means an amount not greater than ten cents times the average statewide population for the applicable fiscal year.

¹⁷ Revenue Estimating Conference, *Impact Conference Results for CS/HB 721 (HB 1095 and SB 1430 similar)* (adopted March 13, 2015).

¹⁸ *Id.*

C. Government Sector Impact:

County and municipal departments of parks and recreation will experience a decrease in revenue generated from park entrance fees because of this bill. To the extent disabled veterans use the discount provided at transportation systems, regional transportation authorities will experience a decrease in revenue from fares.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill creates the following sections of the Florida Statutes: 125.029, 163.58, and 166.0447.

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

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

None.

B. Amendments:

None.

By Senator Abruzzo

25-00304-16

20161202__

1 A bill to be entitled
 2 An act relating to discounts on public park entrance
 3 fees and transportation fares; creating s. 125.029,
 4 F.S.; requiring counties to provide a partial or a
 5 full discount on park entrance fees to military
 6 members, veterans, and the spouse and parents of
 7 certain deceased military members, law enforcement
 8 officers, firefighters, emergency medical technicians,
 9 and paramedics; requiring that individuals seeking the
 10 discount present information satisfactory to the
 11 county department which evidences eligibility;
 12 defining the term "park entrance fee"; providing
 13 certain exclusions; creating s. 163.58, F.S.;

14 requiring certain regional transportation authorities
 15 to provide a partial or a full discount on fares for
 16 certain disabled veterans; creating s. 166.0447, F.S.;

17 requiring municipalities to provide a partial or a
 18 full discount on park entrance fees to military
 19 members, veterans, and the spouse and parents of
 20 certain deceased military members, law enforcement
 21 officers, firefighters, emergency medical technicians,
 22 and paramedics; requiring that individuals seeking the
 23 discount present information satisfactory to the
 24 municipal department which evidences eligibility;
 25 defining the term "park entrance fee"; providing
 26 certain exclusions; providing an effective date.

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

29
 30 Section 1. Section 125.029, Florida Statutes, is created to
 31 read:
 32 125.029 County park entrance fee discounts.-

Page 1 of 4

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

25-00304-16

20161202__

33 (1) A county park or recreation department shall provide a
 34 partial or a full discount on park entrance fees to the
 35 following individuals who present information satisfactory to
 36 the county department which evidences eligibility for the
 37 discount:
 38 (a) A current member of the United States Armed Forces,
 39 their reserve components, or the National Guard.
 40 (b) An honorably discharged veteran of the United States
 41 Armed Forces, their reserve components, or the National Guard.
 42 (c) An honorably discharged veteran of the United States
 43 Armed Forces, their reserve components, or the National Guard,
 44 who has a service-connected disability as determined by the
 45 United States Department of Veterans Affairs.
 46 (d) A surviving spouse and parents of a deceased member of
 47 the United States Armed Forces, their reserve components, or the
 48 National Guard, who died in the line of duty under combat-
 49 related conditions.
 50 (e) A surviving spouse and parents of a law enforcement
 51 officer, as defined in s. 943.10(1), a firefighter, as defined
 52 in s. 633.102, or an emergency medical technician or paramedic
 53 employed by state or local government, who died in the line of
 54 duty.
 55 (2) As used in this section, the term "park entrance fee"
 56 means a fee charged to access lands managed by a county park or
 57 recreation department. The term does not include expanded fees
 58 for amenities, such as campgrounds, aquatic facilities, stadiums
 59 or arenas, facility rentals, special events, boat launching,
 60 golf, zoos, museums, gardens, or programs taking place within
 61 public lands.

Page 2 of 4

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

25-00304-16

20161202__

62 Section 2. Section 163.58, Florida Statutes, is created to
63 read:

64 163.58 Transportation fare discounts.—An authority, as
65 defined in this chapter, chapter 343, or chapter 349, shall
66 provide a partial or a full discount on fares for the use of a
67 fixed-route transportation system operated by the authority to a
68 disabled veteran as described in s. 295.07(1)(a) who presents
69 information satisfactory to the authority which evidences
70 eligibility for the discount.

71 Section 3. Section 166.0447, Florida Statutes, is created
72 to read:

73 166.0447 Municipal park entrance fee discounts.—

74 (1) A municipal park or recreation department shall provide
75 a partial or a full discount on park entrance fees to the
76 following individuals who present information satisfactory to
77 the municipal department which evidences eligibility for the
78 discount:

79 (a) A current member of the United States Armed Forces,
80 their reserve components, or the National Guard.

81 (b) An honorably discharged veteran of the United States
82 Armed Forces, their reserve components, or the National Guard.

83 (c) An honorably discharged veteran of the United States
84 Armed Forces, their reserve components, or the National Guard,
85 who has a service-connected disability as determined by the
86 United States Department of Veterans Affairs.

87 (d) A surviving spouse and parents of a deceased member of
88 the United States Armed Forces, their reserve components, or the
89 National Guard, who died in the line of duty under combat-
90 related conditions.

Page 3 of 4

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

25-00304-16

20161202__

91 (e) A surviving spouse and parents of a law enforcement
92 officer, as defined in s. 943.10(1), a firefighter, as defined
93 in s. 633.102, or an emergency medical technician or paramedic
94 employed by state or local government, who died in the line of
95 duty.

96 (2) As used in this section, the term "park entrance fee"
97 means a fee charged to access lands managed by a municipal park
98 or recreation department. The term does not include expanded
99 fees for amenities, such as campgrounds, aquatic facilities,
100 stadiums or arenas, facility rentals, special events, boat
101 launching, golf, zoos, museums, gardens, or programs taking
102 place within public lands.

103 Section 4. This act shall take effect July 1, 2016.

Page 4 of 4

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



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:
Finance and Tax, *Vice Chair*
Appropriations Subcommittee on Health and Human
Services
Communications, Energy, and Public Utilities
Community Affairs
Fiscal Policy
Regulated Industries

JOINT COMMITTEE:
Joint Legislative Auditing Committee, *Alternating Chair*

SENATOR JOSEPH ABRUZZO
Minority Whip
25th District

January 26th, 2016

The Honorable Anitere Flores
413 Senate Office Building
404 South Monroe Street
Tallahassee, FL 32399-1100

Dear Chairwoman Flores:

I respectfully request **Senate Bill 1202, Discounts on Public Park Entrance Fees and Transportation Fares**, be considered for placement on the Fiscal Policy committee agenda. This piece of legislation will provide military members, veterans, and the spouse and parents of deceased military members, law enforcement officers, and firefighters with discounted public park entrance fees and discounted public transportation fees.

Thank you in advance for your consideration. Please let me know if I can provide you with any additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "JA".

Joseph Abruzzo

Cc: Jennifer Hrdlicka, *Staff Director*

REPLY TO:

- 12300 Forest Hill Boulevard, Suite 200, Wellington, Florida 33414-5785 (561) 791-4774 FAX: (888) 284-6495
- 110 Dr. Martin Luther King, Jr. Boulevard, Belle Glade, Florida 33430-3900 (561) 829-1410
- 222 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5025

Senate's Website: www.flsenate.gov

ANDY GARDINER
President of the Senate

GARRETT RICHTER
President Pro Tempore

THE FLORIDA SENATE

APPEARANCE RECORD

2/4/2016

Meeting Date

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

SB 1202

Bill Number (if applicable)

Topic _____

Amendment Barcode (if applicable)

Name Colonel Mike Prendergast

Job Title Executive Director

Address Suite 2105, the Capitol

Phone (850) 487-1533

Street

Tallahassee FL 32399

City

State

Zip

Email exdir@fdva.state.fl.us

Speaking: For Against Information

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

Representing The Florida Dept. of Veterans' Affairs

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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

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

THE FLORIDA SENATE
APPEARANCE RECORD

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

2/4/14
Meeting Date

1202
Bill Number (if applicable)

Topic Discounts on Public Park Fees & Transportation Fees Amendment Barcode (if applicable)

Name Justin Day

Job Title Director

Address 701 S. Howard Ave Suite 320-106 Phone 850 222 8900

Street

Tampa
City

FL
State

33606
Zip

Email jd@cordenaspartners.com

Speaking: For Against Information

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

Representing Hillsborough Area Regional Transit Authority

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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

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

THE FLORIDA SENATE

APPEARANCE RECORD

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

02-04-16

Meeting Date

1202

Bill Number (if applicable)

Topic TRANS. & PARK FEES

Amendment Barcode (if applicable)

Name VICKI WOOLDRIDGE

Job Title GOV. AFFAIRS MGR.

Address 800 NW 33rd St.

Phone 954-213-8690

Street

POMPANO BECH

FL

33064

City

State

Zip

Email wooldridgv@stfla.fl.gov

Speaking: [X] For [] Against [] Information

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

Representing SO. FLA. REGIONAL TRANS. AUTH. / TRI-RAIL

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

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

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

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

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Committee on Fiscal Policy

BILL: CS/SB 7040

INTRODUCER: Fiscal Policy Committee and Commerce and Tourism Committee

SUBJECT: Federal Workforce Innovation and Opportunity Act

DATE: February 5, 2016

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
	<u>Little</u>	<u>McKay</u>		CM Submitted as Committee Bill
1.	<u>Gusky</u>	<u>Miller</u>	<u>ATD</u>	Recommend: Favorable
2.	<u>Hrdlicka</u>	<u>Hrdlicka</u>	<u>FP</u>	Fav/CS

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 7040 modifies Florida's current program for workforce services in order to implement the federal Workforce Innovation and Opportunity Act (WIOA) of 2014. The federal law requires coordination between core programs in the delivery of workforce services. The four core programs are those under the adult, dislocated worker, and youth programs; employment services under the Wagner-Peyser Employment Act; vocational rehabilitation services; and adult education and literacy activities. The bill deletes or replaces references to the federal Workforce Investment Act of 1998, which has been replaced by the WIOA.

The bill provides membership guidelines for the state workforce board, CareerSource Florida, Inc. (CareerSource), to include membership representation for each of the core programs and the vice chairperson of Enterprise Florida, Inc. The bill changes methods of measuring performance accountability and preparing the state plan in order to conform to federal law. The state plan must be based on a 4-year strategy and is required to include operational and strategic elements for the core programs.

The bill requires the Florida Department of Education to enter into a memorandum of understanding with CareerSource in order to ensure compliance with federal law. A local workforce development board is required to enter into a memorandum of understanding with each one-stop delivery partner regarding sharing of infrastructure costs by July 1, 2017. The Governor is authorized to establish policy guidelines to allocate infrastructure costs when an

agreement cannot be reached between a local workforce development board and a one-stop delivery partner.

To the extent that a one-stop delivery partner has not been participating in the one-stop delivery system or, if participating, has not been contributing funds to cover infrastructure costs, implementation of the WIOA will increase costs for that entity. The fiscal impact is indeterminate at this time.

CareerSource and the Department of Economic Opportunity will cover any costs to implement the WIOA within existing resources. See Section V for additional fiscal impacts.

The bill has an effective date of July 1, 2016.

II. Present Situation:

Florida's Workforce Development System

The federal Workforce Investment Act of 1998 (WIA) was passed by Congress in an effort to improve the quality of the nation's workforce through implementation of a comprehensive workforce investment system.¹ The WIA required each state to establish an investment board at the state level and workforce investment boards to represent local service areas.² The WIA also called for the delivery of workforce development services through a system of "one-stop" centers in local communities.³ Some key principles of the WIA were to better integrate workforce services, empower individuals, provide universal access to participants, increase accountability, and improve youth programs.⁴

In response to the WIA, Florida established its current workforce development system under the Workforce Investment Act of 2000.⁵ The act aimed to better connect the state's economic development strategies with its workforce development system and to implement the principles of the federal WIA.⁶ Under the current workforce development system, the Department of Economic Opportunity (DEO), CareerSource Florida, Inc. (CareerSource), and 24 regional workforce boards (RWBs) act as partners in administering Florida's comprehensive system for the delivery of workforce strategies, services, and programs.

The Department of Economic Opportunity

The DEO serves as Florida's lead workforce agency.⁷ The DEO is responsible for the fiscal and administrative functions of the workforce development system.⁸ Employment-related services

¹ Workforce Investment Act of 1998, 29 U.S.C. 2801 (1998), *repealed effective July 1, 2015*, by Workforce Innovation and Opportunity Act, Pub. L. No. 113-128, s. 506, H.R. 803 (113th Cong.) (July 22, 2014) (codified at 29 U.S.C. 3101, et seq.).

² See 29 U.S.C. s. 2821 and 29 U.S.C. s. 2832 (1998).

³ See 29 U.S.C. s. 2841 (1998).

⁴ See 29 U.S.C. s. 2811 (1998). See also 65 F.R. 49294-01 (August 11, 2000).

⁵ Chapter 2000-165, Laws of Fla.

⁶ See s. 445.003, F.S.

⁷ Primarily through the Division of Workforce Services. See s. 20.60, F.S.

⁸ Section 445.009(3)(c), F.S.

programs are over 96 percent federally funded.⁹ The DEO receives and distributes federal funds for employment-related programs to the RWBs and provides one-stop program support to the RWBs through guidance, training, and technical assistance. The DEO also monitors the RWBs and one-stop career centers to ensure compliance with federal and state requirements. The DEO is responsible for financial and performance reports, which are provided to the U.S. Department of Labor (USDOL) and other federal organizations.¹⁰

CareerSource Florida, Inc.

CareerSource is a not-for-profit corporation that serves as Florida's *state-level* workforce investment board.¹¹ CareerSource is responsible for developing and implementing a 5-year plan for the statewide workforce system and collaborates with the DEO, RWBs, and one-stop career centers to ensure that workforce services provided are consistent with state and local plans. CareerSource also provides state-level policy, planning, performance evaluation, and oversight of the delivery of workforce services.¹²

Regional Workforce Boards

Twenty-four RWBs deliver Florida's workforce development services through nearly 100 one-stop career centers.¹³ One-stop career service centers provide Floridians access to workforce services, including job placement, career counseling, and skills training.¹⁴ Collectively, the RWBs serve as Florida's *local* workforce investment board and operate under a charter approved by CareerSource.¹⁵ Each RWB develops a local budget and oversees career centers within its region to establish the one-stop delivery system of workforce services.¹⁶

Federal Workforce Innovation and Opportunity Act of 2014

In 2014, Congress passed the Workforce Innovation and Opportunity Act (WIOA), which superseded the WIA.¹⁷ The WIOA requires each state to develop a single, unified plan for aligning workforce services by identifying and evaluating core workforce programs.¹⁸ In general, the WIOA maintains the one-stop framework of the WIA, and encompasses provisions aimed at streamlining services, easing reporting requirements, and reducing administrative barriers.¹⁹ The WIOA officially became effective on July 1, 2015, the first full program year after enactment.²⁰

⁹ Examples of federally funded, employment-related programs include Temporary Assistance to Needy Families, the Wagner-Peyser Act, and the WIA. Data from the Sunset Review Report for the Agency for Workforce Innovation (June 30, 2010), on file with the Commerce and Tourism Committee.

¹⁰ Sections 20.60(5)(c) and (6), 445.003, and 445.007(3), F.S.

¹¹ Section 445.004(5)(a), F.S. Prior to 2014, CareerSource was known as Workforce Florida, Inc.

¹² Section 445.003(2), F.S., and *see s. 445.004*, F.S.

¹³ Department of Economic Opportunity, *CareerSource Florida Center Directory*, <http://www.floridajobs.org/onestop/onestopdir/> (last visited Feb. 1, 2016).

¹⁴ *See s. 445.009*, F.S.

¹⁵ *See ss. 445.007(1) and 445.004(11)*, F.S.

¹⁶ Section 445.007(12), F.S.

¹⁷ Workforce Innovation and Opportunity Act, 29 U.S.C. 3101, et seq. (2014).

¹⁸ 29 U.S.C. 3112(a).

¹⁹ *See* 29 U.S.C. 3111.

²⁰ However, some provisions, such as those related to state unified planning and common performance accountability do not become effective until July 2016. The USDOL and U.S. Department of Education published proposed rules in April 2015. The rules are expected to be finalized in June 2016. Until the final rules are published, the law's specific implementation

Core Programs

The WIOA identifies four core programs that must coordinate and complement each other in a manner that ensures job seekers have access to needed resources.²¹ The core programs are:

- Adult, dislocated worker, and youth programs;
- Employment services under the Wagner-Peyser Employment Act;
- Vocational rehabilitation services; and
- Adult education and literacy activities.

Performance Measures

In an effort to promote transparency and accountability, the WIOA created a single set of common measures to evaluate core programs. The WIOA requires performance reports to be provided at the state, local, and provider levels. The performance measures that now apply across all core programs are:²²

- The percentage of participants in unsubsidized employment during the second and fourth quarters after exit;
- The median earnings of participants during the second quarter after exit;
- The percentage of participants who obtain a postsecondary credential or secondary school diploma within 1 year after exit;
- The achievement of measureable skill gains toward a credential or employment; and
- The effectiveness in serving employers.

State Workforce Development Plan

Using the common performance measures for core programs, the WIOA requires each state to develop and submit a unified state plan based on a 4-year strategy for workforce development. The state plan must describe an overall strategy for the core programs and how the strategy will meet needs for workers, job seekers, and employers. The WIOA also provides an option for states to submit a combined plan that outlines plans for the core programs along with additional workforce programs.²³ The WIOA requires each state to submit a unified or combined plan by March 3, 2016.²⁴

Regional Planning and Local Workforce Development Boards

The WIOA requires states to identify regional planning areas for workforce development strategies. Within each area, a local workforce development board must be established. Each local workforce development board is required to coordinate planning and service delivery

procedures and processes will remain unclear. See USDOL, WIOA, *FAQs: When will the final regulations for WIOA be published?* (January 21, 2016), available at <https://www.doleta.gov/WIOA/FAQs.cfm#q!225> (last visited Feb. 1, 2016).

²¹ See 29 U.S.C. 3102(13).

²² 29 U.S.C. 3141.

²³ See 29 U.S.C. 3111(d), 3112(b), and 3113.

²⁴ 29 U.S.C. 3112(c). However, the USDOL will consider plans submitted by April 1, 2016, as timely. USDOL, WIOA, *FAQs: When must states submit the first WIOA unified or combined state plan?* (January 21, 2016), available at <https://www.doleta.gov/WIOA/FAQs.cfm#q!224> (last visited Feb. 1, 2016).

strategies within their area. Formulated strategies are then used by the local workforce development board to develop and submit a local plan for the delivery of workforce services.²⁵

One-Stop Career Centers

The WIOA aims to strengthen the one-stop delivery system by requiring each local area to have at least one comprehensive one-stop career center. A comprehensive one-stop career center provides physical access to services provided by core partners, as well as other mandatory partners.²⁶ The WIOA requires each partner to contribute to the funding of the infrastructure costs of the one-stop delivery system. If the local workforce development board and the one-stop partner fail to reach an agreement regarding infrastructure costs by July 1, 2016, the WIOA requires the Governor to allocate those costs.²⁷

Other Changes

The WIOA touches on a number of additional areas that may change how local boards operate. Some of these changes include:

- Changes in terminology; for example, “regional workforce boards” are now called “local workforce development boards”;
- Changes in how funds may be used, including requiring more resources to be directed toward youth workforce activities;
- Changes in the minimum requirements of the state board membership; and
- Allowing greater access to other types of training, such as apprenticeship programs, incumbent worker training, and other customized training.

Florida’s State Plan Under the WIOA

Florida’s state plan is due to the USDOL on March 3, 2016. The USDOL recommended that state workforce systems take actions to prepare for the full implementation of the law, including engaging with “core programs and other partners to begin strategic planning” and developing transition plans.²⁸

Florida’s WIOA Task Force

To facilitate the needed preparations and planning, the Legislature created a 20-member task force to develop recommendations to implement the WIOA.²⁹ The task force, led by CareerSource, included members from the education, social services, criminal justice, and workforce development sectors. The task force was responsible for preparing recommendations for approval by the board of directors of CareerSource. Approved recommendations were

²⁵ 29 U.S.C. 3121, 3122, and 3123.

²⁶ Other mandatory partners may include programs under the Older American Act, Welfare-to-Work, Trade Adjustment Assistance, Veterans Employment and Training, Department of Housing and Urban Development, Unemployment Insurance, Perkins Career and Technical Education Act, and the Community Service Block Grant Act. 29 U.S.C. 3151(b)(2).

²⁷ 29 U.S.C. 3151(c)(2)(A)(ii) and (h)(1)(a)(ii).

²⁸ U.S. Department of Labor, Employment and Training Administration, *Training and Employment Guidance Letter No. 19-14* (Feb. 19, 2015), available at http://wdr.doleta.gov/directives/attach/TEGL/TEGL_19-14.pdf (last visited Jan 4, 2016).

²⁹ Chapter 2015-98, Laws of Fla.

submitted as part of a report to the Legislature and the Governor's Office.³⁰ CareerSource must implement the recommendations in the state plan required by the WIOA.

III. Effect of Proposed Changes:

The bill makes necessary changes to Florida's existing workforce development laws to conform to the new federal guidelines under the WIOA. Specifically, the bill updates the language and references that conflict with the WIOA changes to state and local plans and responsibilities, the composition of state and local workforce development boards, timelines, local and regional collaboration, and the one-stop delivery system.

Workforce Innovation and Opportunity Act

Sections 17, 22 – 26, 28, 34, 36, and 42 amend ss. 420.624, 433.1116, 445.003, 445.004, 445.006, 445.007, 445.009, 445.022, 445.025, and 985.622, F.S., respectively, to replace references to the WIA and regional workforce boards with references to the new federal statute, the WIOA, and local workforce development boards.

Local Workforce Development Boards

Sections 1 – 16, 18 – 21, 27, 30 – 33, 35, 37 – 41, 43 – 51 amend ss. 20.60, 212.08, 220.183, 250.10, 288.047, 290.0056, 322.34, 341.052, 414.045, 414.065, 414.085, 414.095, 414.105, 414.106, 414.295, 420.623, 427.013, 427.0155, 427.0157, 433.091, 445.0071, 445.014, 445.016, 445.017, 445.021, 445.024, 445.026, 445.030, 445.031, 445.048, 445.051, 1002.83, 1003.491, 1003.492, 1003.493, 1003.4935, 1003.52, 1004.93, 1006.261, and 1009.25, F.S., respectively, to replace references to “regional workforce boards” with the new term “local workforce development boards.”

State Workforce Development Plan

Section 23 amends s. 445.003, F.S., to ensure that the delivery of Florida's workforce services are in compliance with the WIOA. The bill requires implementation of the WIOA through a 4-year plan, rather than a 5-year plan under the WIA, for the delivery of workforce services. The 4-year state plan will detail Florida's goals, objectives, and strategies for preparing an educated and skilled workforce. The bill maintains the requirement that mandatory and optional partners under the one-stop program be involved in designing the state plan. The bill deletes the choice for optional federal partners to integrate into the state plan in order to clarify that both federally mandated and optional federal partners must be fully integrated into the state plan.

The bill deletes the WIA-based references to optional partners and the Incumbent Worker Training (IWT) Program. The bill maintains priority guidelines for grant funding under the IWT program, but removes certain eligibility requirements for businesses applying to receive grant funding. Businesses that may not have been eligible to receive grant funding under current law may now be eligible to apply for IWT grants. The bill deletes an obsolete provision that granted

³⁰ CareerSource Florida, *Florida Workforce Innovation and Opportunity Act Implementation Recommendations*, available at http://careersourceflorida.com/wp-content/uploads/2015/12/151201_CombinedAttachments.pdf (last visited Jan. 4, 2016).

authority to CareerSource to negotiate and settle outstanding issues with the USDOL relating to the Job Training Partnership Act of 1982 (JTPA). The JTPA was repealed by the WIA in 1998.

The bill requires CareerSource and the Florida Department of Education to enter into a memorandum of understanding to ensure the state plan complies with the requirements of the WIOA. **Section 29** amends s. 445.07, F.S., to clarify that the DEO and the Florida Department of Education are jointly responsible for the preparation of the state annual economic security report of employment and earning outcomes.

Section 24 amends s. 445.004, F.S., to provide membership guidelines for the state workforce board in order to comply with the WIOA. Specifically, the bill requires the board of directors of CareerSource to include the vice-chairperson of Enterprise Florida, Inc., and at least one member representing each of the WIOA partners. Other entities representing programs identified in the WIOA may also have representation on the board of directors as determined necessary by the Governor. The bill also revises performance accountability measures used to gauge performance of state and local workforce delivery services in order to comply with the WIOA. The bill deletes references to the WIA-based, outcome tier method of measuring performance accountability.

Section 25 amends s. 445.006, F.S., to revise the structure and criteria of the state plan. The bill requires the state plan to incorporate strategic and operational planning elements and requires CareerSource to collaborate with state and local partners to develop the state plan for the delivery of workforce services. The bill authorizes the Governor to submit the state plan to the USDOL. The bill deletes references to WIA-based requirements for strategic and operational plans.

Regional Planning and Local Workforce Development Boards

Sections 26 amends s. 445.007, F.S., to revise membership requirements for local workforce development boards. CareerSource is required to establish regional planning areas by March 1, 2018, in order for those areas to prepare regional workforce development plans. In the interim, the 24 local workforce development boards also serve as the 24 regional planning areas for purposes of preparing the regional workforce development plan required by the WIOA.

Section 28 amends s. 445.009, F.S., to require each local workforce development board to enter into a memorandum of understanding with each mandatory or optional partner participating in the one-stop delivery program that details the partner's required contribution to infrastructure costs. Pursuant to the WIOA, if the local workforce development board and the one-stop partners are unable to come to an agreement regarding infrastructure costs by July 1, 2017, the costs must be allocated pursuant to a policy established by the Governor.

Effective Date

Section 52 provides that the bill takes effect on July 1, 2016.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

A private organization may have to update any materials it produces or website it maintains to reference Florida's modified workforce delivery system under the WIOA. Any costs incurred are indeterminate, but expected to be minimal.

Businesses that may not have been eligible to receive grant funding under current law may now be eligible to apply for IWT grants.

C. Government Sector Impact:

The WIOA requires each local workforce development board to enter into a memorandum of understanding with each mandatory or optional partner participating in the one-stop delivery system that details the partner's required contribution to infrastructure costs. To the extent that a partner has not been participating in the one-stop delivery system or, if participating, has not been contributing funds to cover infrastructure costs, implementation of the WIOA will increase costs for that entity. The fiscal impact is indeterminate at this time.

CareerSource and the Department of Economic Opportunity will cover any costs to implement the WIOA within existing resources.

A governmental organization may have to update any materials it produces or website it maintains to reference Florida's modified workforce delivery system under the WIOA. These costs are indeterminate, but expected to be minimal.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 20.60, 212.08, 220.183, 250.10, 288.047, 290.0056, 322.34, 341.052, 414.045, 414.065, 414.085, 414.095, 414.105, 414.106, 414.295, 420.623, 420.624, 427.013, 427.0155, 427.0157, 443.091, 443.1116, 445.003, 445.004, 445.006, 445.007, 445.0071, 445.009, 445.07, 445.014, 445.016, 445.017, 445.021, 445.022, 445.024, 445.025, 445.026, 445.030, 445.031, 445.048, 445.051, 985.622, 1002.83, 1003.491, 1003.492, 1003.493, 1003.4935, 1003.52, 1004.93, 1006.261, and 1009.25.

IX. Additional Information:

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

CS by Fiscal Policy on February 4, 2016:

The committee substitute clarifies that the DEO and the Florida Department of Education are jointly responsible for the preparation of the state annual economic security report of employment and earning outcomes. The CS extends the deadline for the local workforce development board and the one-stop partners to come to an agreement about shared infrastructure costs; the agreement must be final by July 1, 2017, instead of July 1, 2017. The CS also corrects additional references to “regional board” with “local workforce development board.”

- B. **Amendments:**

None.



LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
02/04/2016	.	
	.	
	.	
	.	

The Committee on Fiscal Policy (Bean) recommended the following:

Senate Amendment (with title amendment)

Delete lines 1252 - 2293

and insert:

local workforce development boards in achieving the workforce development strategy. These measures and standards must be organized into three outcome tiers.

(a) The performance accountability measures for the core programs consist of the primary indicators of performance, any additional indicators of performance, and a state-adjusted level of performance for each indicator pursuant to Pub. L. No. 113-



12 ~~128, Title I, s. 116(b) first tier of measures must be organized~~
13 ~~to provide benchmarks for systemwide outcomes. CareerSource~~
14 ~~Florida, Inc., shall, in collaboration with the Office of~~
15 ~~Program Policy Analysis and Government Accountability, establish~~
16 ~~goals for the tier-one outcomes. Systemwide outcomes may include~~
17 ~~employment in occupations demonstrating continued growth in~~
18 ~~wages; continued employment after 3, 6, 12, and 24 months;~~
19 ~~reduction in and elimination of public assistance reliance; job~~
20 ~~placement; employer satisfaction; and positive return on~~
21 ~~investment of public resources.~~

22 (b) The performance accountability measures for each local
23 area consist of the primary indicators of performance, any
24 additional indicators of performance, and a local level of
25 performance for each indicator pursuant to Pub. L. No. 113-128.
26 The local level of performance is determined by the local board,
27 the chief elected official, and the Governor pursuant to Pub. L.
28 No. 113-128, Title I, s. 116(c) second tier of measures must be
29 organized to provide a set of benchmark outcomes for the
30 strategic components of the workforce development strategy. Cost
31 per entered employment, earnings at placement, retention in
32 employment, job placement, and entered employment rate must be
33 included among the performance outcome measures.

34 (c) Performance accountability measures shall be used to
35 generate performance reports pursuant to Pub. L. No. 113-128,
36 Title I, s. 116(d) The third tier of measures must be the
37 operational output measures to be used by the agency
38 implementing programs, which may be specific to federal
39 requirements. The tier-three measures must be developed by the
40 agencies implementing programs, which may consult with



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41 ~~CareerSource Florida, Inc., in this effort. Such measures must~~
42 ~~be reported to CareerSource Florida, Inc., by the appropriate~~
43 ~~implementing agency.~~

44 ~~(d) Regional differences must be reflected in the~~
45 ~~establishment of performance goals and may include job~~
46 ~~availability, unemployment rates, average worker wage, and~~
47 ~~available employable population.~~

48 ~~(e) Job placement must be reported pursuant to s. 1008.39.~~
49 ~~Positive outcomes for providers of education and training must~~
50 ~~be consistent with ss. 1008.42 and 1008.43.~~

51 ~~(d)(f) The performance accountability uniform~~ measures of
52 success that are adopted by CareerSource Florida, Inc., or the
53 ~~local regional~~ workforce ~~development~~ boards must be developed in
54 a manner that provides for an equitable comparison of the
55 relative success or failure of any service provider in terms of
56 positive outcomes.

57 ~~(g) By December 1 of each year, CareerSource Florida, Inc.,~~
58 ~~shall provide the Legislature with a report detailing the~~
59 ~~performance of Florida's workforce development system, as~~
60 ~~reflected in the three-tier measurement system. The report also~~
61 ~~must benchmark Florida outcomes for all tiers as compared with~~
62 ~~other states that collect data similarly.~~

63 (11) The workforce development system must use a charter-
64 process approach aimed at encouraging local design and control
65 of service delivery and targeted activities. CareerSource
66 Florida, Inc., shall be responsible for granting charters to
67 ~~local regional~~ workforce ~~development~~ boards that have a
68 membership consistent with the requirements of federal and state
69 law and have developed a plan consistent with the state's



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70 workforce development strategy. The plan must specify methods
71 for allocating the resources and programs in a manner that
72 eliminates unwarranted duplication, minimizes administrative
73 costs, meets the existing job market demands and the job market
74 demands resulting from successful economic development
75 activities, ensures access to quality workforce development
76 services for all Floridians, allows for pro rata or partial
77 distribution of benefits and services, prohibits the creation of
78 a waiting list or other indication of an unserved population,
79 serves as many individuals as possible within available
80 resources, and maximizes successful outcomes. As part of the
81 charter process, CareerSource Florida, Inc., shall establish
82 incentives for effective coordination of federal and state
83 programs, outline rewards for successful job placements, and
84 institute collaborative approaches among local service
85 providers. Local decisionmaking and control shall be important
86 components for inclusion in this charter application.

87 (12) CareerSource Florida, Inc., shall enter into agreement
88 with Space Florida and collaborate with vocational institutes,
89 community colleges, colleges, and universities in this state, to
90 develop a workforce development strategy to implement the
91 workforce provisions of s. 331.3051.

92 Section 25. Section 445.006, Florida Statutes, is amended
93 to read:

94 445.006 ~~State plan Strategic and operational plans~~ for
95 workforce development.-

96 (1) ~~STATE PLAN.~~-CareerSource Florida, Inc., in conjunction
97 with state and local partners in the workforce system, shall
98 develop a state plan that produces an educated and skilled



99 workforce. The state plan must consist of strategic and
100 operational planning elements. The state plan shall be submitted
101 by the Governor to the United States Department of Labor
102 pursuant to the requirements of Pub. L. No. 113-128 strategic
103 plan that produces skilled employees for employers in the state.
104 The strategic plan shall be updated or modified by January 1 of
105 each year.

106 (2) STRATEGIC PLANNING ELEMENTS.—CareerSource Florida,
107 Inc., in conjunction with state and local partners in the
108 workforce system, shall develop strategic planning elements,
109 pursuant to Pub. L. No. 113-128, Title I, s. 102, for the state
110 plan.

111 (a) The strategic planning elements of the state plan must
112 include, but need not be limited to, strategies for:

113 1.(a) Fulfilling the workforce system goals and strategies
114 prescribed in s. 445.004;

115 2.(b) Aggregating, integrating, and leveraging workforce
116 system resources;

117 3.(c) Coordinating the activities of federal, state, and
118 local workforce system partners;

119 4.(d) Addressing the workforce needs of small businesses;
120 and

121 5.(e) Fostering the participation of rural communities and
122 distressed urban cores in the workforce system.

123 (2) CareerSource Florida, Inc., shall establish an
124 operational plan to implement the state strategic plan. The
125 operational plan shall be submitted to the Governor and the
126 Legislature along with the strategic plan and must reflect the
127 allocation of resources as appropriated by the Legislature to



128 specific responsibilities enumerated in law. As a component of
129 the operational plan required under this section, CareerSource
130 Florida, Inc., shall develop a workforce marketing plan, with
131 the goal of educating individuals inside and outside the state
132 about the employment market and employment conditions in the
133 state. The marketing plan must include, but need not be limited
134 to, strategies for:

135 (a) Distributing information to secondary and postsecondary
136 education institutions about the diversity of businesses in the
137 state, specific clusters of businesses or business sectors in
138 the state, and occupations by industry which are in demand by
139 employers in the state;

140 (b) Distributing information about and promoting use of the
141 Internet-based job matching and labor market information system
142 authorized under s. 445.011; and

143 (c) Coordinating with Enterprise Florida, Inc., to ensure
144 that workforce marketing efforts complement the economic
145 development marketing efforts of the state.

146 (3) The operational plan must include performance measures,
147 standards, measurement criteria, and contract guidelines in the
148 following areas with respect to participants in the welfare
149 transition program:

150 (a) Work participation rates, by type of activity;

151 (b) Caseload trends;

152 (c) Recidivism;

153 (d) Participation in diversion and relocation assistance
154 programs;

155 (e) Employment retention;

156 (f) Wage growth; and



157 ~~(g) Other issues identified by the board of directors of~~
158 ~~CareerSource Florida, Inc.~~
159 ~~(b)(4)~~ The strategic planning elements plan must include
160 criteria for allocating workforce resources to local regional
161 workforce development boards. With respect to allocating funds
162 to serve customers of the welfare transition program, such
163 criteria may include weighting factors that indicate the
164 relative degree of difficulty associated with securing and
165 retaining employment placements for specific subsets of the
166 welfare transition caseload.
167 (3) OPERATIONAL PLANNING ELEMENTS.—CareerSource Florida,
168 Inc., in conjunction with state and local partners in the
169 workforce system, shall develop operational planning elements,
170 pursuant to Pub. L. No. 113-128, Title I, s. 102, for the state
171 plan.
172 ~~(5)(a) The operational plan may include a performance-based~~
173 ~~payment structure to be used for all welfare transition program~~
174 ~~customers which takes into account:~~
175 ~~1. The degree of difficulty associated with placement and~~
176 ~~retention;~~
177 ~~2. The quality of the placement with respect to salary,~~
178 ~~benefits, and opportunities for advancement; and~~
179 ~~3. The employee's retention in the placement.~~
180 ~~(b) The payment structure may provide for bonus payments of~~
181 ~~up to 10 percent of the contract amount to providers that~~
182 ~~achieve notable success in achieving contract objectives,~~
183 ~~including, but not limited to, success in diverting families in~~
184 ~~which there is an adult who is subject to work requirements from~~
185 ~~receiving cash assistance and in achieving long-term job~~



186 ~~retention and wage growth with respect to welfare transition~~
187 ~~program customers. A service provider shall be paid a maximum of~~
188 ~~one payment per service for each participant during any given 6-~~
189 ~~month period.~~
190 ~~(6)(a) The operational plan must include strategies that~~
191 ~~are designed to prevent or reduce the need for a person to~~
192 ~~receive public assistance, including:~~
193 ~~1. A teen pregnancy prevention component that includes, but~~
194 ~~is not limited to, a plan for implementing the Teen Pregnancy~~
195 ~~Prevention Community Initiative within each county of the~~
196 ~~services area in which the teen birth rate is higher than the~~
197 ~~state average;~~
198 ~~2. A component that encourages community-based welfare~~
199 ~~prevention and reduction initiatives that increase support~~
200 ~~provided by noncustodial parents to their welfare-dependent~~
201 ~~children and are consistent with program and financial~~
202 ~~guidelines developed by CareerSource Florida, Inc., and the~~
203 ~~Commission on Responsible Fatherhood. These initiatives may~~
204 ~~include improved paternity establishment, work activities for~~
205 ~~noncustodial parents, programs aimed at decreasing out-of-~~
206 ~~wedlock pregnancies, encouraging involvement of fathers with~~
207 ~~their children which includes court-ordered supervised~~
208 ~~visitation, and increasing child support payments;~~
209 ~~3. A component that encourages formation and maintenance of~~
210 ~~two-parent families through, among other things, court-ordered~~
211 ~~supervised visitation;~~
212 ~~4. A component that fosters responsible fatherhood in~~
213 ~~families receiving assistance; and~~
214 ~~5. A component that fosters the provision of services that~~



215 ~~reduce the incidence and effects of domestic violence on women~~
216 ~~and children in families receiving assistance.~~
217 ~~(b) Specifications for welfare transition program services~~
218 ~~that are to be delivered include, but are not limited to:~~
219 ~~1. Initial assessment services prior to an individual being~~
220 ~~placed in an employment service, to determine whether the~~
221 ~~individual should be referred for relocation, up-front~~
222 ~~diversion, education, or employment placement. Assessment~~
223 ~~services shall be paid on a fixed unit rate and may not provide~~
224 ~~educational or employment placement services.~~
225 ~~2. Referral of participants to diversion and relocation~~
226 ~~programs.~~
227 ~~3. Preplacement services, including assessment, staffing,~~
228 ~~career plan development, work orientation, and employability~~
229 ~~skills enhancement.~~
230 ~~4. Services necessary to secure employment for a welfare~~
231 ~~transition program participant.~~
232 ~~5. Services necessary to assist participants in retaining~~
233 ~~employment, including, but not limited to, remedial education,~~
234 ~~language skills, and personal and family counseling.~~
235 ~~6. Desired quality of job placements with regard to salary,~~
236 ~~benefits, and opportunities for advancement.~~
237 ~~7. Expectations regarding job retention.~~
238 ~~8. Strategies to ensure that transition services are~~
239 ~~provided to participants for the mandated period of eligibility.~~
240 ~~9. Services that must be provided to the participant~~
241 ~~throughout an education or training program, such as monitoring~~
242 ~~attendance and progress in the program.~~
243 ~~10. Services that must be delivered to welfare transition~~



244 ~~program participants who have a deferral from work requirements~~
245 ~~but wish to participate in activities that meet federal~~
246 ~~participation requirements.~~
247 ~~11. Expectations regarding continued participant awareness~~
248 ~~of available services and benefits.~~
249 Section 26. Section 445.007, Florida Statutes, is amended
250 to read:
251 445.007 Local Regional workforce development boards.-
252 (1) One regional workforce development board shall be
253 appointed in each designated service delivery area and shall
254 serve as the local workforce development investment board
255 pursuant to Pub. L. No. 113-128 ~~105-220~~. The membership of the
256 board ~~must shall~~ be consistent with Pub. L. No. 113-128 ~~105-220~~,
257 Title I, s. 107(b) ~~s. 117(b)~~ but may not exceed the minimum
258 membership required in Pub. L. No. ~~105-220~~, Title I, ~~s.~~
259 ~~117(b)(2)(A)~~ and in this subsection. Upon approval by the
260 Governor, the chief elected official may appoint additional
261 members above the limit set by this subsection. If a public
262 education or training provider is represented on the board, a
263 representative of a private nonprofit provider and a
264 representative of a private for-profit provider must also be
265 appointed to the board. The board shall include one nonvoting
266 representative from a military installation if a military
267 installation is located within the region and the appropriate
268 military command or organization authorizes such representation.
269 It is the intent of the Legislature that membership of a
270 regional workforce board include persons who are current or
271 former recipients of welfare transition assistance as defined in
272 ~~s. 445.002(2) or workforce services as provided in s. 445.009(1)~~



273 ~~or that such persons be included as ex officio members of the~~
274 ~~board or of committees organized by the board.~~ The importance of
275 minority and gender representation shall be considered when
276 making appointments to the board. The board, its committees,
277 subcommittees, and subdivisions, and other units of the
278 workforce system, including units that may consist in whole or
279 in part of local governmental units, may use any method of
280 telecommunications to conduct meetings, including establishing a
281 quorum through telecommunications, provided that the public is
282 given proper notice of the telecommunications meeting and
283 reasonable access to observe and, when appropriate, participate.
284 Local ~~Regional~~ workforce development boards are subject to
285 chapters 119 and 286 and s. 24, Art. I of the State
286 Constitution. If the local ~~regional~~ workforce development board
287 enters into a contract with an organization or individual
288 represented on the board of directors, the contract must be
289 approved by a two-thirds vote of the board, a quorum having been
290 established, and the board member who could benefit financially
291 from the transaction must abstain from voting on the contract. A
292 board member must disclose any such conflict in a manner that is
293 consistent with the procedures outlined in s. 112.3143. Each
294 member of a local ~~regional~~ workforce development board who is
295 not otherwise required to file a full and public disclosure of
296 financial interests pursuant to s. 8, Art. II of the State
297 Constitution or s. 112.3144 shall file a statement of financial
298 interests pursuant to s. 112.3145. The executive director or
299 designated person responsible for the operational and
300 administrative functions of the local ~~regional~~ workforce
301 development board who is not otherwise required to file a full



302 and public disclosure of financial interests pursuant to s. 8,
303 Art. II of the State Constitution or s. 112.3144 shall file a
304 statement of financial interests pursuant to s. 112.3145.
305 (2) (a) The local ~~regional~~ workforce development board shall
306 elect a chair from among the representatives described in Pub.
307 L. No. 113-128 ~~105-220~~, Title I, s. 107(b)(2)(A) ~~s.~~
308 ~~117(b)(2)(A)(i)~~ to serve for a term of no more than 2 years and
309 shall serve no more than two terms.
310 (b) The Governor may remove a member of the board, the
311 executive director of the board, or the designated person
312 responsible for the operational and administrative functions of
313 the board for cause. As used in this paragraph, the term "cause"
314 includes, but is not limited to, engaging in fraud or other
315 criminal acts, incapacity, unfitness, neglect of duty, official
316 incompetence and irresponsibility, misfeasance, malfeasance,
317 nonfeasance, or lack of performance.
318 (3) The Department of Economic Opportunity, under the
319 direction of CareerSource Florida, Inc., shall assign staff to
320 meet with each local ~~regional~~ workforce development board
321 annually to review the board's performance and to certify that
322 the board is in compliance with applicable state and federal
323 law.
324 (4) In addition to the duties and functions specified by
325 CareerSource Florida, Inc., and by the interlocal agreement
326 approved by the local county or city governing bodies, the local
327 ~~regional~~ workforce development board shall have the following
328 responsibilities:
329 (a) Develop, submit, ratify, or amend the local plan
330 pursuant to Pub. L. No. 113-128, Title I, s. 108 ~~105-220~~, Title



331 ~~I, s. 118, and the provisions of this act.~~
332 (b) Conclude agreements necessary to designate the fiscal
333 agent and administrative entity. A public or private entity,
334 including an entity established pursuant to s. 163.01, which
335 makes a majority of the appointments to a local regional
336 workforce development board may serve as the board's
337 administrative entity if approved by CareerSource Florida, Inc.,
338 based upon a showing that a fair and competitive process was
339 used to select the administrative entity.
340 (c) Complete assurances required for the charter process of
341 CareerSource Florida, Inc., and provide ongoing oversight
342 related to administrative costs, duplicated services, career
343 counseling, economic development, equal access, compliance and
344 accountability, and performance outcomes.
345 (d) Oversee the one-stop delivery system in its local area.
346 (5) CareerSource Florida, Inc., shall implement a training
347 program for the local regional workforce development boards to
348 familiarize board members with the state's workforce development
349 goals and strategies.
350 (6) The local regional workforce development board shall
351 designate all local service providers and may not transfer this
352 authority to a third party. Consistent with the intent of the
353 Workforce Innovation and Opportunity Investment Act, local
354 ~~regional~~ workforce development boards should provide the
355 greatest possible choice of training providers to those who
356 qualify for training services. A local regional workforce
357 development board may not restrict the choice of training
358 providers based upon cost, location, or historical training
359 arrangements. However, a board may restrict the amount of



360 training resources available to any one client. Such
361 restrictions may vary based upon the cost of training in the
362 client's chosen occupational area. The local regional workforce
363 development board may be designated as a one-stop operator and
364 direct provider of intake, assessment, eligibility
365 determinations, or other direct provider services except
366 training services. Such designation may occur only with the
367 agreement of the chief elected official and the Governor as
368 specified in 29 U.S.C. s. 2832(f)(2). CareerSource Florida,
369 Inc., shall establish procedures by which a local regional
370 workforce development board may request permission to operate
371 under this section and the criteria under which such permission
372 may be granted. The criteria shall include, but need not be
373 limited to, a reduction in the cost of providing the permitted
374 services. Such permission shall be granted for a period not to
375 exceed 3 years for any single request submitted by the local
376 ~~regional~~ workforce development board.
377 (7) Local Regional workforce development boards shall adopt
378 a committee structure consistent with applicable federal law and
379 state policies established by CareerSource Florida, Inc.
380 (8) The importance of minority and gender representation
381 shall be considered when appointments are made to any committee
382 established by the local regional workforce development board.
383 (9) For purposes of procurement, local regional workforce
384 development boards and their administrative entities are not
385 state agencies and are exempt from chapters 120 and 287. The
386 local regional workforce development boards shall apply the
387 procurement and expenditure procedures required by federal law
388 and policies of the Department of Economic Opportunity and



389 CareerSource Florida, Inc., for the expenditure of federal,
390 state, and nonpass-through funds. The making or approval of
391 smaller, multiple payments for a single purchase with the intent
392 to avoid or evade the monetary thresholds and procedures
393 established by federal law and policies of the Department of
394 Economic Opportunity and CareerSource Florida, Inc., is grounds
395 for removal for cause. Local Regional workforce development
396 boards, their administrative entities, committees, and
397 subcommittees, and other workforce units may authorize
398 expenditures to award suitable framed certificates, pins, or
399 other tokens of recognition for performance by units of the
400 workforce system. Local Regional workforce development boards;
401 their administrative entities, committees, and subcommittees;
402 and other workforce units may authorize expenditures for
403 promotional items, such as t-shirts, hats, or pens printed with
404 messages promoting Florida's workforce system to employers, job
405 seekers, and program participants. However, such expenditures
406 are subject to federal regulations applicable to the expenditure
407 of federal funds. All contracts executed by local regional
408 workforce development boards must include specific performance
409 expectations and deliverables.

410 (10) State and federal funds provided to the local regional
411 workforce development boards may not be used directly or
412 indirectly to pay for meals, food, or beverages for board
413 members, staff, or employees of local regional workforce
414 development boards, CareerSource Florida, Inc., or the
415 Department of Economic Opportunity except as expressly
416 authorized by state law. Preapproved, reasonable, and necessary
417 per diem allowances and travel expenses may be reimbursed. Such



418 reimbursement shall be at the standard travel reimbursement
419 rates established in s. 112.061 and shall be in compliance with
420 all applicable federal and state requirements. CareerSource
421 Florida, Inc., shall develop a statewide fiscal policy
422 applicable to the state board and all local regional workforce
423 development boards, to hold both the state and local regional
424 workforce development boards strictly accountable for adherence
425 to the policy and subject to regular and periodic monitoring by
426 the Department of Economic Opportunity, the administrative
427 entity for CareerSource Florida, Inc. Boards are prohibited from
428 expending state or federal funds for entertainment costs and
429 recreational activities for board members and employees as these
430 terms are defined by 2 C.F.R. part 230.

431 (11) To increase transparency and accountability, a local
432 regional workforce development board must comply with the
433 requirements of this section before contracting with a member of
434 the board or a relative, as defined in s. 112.3143(1)(c), of a
435 board member or of an employee of the board. Such contracts may
436 not be executed before or without the approval of CareerSource
437 Florida, Inc. Such contracts, as well as documentation
438 demonstrating adherence to this section as specified by
439 CareerSource Florida, Inc., must be submitted to the Department
440 of Economic Opportunity for review and recommendation according
441 to criteria to be determined by CareerSource Florida, Inc. Such
442 a contract must be approved by a two-thirds vote of the board, a
443 quorum having been established; all conflicts of interest must
444 be disclosed before the vote; and any member who may benefit
445 from the contract, or whose relative may benefit from the
446 contract, must abstain from the vote. A contract under \$25,000



447 between a local ~~regional~~ workforce development board and a
448 member of that board or between a relative, as defined in s.
449 112.3143(1)(c), of a board member or of an employee of the board
450 is not required to have the prior approval of CareerSource
451 Florida, Inc., but must be approved by a two-thirds vote of the
452 board, a quorum having been established, and must be reported to
453 the Department of Economic Opportunity and CareerSource Florida,
454 Inc., within 30 days after approval. If a contract cannot be
455 approved by CareerSource Florida, Inc., a review of the decision
456 to disapprove the contract may be requested by the local
457 ~~regional~~ workforce development board or other parties to the
458 disapproved contract.

459 (12) Each local ~~regional~~ workforce development board shall
460 develop a budget for the purpose of carrying out the duties of
461 the board under this section, subject to the approval of the
462 chief elected official. Each local ~~regional~~ workforce
463 development board shall submit its annual budget for review to
464 CareerSource Florida, Inc., no later than 2 weeks after the
465 chair approves the budget.

466 (13) By March 1, 2018, CareerSource Florida, Inc., shall
467 establish regional planning areas in accordance with Pub. L. No.
468 113-128, Title I, s. 106(a)(2). Local workforce development
469 boards and chief elected officials within identified regional
470 planning areas shall prepare a regional workforce development
471 plan as required under Pub. L. No. 113-128, Title I, s.
472 106(c)(2).

473 Section 27. Subsections (4) and (5) of section 445.0071,
474 Florida Statutes, are amended to read:

475 445.0071 Florida Youth Summer Jobs Pilot Program.—



476 (4) GOVERNANCE.—
477 (a) The pilot program shall be administered by the local
478 ~~regional~~ workforce development board in consultation with
479 CareerSource Florida, Inc.

480 (b) The local ~~regional~~ workforce development board shall
481 report to CareerSource Florida, Inc., the number of at-risk and
482 disadvantaged children who enter the program, the types of work
483 activities they participate in, and the number of children who
484 return to school, go on to postsecondary school, or enter the
485 workforce full time at the end of the program. CareerSource
486 Florida, Inc., shall report to the Legislature by November 1 of
487 each year on the performance of the program.

488 (5) FUNDING.—

489 (a) The local ~~regional~~ workforce development board shall,
490 consistent with state and federal laws, use funds appropriated
491 specifically for the pilot program to provide youth wage
492 payments and educational enrichment activities. The local
493 ~~regional~~ workforce development board and local communities may
494 obtain private or state and federal grants or other sources of
495 funds in addition to any appropriated funds.

496 (b) Program funds shall be used as follows:

497 1. No less than 85 percent of the funds shall be used for
498 youth wage payments or educational enrichment activities. These
499 funds shall be matched on a one-to-one basis by each local
500 community that participates in the program.

501 2. No more than 2 percent of the funds may be used for
502 administrative purposes.

503 3. The remainder of the funds may be used for
504 transportation assistance, child care assistance, or other



505 assistance to enable a program participant to enter or remain in
506 the program.

507 (c) The local regional workforce development board shall
508 pay a participating employer an amount equal to one-half of the
509 wages paid to a youth participating in the program. Payments
510 shall be made monthly for the duration that the youth
511 participant is employed as documented by the employer and
512 confirmed by the local regional workforce development board.

513 Section 28. Subsections (2) through (7), paragraphs (b),
514 (c), and (d) of subsection (8), paragraph (b) of subsection (9),
515 and subsection (10) of section 445.009, Florida Statutes, are
516 amended to read:

517 445.009 One-stop delivery system.—

518 (2) (a) Subject to a process designed by CareerSource
519 Florida, Inc., and in compliance with Pub. L. No. 113-128 ~~105-~~
520 ~~220~~, local regional workforce development boards shall designate
521 one-stop delivery system operators.

522 (b) A local regional workforce development board may
523 designate as its one-stop delivery system operator any public or
524 private entity that is eligible to provide services under any
525 state or federal workforce program that is a mandatory or
526 discretionary partner in the local workforce development area's
527 ~~region's~~ one-stop delivery system if approved by CareerSource
528 Florida, Inc., upon a showing by the local regional workforce
529 development board that a fair and competitive process was used
530 in the selection. As a condition of authorizing a local regional
531 workforce development board to designate such an entity as its
532 one-stop delivery system operator, CareerSource Florida, Inc.,
533 must require the local regional workforce development board to



534 demonstrate that safeguards are in place to ensure that the one-
535 stop delivery system operator will not exercise an unfair
536 competitive advantage or unfairly refer or direct customers of
537 the one-stop delivery system to services provided by that one-
538 stop delivery system operator. A local regional workforce
539 development board may retain its current one-stop career center
540 operator without further procurement action if the board has an
541 established one-stop career center that has complied with
542 federal and state law.

543 (c) The local workforce development board must enter into a
544 memorandum of understanding with each mandatory or optional
545 partner participating in the one-stop delivery system which
546 details the partner's required contribution to infrastructure
547 costs, as required by Pub. L. No. 113-128, s. 121(h). If the
548 local workforce development board and the one-stop partner are
549 unable to come to an agreement regarding infrastructure costs by
550 July 1, 2017, the costs shall be allocated pursuant to a policy
551 established by the Governor.

552 (3) Local Regional workforce development boards shall enter
553 into a memorandum of understanding with the Department of
554 Economic Opportunity for the delivery of employment services
555 authorized by the federal Wagner-Peyser Act. This memorandum of
556 understanding must be performance based.

557 (a) Unless otherwise required by federal law, at least 90
558 percent of the Wagner-Peyser funding must go into direct
559 customer service costs.

560 (b) Employment services must be provided through the one-
561 stop delivery system, under the guidance of one-stop delivery
562 system operators. One-stop delivery system operators shall have



563 overall authority for directing the staff of the workforce
564 system. Personnel matters shall remain under the ultimate
565 authority of the department. However, the one-stop delivery
566 system operator shall submit to the department information
567 concerning the job performance of employees of the department
568 who deliver employment services. The department shall consider
569 any such information submitted by the one-stop delivery system
570 operator in conducting performance appraisals of the employees.
571 (c) The department shall retain fiscal responsibility and
572 accountability for the administration of funds allocated to the
573 state under the Wagner-Peyser Act. An employee of the department
574 who is providing services authorized under the Wagner-Peyser Act
575 shall be paid using Wagner-Peyser Act funds.
576 (4) One-stop delivery system partners shall enter into a
577 memorandum of understanding pursuant to Pub. L. No. 113-128 ~~105-~~
578 ~~220~~, Title I, s. 121, with the local ~~regional~~ workforce
579 development board. Failure of a local partner to participate
580 cannot unilaterally block the majority of partners from moving
581 forward with their one-stop delivery system, and CareerSource
582 Florida, Inc., pursuant to s. 445.004(5)(e), may make
583 notification of a local partner that fails to participate.
584 (5) To the extent possible, local ~~regional~~ workforce
585 development boards shall include as partners in the local one-
586 stop delivery system entities that provide programs or
587 activities designed to meet the needs of homeless persons.
588 (6) (a) To the extent possible, core services, as defined by
589 Pub. L. No. 113-128 ~~105-220~~, shall be provided electronically,
590 using existing systems. These electronic systems shall be linked
591 and integrated into a comprehensive service system to simplify



592 access to core services by:
593 1. Maintaining staff to serve as the first point of contact
594 with the public seeking access to employment services who are
595 knowledgeable about each program located in each one-stop
596 delivery system center as well as related services. An initial
597 determination of the programs for which a customer is likely to
598 be eligible and any referral for a more thorough eligibility
599 determination must be made at this first point of contact; and
600 2. Establishing an automated, integrated intake screening
601 and eligibility process where customers will provide information
602 through a self-service intake process that may be accessed by
603 staff from any participating program.
604 (b) To expand electronic capabilities, CareerSource
605 Florida, Inc., working with local ~~regional~~ workforce development
606 boards, shall develop a centralized help center to assist local
607 ~~regional~~ workforce development boards in fulfilling core
608 services, minimizing the need for fixed-site one-stop delivery
609 system centers.
610 (c) To the extent feasible, core services shall be
611 accessible through the Internet. Through this technology, core
612 services shall be made available at public libraries, public and
613 private educational institutions, community centers, kiosks,
614 neighborhood facilities, and satellite one-stop delivery system
615 sites. Each local ~~regional~~ workforce development board's web
616 page shall serve as a portal for contacting potential employees
617 by integrating the placement efforts of universities and private
618 companies, including staffing services firms, into the existing
619 one-stop delivery system.
620 (7) Intensive services and training provided pursuant to



621 Pub. L. No. ~~113-128 105-220~~, shall be provided to individuals
622 through Intensive Service Accounts and Individual Training
623 Accounts. CareerSource Florida, Inc., shall develop an
624 implementation plan, including identification of initially
625 eligible training providers, transition guidelines, and criteria
626 for use of these accounts. Individual Training Accounts must be
627 compatible with Individual Development Accounts for education
628 allowed in federal and state welfare reform statutes.

629 (8)

630 (b) For each approved training program, local ~~regional~~
631 workforce development boards, in consultation with training
632 providers, shall establish a fair-market purchase price to be
633 paid through an Individual Training Account. The purchase price
634 must be based on prevailing costs and reflect local economic
635 factors, program complexity, and program benefits, including
636 time to beginning of training and time to completion. The price
637 shall ensure the fair participation of public and nonpublic
638 postsecondary educational institutions as authorized service
639 providers and shall prohibit the use of unlawful remuneration to
640 the student in return for attending an institution. Unlawful
641 remuneration does not include student financial assistance
642 programs.

643 (c) CareerSource Florida, Inc., shall periodically review
644 Individual Training Account pricing schedules developed by local
645 ~~regional~~ workforce development boards and present findings and
646 recommendations for process improvement to the President of the
647 Senate and the Speaker of the House of Representatives.

648 (d) To the maximum extent possible, training providers
649 shall use funding sources other than the funding provided under



650 Pub. L. No. ~~113-128 105-220~~. CareerSource Florida, Inc., shall
651 develop a system to encourage the leveraging of appropriated
652 resources for the workforce system and shall report on such
653 efforts as part of the required annual report.

654 (9)

655 (b) The network shall assure that a uniform method is used
656 to determine eligibility for and management of services provided
657 by agencies that conduct workforce development activities. The
658 Department of Management Services shall develop strategies to
659 allow access to the databases and information management systems
660 of the following systems in order to link information in those
661 databases with the one-stop delivery system:

662 1. The Reemployment Assistance Program under chapter 443.

663 2. The public employment service described in s. 443.181.

664 3. The public assistance information system used by the
665 Department of Children and Families ~~FLORIDA System~~ and the
666 components related to temporary cash assistance, food
667 assistance, and Medicaid eligibility.

668 4. The Student Financial Assistance System of the
669 Department of Education.

670 5. Enrollment in the public postsecondary education system.

671 6. Other information systems determined appropriate by
672 CareerSource Florida, Inc.

673 (10) To the maximum extent feasible, the one-stop delivery
674 system may use private sector staffing services firms in the
675 provision of workforce services to individuals and employers in
676 the state. Local ~~Regional~~ workforce development boards may
677 collaborate with staffing services firms in order to facilitate
678 the provision of workforce services. Local ~~Regional~~ workforce



679 development boards may contract with private sector staffing
680 services firms to design programs that meet the employment needs
681 of the local workforce development area ~~region~~. All such
682 contracts must be performance-based and require a specific
683 period of job tenure before ~~prior to~~ payment.

684 Section 29. Subsection (1) of section 445.07, Florida
685 Statutes, is amended to read:

686 445.07 Economic security report of employment and earning
687 outcomes.—

688 (1) Beginning December 31, 2013, and annually thereafter,
689 the Department of Economic Opportunity, in consultation with the
690 Department of Education, shall prepare, or contract with an
691 entity to prepare, an economic security report of employment and
692 earning outcomes for degrees or certificates earned at public
693 postsecondary educational institutions.

694 Section 30. Subsections (1) and (3) of section 445.014,
695 Florida Statutes, are amended to read:

696 445.014 Small business workforce service initiative.—

697 (1) Subject to legislative appropriation, CareerSource
698 Florida, Inc., shall establish a program to encourage local
699 ~~regional~~ workforce development boards to establish one-stop
700 delivery systems that maximize the provision of workforce and
701 human-resource support services to small businesses. Under the
702 program, a local ~~regional~~ workforce development board may apply,
703 on a competitive basis, for funds to support the provision of
704 such services to small businesses through the local workforce
705 development area's ~~region's~~ one-stop delivery system.

706 (3) CareerSource Florida, Inc., shall establish guidelines
707 governing the administration of this program and shall establish



708 criteria to be used in evaluating applications for funding. Such
709 criteria must include, but need not be limited to, a showing
710 that the local workforce development ~~regional~~ board has in place
711 a detailed plan for establishing a one-stop delivery system
712 designed to meet the workforce needs of small businesses and for
713 leveraging other funding sources in support of such activities.

714 Section 31. Subsection (3) of section 445.016, Florida
715 Statutes, is amended to read:

716 445.016 Untried Worker Placement and Employment Incentive
717 Act.—

718 (3) Incentive payments may be made to for-profit or not-
719 for-profit agents selected by local ~~regional~~ workforce
720 development boards who successfully place untried workers in
721 full-time employment for 6 months with an employer after the
722 employee successfully completes a probationary placement of no
723 more than 6 months with that employer. Full-time employment that
724 includes health care benefits will receive an additional
725 incentive payment.

726 Section 32. Subsections (3), (4), and (5) of section
727 445.017, Florida Statutes, are amended to read:

728 445.017 Diversion.—

729 (3) Before finding an applicant family eligible for up-
730 front diversion services, the local ~~regional~~ workforce
731 development board must determine that all requirements of
732 eligibility for diversion services would likely be met.

733 (4) The local ~~regional~~ workforce development board shall
734 screen each family on a case-by-case basis for barriers to
735 obtaining or retaining employment. The screening shall identify
736 barriers that, if corrected, may prevent the family from



737 receiving temporary cash assistance on a regular basis.
738 Assistance to overcome a barrier to employment is not limited to
739 cash, but may include vouchers or other in-kind benefits.
740 (5) The family receiving up-front diversion must sign an
741 agreement restricting the family from applying for temporary
742 cash assistance for 3 months, unless an emergency is
743 demonstrated to the local regional workforce development board.
744 If a demonstrated emergency forces the family to reapply for
745 temporary cash assistance within 3 months after receiving a
746 diversion payment, the diversion payment shall be prorated over
747 an 8-month period and deducted from any temporary assistance for
748 which the family is eligible.
749 Section 33. Subsections (2) and (3) of section 445.021,
750 Florida Statutes, are amended to read:
751 445.021 Relocation assistance program.—
752 (2) The relocation assistance program shall involve five
753 steps by the local regional workforce development board, in
754 cooperation with the Department of Children and Families:
755 (a) A determination that the family is receiving temporary
756 cash assistance or that all requirements of eligibility for
757 diversion services would likely be met.
758 (b) A determination that there is a basis for believing
759 that relocation will contribute to the ability of the applicant
760 to achieve self-sufficiency. For example, the applicant:
761 1. Is unlikely to achieve economic self-sufficiency at the
762 current community of residence;
763 2. Has secured a job that provides an increased salary or
764 improved benefits and that requires relocation to another
765 community;



766 3. Has a family support network that will contribute to job
767 retention in another community;
768 4. Is determined, pursuant to criteria or procedures
769 established by the board of directors of CareerSource Florida,
770 Inc., to be a victim of domestic violence who would experience
771 reduced probability of further incidents through relocation; or
772 5. Must relocate in order to receive education or training
773 that is directly related to the applicant's employment or career
774 advancement.
775 (c) Establishment of a relocation plan that includes such
776 requirements as are necessary to prevent abuse of the benefit
777 and provisions to protect the safety of victims of domestic
778 violence and avoid provisions that place them in anticipated
779 danger. The payment to defray relocation expenses shall be
780 determined based on criteria approved by the board of directors
781 of CareerSource Florida, Inc. Participants in the relocation
782 program shall be eligible for diversion or transitional
783 benefits.
784 (d) A determination, pursuant to criteria adopted by the
785 board of directors of CareerSource Florida, Inc., that a
786 community receiving a relocated family has the capacity to
787 provide needed services and employment opportunities.
788 (e) Monitoring the relocation.
789 (3) A family receiving relocation assistance for reasons
790 other than domestic violence must sign an agreement restricting
791 the family from applying for temporary cash assistance for a
792 period of 6 months, unless an emergency is demonstrated to the
793 local regional workforce development board. If a demonstrated
794 emergency forces the family to reapply for temporary cash



795 assistance within such period, after receiving a relocation
796 assistance payment, repayment must be made on a prorated basis
797 and subtracted from any regular payment of temporary cash
798 assistance for which the applicant may be eligible.

799 Section 34. Section 445.022, Florida Statutes, is amended
800 to read:

801 445.022 Retention Incentive Training Accounts.—To promote
802 job retention and to enable upward job advancement into higher
803 skilled, higher paying employment, the board of directors of
804 CareerSource Florida, Inc., and the local regional workforce
805 development boards may assemble a list of programs and courses
806 offered by postsecondary educational institutions which may be
807 available to participants who have become employed to promote
808 job retention and advancement.

809 (1) The board of directors of CareerSource Florida, Inc.,
810 may establish Retention Incentive Training Accounts (RITAs) to
811 use Temporary Assistance to Needy Families (TANF) block grant
812 funds specifically appropriated for this purpose. RITAs must
813 complement the Individual Training Account required by the
814 federal Workforce Innovation and Opportunity Investment Act of
815 1998, Pub. L. No. 113-128 105-220.

816 (2) RITAs may pay for tuition, fees, educational materials,
817 coaching and mentoring, performance incentives, transportation
818 to and from courses, child care costs during education courses,
819 and other such costs as the local regional workforce development
820 boards determine are necessary to effect successful job
821 retention and advancement.

822 (3) Local Regional workforce development boards shall
823 retain only those courses that continue to meet their



824 performance standards as established in their local plan.

825 (4) Local Regional workforce development boards shall
826 report annually to the Legislature on the measurable retention
827 and advancement success of each program provider and the
828 effectiveness of RITAs, making recommendations for any needed
829 changes or modifications.

830 Section 35. Subsections (4) and (5) of section 445.024,
831 Florida Statutes, are amended to read:

832 445.024 Work requirements.—

833 (4) PRIORITIZATION OF WORK REQUIREMENTS.—Local Regional
834 workforce development boards shall require participation in work
835 activities to the maximum extent possible, subject to federal
836 and state funding. If funds are projected to be insufficient to
837 allow full-time work activities by all program participants who
838 are required to participate in work activities, local regional
839 workforce development boards shall screen participants and
840 assign priority based on the following:

841 (a) In accordance with federal requirements, at least one
842 adult in each two-parent family shall be assigned priority for
843 full-time work activities.

844 (b) Among single-parent families, a family that has older
845 preschool children or school-age children shall be assigned
846 priority for work activities.

847 (c) A participant who has access to child care services may
848 be assigned priority for work activities.

849 (d) Priority may be assigned based on the amount of time
850 remaining until the participant reaches the applicable time
851 limit for program participation or may be based on requirements
852 of a case plan.



853
854 ~~Local Regional~~ workforce development boards may limit a
855 participant's weekly work requirement to the minimum required to
856 meet federal work activity requirements. ~~Local Regional~~
857 workforce development boards may develop screening and
858 prioritization procedures based on the allocation of resources,
859 the availability of community resources, the provision of
860 supportive services, or the work activity needs of the service
861 area.

862 (5) USE OF CONTRACTS.—~~Local Regional~~ workforce development
863 boards shall provide work activities, training, and other
864 services, as appropriate, through contracts. In contracting for
865 work activities, training, or services, the following applies:

866 (a) A contract must be performance-based. Payment shall be
867 tied to performance outcomes that include factors such as, but
868 not limited to, diversion from cash assistance, job entry, job
869 entry at a target wage, job retention, and connection to
870 transition services rather than tied to completion of training
871 or education or any other phase of the program participation
872 process.

873 (b) A contract may include performance-based incentive
874 payments that may vary according to the extent to which the
875 participant is more difficult to place. Contract payments may be
876 weighted proportionally to reflect the extent to which the
877 participant has limitations associated with the long-term
878 receipt of welfare and difficulty in sustaining employment. The
879 factors may include the extent of prior receipt of welfare, lack
880 of employment experience, lack of education, lack of job skills,
881 and other factors determined appropriate by the local regional



882 workforce development board.

883 (c) Notwithstanding the exemption from the competitive
884 sealed bid requirements provided in s. 287.057(3)(e) for certain
885 contractual services, each contract awarded under this chapter
886 must be awarded on the basis of a competitive sealed bid, except
887 for a contract with a governmental entity as determined by the
888 local regional workforce development board.

889 (d) ~~Local Regional~~ workforce development boards may
890 contract with commercial, charitable, or religious
891 organizations. A contract must comply with federal requirements
892 with respect to nondiscrimination and other requirements that
893 safeguard the rights of participants. Services may be provided
894 under contract, certificate, voucher, or other form of
895 disbursement.

896 (e) The administrative costs associated with a contract for
897 services provided under this section may not exceed the
898 applicable administrative cost ceiling established in federal
899 law. An agency or entity that is awarded a contract under this
900 section may not charge more than 7 percent of the value of the
901 contract for administration unless an exception is approved by
902 the local regional workforce development board. A list of any
903 exceptions approved must be submitted to the board of directors
904 of CareerSource Florida, Inc., for review, and the board may
905 rescind approval of the exception.

906 (f) ~~Local Regional~~ workforce development boards may enter
907 into contracts to provide short-term work experience for the
908 chronically unemployed as provided in this section.

909 (g) A tax-exempt organization under s. 501(c) of the
910 Internal Revenue Code of 1986 which receives funds under this



911 chapter must disclose receipt of federal funds on any
912 advertising, promotional, or other material in accordance with
913 federal requirements.

914 Section 36. Section 445.025, Florida Statutes, is amended
915 to read:

916 445.025 Other support services.—Support services shall be
917 provided, if resources permit, to assist participants in
918 complying with work activity requirements outlined in s.
919 445.024. If resources do not permit the provision of needed
920 support services, the local regional workforce development board
921 may prioritize or otherwise limit provision of support services.
922 This section does not constitute an entitlement to support
923 services. Lack of provision of support services may be
924 considered as a factor in determining whether good cause exists
925 for failing to comply with work activity requirements but does
926 not automatically constitute good cause for failing to comply
927 with work activity requirements, and does not affect any
928 applicable time limit on the receipt of temporary cash
929 assistance or the provision of services under chapter 414.

930 Support services shall include, but need not be limited to:

931 (1) TRANSPORTATION.—Transportation expenses may be provided
932 to any participant when the assistance is needed to comply with
933 work activity requirements or employment requirements, including
934 transportation to and from a child care provider. Payment may be
935 made in cash or tokens in advance or through reimbursement paid
936 against receipts or invoices. Transportation services may
937 include, but are not limited to, cooperative arrangements with
938 the following: public transit providers; community
939 transportation coordinators designated under chapter 427; school



940 districts; churches and community centers; donated motor vehicle
941 programs, van pools, and ridesharing programs; small enterprise
942 developments and entrepreneurial programs that encourage
943 participants to become transportation providers; public and
944 private transportation partnerships; and other innovative
945 strategies to expand transportation options available to program
946 participants.

947 (a) Local Regional workforce development boards may provide
948 payment for vehicle operational and repair expenses, including
949 repair expenditures necessary to make a vehicle functional;
950 vehicle registration fees; driver license fees; and liability
951 insurance for the vehicle for a period of up to 6 months.
952 Request for vehicle repairs must be accompanied by an estimate
953 of the cost prepared by a repair facility registered under s.
954 559.904.

955 (b) Transportation disadvantaged funds as defined in
956 chapter 427 do not include support services funds or funds
957 appropriated to assist persons eligible under the Workforce
958 Innovation and Opportunity Act ~~Job Training Partnership Act~~. It
959 is the intent of the Legislature that local regional workforce
960 development boards consult with local community transportation
961 coordinators designated under chapter 427 regarding the
962 availability and cost of transportation services through the
963 coordinated transportation system before ~~prior to~~ contracting
964 for comparable transportation services outside the coordinated
965 system.

966 (2) ANCILLARY EXPENSES.—Ancillary expenses such as books,
967 tools, clothing, fees, and costs necessary to comply with work
968 activity requirements or employment requirements may be



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969 provided.

970 (3) MEDICAL SERVICES.—A family that meets the eligibility
971 requirements for Medicaid shall receive medical services under
972 the Medicaid program.

973 (4) PERSONAL AND FAMILY COUNSELING AND THERAPY.—Counseling
974 may be provided to participants who have a personal or family
975 problem or problems caused by substance abuse that is a barrier
976 to compliance with work activity requirements or employment
977 requirements. In providing these services, local regional
978 workforce development boards shall use services that are
979 available in the community at no additional cost. If these
980 services are not available, local regional workforce development
981 boards may use support services funds. Personal or family
982 counseling not available through Medicaid may not be considered
983 a medical service for purposes of the required statewide
984 implementation plan or use of federal funds.

985 Section 37. Subsection (5) of section 445.026, Florida
986 Statutes, is amended to read:

987 445.026 Cash assistance severance benefit.—An individual
988 who meets the criteria listed in this section may choose to
989 receive a lump-sum payment in lieu of ongoing cash assistance
990 payments, provided the individual:

991 (5) Provides employment and earnings information to the
992 local regional workforce development board, so that the local
993 regional workforce development board can ensure that the
994 family's eligibility for severance benefits can be evaluated.

995
996 Such individual may choose to accept a one-time, lump-sum
997 payment of \$1,000 in lieu of receiving ongoing cash assistance.



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998 Such payment shall only count toward the time limitation for the
999 month in which the payment is made in lieu of cash assistance. A
1000 participant choosing to accept such payment shall be terminated
1001 from cash assistance. However, eligibility for Medicaid, food
1002 assistance, or child care shall continue, subject to the
1003 eligibility requirements of those programs.

1004 Section 38. Subsections (2) and (4) of section 445.030,
1005 Florida Statutes, are amended to read:

1006 445.030 Transitional education and training.—In order to
1007 assist former recipients of temporary cash assistance who are
1008 working or actively seeking employment in continuing their
1009 training and upgrading their skills, education, or training,
1010 support services may be provided for up to 2 years after the
1011 family is no longer receiving temporary cash assistance. This
1012 section does not constitute an entitlement to transitional
1013 education and training. If funds are not sufficient to provide
1014 services under this section, the board of directors of
1015 CareerSource Florida, Inc., may limit or otherwise prioritize
1016 transitional education and training.

1017 (2) Local Regional workforce development boards may
1018 authorize child care or other support services in addition to
1019 services provided in conjunction with employment. For example, a
1020 participant who is employed full time may receive child care
1021 services related to that employment and may also receive
1022 additional child care services in conjunction with training to
1023 upgrade the participant's skills.

1024 (4) A local Regional workforce development board may enter
1025 into an agreement with an employer to share the costs relating
1026 to upgrading the skills of participants hired by the employer.



1027 For example, a local ~~regional~~ workforce development board may
1028 agree to provide support services such as transportation or a
1029 wage subsidy in conjunction with training opportunities provided
1030 by the employer.

1031 Section 39. Section 445.031, Florida Statutes, is amended
1032 to read:

1033 445.031 Transitional transportation.—In order to assist
1034 former recipients of temporary cash assistance in maintaining
1035 and sustaining employment or educational opportunities,
1036 transportation may be provided, if funds are available, for up
1037 to 2 years after the participant is no longer in the program.
1038 This does not constitute an entitlement to transitional
1039 transportation. If funds are not sufficient to provide services
1040 under this section, local ~~regional~~ workforce development boards
1041 may limit or otherwise prioritize transportation services.

1042 (1) Transitional transportation must be job or education
1043 related.

1044 (2) Transitional transportation may include expenses
1045 identified in s. 445.025, paid directly or by voucher, as well
1046 as a vehicle valued at not more than \$8,500 if the vehicle is
1047 needed for training, employment, or educational purposes.

1048 Section 40. Subsection (1), paragraph (b) of subsection
1049 (4), and subsection (5) of section 445.048, Florida Statutes,
1050 are amended to read:

1051 445.048 Passport to Economic Progress program.—

1052 (1) AUTHORIZATION.—Notwithstanding any law to the contrary,
1053 CareerSource Florida, Inc., in conjunction with the Department
1054 of Children and Families and the Department of Economic
1055 Opportunity, shall implement a Passport to Economic Progress



1056 program consistent with ~~the provisions of~~ this section.
1057 CareerSource Florida, Inc., may designate local ~~regional~~
1058 workforce development boards to participate in the program.
1059 Expenses for the program may come from appropriated revenues or
1060 from funds otherwise available to a local ~~regional~~ workforce
1061 development board which may be legally used for such purposes.
1062 CareerSource Florida, Inc., must consult with the applicable
1063 local ~~regional~~ workforce development boards and the applicable
1064 local offices of the Department of Children and Families which
1065 serve the program areas and must encourage community input into
1066 the implementation process.

1067 (4) INCENTIVES TO ECONOMIC SELF-SUFFICIENCY.—

1068 (b) CareerSource Florida, Inc., in cooperation with the
1069 Department of Children and Families and the Department of
1070 Economic Opportunity, shall offer performance-based incentive
1071 bonuses as a component of the Passport to Economic Progress
1072 program. The bonuses do not represent a program entitlement and
1073 are contingent on achieving specific benchmarks prescribed in
1074 the self-sufficiency plan. If the funds appropriated for this
1075 purpose are insufficient to provide this financial incentive,
1076 the board of directors of CareerSource Florida, Inc., may reduce
1077 or suspend the bonuses in order not to exceed the appropriation
1078 or may direct the local workforce development ~~regional~~ boards to
1079 use resources

1080
1081 ===== T I T L E A M E N D M E N T =====

1082 And the title is amended as follows:

1083 Delete line 59

1084 and insert:



241658

1085 amending s. 445.07, F.S.; requiring the Department of
1086 Education to consult with the Department of Economic
1087 Opportunity in preparing, or contracting with an
1088 entity to prepare, certain economic security reports;
1089 amending ss. 445.014, 445.016, 445.017, 445.021,
1090 445.022,

By the Committee on Commerce and Tourism

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1 A bill to be entitled
 2 An act relating to the federal Workforce Innovation
 3 and Opportunity Act; amending ss. 20.60, 212.08,
 4 220.183, 250.10, 288.047, 290.0056, 322.34, 341.052,
 5 414.045, 414.065, 414.085, 414.095, 414.105, 414.106,
 6 414.295, 420.623, 420.624, 427.013, 427.0155,
 7 427.0157, 443.091, and 443.1116, F.S.; conforming
 8 provisions to changes made by the act; amending s.
 9 445.003, F.S.; providing implementation of the federal
 10 Workforce Innovation and Opportunity Act through a 4-
 11 year plan; revising the requirements of the plan;
 12 deleting a provision authorizing an optional federal
 13 partner to fulfill certain state planning and
 14 reporting requirements; deleting a provision requiring
 15 all optional federal program partners to participate
 16 in the second year of the plan; providing for program
 17 administration; deleting certain eligibility
 18 requirements for businesses; deleting the authority of
 19 CareerSource Florida, Inc., to negotiate and settle
 20 certain issues with the United States Department of
 21 Labor; requiring CareerSource Florida, Inc., to enter
 22 into a memorandum with the Florida Department of
 23 Education to ensure compliance with the state plan for
 24 workforce development; conforming provisions to
 25 changes made by the act; amending s. 445.004, F.S.;
 26 specifying membership requirements for the
 27 CareerSource Florida, Inc., board of directors;
 28 revising the entities required to collaborate with
 29 CareerSource Florida, Inc., to establish certain
 30 performance accountability measures; revising
 31 requirements for the performance accountability
 32 measures; deleting references to outcome tiers for

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

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33 such measures; deleting a provision requiring certain
 34 job placement reporting; conforming provisions to
 35 changes made by the act; amending s. 445.006, F.S.;
 36 providing for the development of a state plan to
 37 include strategic and operational elements; deleting a
 38 requirement that the strategic plan be updated or
 39 modified each year; revising requirements for the
 40 strategic and operational plans; conforming provisions
 41 to changes made by the act; amending s. 445.007, F.S.;
 42 revising local workforce development board membership
 43 requirements; requiring CareerSource Florida, Inc., to
 44 establish regional planning areas subject to certain
 45 requirements by a certain date; requiring local
 46 workforce development boards and selected officials to
 47 prepare a regional workforce development plan;
 48 conforming provisions to changes made by the act;
 49 amending s. 445.0071, F.S.; conforming provisions to
 50 changes made by the act; amending s. 445.009, F.S.;
 51 requiring the local workforce development board to
 52 enter into a memorandum of understanding with each
 53 mandatory or optional partner detailing certain
 54 contributions; providing that costs will be allocated
 55 pursuant to a policy established by the Governor under
 56 certain circumstances; specifying the systems that may
 57 be accessed with the one-stop delivery system;
 58 conforming provisions to changes made by the act;
 59 amending ss. 445.014, 445.017, 445.021, 445.022,
 60 445.024, 445.025, 445.026, 445.030, 445.031, 445.048,
 61 445.051, 985.622, 1002.83, 1003.491, 1003.492,

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62 1003.493, 1003.4935, 1003.52, 1004.93, 1006.261, and
63 1009.25, F.S.; conforming provisions to changes made
64 by this act; providing an effective date.

65
66 Be It Enacted by the Legislature of the State of Florida:

67
68 Section 1. Paragraph (c) of subsection (5) of section
69 20.60, Florida Statutes, is amended to read:

70 20.60 Department of Economic Opportunity; creation; powers
71 and duties.—

72 (5) The divisions within the department have specific
73 responsibilities to achieve the duties, responsibilities, and
74 goals of the department. Specifically:

75 (c) The Division of Workforce Services shall:

76 1. Prepare and submit a unified budget request for
77 workforce development in accordance with chapter 216 for, and in
78 conjunction with, CareerSource Florida, Inc., and its board.

79 2. Ensure that the state appropriately administers federal
80 and state workforce funding by administering plans and policies
81 of CareerSource Florida, Inc., under contract with CareerSource
82 Florida, Inc. The operating budget and midyear amendments
83 thereto must be part of such contract.

84 a. All program and fiscal instructions to ~~local regional~~
85 workforce development boards shall emanate from the Department
86 of Economic Opportunity pursuant to plans and policies of
87 CareerSource Florida, Inc., which shall be responsible for all
88 policy directions to the ~~local regional~~ workforce development
89 boards.

90 b. Unless otherwise provided by agreement with CareerSource

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91 Florida, Inc., administrative and personnel policies of the
92 Department of Economic Opportunity apply.

93 3. Implement the state's reemployment assistance program.

94 The Department of Economic Opportunity shall ensure that the
95 state appropriately administers the reemployment assistance
96 program pursuant to state and federal law.

97 4. Assist in developing the 5-year statewide strategic plan
98 required by this section.

99 Section 2. Paragraph (p) of subsection (5) of section
100 212.08, Florida Statutes, is amended to read:

101 212.08 Sales, rental, use, consumption, distribution, and
102 storage tax; specified exemptions.—The sale at retail, the
103 rental, the use, the consumption, the distribution, and the
104 storage to be used or consumed in this state of the following
105 are hereby specifically exempt from the tax imposed by this
106 chapter.

107 (5) EXEMPTIONS; ACCOUNT OF USE.—

108 (p) *Community contribution tax credit for donations.*—

109 1. Authorization.—Persons who are registered with the
110 department under s. 212.18 to collect or remit sales or use tax
111 and who make donations to eligible sponsors are eligible for tax
112 credits against their state sales and use tax liabilities as
113 provided in this paragraph:

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

116 b. The credit shall be granted as a refund against state
117 sales and use taxes reported on returns and remitted in the 12
118 months preceding the date of application to the department for
119 the credit as required in sub-subparagraph 3.c. If the annual

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120 credit is not fully used through such refund because of
 121 insufficient tax payments during the applicable 12-month period,
 122 the unused amount may be included in an application for a refund
 123 made pursuant to sub-subparagraph 3.c. in subsequent years
 124 against the total tax payments made for such year. Carryover
 125 credits may be applied for a 3-year period without regard to any
 126 time limitation that would otherwise apply under s. 215.26.

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

130 d. All proposals for the granting of the tax credit require
 131 the prior approval of the Department of Economic Opportunity.

132 e. The total amount of tax credits which may be granted for
 133 all programs approved under this paragraph, s. 220.183, and s.
 134 624.5105 is \$18.4 million in the 2015-2016 fiscal year, \$21.4
 135 million in the 2016-2017 fiscal year, and \$21.4 million in the
 136 2017-2018 fiscal year for projects that provide housing
 137 opportunities for persons with special needs or homeownership
 138 opportunities for low-income households or very-low-income
 139 households and \$3.5 million annually for all other projects. As
 140 used in this paragraph, the term "person with special needs" has
 141 the same meaning as in s. 420.0004 and the terms "low-income
 142 person," "low-income household," "very-low-income person," and
 143 "very-low-income household" have the same meanings as in s.
 144 420.9071.

145 f. A person who is eligible to receive the credit provided
 146 in this paragraph, s. 220.183, or s. 624.5105 may receive the
 147 credit only under one section of the person's choice.

148 2. Eligibility requirements.-

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

151 (I) Cash or other liquid assets;

152 (II) Real property;

153 (III) Goods or inventory; or

154 (IV) Other physical resources identified by the Department
 155 of Economic Opportunity.

156 b. All community contributions must be reserved exclusively
 157 for use in a project. As used in this sub-subparagraph, the term
 158 "project" means activity undertaken by an eligible sponsor which
 159 is designed to construct, improve, or substantially rehabilitate
 160 housing that is affordable to low-income households or very-low-
 161 income households; designed to provide housing opportunities for
 162 persons with special needs; designed to provide commercial,
 163 industrial, or public resources and facilities; or designed to
 164 improve entrepreneurial and job-development opportunities for
 165 low-income persons. A project may be the investment necessary to
 166 increase access to high-speed broadband capability in a rural
 167 community that had an enterprise zone designated pursuant to
 168 chapter 290 as of May 1, 2015, including projects that result in
 169 improvements to communications assets that are owned by a
 170 business. A project may include the provision of museum
 171 educational programs and materials that are directly related to
 172 a project approved between January 1, 1996, and December 31,
 173 1999, and located in an area which was in an enterprise zone
 174 designated pursuant to s. 290.0065 as of May 1, 2015. This
 175 paragraph does not preclude projects that propose to construct
 176 or rehabilitate housing for low-income households or very-low-
 177 income households on scattered sites or housing opportunities

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178 for persons with special needs. With respect to housing,
 179 contributions may be used to pay the following eligible special
 180 needs, low-income, and very-low-income housing-related
 181 activities:

182 (I) Project development impact and management fees for
 183 special needs, low-income, or very-low-income housing projects;
 184 (II) Down payment and closing costs for persons with
 185 special needs, low-income persons, and very-low-income persons;
 186 (III) Administrative costs, including housing counseling
 187 and marketing fees, not to exceed 10 percent of the community
 188 contribution, directly related to special needs, low-income, or
 189 very-low-income projects; and
 190 (IV) Removal of liens recorded against residential property
 191 by municipal, county, or special district local governments if
 192 satisfaction of the lien is a necessary precedent to the
 193 transfer of the property to a low-income person or very-low-
 194 income person for the purpose of promoting home ownership.
 195 Contributions for lien removal must be received from a
 196 nonrelated third party.

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

199 (I) A community action program;
 200 (II) A nonprofit community-based development organization
 201 whose mission is the provision of housing for persons with
 202 special needs, low-income households, or very-low-income
 203 households or increasing entrepreneurial and job-development
 204 opportunities for low-income persons;
 205 (III) A neighborhood housing services corporation;
 206 (IV) A local housing authority created under chapter 421;

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207 (V) A community redevelopment agency created under s.
 208 163.356;
 209 (VI) A historic preservation district agency or
 210 organization;
 211 (VII) A local ~~regional~~ workforce development board;
 212 (VIII) A direct-support organization as provided in s.
 213 1009.983;
 214 (IX) An enterprise zone development agency created under s.
 215 290.0056;
 216 (X) A community-based organization incorporated under
 217 chapter 617 which is recognized as educational, charitable, or
 218 scientific pursuant to s. 501(c)(3) of the Internal Revenue Code
 219 and whose bylaws and articles of incorporation include
 220 affordable housing, economic development, or community
 221 development as the primary mission of the corporation;
 222 (XI) Units of local government;
 223 (XII) Units of state government; or
 224 (XIII) Any other agency that the Department of Economic
 225 Opportunity designates by rule.
 226
 227 A contributing person may not have a financial interest in the
 228 eligible sponsor.

229 d. The project must be located in an area which was in an
 230 enterprise zone designated pursuant to chapter 290 as of May 1,
 231 2015, or a Front Porch Florida Community, unless the project
 232 increases access to high-speed broadband capability in a rural
 233 community that had an enterprise zone designated pursuant to
 234 chapter 290 as of May 1, 2015, but is physically located outside
 235 the designated rural zone boundaries. Any project designed to

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236 construct or rehabilitate housing for low-income households or
 237 very-low-income households or housing opportunities for persons
 238 with special needs is exempt from the area requirement of this
 239 sub-subparagraph.

240 e.(I) If, during the first 10 business days of the state
 241 fiscal year, eligible tax credit applications for projects that
 242 provide housing opportunities for persons with special needs or
 243 homeownership opportunities for low-income households or very-
 244 low-income households are received for less than the annual tax
 245 credits available for those projects, the Department of Economic
 246 Opportunity shall grant tax credits for those applications and
 247 grant remaining tax credits on a first-come, first-served basis
 248 for subsequent eligible applications received before the end of
 249 the state fiscal year. If, during the first 10 business days of
 250 the state fiscal year, eligible tax credit applications for
 251 projects that provide housing opportunities for persons with
 252 special needs or homeownership opportunities for low-income
 253 households or very-low-income households are received for more
 254 than the annual tax credits available for those projects, the
 255 Department of Economic Opportunity shall grant the tax credits
 256 for those applications as follows:

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

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

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265 available tax credits, and the remaining credits shall be
 266 granted to each approved tax credit application on a pro rata
 267 basis.

268 (II) If, during the first 10 business days of the state
 269 fiscal year, eligible tax credit applications for projects other
 270 than those that provide housing opportunities for persons with
 271 special needs or homeownership opportunities for low-income
 272 households or very-low-income households are received for less
 273 than the annual tax credits available for those projects, the
 274 Department of Economic Opportunity shall grant tax credits for
 275 those applications and shall grant remaining tax credits on a
 276 first-come, first-served basis for subsequent eligible
 277 applications received before the end of the state fiscal year.
 278 If, during the first 10 business days of the state fiscal year,
 279 eligible tax credit applications for projects other than those
 280 that provide housing opportunities for persons with special
 281 needs or homeownership opportunities for low-income households
 282 or very-low-income households are received for more than the
 283 annual tax credits available for those projects, the Department
 284 of Economic Opportunity shall grant the tax credits for those
 285 applications on a pro rata basis.

286 3. Application requirements.-

287 a. An eligible sponsor seeking to participate in this
 288 program must submit a proposal to the Department of Economic
 289 Opportunity which sets forth the name of the sponsor, a
 290 description of the project, and the area in which the project is
 291 located, together with such supporting information as is
 292 prescribed by rule. The proposal must also contain a resolution
 293 from the local governmental unit in which the project is located

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294 certifying that the project is consistent with local plans and
295 regulations.

296 b. A person seeking to participate in this program must
297 submit an application for tax credit to the Department of
298 Economic Opportunity which sets forth the name of the sponsor, a
299 description of the project, and the type, value, and purpose of
300 the contribution. The sponsor shall verify, in writing, the
301 terms of the application and indicate its receipt of the
302 contribution, and such verification must accompany the
303 application for tax credit. The person must submit a separate
304 tax credit application to the Department of Economic Opportunity
305 for each individual contribution that it makes to each
306 individual project.

307 c. A person who has received notification from the
308 Department of Economic Opportunity that a tax credit has been
309 approved must apply to the department to receive the refund.
310 Application must be made on the form prescribed for claiming
311 refunds of sales and use taxes and be accompanied by a copy of
312 the notification. A person may submit only one application for
313 refund to the department within a 12-month period.

314 4. Administration.—

315 a. The Department of Economic Opportunity may adopt rules
316 necessary to administer this paragraph, including rules for the
317 approval or disapproval of proposals by a person.

318 b. The decision of the Department of Economic Opportunity
319 must be in writing, and, if approved, the notification shall
320 state the maximum credit allowable to the person. Upon approval,
321 the Department of Economic Opportunity shall transmit a copy of
322 the decision to the department.

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323 c. The Department of Economic Opportunity shall
324 periodically monitor all projects in a manner consistent with
325 available resources to ensure that resources are used in
326 accordance with this paragraph; however, each project must be
327 reviewed at least once every 2 years.

328 d. The Department of Economic Opportunity shall, in
329 consultation with the statewide and regional housing and
330 financial intermediaries, market the availability of the
331 community contribution tax credit program to community-based
332 organizations.

333 5. Expiration.—This paragraph expires June 30, 2018;
334 however, any accrued credit carryover that is unused on that
335 date may be used until the expiration of the 3-year carryover
336 period for such credit.

337 Section 3. Paragraph (c) of subsection (2) of section
338 220.183, Florida Statutes, is amended to read:

339 220.183 Community contribution tax credit.—

340 (2) ELIGIBILITY REQUIREMENTS.—

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

343 1. A community action program;

344 2. A nonprofit community-based development organization
345 whose mission is the provision of housing for persons with
346 special needs or low-income or very-low-income households or
347 increasing entrepreneurial and job-development opportunities for
348 low-income persons;

349 3. A neighborhood housing services corporation;

350 4. A local housing authority, created pursuant to chapter

351 421;

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- 352 5. A community redevelopment agency, created pursuant to s.
353 163.356;
- 354 6. A historic preservation district agency or organization;
- 355 7. A local ~~regional~~ workforce development board;
- 356 8. A direct-support organization as provided in s.
357 1009.983;
- 358 9. An enterprise zone development agency created pursuant
359 to s. 290.0056;
- 360 10. A community-based organization incorporated under
361 chapter 617 which is recognized as educational, charitable, or
362 scientific pursuant to s. 501(c)(3) of the Internal Revenue Code
363 and whose bylaws and articles of incorporation include
364 affordable housing, economic development, or community
365 development as the primary mission of the corporation;
- 366 11. Units of local government;
- 367 12. Units of state government; or
- 368 13. Such other agency as the Department of Economic
369 Opportunity may, from time to time, designate by rule.

370
371 In no event shall a contributing business firm have a financial
372 interest in the eligible sponsor.

373 Section 4. Paragraph (1) of subsection (2) of section
374 250.10, Florida Statutes, is amended to read:

375 250.10 Appointment and duties of the Adjutant General.—

376 (2) The Adjutant General shall:

- 377 (1) Subject to annual appropriations, administer youth
378 About Face programs and adult Forward March programs at sites to
379 be selected by the Adjutant General. Both programs must provide
380 schoolwork assistance, focusing on the skills needed to master

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381 basic high school competencies and functional life skills,
382 including teaching students to work effectively in groups;
383 providing basic instruction in computer skills; teaching basic
384 problem-solving, decisionmaking, and reasoning skills; teaching
385 how the business world and free enterprise work through computer
386 simulations; and teaching home finance and budgeting and other
387 daily living skills.

388 1. About Face is a summer and year-round after-school life-
389 preparation program for economically disadvantaged and at-risk
390 youths from 13 through 17 years of age. The program must provide
391 training in academic study skills, and the basic skills that
392 businesses require for employment consideration.

393 2. Forward March is a job-readiness program for
394 economically disadvantaged participants who are directed to
395 Forward March by the local ~~regional~~ workforce development
396 boards. The Forward March program shall provide training on
397 topics that directly relate to the skills required for real-
398 world success. The program shall emphasize functional life
399 skills, computer literacy, interpersonal relationships,
400 critical-thinking skills, business skills, preemployment and
401 work maturity skills, job-search skills, exploring careers
402 activities, how to be a successful and effective employee, and
403 some job-specific skills. The program also shall provide
404 extensive opportunities for participants to practice generic job
405 skills in a supervised work setting. Upon completion of the
406 program, Forward March shall return participants to the local
407 ~~regional~~ workforce development boards for placement in a job
408 placement pool.

409 Section 5. Subsection (8) of section 288.047, Florida

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410 Statutes, is amended to read:

411 288.047 Quick-response training for economic development.—

412 (8) The Quick-Response Training Program is created to
 413 provide assistance to participants in the welfare transition
 414 program. CareerSource Florida, Inc., may award quick-response
 415 training grants and develop applicable guidelines for the
 416 training of participants in the welfare transition program. In
 417 addition to a local economic development organization, grants
 418 must be endorsed by the applicable local ~~regional~~ workforce
 419 development board.

420 (a) Training funded pursuant to this subsection may not
 421 exceed 12 months, and may be provided by the local community
 422 college, school district, local ~~regional~~ workforce development
 423 board, or the business employing the participant, including on-
 424 the-job training. Training will provide entry-level skills to
 425 new workers, including those employed in retail, who are
 426 participants in the welfare transition program.

427 (b) Participants trained pursuant to this subsection must
 428 be employed at a job paying at least \$6 per hour.

429 (c) Funds made available pursuant to this subsection may be
 430 expended in connection with the relocation of a business from
 431 one community to another if approved by CareerSource Florida,
 432 Inc.

433 Section 6. Subsection (2) of section 290.0056, Florida
 434 Statutes, is amended to read:

435 290.0056 Enterprise zone development agency.—

436 (2) When the governing body creates an enterprise zone
 437 development agency, that body shall appoint a board of
 438 commissioners of the agency, which shall consist of not fewer

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439 than 8 or more than 13 commissioners. The governing body may
 440 appoint at least one representative from each of the following:
 441 the local chamber of commerce; local financial or insurance
 442 entities; local businesses and, where possible, businesses
 443 operating within the nominated area; the residents residing
 444 within the nominated area; nonprofit community-based
 445 organizations operating within the nominated area; the local
 446 ~~regional~~ workforce development board; the local code enforcement
 447 agency; and the local law enforcement agency. The terms of
 448 office of the commissioners shall be for 4 years, except that,
 449 in making the initial appointments, the governing body shall
 450 appoint two members for terms of 3 years, two members for terms
 451 of 2 years, and one member for a term of 1 year; the remaining
 452 initial members shall serve for terms of 4 years. A vacancy
 453 occurring during a term shall be filled for the unexpired term.
 454 The importance of including individuals from the nominated area
 455 shall be considered in making appointments. Further, the
 456 importance of minority representation on the agency shall be
 457 considered in making appointments so that the agency generally
 458 reflects the gender and ethnic composition of the community as a
 459 whole.

460 Section 7. Paragraph (c) of subsection (9) of section
 461 322.34, Florida Statutes, is amended to read:

462 322.34 Driving while license suspended, revoked, canceled,
 463 or disqualified.—

464 (9)

465 (c) Notwithstanding s. 932.703(1)(c) or s. 932.7055, when
 466 the seizing agency obtains a final judgment granting forfeiture
 467 of the motor vehicle under this section, 30 percent of the net

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468 proceeds from the sale of the motor vehicle shall be retained by
 469 the seizing law enforcement agency and 70 percent shall be
 470 deposited in the General Revenue Fund for use by local ~~regional~~
 471 workforce development boards in providing transportation
 472 services for participants of the welfare transition program. In
 473 a forfeiture proceeding under this section, the court may
 474 consider the extent that the family of the owner has other
 475 public or private means of transportation.

476 Section 8. Subsection (1) of section 341.052, Florida
 477 Statutes, is amended to read:

478 341.052 Public transit block grant program; administration;
 479 eligible projects; limitation.—

480 (1) There is created a public transit block grant program
 481 which shall be administered by the department. Block grant funds
 482 shall only be provided to "Section 9" providers and "Section 18"
 483 providers designated by the United States Department of
 484 Transportation and community transportation coordinators as
 485 defined in chapter 427. Eligible providers must establish public
 486 transportation development plans consistent, to the maximum
 487 extent feasible, with approved local government comprehensive
 488 plans of the units of local government in which the provider is
 489 located. In developing public transportation development plans,
 490 eligible providers must solicit comments from local ~~regional~~
 491 workforce development boards established under chapter 445. The
 492 development plans must address how the public transit provider
 493 will work with the appropriate local ~~regional~~ workforce
 494 development board to provide services to participants in the
 495 welfare transition program. Eligible providers must provide
 496 information to the local ~~regional~~ workforce development board

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497 serving the county in which the provider is located regarding
 498 the availability of transportation services to assist program
 499 participants.

500 Section 9. Subsection (2) of section 414.045, Florida
 501 Statutes, is amended to read:

502 414.045 Cash assistance program.—Cash assistance families
 503 include any families receiving cash assistance payments from the
 504 state program for temporary assistance for needy families as
 505 defined in federal law, whether such funds are from federal
 506 funds, state funds, or commingled federal and state funds. Cash
 507 assistance families may also include families receiving cash
 508 assistance through a program defined as a separate state
 509 program.

510 (2) Oversight by the board of directors of CareerSource
 511 Florida, Inc., and the service delivery and financial planning
 512 responsibilities of the local ~~regional~~ workforce development
 513 boards apply to the families defined as work-eligible cases in
 514 paragraph (1) (a). The department shall be responsible for
 515 program administration related to families in groups defined in
 516 paragraph (1) (b), and the department shall coordinate such
 517 administration with the board of directors of CareerSource
 518 Florida, Inc., to the extent needed for operation of the
 519 program.

520 Section 10. Paragraphs (a), (d), and (e) of subsection (4)
 521 of section 414.065, Florida Statutes, are amended to read:

522 414.065 Noncompliance with work requirements.—

523 (4) EXCEPTIONS TO NONCOMPLIANCE PENALTIES.—Unless otherwise
 524 provided, the situations listed in this subsection shall
 525 constitute exceptions to the penalties for noncompliance with

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526 participation requirements, except that these situations do not
 527 constitute exceptions to the applicable time limit for receipt
 528 of temporary cash assistance:

529 (a) *Noncompliance related to child care.*—Temporary cash
 530 assistance may not be terminated for refusal to participate in
 531 work activities if the individual is a single parent caring for
 532 a child who has not attained 6 years of age, and the adult
 533 proves to the local regional workforce development board an
 534 inability to obtain needed child care for one or more of the
 535 following reasons, as defined in the Child Care and Development
 536 Fund State Plan required by 45 C.F.R. part 98:

- 537 1. Unavailability of appropriate child care within a
 538 reasonable distance from the individual's home or worksite.
- 539 2. Unavailability or unsuitability of informal child care
 540 by a relative or under other arrangements.
- 541 3. Unavailability of appropriate and affordable formal
 542 child care arrangements.

543 (d) *Noncompliance related to medical incapacity.*—If an
 544 individual cannot participate in assigned work activities due to
 545 a medical incapacity, the individual may be excepted from the
 546 activity for a specific period, except that the individual shall
 547 be required to comply with the course of treatment necessary for
 548 the individual to resume participation. A participant may not be
 549 excused from work activity requirements unless the participant's
 550 medical incapacity is verified by a physician licensed under
 551 chapter 458 or chapter 459, in accordance with procedures
 552 established by rule of the department. An individual for whom
 553 there is medical verification of limitation to participate in
 554 work activities shall be assigned to work activities consistent

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555 with such limitations. Evaluation of an individual's ability to
 556 participate in work activities or development of a plan for work
 557 activity assignment may include vocational assessment or work
 558 evaluation. The department or a local regional workforce
 559 development board may require an individual to cooperate in
 560 medical or vocational assessment necessary to evaluate the
 561 individual's ability to participate in a work activity.

562 (e) *Noncompliance related to outpatient mental health or*
 563 *substance abuse treatment.*—If an individual cannot participate
 564 in the required hours of work activity due to a need to become
 565 or remain involved in outpatient mental health or substance
 566 abuse counseling or treatment, the individual may be exempted
 567 from the work activity for up to 5 hours per week, not to exceed
 568 100 hours per year. An individual may not be excused from a work
 569 activity unless a mental health or substance abuse professional
 570 recognized by the department or local regional workforce
 571 development board certifies the treatment protocol and provides
 572 verification of attendance at the counseling or treatment
 573 sessions each week.

574 Section 11. Paragraph (d) of subsection (1) of section
 575 414.085, Florida Statutes, is amended to read:

576 414.085 Income eligibility standards.—

577 (1) For purposes of program simplification and effective
 578 program management, certain income definitions, as outlined in
 579 the food assistance regulations at 7 C.F.R. s. 273.9, shall be
 580 applied to the temporary cash assistance program as determined
 581 by the department to be consistent with federal law regarding
 582 temporary cash assistance and Medicaid for needy families,
 583 except as to the following:

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584 (d) An incentive payment to a participant authorized by a
 585 local regional workforce development board may shall not be
 586 considered income.

587 Section 12. Subsection (1) of section 414.095, Florida
 588 Statutes, is amended to read:

589 414.095 Determining eligibility for temporary cash
 590 assistance.—

591 (1) ELIGIBILITY.—An applicant must meet eligibility
 592 requirements of this section before receiving services or
 593 temporary cash assistance under this chapter, except that an
 594 applicant shall be required to register for work and engage in
 595 work activities in accordance with s. 445.024, as designated by
 596 the local regional workforce development board, and may receive
 597 support services or child care assistance in conjunction with
 598 such requirement. The department shall make a determination of
 599 eligibility based on the criteria listed in this chapter. The
 600 department shall monitor continued eligibility for temporary
 601 cash assistance through periodic reviews consistent with the
 602 food assistance eligibility process. Benefits may shall not be
 603 denied to an individual solely based on a felony drug
 604 conviction, unless the conviction is for trafficking pursuant to
 605 s. 893.135. To be eligible under this section, an individual
 606 convicted of a drug felony must be satisfactorily meeting the
 607 requirements of the temporary cash assistance program, including
 608 all substance abuse treatment requirements. Within the limits
 609 specified in this chapter, the state opts out of the provision
 610 of Pub. L. No. 104-193, s. 115, that eliminates eligibility for
 611 temporary cash assistance and food assistance for any individual
 612 convicted of a controlled substance felony.

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613 Section 13. Subsections (3) and (10) of section 414.105,
 614 Florida Statutes, are amended to read:

615 414.105 Time limitations of temporary cash assistance.—
 616 Except as otherwise provided in this section, an applicant or
 617 current participant shall receive temporary cash assistance for
 618 no more than a lifetime cumulative total of 48 months, unless
 619 otherwise provided by law.

620 (3) The department, in cooperation with CareerSource
 621 Florida, Inc., shall establish a procedure for approving
 622 hardship exemptions and for reviewing hardship cases at least
 623 once every 2 years. Local Regional workforce development boards
 624 may assist in making these determinations.

625 (10) A member of the staff of the local regional workforce
 626 development board shall interview and assess the employment
 627 prospects and barriers of each participant who is within 6
 628 months of reaching the 48-month time limit. The staff member
 629 shall assist the participant in identifying actions necessary to
 630 become employed before ~~prior to~~ reaching the benefit time limit
 631 for temporary cash assistance and, if appropriate, shall refer
 632 the participant for services that could facilitate employment.

633 Section 14. Section 414.106, Florida Statutes, is amended
 634 to read:

635 414.106 Exemption from public meetings law.—That portion of
 636 a meeting held by the department, CareerSource Florida, Inc., or
 637 a local regional workforce development board or local committee
 638 created pursuant to s. 445.007 at which personal identifying
 639 information contained in records relating to temporary cash
 640 assistance is discussed is exempt from s. 286.011 and s. 24(b),
 641 Art. I of the State Constitution if the information identifies a

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642 participant, a participant's family, or a participant's family
643 or household member.

644 Section 15. Subsection (1) of section 414.295, Florida
645 Statutes, is amended to read:

646 414.295 Temporary cash assistance programs; public records
647 exemption.—

648 (1) Personal identifying information of a temporary cash
649 assistance program participant, a participant's family, or a
650 participant's family or household member, except for information
651 identifying a parent who does not live in the same home as the
652 child, which is held by the department, the Office of Early
653 Learning, CareerSource Florida, Inc., the Department of Health,
654 the Department of Revenue, the Department of Education, or a
655 local regional workforce development board or local committee
656 created pursuant to s. 445.007 is confidential and exempt from
657 s. 119.07(1) and s. 24(a), Art. I of the State Constitution.
658 Such confidential and exempt information may be released for
659 purposes directly connected with:

660 (a) The administration of the temporary assistance for
661 needy families plan under Title IV-A of the Social Security Act,
662 as amended, by the department, the Office of Early Learning,
663 CareerSource Florida, Inc., the Department of Military Affairs,
664 the Department of Health, the Department of Revenue, the
665 Department of Education, a local regional workforce development
666 board or local committee created pursuant to s. 445.007, or a
667 school district.

668 (b) The administration of the state's plan or program
669 approved under Title IV-B, Title IV-D, or Title IV-E of the
670 Social Security Act, as amended, or under Title I, Title X,

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671 Title XIV, Title XVI, Title XIX, Title XX, or Title XXI of the
672 Social Security Act, as amended.

673 (c) An investigation, prosecution, or criminal, civil, or
674 administrative proceeding conducted in connection with the
675 administration of any of the plans or programs specified in
676 paragraph (a) or paragraph (b) by a federal, state, or local
677 governmental entity, upon request by that entity, if such
678 request is made pursuant to the proper exercise of that entity's
679 duties and responsibilities.

680 (d) The administration of any other state, federal, or
681 federally assisted program that provides assistance or services
682 on the basis of need, in cash or in kind, directly to a
683 participant.

684 (e) An audit or similar activity, such as a review of
685 expenditure reports or financial review, conducted in connection
686 with the administration of plans or programs specified in
687 paragraph (a) or paragraph (b) by a governmental entity
688 authorized by law to conduct such audit or activity.

689 (f) The administration of the reemployment assistance
690 program.

691 (g) The reporting to the appropriate agency or official of
692 information about known or suspected instances of physical or
693 mental injury, sexual abuse or exploitation, or negligent
694 treatment or maltreatment of a child or elderly person receiving
695 assistance, if circumstances indicate that the health or welfare
696 of the child or elderly person is threatened.

697 (h) The administration of services to elderly persons under
698 ss. 430.601-430.606.

699 Section 16. Paragraph (e) of subsection (1) of section

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700 420.623, Florida Statutes, is amended to read:

701 420.623 Local coalitions for the homeless.—

702 (1) ESTABLISHMENT.—The department shall establish local
703 coalitions to plan, network, coordinate, and monitor the
704 delivery of services to the homeless. Appropriate local groups
705 and organizations involved in providing services for the
706 homeless and interested business groups and associations shall
707 be given an opportunity to participate in such coalitions,
708 including, but not limited to:

709 (e) Local Regional workforce development boards.

710 Section 17. Subsection (8) of section 420.624, Florida
711 Statutes, is amended to read:

712 420.624 Local homeless assistance continuum of care.—

713 (8) Continuum of care plans must promote participation by
714 all interested individuals and organizations and may not exclude
715 individuals and organizations on the basis of race, color,
716 national origin, sex, handicap, familial status, or religion.
717 Faith-based organizations must be encouraged to participate. To
718 the extent possible, these components should be coordinated and
719 integrated with other mainstream health, social services, and
720 employment programs for which homeless populations may be
721 eligible, including Medicaid, State Children's Health Insurance
722 Program, Temporary Assistance for Needy Families, Food
723 Assistance Program, and services funded through the Mental
724 Health and Substance Abuse Block Grant, the Workforce Innovation
725 and Opportunity Investment Act, and the welfare-to-work grant
726 program.

727 Section 18. Subsection (27) of section 427.013, Florida
728 Statutes, is amended to read:

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729 427.013 The Commission for the Transportation

730 Disadvantaged; purpose and responsibilities.—The purpose of the
731 commission is to accomplish the coordination of transportation
732 services provided to the transportation disadvantaged. The goal
733 of this coordination is to assure the cost-effective provision
734 of transportation by qualified community transportation
735 coordinators or transportation operators for the transportation
736 disadvantaged without any bias or presumption in favor of
737 multioperator systems or not-for-profit transportation operators
738 over single operator systems or for-profit transportation
739 operators. In carrying out this purpose, the commission shall:

740 (27) Ensure that local community transportation
741 coordinators work cooperatively with local regional workforce
742 development boards established in chapter 445 to provide
743 assistance in the development of innovative transportation
744 services for participants in the welfare transition program.

745 Section 19. Subsection (9) of section 427.0155, Florida
746 Statutes, is amended to read:

747 427.0155 Community transportation coordinators; powers and
748 duties.—Community transportation coordinators shall have the
749 following powers and duties:

750 (9) Work cooperatively with local regional workforce
751 development boards established in chapter 445 to provide
752 assistance in the development of innovative transportation
753 services for participants in the welfare transition program.

754 Section 20. Subsection (7) of section 427.0157, Florida
755 Statutes, is amended to read:

756 427.0157 Coordinating boards; powers and duties.—The
757 purpose of each coordinating board is to develop local service

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758 needs and to provide information, advice, and direction to the
 759 community transportation coordinators on the coordination of
 760 services to be provided to the transportation disadvantaged. The
 761 commission shall, by rule, establish the membership of
 762 coordinating boards. The members of each board shall be
 763 appointed by the metropolitan planning organization or
 764 designated official planning agency. The appointing authority
 765 shall provide each board with sufficient staff support and
 766 resources to enable the board to fulfill its responsibilities
 767 under this section. Each board shall meet at least quarterly and
 768 shall:

769 (7) Work cooperatively with local ~~regional~~ workforce
 770 development boards established in chapter 445 to provide
 771 assistance in the development of innovative transportation
 772 services for participants in the welfare transition program.

773 Section 21. Paragraphs (b) and (c) of subsection (1) of
 774 section 443.091, Florida Statutes, are amended to read:

775 443.091 Benefit eligibility conditions.-

776 (1) An unemployed individual is eligible to receive
 777 benefits for any week only if the Department of Economic
 778 Opportunity finds that:

779 (b) She or he has completed the department's online work
 780 registration and subsequently reports to the one-stop career
 781 center as directed by the local ~~regional~~ workforce development
 782 board for reemployment services. This requirement does not apply
 783 to persons who are:

- 784 1. Non-Florida residents;
- 785 2. On a temporary layoff;
- 786 3. Union members who customarily obtain employment through

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787 a union hiring hall;

788 4. Claiming benefits under an approved short-time
 789 compensation plan as provided in s. 443.1116; or

790 5. Unable to complete the online work registration due to
 791 illiteracy, physical or mental impairment, a legal prohibition
 792 from using a computer, or a language impediment. If a person is
 793 exempted from the online work registration under this
 794 subparagraph, then the filing of his or her claim constitutes
 795 registration for work.

796 (c) To make continued claims for benefits, she or he is
 797 reporting to the department in accordance with this paragraph
 798 and department rules. Department rules may not conflict with s.
 799 443.111(1)(b), which requires that each claimant continue to
 800 report regardless of any pending appeal relating to her or his
 801 eligibility or disqualification for benefits.

802 1. For each week of unemployment claimed, each report must,
 803 at a minimum, include the name, address, and telephone number of
 804 each prospective employer contacted, or the date the claimant
 805 reported to a one-stop career center, pursuant to paragraph (d).

806 2. The department shall offer an online assessment aimed at
 807 identifying an individual's skills, abilities, and career
 808 aptitude. The skills assessment must be voluntary, and the
 809 department shall allow a claimant to choose whether to take the
 810 skills assessment. The online assessment shall be made available
 811 to any person seeking services from a local ~~regional~~ workforce
 812 development board or a one-stop career center.

813 a. If the claimant chooses to take the online assessment,
 814 the outcome of the assessment shall be made available to the
 815 claimant, local ~~regional~~ workforce development board, and one-

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816 stop career center. The department, local workforce development
 817 board, or one-stop career center shall use the assessment to
 818 develop a plan for referring individuals to training and
 819 employment opportunities. Aggregate data on assessment outcomes
 820 may be made available to CareerSource Florida, Inc., and
 821 Enterprise Florida, Inc., for use in the development of policies
 822 related to education and training programs that will ensure that
 823 businesses in this state have access to a skilled and competent
 824 workforce.

825 b. Individuals shall be informed of and offered services
 826 through the one-stop delivery system, including career
 827 counseling, the provision of skill match and job market
 828 information, and skills upgrade and other training
 829 opportunities, and shall be encouraged to participate in such
 830 services at no cost to the individuals. The department shall
 831 coordinate with CareerSource Florida, Inc., the local workforce
 832 development boards, and the one-stop career centers to identify,
 833 develop, and use best practices for improving the skills of
 834 individuals who choose to participate in skills upgrade and
 835 other training opportunities. The department may contract with
 836 an entity to create the online assessment in accordance with the
 837 competitive bidding requirements in s. 287.057. The online
 838 assessment must work seamlessly with the Reemployment Assistance
 839 Claims and Benefits Information System.

840 Section 22. Paragraph (c) of subsection (5) of section
 841 443.1116, Florida Statutes, is amended to read:

842 443.1116 Short-time compensation.—

843 (5) ELIGIBILITY REQUIREMENTS FOR SHORT-TIME COMPENSATION
 844 BENEFITS.—

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845 (c) The department may not deny short-time compensation
 846 benefits to an individual who is otherwise eligible for these
 847 benefits for any week because such individual is participating
 848 in an employer-sponsored training or a training under the
 849 Workforce Innovation and Opportunity Investment Act to improve
 850 job skills when the training is approved by the department.

851 Section 23. Section 445.003, Florida Statutes, is amended
 852 to read:

853 445.003 Implementation of the federal Workforce Innovation
 854 and Opportunity Investment Act ~~of 1998~~.—

855 (1) WORKFORCE INNOVATION AND OPPORTUNITY INVESTMENT ACT
 856 PRINCIPLES.—The state's approach to implementing the federal
 857 Workforce Innovation and Opportunity Investment Act ~~of 1998~~,
 858 Pub. L. No. 113-128 ~~105-220~~, should have six elements:

859 (a) Streamlining services.—Florida's employment and
 860 training programs must be coordinated and consolidated at
 861 locally managed one-stop delivery system centers.

862 (b) Empowering individuals.—Eligible participants will make
 863 informed decisions, choosing the qualified training program that
 864 best meets their needs.

865 (c) Universal access.—Through a one-stop delivery system,
 866 every Floridian will have access to employment services.

867 (d) Increased accountability.—The state, localities, and
 868 training providers will be held accountable for their
 869 performance.

870 (e) Local board and private sector leadership.—Local
 871 workforce development boards will focus on strategic planning,
 872 policy development, and oversight of the local system, choosing
 873 local managers to direct the operational details of their one-

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874 stop delivery system centers.

875 (f) *Local flexibility and integration.*—Localities will have
876 exceptional flexibility to build on existing reforms. Unified
877 planning will free local groups from conflicting
878 micromanagement, while waivers and WorkFlex will allow local
879 innovations.

880 (2) ~~FOUR-YEAR FIVE-YEAR PLAN.~~—CareerSource Florida, Inc.,
881 shall prepare and submit a 4-year 5-year plan, consistent with
882 the requirements of the Workforce Innovation and Opportunity Act
883 ~~which must include secondary career education, to fulfill the~~
884 ~~early implementation requirements of Pub. L. No. 105-220 and~~
885 ~~applicable state statutes.~~ Mandatory and optional federal
886 partners shall be fully involved in designing the plan's one-
887 stop delivery system strategy. The plan must shall clearly
888 define each program's statewide duties and role relating to the
889 system. ~~Any optional federal partner may immediately choose to~~
890 ~~fully integrate its program's plan with this plan, which shall,~~
891 ~~notwithstanding any other state provisions, fulfill all their~~
892 ~~state planning and reporting requirements as they relate to the~~
893 ~~one-stop delivery system.~~ The plan must detail a process that
894 would fully integrate all federally mandated and optional
895 partners ~~by the second year of the plan. All optional federal~~
896 ~~program partners in the planning process shall be mandatory~~
897 ~~participants in the second year of the plan.~~

898 (3) FUNDING.—

899 (a) Title I, Workforce Innovation and Opportunity
900 ~~Investment Act of 1998~~ funds; Wagner-Peyser funds; and
901 NAFTA/Trade Act funds will be expended based on the 4-year 5-
902 ~~year~~ plan of CareerSource Florida, Inc. The plan must shall

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903 outline and direct the method used to administer and coordinate
904 various funds and programs that are operated by various
905 agencies. The following provisions apply to these funds:

906 1. At least 50 percent of the Title I funds for Adults and
907 Dislocated Workers which are passed through to local ~~regional~~
908 workforce development boards shall be allocated to and expended
909 on Individual Training Accounts unless a local ~~regional~~
910 workforce development board obtains a waiver from CareerSource
911 Florida, Inc. Tuition, books, and fees of training providers and
912 other training services prescribed and authorized by the
913 Workforce Innovation and Opportunity Investment Act of 1998
914 qualify as Individual Training Account expenditures.

915 2. Fifteen percent of Title I funding shall be retained at
916 the state level and dedicated to state administration and shall
917 be used to design, develop, induce, and fund innovative
918 Individual Training Account pilots, demonstrations, and
919 programs. Of such funds retained at the state level, \$2 million
920 shall be reserved for the Incumbent Worker Training Program
921 created under subparagraph 3. Eligible state administration
922 costs include the costs of+ funding for the board and staff of
923 CareerSource Florida, Inc.; operating fiscal, compliance, and
924 management accountability systems through CareerSource Florida,
925 Inc.; conducting evaluation and research on workforce
926 development activities; and providing technical and capacity
927 building assistance to local workforce development areas ~~regions~~
928 at the direction of CareerSource Florida, Inc. Notwithstanding
929 s. 445.004, such administrative costs may not exceed 25 percent
930 of these funds. An amount not to exceed 75 percent of these
931 funds shall be allocated to Individual Training Accounts and

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932 other workforce development strategies for other training
 933 designed and tailored by CareerSource Florida, Inc., including,
 934 but not limited to, programs for incumbent workers, displaced
 935 homemakers, nontraditional employment, and enterprise zones.
 936 CareerSource Florida, Inc., shall design, adopt, and fund
 937 Individual Training Accounts for distressed urban and rural
 938 communities.

939 3. The Incumbent Worker Training Program is created for the
 940 purpose of providing grant funding for continuing education and
 941 training of incumbent employees at existing Florida businesses.
 942 The program will provide reimbursement grants to businesses that
 943 pay for preapproved, direct, training-related costs.

944 a. The Incumbent Worker Training Program will be
 945 administered by CareerSource Florida, Inc., which may, at its
 946 discretion, contract with a private business organization to
 947 serve as grant administrator.

948 b. The program shall be administered pursuant to section
 949 134(d)(4) of the Workforce Innovation and Opportunity Act ~~To be~~
 950 ~~eligible for the program's grant funding, a business must have~~
 951 ~~been in operation in Florida for a minimum of 1 year prior to~~
 952 ~~the application for grant funding; have at least one full-time~~
 953 ~~employee; demonstrate financial viability; and be current on all~~
 954 ~~state tax obligations.~~ Priority for funding shall be given to
 955 businesses with 25 employees or fewer, businesses in rural
 956 areas, businesses in distressed inner-city areas, businesses in
 957 a qualified targeted industry, businesses whose grant proposals
 958 represent a significant upgrade in employee skills, or
 959 businesses whose grant proposals represent a significant layoff
 960 avoidance strategy.

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961 c. All costs reimbursed by the program must be preapproved
 962 by CareerSource Florida, Inc., or the grant administrator. The
 963 program may not reimburse businesses for trainee wages, the
 964 purchase of capital equipment, or the purchase of any item or
 965 service that may possibly be used outside the training project.
 966 A business approved for a grant may be reimbursed for
 967 preapproved, direct, training-related costs including tuition,
 968 fees, books and training materials, and overhead or indirect
 969 costs not to exceed 5 percent of the grant amount.

970 d. A business that is selected to receive grant funding
 971 must provide a matching contribution to the training project,
 972 including, but not limited to, wages paid to trainees or the
 973 purchase of capital equipment used in the training project; must
 974 sign an agreement with CareerSource Florida, Inc., or the grant
 975 administrator to complete the training project as proposed in
 976 the application; must keep accurate records of the project's
 977 implementation process; and must submit monthly or quarterly
 978 reimbursement requests with required documentation.

979 e. All Incumbent Worker Training Program grant projects
 980 shall be performance-based with specific measurable performance
 981 outcomes, including completion of the training project and job
 982 retention. CareerSource Florida, Inc., or the grant
 983 administrator shall withhold the final payment to the grantee
 984 until a final grant report is submitted and all performance
 985 criteria specified in the grant contract have been achieved.

986 f. CareerSource Florida, Inc., may establish guidelines
 987 necessary to implement the Incumbent Worker Training Program.

988 g. No more than 10 percent of the Incumbent Worker Training
 989 Program's total appropriation may be used for overhead or

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990 indirect purposes.

991 4. At least 50 percent of Rapid Response funding shall be
 992 dedicated to Intensive Services Accounts and Individual Training
 993 Accounts for dislocated workers and incumbent workers who are at
 994 risk of dislocation. CareerSource Florida, Inc., shall also
 995 maintain an Emergency Preparedness Fund from Rapid Response
 996 funds, which will immediately issue Intensive Service Accounts,
 997 Individual Training Accounts, and other federally authorized
 998 assistance to eligible victims of natural or other disasters. At
 999 the direction of the Governor, these Rapid Response funds shall
 1000 be released to local ~~regional~~ workforce development boards for
 1001 immediate use after events that qualify under federal law.
 1002 Funding shall also be dedicated to maintain a unit at the state
 1003 level to respond to Rapid Response emergencies and to work with
 1004 state emergency management officials and local ~~regional~~
 1005 workforce development boards. All Rapid Response funds must be
 1006 expended based on a plan developed by CareerSource Florida,
 1007 Inc., and approved by the Governor.

1008 (b) The administrative entity for Title I, Workforce
 1009 Innovation and Opportunity Investment Act of 1998 funds, and
 1010 Rapid Response activities is the Department of Economic
 1011 Opportunity, which shall provide direction to local ~~regional~~
 1012 workforce development boards regarding Title I programs and
 1013 Rapid Response activities pursuant to the direction of
 1014 CareerSource Florida, Inc.

1015 (4) FEDERAL REQUIREMENTS, EXCEPTIONS AND REQUIRED
 1016 MODIFICATIONS.—

1017 (a) CareerSource Florida, Inc., may provide indemnification
 1018 from audit liabilities to local ~~regional~~ workforce development

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1019 boards that act in full compliance with state law and board
 1020 policy.

1021 ~~(b) CareerSource Florida, Inc., may negotiate and settle~~
 1022 ~~all outstanding issues with the United States Department of~~
 1023 ~~Labor relating to decisions made by CareerSource Florida, Inc.,~~
 1024 ~~any predecessor workforce organization, and the Legislature with~~
 1025 ~~regard to the Job Training Partnership Act, making settlements~~
 1026 ~~and closing out all JTPA program year grants.~~

1027 ~~(b)(c)~~ CareerSource Florida, Inc., may make modifications
 1028 to the state's plan, policies, and procedures to comply with
 1029 federally mandated requirements that in its judgment must be
 1030 complied with to maintain funding provided pursuant to Pub. L.
 1031 No. 113-128 ~~105-220~~. The board shall provide written notice to
 1032 the Governor, the President of the Senate, and the Speaker of
 1033 the House of Representatives within 30 days after any such
 1034 changes or modifications.

1035 (c) CareerSource Florida, Inc., shall enter into a
 1036 memorandum of understanding with the Florida Department of
 1037 Education to ensure that federally mandated requirements of Pub.
 1038 L. No. 113-128 are met and are in compliance with the state plan
 1039 for workforce development.

1040 (5) LONG-TERM CONSOLIDATION OF WORKFORCE DEVELOPMENT.—
 1041 CareerSource Florida, Inc., may recommend workforce-related
 1042 divisions, bureaus, units, programs, duties, commissions,
 1043 boards, and councils for elimination, consolidation, or
 1044 privatization.

1045 Section 24. Subsections (3), (4), (5), (9), (11), and (12)
 1046 of section 445.004, Florida Statutes, are amended to read:

1047 445.004 CareerSource Florida, Inc.; creation; purpose;

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1048 membership; duties and powers.—

1049 (3) (a) CareerSource Florida, Inc., shall be governed by a
 1050 board of directors, whose membership and appointment must be
 1051 consistent with Pub. L. No. 113-128, Title I, s. 101(b) ~~105-220,~~
 1052 ~~Title I, s. 111(b)~~. Members described in Pub. L. No. 113-128,
 1053 Title I, s. 101(b)(1)(C)(iii)(I)(aa) ~~105-220, Title I, s.~~
 1054 ~~111(b)(1)(C)(vi)~~ shall be nonvoting members. The number of
 1055 directors shall be determined by the Governor, who shall
 1056 consider the importance of minority, gender, and geographic
 1057 representation in making appointments to the board. When the
 1058 Governor is in attendance, he or she shall preside at all
 1059 meetings of the board of directors.

1060 (b) The board of directors of CareerSource Florida, Inc.,
 1061 shall be chaired by a board member designated by the Governor
 1062 pursuant to Pub. L. No. 113-128 ~~105-220~~. A member may not serve
 1063 more than two terms.

1064 (c) Members appointed by the Governor may serve no more
 1065 than two terms and must be appointed for 3-year terms. However,
 1066 in order to establish staggered terms for board members, the
 1067 Governor shall appoint or reappoint one-third of the board
 1068 members for 1-year terms, one-third of the board members for 2-
 1069 year terms, and one-third of the board members for 3-year terms
 1070 beginning July 1, 2016 ~~2005~~. Subsequent appointments or
 1071 reappointments shall be for 3-year terms, except that a member
 1072 appointed to fill a vacancy on the board shall be appointed to
 1073 serve only the remainder of the term of the member whom he or
 1074 she is replacing, and may be appointed for a subsequent 3-year
 1075 term. Private sector representatives of businesses, appointed by
 1076 the Governor pursuant to Pub. L. No. 113-128 ~~105-220~~, shall

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1077 constitute a majority of the membership of the board. Private
 1078 sector representatives shall be appointed from nominations
 1079 received by the Governor, including, but not limited to, those
 1080 nominations made by the President of the Senate and the Speaker
 1081 of the House of Representatives. Private sector appointments to
 1082 the board must be representative of the business community of
 1083 this state; no fewer than one-half of the appointments must be
 1084 representative of small businesses, and at least five members
 1085 must have economic development experience. Members appointed by
 1086 the Governor serve at the pleasure of the Governor and are
 1087 eligible for reappointment.

1088 (d) The board must include the vice chairperson of the
 1089 board of directors of Enterprise Florida, Inc., and one member
 1090 representing each of the Workforce Innovation and Opportunity
 1091 Act partners, including the Division of Career and Adult
 1092 Education, and other entities representing programs identified
 1093 in the Workforce Innovation and Opportunity Act, as determined
 1094 necessary.

1095 (e) ~~(d)~~ A member of the board of directors of CareerSource
 1096 Florida, Inc., may be removed by the Governor for cause. Absence
 1097 from three consecutive meetings results in automatic removal.
 1098 The chair of CareerSource Florida, Inc., shall notify the
 1099 Governor of such absences.

1100 (f) ~~(e)~~ Representatives of businesses appointed to the board
 1101 of directors may not include providers of workforce services.

1102 (4) (a) The president of CareerSource Florida, Inc., shall
 1103 be hired by the board of directors of CareerSource Florida,
 1104 Inc., and shall serve at the pleasure of the Governor in the
 1105 capacity of an executive director and secretary of CareerSource

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1106 Florida, Inc.

1107 (b) The board of directors of CareerSource Florida, Inc.,

1108 shall meet at least quarterly and at other times upon the call

1109 of its chair. The board and its committees, subcommittees, or

1110 other subdivisions may use any method of telecommunications to

1111 conduct meetings, including establishing a quorum through

1112 telecommunications, if the public is given proper notice of the

1113 telecommunications meeting and is given reasonable access to

1114 observe and, if appropriate, participate.

1115 (c) A majority of the total current membership of the board

1116 of directors of CareerSource Florida, Inc., constitutes a

1117 quorum.

1118 (d) A majority of those voting is required to organize and

1119 conduct the business of the board, except that a majority of the

1120 entire board of directors is required to adopt or amend the

1121 bylaws.

1122 (e) Except as delegated or authorized by the board of

1123 directors of CareerSource Florida, Inc., individual members have

1124 no authority to control or direct the operations of CareerSource

1125 Florida, Inc., or the actions of its officers and employees,

1126 including the president.

1127 (f) Members of the board of directors of CareerSource

1128 Florida, Inc., and its committees serve without compensation,

1129 but these members, the president, and the employees of

1130 CareerSource Florida, Inc., may be reimbursed for all

1131 reasonable, necessary, and actual expenses pursuant to s.

1132 112.061.

1133 (g) The board of directors of CareerSource Florida, Inc.,

1134 may establish an executive committee consisting of the chair and

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1135 at least six additional board members selected by the chair, one

1136 of whom must be a representative of organized labor. The

1137 executive committee and the president have such authority as the

1138 board delegates to them, except that the board of directors may

1139 not delegate to the executive committee authority to take action

1140 that requires approval by a majority of the entire board of

1141 directors.

1142 (h) The chair may appoint committees to fulfill the board's

1143 responsibilities, to comply with federal requirements, or to

1144 obtain technical assistance, and must incorporate members of

1145 local ~~regional~~ workforce development boards into its structure.

1146 (i) Each member of the board of directors who is not

1147 otherwise required to file a financial disclosure pursuant to s.

1148 8, Art. II of the State Constitution or s. 112.3144 must file

1149 disclosure of financial interests pursuant to s. 112.3145.

1150 (5) CareerSource Florida, Inc., shall have all the powers

1151 and authority not explicitly prohibited by statute which are

1152 necessary or convenient to carry out and effectuate its purposes

1153 as determined by statute, Pub. L. No. 113-128 ~~105-220~~, and the

1154 Governor, as well as its functions, duties, and

1155 responsibilities, including, but not limited to, the following:

1156 (a) Serving as the state's Workforce Development Investment

1157 Board pursuant to Pub. L. No. 113-128 ~~105-220~~. Unless otherwise

1158 required by federal law, at least 90 percent of workforce

1159 development funding must go toward direct customer service.

1160 (b) Providing oversight and policy direction to ensure that

1161 the following programs are administered by the department in

1162 compliance with approved plans and under contract with

1163 CareerSource Florida, Inc.:

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- 1164 1. Programs authorized under Title I of the Workforce
 1165 ~~Investment Innovation and Opportunity Act of 1998~~, Pub. L. No.
 1166 ~~113-128 105-220~~, with the exception of programs funded directly
 1167 by the United States Department of Labor under Title I, s. 167.
 1168 2. Programs authorized under the Wagner-Peyser Act of 1933,
 1169 as amended, 29 U.S.C. ss. 49 et seq.
 1170 3. Activities authorized under Title II of the Trade Act of
 1171 2002, as amended, 19 U.S.C. ss. 2272 et seq., and the Trade
 1172 Adjustment Assistance Program.
 1173 4. Activities authorized under 38 U.S.C. chapter 41,
 1174 including job counseling, training, and placement for veterans.
 1175 5. Employment and training activities carried out under
 1176 funds awarded to this state by the United States Department of
 1177 Housing and Urban Development.
 1178 6. Welfare transition services funded by the Temporary
 1179 Assistance for Needy Families Program, created under the
 1180 Personal Responsibility and Work Opportunity Reconciliation Act
 1181 of 1996, as amended, Pub. L. No. 104-193, and Title IV, s. 403,
 1182 of the Social Security Act, as amended.
 1183 7. Displaced homemaker programs, provided under s. 446.50.
 1184 8. The Florida Bonding Program, provided under Pub. L. No.
 1185 97-300, s. 164(a)(1).
 1186 9. The Food Assistance Employment and Training Program,
 1187 provided under the Food and Nutrition Act of 2008, 7 U.S.C. ss.
 1188 2011-2032; the Food Security Act of 1988, Pub. L. No. 99-198;
 1189 and the Hunger Prevention Act, Pub. L. No. 100-435.
 1190 10. The Quick-Response Training Program, provided under ss.
 1191 288.046-288.047. Matching funds and in-kind contributions that
 1192 are provided by clients of the Quick-Response Training Program

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- 1193 shall count toward the requirements of s. 288.904, pertaining to
 1194 the return on investment from activities of Enterprise Florida,
 1195 Inc.
 1196 11. The Work Opportunity Tax Credit, provided under the Tax
 1197 and Trade Relief Extension Act of 1998, Pub. L. No. 105-277, and
 1198 the Taxpayer Relief Act of 1997, Pub. L. No. 105-34.
 1199 12. Offender placement services, provided under ss.
 1200 944.707-944.708.
 1201 (c) The department may adopt rules necessary to administer
 1202 ~~the provisions of this chapter~~ which relate to implementing and
 1203 administering the programs listed in paragraph (b) as well as
 1204 rules related to eligible training providers and auditing and
 1205 monitoring subrecipients of the workforce system grant funds.
 1206 (d) Contracting with public and private entities as
 1207 necessary to further the directives of this section. All
 1208 contracts executed by CareerSource Florida, Inc., must include
 1209 specific performance expectations and deliverables. All
 1210 CareerSource Florida, Inc., contracts, including those
 1211 solicited, managed, or paid by the department pursuant to s.
 1212 20.60(5)(c) are exempt from s. 112.061, but shall be governed by
 1213 subsection (1).
 1214 (e) Notifying the Governor, the President of the Senate,
 1215 and the Speaker of the House of Representatives of noncompliance
 1216 by the department or other agencies or obstruction of the
 1217 board's efforts by such agencies. Upon such notification, the
 1218 Executive Office of the Governor shall assist agencies to bring
 1219 them into compliance with board objectives.
 1220 (f) Ensuring that the state does not waste valuable
 1221 training resources. The board shall direct that all resources,

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1222 including equipment purchased for training Workforce Innovation
 1223 and Opportunity Investment Act clients, be available for use at
 1224 all times by eligible populations as first priority users. At
 1225 times when eligible populations are not available, such
 1226 resources shall be used for any other state-authorized education
 1227 and training purpose. CareerSource Florida, Inc., may authorize
 1228 expenditures to award suitable framed certificates, pins, or
 1229 other tokens of recognition for performance by a local ~~regional~~
 1230 workforce development board, its committees and subdivisions,
 1231 and other units of the workforce system. CareerSource Florida,
 1232 Inc., may also authorize expenditures for promotional items,
 1233 such as t-shirts, hats, or pens printed with messages promoting
 1234 the state's workforce system to employers, job seekers, and
 1235 program participants. However, such expenditures are subject to
 1236 federal regulations applicable to the expenditure of federal
 1237 funds.

1238 (g) Establishing a dispute resolution process for all
 1239 memoranda of understanding or other contracts or agreements
 1240 entered into between the department and local ~~regional~~ workforce
 1241 development boards.

1242 (h) Archiving records with the Bureau of Archives and
 1243 Records Management of the Division of Library and Information
 1244 Services of the Department of State.

1245 (9) CareerSource Florida, Inc., in collaboration with the
 1246 local ~~regional~~ workforce development boards and appropriate
 1247 state agencies and local public and private service providers
 1248 ~~and in consultation with the Office of Program Policy Analysis~~
 1249 ~~and Government Accountability~~, shall establish uniform
 1250 performance accountability measures that apply across the core

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1251 ~~programs and standards~~ to gauge the performance of the state and
 1252 local areas in achieving the workforce development strategy.
 1253 ~~These measures and standards must be organized into three~~
 1254 ~~outcome tiers.~~

1255 (a) The performance accountability measures for the core
 1256 programs consist of the primary indicators of performance, any
 1257 additional indicators of performance, and a state-adjusted level
 1258 of performance for each indicator pursuant to Pub. L. No. 113-
 1259 128, Title I, s. 116(b) first tier of measures must be organized
 1260 to provide benchmarks for systemwide outcomes. CareerSource
 1261 Florida, Inc., shall, in collaboration with the Office of
 1262 Program Policy Analysis and Government Accountability, establish
 1263 goals for the tier one outcomes. Systemwide outcomes may include
 1264 employment in occupations demonstrating continued growth in
 1265 wages; continued employment after 3, 6, 12, and 24 months;
 1266 reduction in and elimination of public assistance reliance; job
 1267 placement; employer satisfaction; and positive return on
 1268 investment of public resources.

1269 (b) The performance accountability measures for each local
 1270 area consist of the primary indicators of performance, any
 1271 additional indicators of performance, and a local level of
 1272 performance for each indicator pursuant to Pub. L. No. 113-128.
 1273 The local level of performance is determined by the local board,
 1274 the chief elected official, and the Governor pursuant to Pub. L.
 1275 No. 113-128, Title I, s. 116(c) second tier of measures must be
 1276 organized to provide a set of benchmark outcomes for the
 1277 strategic components of the workforce development strategy. Cost
 1278 per entered employment, earnings at placement, retention in
 1279 employment, job placement, and entered employment rate must be

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1280 ~~included among the performance outcome measures.~~

1281 (c) Performance accountability measures shall be used to
 1282 generate performance reports pursuant to Pub. L. No. 113-128,
 1283 Title I, s. 116(d) ~~The third tier of measures must be the~~
 1284 ~~operational output measures to be used by the agency~~
 1285 ~~implementing programs, which may be specific to federal~~
 1286 ~~requirements. The tier three measures must be developed by the~~
 1287 ~~agencies implementing programs, which may consult with~~
 1288 ~~CareerSource Florida, Inc., in this effort. Such measures must~~
 1289 ~~be reported to CareerSource Florida, Inc., by the appropriate~~
 1290 ~~implementing agency.~~

1291 ~~(d) Regional differences must be reflected in the~~
 1292 ~~establishment of performance goals and may include job~~
 1293 ~~availability, unemployment rates, average worker wage, and~~
 1294 ~~available employable population.~~

1295 ~~(e) Job placement must be reported pursuant to s. 1008.39.~~
 1296 ~~Positive outcomes for providers of education and training must~~
 1297 ~~be consistent with ss. 1008.42 and 1008.43.~~

1298 (d)(f) ~~The performance accountability uniform~~ measures of
 1299 success that are adopted by CareerSource Florida, Inc., or the
 1300 local regional workforce development boards must be developed in
 1301 a manner that provides for an equitable comparison of the
 1302 relative success or failure of any service provider in terms of
 1303 positive outcomes.

1304 ~~(g) By December 1 of each year, CareerSource Florida, Inc.,~~
 1305 ~~shall provide the Legislature with a report detailing the~~
 1306 ~~performance of Florida's workforce development system, as~~
 1307 ~~reflected in the three tier measurement system. The report also~~
 1308 ~~must benchmark Florida outcomes for all tiers as compared with~~

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1309 ~~other states that collect data similarly.~~

1310 (11) The workforce development system must use a charter-
 1311 process approach aimed at encouraging local design and control
 1312 of service delivery and targeted activities. CareerSource
 1313 Florida, Inc., shall be responsible for granting charters to
 1314 local regional workforce development boards that have a
 1315 membership consistent with the requirements of federal and state
 1316 law and have developed a plan consistent with the state's
 1317 workforce development strategy. The plan must specify methods
 1318 for allocating the resources and programs in a manner that
 1319 eliminates unwarranted duplication, minimizes administrative
 1320 costs, meets the existing job market demands and the job market
 1321 demands resulting from successful economic development
 1322 activities, ensures access to quality workforce development
 1323 services for all Floridians, allows for pro rata or partial
 1324 distribution of benefits and services, prohibits the creation of
 1325 a waiting list or other indication of an unserved population,
 1326 serves as many individuals as possible within available
 1327 resources, and maximizes successful outcomes. As part of the
 1328 charter process, CareerSource Florida, Inc., shall establish
 1329 incentives for effective coordination of federal and state
 1330 programs, outline rewards for successful job placements, and
 1331 institute collaborative approaches among local service
 1332 providers. Local decisionmaking and control shall be important
 1333 components for inclusion in this charter application.

1334 (12) CareerSource Florida, Inc., shall enter into agreement
 1335 with Space Florida and collaborate with vocational institutes,
 1336 community colleges, colleges, and universities in this state, to
 1337 develop a workforce development strategy to implement the

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1338 workforce provisions of s. 331.3051.

1339 Section 25. Section 445.006, Florida Statutes, is amended

1340 to read:

1341 445.006 State plan ~~Strategic and operational plans~~ for

1342 workforce development.—

1343 (1) STATE PLAN.—CareerSource Florida, Inc., in conjunction

1344 with state and local partners in the workforce system, shall

1345 develop a state plan that produces an educated and skilled

1346 workforce. The state plan must consist of strategic and

1347 operational planning elements. The state plan shall be submitted

1348 by the Governor to the United States Department of Labor

1349 pursuant to the requirements of Pub. L. No. 113-128 ~~strategic~~

1350 ~~plan that produces skilled employees for employers in the state.~~

1351 ~~The strategic plan shall be updated or modified by January 1 of~~

1352 ~~each year.~~

1353 (2) STRATEGIC PLANNING ELEMENTS.—CareerSource Florida,

1354 Inc., in conjunction with state and local partners in the

1355 workforce system, shall develop strategic planning elements,

1356 pursuant to Pub. L. No. 113-128, Title I, s. 102, for the state

1357 plan.

1358 (a) The strategic planning elements of the state plan must

1359 include, but need not be limited to, strategies for:

1360 1. ~~(a)~~ Fulfilling the workforce system goals and strategies

1361 prescribed in s. 445.004;

1362 2. ~~(b)~~ Aggregating, integrating, and leveraging workforce

1363 system resources;

1364 3. ~~(c)~~ Coordinating the activities of federal, state, and

1365 local workforce system partners;

1366 4. ~~(d)~~ Addressing the workforce needs of small businesses;

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1367 and

1368 ~~5.~~ ~~(e)~~ Fostering the participation of rural communities and

1369 distressed urban cores in the workforce system.

1370 ~~(2) CareerSource Florida, Inc., shall establish an~~

1371 ~~operational plan to implement the state strategic plan. The~~

1372 ~~operational plan shall be submitted to the Governor and the~~

1373 ~~Legislature along with the strategic plan and must reflect the~~

1374 ~~allocation of resources as appropriated by the Legislature to~~

1375 ~~specific responsibilities enumerated in law. As a component of~~

1376 ~~the operational plan required under this section, CareerSource~~

1377 ~~Florida, Inc., shall develop a workforce marketing plan, with~~

1378 ~~the goal of educating individuals inside and outside the state~~

1379 ~~about the employment market and employment conditions in the~~

1380 ~~state. The marketing plan must include, but need not be limited~~

1381 ~~to, strategies for:~~

1382 ~~(a) Distributing information to secondary and postsecondary~~

1383 ~~education institutions about the diversity of businesses in the~~

1384 ~~state, specific clusters of businesses or business sectors in~~

1385 ~~the state, and occupations by industry which are in demand by~~

1386 ~~employers in the state;~~

1387 ~~(b) Distributing information about and promoting use of the~~

1388 ~~Internet-based job matching and labor market information system~~

1389 ~~authorized under s. 445.011; and~~

1390 ~~(c) Coordinating with Enterprise Florida, Inc., to ensure~~

1391 ~~that workforce marketing efforts complement the economic~~

1392 ~~development marketing efforts of the state.~~

1393 ~~(3) The operational plan must include performance measures,~~

1394 ~~standards, measurement criteria, and contract guidelines in the~~

1395 ~~following areas with respect to participants in the welfare~~

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1396 ~~transition program:~~1397 ~~(a) Work participation rates, by type of activity;~~1398 ~~(b) Caseload trends;~~1399 ~~(c) Recidivism;~~1400 ~~(d) Participation in diversion and relocation assistance~~
1401 ~~programs;~~1402 ~~(e) Employment retention;~~1403 ~~(f) Wage growth; and~~1404 ~~(g) Other issues identified by the board of directors of~~
1405 ~~CareerSource Florida, Inc.~~

1406 (b)(4) The strategic planning elements plan must include
 1407 criteria for allocating workforce resources to local regional
 1408 workforce development boards. With respect to allocating funds
 1409 to serve customers of the welfare transition program, such
 1410 criteria may include weighting factors that indicate the
 1411 relative degree of difficulty associated with securing and
 1412 retaining employment placements for specific subsets of the
 1413 welfare transition caseload.

1414 (3) OPERATIONAL PLANNING ELEMENTS.—CareerSource Florida,
 1415 Inc., in conjunction with state and local partners in the
 1416 workforce system, shall develop operational planning elements,
 1417 pursuant to Pub. L. No. 113-128, Title I, s. 102, for the state
 1418 plan.

1419 ~~(5)(a) The operational plan may include a performance-based~~
 1420 ~~payment structure to be used for all welfare transition program~~
 1421 ~~customers which takes into account:~~

1422 ~~1. The degree of difficulty associated with placement and~~
 1423 ~~retention;~~

1424 ~~2. The quality of the placement with respect to salary,~~

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1425 ~~benefits, and opportunities for advancement; and~~1426 ~~3. The employee's retention in the placement.~~

1427 ~~(b) The payment structure may provide for bonus payments of~~
 1428 ~~up to 10 percent of the contract amount to providers that~~
 1429 ~~achieve notable success in achieving contract objectives,~~
 1430 ~~including, but not limited to, success in diverting families in~~
 1431 ~~which there is an adult who is subject to work requirements from~~
 1432 ~~receiving cash assistance and in achieving long-term job~~
 1433 ~~retention and wage growth with respect to welfare transition~~
 1434 ~~program customers. A service provider shall be paid a maximum of~~
 1435 ~~one payment per service for each participant during any given 6-~~
 1436 ~~month period.~~

1437 ~~(6)(a) The operational plan must include strategies that~~
 1438 ~~are designed to prevent or reduce the need for a person to~~
 1439 ~~receive public assistance, including:~~

1440 ~~1. A teen pregnancy prevention component that includes, but~~
 1441 ~~is not limited to, a plan for implementing the Teen Pregnancy~~
 1442 ~~Prevention Community Initiative within each county of the~~
 1443 ~~services area in which the teen birth rate is higher than the~~
 1444 ~~state average;~~

1445 ~~2. A component that encourages community-based welfare~~
 1446 ~~prevention and reduction initiatives that increase support~~
 1447 ~~provided by noncustodial parents to their welfare-dependent~~
 1448 ~~children and are consistent with program and financial~~
 1449 ~~guidelines developed by CareerSource Florida, Inc., and the~~
 1450 ~~Commission on Responsible Fatherhood. These initiatives may~~
 1451 ~~include improved paternity establishment, work activities for~~
 1452 ~~noncustodial parents, programs aimed at decreasing out-of-~~
 1453 ~~wedlock pregnancies, encouraging involvement of fathers with~~

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1454 their children which includes court-ordered supervised
 1455 visitation, and increasing child support payments;
 1456 3. A component that encourages formation and maintenance of
 1457 two-parent families through, among other things, court-ordered
 1458 supervised visitation;
 1459 4. A component that fosters responsible fatherhood in
 1460 families receiving assistance; and
 1461 5. A component that fosters the provision of services that
 1462 reduce the incidence and effects of domestic violence on women
 1463 and children in families receiving assistance.
 1464 (b) Specifications for welfare transition program services
 1465 that are to be delivered include, but are not limited to:
 1466 1. Initial assessment services prior to an individual being
 1467 placed in an employment service, to determine whether the
 1468 individual should be referred for relocation, up-front
 1469 diversion, education, or employment placement. Assessment
 1470 services shall be paid on a fixed unit rate and may not provide
 1471 educational or employment placement services.
 1472 2. Referral of participants to diversion and relocation
 1473 programs.
 1474 3. Preplacement services, including assessment, staffing,
 1475 career plan development, work orientation, and employability
 1476 skills enhancement.
 1477 4. Services necessary to secure employment for a welfare
 1478 transition program participant.
 1479 5. Services necessary to assist participants in retaining
 1480 employment, including, but not limited to, remedial education,
 1481 language skills, and personal and family counseling.
 1482 6. Desired quality of job placements with regard to salary,

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1483 benefits, and opportunities for advancement.
 1484 7. Expectations regarding job retention.
 1485 8. Strategies to ensure that transition services are
 1486 provided to participants for the mandated period of eligibility.
 1487 9. Services that must be provided to the participant
 1488 throughout an education or training program, such as monitoring
 1489 attendance and progress in the program.
 1490 10. Services that must be delivered to welfare transition
 1491 program participants who have a deferral from work requirements
 1492 but wish to participate in activities that meet federal
 1493 participation requirements.
 1494 11. Expectations regarding continued participant awareness
 1495 of available services and benefits.
 1496 Section 26. Section 445.007, Florida Statutes, is amended
 1497 to read:
 1498 445.007 Local Regional workforce development boards.—
 1499 (1) One regional workforce development board shall be
 1500 appointed in each designated service delivery area and shall
 1501 serve as the local workforce development investment board
 1502 pursuant to Pub. L. No. 113-128 105-220. The membership of the
 1503 board must shall be consistent with Pub. L. No. 113-128 105-220,
 1504 Title I, s. 107(b) s. 117(b) but may not exceed the minimum
 1505 membership required in Pub. L. No. 105-220, Title I, s.
 1506 117(b)(2)(A) and in this subsection. Upon approval by the
 1507 Governor, the chief elected official may appoint additional
 1508 members above the limit set by this subsection. If a public
 1509 education or training provider is represented on the board, a
 1510 representative of a private nonprofit provider and a
 1511 representative of a private for-profit provider must also be

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1512 appointed to the board. The board shall include one nonvoting
 1513 representative from a military installation if a military
 1514 installation is located within the region and the appropriate
 1515 military command or organization authorizes such representation.
 1516 ~~It is the intent of the Legislature that membership of a~~
 1517 ~~regional workforce board include persons who are current or~~
 1518 ~~former recipients of welfare transition assistance as defined in~~
 1519 ~~s. 445.002(2) or workforce services as provided in s. 445.009(1)~~
 1520 ~~or that such persons be included as ex officio members of the~~
 1521 ~~board or of committees organized by the board.~~ The importance of
 1522 minority and gender representation shall be considered when
 1523 making appointments to the board. The board, its committees,
 1524 subcommittees, and subdivisions, and other units of the
 1525 workforce system, including units that may consist in whole or
 1526 in part of local governmental units, may use any method of
 1527 telecommunications to conduct meetings, including establishing a
 1528 quorum through telecommunications, provided that the public is
 1529 given proper notice of the telecommunications meeting and
 1530 reasonable access to observe and, when appropriate, participate.
 1531 Local Regional workforce development boards are subject to
 1532 chapters 119 and 286 and s. 24, Art. I of the State
 1533 Constitution. If the local regional workforce development board
 1534 enters into a contract with an organization or individual
 1535 represented on the board of directors, the contract must be
 1536 approved by a two-thirds vote of the board, a quorum having been
 1537 established, and the board member who could benefit financially
 1538 from the transaction must abstain from voting on the contract. A
 1539 board member must disclose any such conflict in a manner that is
 1540 consistent with the procedures outlined in s. 112.3143. Each

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1541 member of a local regional workforce development board who is
 1542 not otherwise required to file a full and public disclosure of
 1543 financial interests pursuant to s. 8, Art. II of the State
 1544 Constitution or s. 112.3144 shall file a statement of financial
 1545 interests pursuant to s. 112.3145. The executive director or
 1546 designated person responsible for the operational and
 1547 administrative functions of the local regional workforce
 1548 development board who is not otherwise required to file a full
 1549 and public disclosure of financial interests pursuant to s. 8,
 1550 Art. II of the State Constitution or s. 112.3144 shall file a
 1551 statement of financial interests pursuant to s. 112.3145.

1552 (2) (a) The local regional workforce development board shall
 1553 elect a chair from among the representatives described in Pub.
 1554 L. No. 113-128 105-220, Title I, s. 107(b)(2)(A) ~~s.~~
 1555 ~~117(b)(2)(A)(i)~~ to serve for a term of no more than 2 years and
 1556 shall serve no more than two terms.

1557 (b) The Governor may remove a member of the board, the
 1558 executive director of the board, or the designated person
 1559 responsible for the operational and administrative functions of
 1560 the board for cause. As used in this paragraph, the term "cause"
 1561 includes, but is not limited to, engaging in fraud or other
 1562 criminal acts, incapacity, unfitness, neglect of duty, official
 1563 incompetence and irresponsibility, misfeasance, malfeasance,
 1564 nonfeasance, or lack of performance.

1565 (3) The Department of Economic Opportunity, under the
 1566 direction of CareerSource Florida, Inc., shall assign staff to
 1567 meet with each local regional workforce development board
 1568 annually to review the board's performance and to certify that
 1569 the board is in compliance with applicable state and federal

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1570 law.

1571 (4) In addition to the duties and functions specified by
 1572 CareerSource Florida, Inc., and by the interlocal agreement
 1573 approved by the local county or city governing bodies, the local
 1574 ~~regional~~ workforce development board shall have the following
 1575 responsibilities:

1576 (a) Develop, submit, ratify, or amend the local plan
 1577 pursuant to Pub. L. No. 113-128, Title I, s. 108 ~~105-220, Title~~
 1578 ~~I, s. 118, and the provisions of~~ this act.

1579 (b) Conclude agreements necessary to designate the fiscal
 1580 agent and administrative entity. A public or private entity,
 1581 including an entity established pursuant to s. 163.01, which
 1582 makes a majority of the appointments to a local regional
 1583 workforce development board may serve as the board's
 1584 administrative entity if approved by CareerSource Florida, Inc.,
 1585 based upon a showing that a fair and competitive process was
 1586 used to select the administrative entity.

1587 (c) Complete assurances required for the charter process of
 1588 CareerSource Florida, Inc., and provide ongoing oversight
 1589 related to administrative costs, duplicated services, career
 1590 counseling, economic development, equal access, compliance and
 1591 accountability, and performance outcomes.

1592 (d) Oversee the one-stop delivery system in its local area.

1593 (5) CareerSource Florida, Inc., shall implement a training
 1594 program for the local regional workforce development boards to
 1595 familiarize board members with the state's workforce development
 1596 goals and strategies.

1597 (6) The local regional workforce development board shall
 1598 designate all local service providers and may not transfer this

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1599 authority to a third party. Consistent with the intent of the
 1600 Workforce Innovation and Opportunity Investment Act, local
 1601 ~~regional~~ workforce development boards should provide the
 1602 greatest possible choice of training providers to those who
 1603 qualify for training services. A local regional workforce
 1604 development board may not restrict the choice of training
 1605 providers based upon cost, location, or historical training
 1606 arrangements. However, a board may restrict the amount of
 1607 training resources available to any one client. Such
 1608 restrictions may vary based upon the cost of training in the
 1609 client's chosen occupational area. The local regional workforce
 1610 development board may be designated as a one-stop operator and
 1611 direct provider of intake, assessment, eligibility
 1612 determinations, or other direct provider services except
 1613 training services. Such designation may occur only with the
 1614 agreement of the chief elected official and the Governor as
 1615 specified in 29 U.S.C. s. 2832(f)(2). CareerSource Florida,
 1616 Inc., shall establish procedures by which a local regional
 1617 workforce development board may request permission to operate
 1618 under this section and the criteria under which such permission
 1619 may be granted. The criteria shall include, but need not be
 1620 limited to, a reduction in the cost of providing the permitted
 1621 services. Such permission shall be granted for a period not to
 1622 exceed 3 years for any single request submitted by the local
 1623 ~~regional~~ workforce development board.

1624 (7) Local Regional workforce development boards shall adopt
 1625 a committee structure consistent with applicable federal law and
 1626 state policies established by CareerSource Florida, Inc.

1627 (8) The importance of minority and gender representation

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1628 shall be considered when appointments are made to any committee
 1629 established by the local ~~regional~~ workforce development board.
 1630 (9) For purposes of procurement, local ~~regional~~ workforce
 1631 development boards and their administrative entities are not
 1632 state agencies and are exempt from chapters 120 and 287. The
 1633 local ~~regional~~ workforce development boards shall apply the
 1634 procurement and expenditure procedures required by federal law
 1635 and policies of the Department of Economic Opportunity and
 1636 CareerSource Florida, Inc., for the expenditure of federal,
 1637 state, and nonpass-through funds. The making or approval of
 1638 smaller, multiple payments for a single purchase with the intent
 1639 to avoid or evade the monetary thresholds and procedures
 1640 established by federal law and policies of the Department of
 1641 Economic Opportunity and CareerSource Florida, Inc., is grounds
 1642 for removal for cause. Local ~~Regional~~ workforce development
 1643 boards, their administrative entities, committees, and
 1644 subcommittees, and other workforce units may authorize
 1645 expenditures to award suitable framed certificates, pins, or
 1646 other tokens of recognition for performance by units of the
 1647 workforce system. Local ~~Regional~~ workforce development boards;
 1648 their administrative entities, committees, and subcommittees;
 1649 and other workforce units may authorize expenditures for
 1650 promotional items, such as t-shirts, hats, or pens printed with
 1651 messages promoting Florida's workforce system to employers, job
 1652 seekers, and program participants. However, such expenditures
 1653 are subject to federal regulations applicable to the expenditure
 1654 of federal funds. All contracts executed by local ~~regional~~
 1655 workforce development boards must include specific performance
 1656 expectations and deliverables.

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1657 (10) State and federal funds provided to the local ~~regional~~
 1658 workforce development boards may not be used directly or
 1659 indirectly to pay for meals, food, or beverages for board
 1660 members, staff, or employees of local ~~regional~~ workforce
 1661 development boards, CareerSource Florida, Inc., or the
 1662 Department of Economic Opportunity except as expressly
 1663 authorized by state law. Preapproved, reasonable, and necessary
 1664 per diem allowances and travel expenses may be reimbursed. Such
 1665 reimbursement shall be at the standard travel reimbursement
 1666 rates established in s. 112.061 and shall be in compliance with
 1667 all applicable federal and state requirements. CareerSource
 1668 Florida, Inc., shall develop a statewide fiscal policy
 1669 applicable to the state board and all local ~~regional~~ workforce
 1670 development boards, to hold both the state and local ~~regional~~
 1671 workforce development boards strictly accountable for adherence
 1672 to the policy and subject to regular and periodic monitoring by
 1673 the Department of Economic Opportunity, the administrative
 1674 entity for CareerSource Florida, Inc. Boards are prohibited from
 1675 expending state or federal funds for entertainment costs and
 1676 recreational activities for board members and employees as these
 1677 terms are defined by 2 C.F.R. part 230.
 1678 (11) To increase transparency and accountability, a local
 1679 ~~regional~~ workforce development board must comply with the
 1680 requirements of this section before contracting with a member of
 1681 the board or a relative, as defined in s. 112.3143(1)(c), of a
 1682 board member or of an employee of the board. Such contracts may
 1683 not be executed before or without the approval of CareerSource
 1684 Florida, Inc. Such contracts, as well as documentation
 1685 demonstrating adherence to this section as specified by

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1686 CareerSource Florida, Inc., must be submitted to the Department
 1687 of Economic Opportunity for review and recommendation according
 1688 to criteria to be determined by CareerSource Florida, Inc. Such
 1689 a contract must be approved by a two-thirds vote of the board, a
 1690 quorum having been established; all conflicts of interest must
 1691 be disclosed before the vote; and any member who may benefit
 1692 from the contract, or whose relative may benefit from the
 1693 contract, must abstain from the vote. A contract under \$25,000
 1694 between a local ~~regional~~ workforce development board and a
 1695 member of that board or between a relative, as defined in s.
 1696 112.3143(1)(c), of a board member or of an employee of the board
 1697 is not required to have the prior approval of CareerSource
 1698 Florida, Inc., but must be approved by a two-thirds vote of the
 1699 board, a quorum having been established, and must be reported to
 1700 the Department of Economic Opportunity and CareerSource Florida,
 1701 Inc., within 30 days after approval. If a contract cannot be
 1702 approved by CareerSource Florida, Inc., a review of the decision
 1703 to disapprove the contract may be requested by the local
 1704 ~~regional~~ workforce development board or other parties to the
 1705 disapproved contract.

1706 (12) Each local ~~regional~~ workforce development board shall
 1707 develop a budget for the purpose of carrying out the duties of
 1708 the board under this section, subject to the approval of the
 1709 chief elected official. Each local ~~regional~~ workforce
 1710 development board shall submit its annual budget for review to
 1711 CareerSource Florida, Inc., no later than 2 weeks after the
 1712 chair approves the budget.

1713 (13) By March 1, 2018, CareerSource Florida, Inc., shall
 1714 establish regional planning areas in accordance with Pub. L. No.

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1715 113-128, Title I, s. 106(a)(2). Local workforce development
 1716 boards and chief elected officials within identified regional
 1717 planning areas shall prepare a regional workforce development
 1718 plan as required under Pub. L. No. 113-128, Title I, s.
 1719 106(c)(2).

1720 Section 27. Subsections (4) and (5) of section 445.0071,
 1721 Florida Statutes, are amended to read:

1722 445.0071 Florida Youth Summer Jobs Pilot Program.—

1723 (4) GOVERNANCE.—

1724 (a) The pilot program shall be administered by the local
 1725 ~~regional~~ workforce development board in consultation with
 1726 CareerSource Florida, Inc.

1727 (b) The local ~~regional~~ workforce development board shall
 1728 report to CareerSource Florida, Inc., the number of at-risk and
 1729 disadvantaged children who enter the program, the types of work
 1730 activities they participate in, and the number of children who
 1731 return to school, go on to postsecondary school, or enter the
 1732 workforce full time at the end of the program. CareerSource
 1733 Florida, Inc., shall report to the Legislature by November 1 of
 1734 each year on the performance of the program.

1735 (5) FUNDING.—

1736 (a) The local ~~regional~~ workforce development board shall,
 1737 consistent with state and federal laws, use funds appropriated
 1738 specifically for the pilot program to provide youth wage
 1739 payments and educational enrichment activities. The local
 1740 ~~regional~~ workforce development board and local communities may
 1741 obtain private or state and federal grants or other sources of
 1742 funds in addition to any appropriated funds.

1743 (b) Program funds shall be used as follows:

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1744 1. No less than 85 percent of the funds shall be used for
 1745 youth wage payments or educational enrichment activities. These
 1746 funds shall be matched on a one-to-one basis by each local
 1747 community that participates in the program.

1748 2. No more than 2 percent of the funds may be used for
 1749 administrative purposes.

1750 3. The remainder of the funds may be used for
 1751 transportation assistance, child care assistance, or other
 1752 assistance to enable a program participant to enter or remain in
 1753 the program.

1754 (c) The local regional workforce development board shall
 1755 pay a participating employer an amount equal to one-half of the
 1756 wages paid to a youth participating in the program. Payments
 1757 shall be made monthly for the duration that the youth
 1758 participant is employed as documented by the employer and
 1759 confirmed by the local regional workforce development board.

1760 Section 28. Subsections (2) through (7), paragraphs (b),
 1761 (c), and (d) of subsection (8), paragraph (b) of subsection (9),
 1762 and subsection (10) of section 445.009, Florida Statutes, are
 1763 amended to read:

1764 445.009 One-stop delivery system.—

1765 (2) (a) Subject to a process designed by CareerSource
 1766 Florida, Inc., and in compliance with Pub. L. No. 113-128 105-
 1767 220, local regional workforce development boards shall designate
 1768 one-stop delivery system operators.

1769 (b) A local regional workforce development board may
 1770 designate as its one-stop delivery system operator any public or
 1771 private entity that is eligible to provide services under any
 1772 state or federal workforce program that is a mandatory or

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1773 discretionary partner in the local workforce development area's
 1774 ~~region's~~ one-stop delivery system if approved by CareerSource
 1775 Florida, Inc., upon a showing by the local regional workforce
 1776 development board that a fair and competitive process was used
 1777 in the selection. As a condition of authorizing a local regional
 1778 workforce development board to designate such an entity as its
 1779 one-stop delivery system operator, CareerSource Florida, Inc.,
 1780 must require the local regional workforce development board to
 1781 demonstrate that safeguards are in place to ensure that the one-
 1782 stop delivery system operator will not exercise an unfair
 1783 competitive advantage or unfairly refer or direct customers of
 1784 the one-stop delivery system to services provided by that one-
 1785 stop delivery system operator. A local regional workforce
 1786 development board may retain its current one-stop career center
 1787 operator without further procurement action if the board has an
 1788 established one-stop career center that has complied with
 1789 federal and state law.

1790 (c) The local workforce development board must enter into a
 1791 memorandum of understanding with each mandatory or optional
 1792 partner participating in the one-stop delivery system which
 1793 details the partner's required contribution to infrastructure
 1794 costs, as required by Pub. L. No. 113-128, s. 121(h). If the
 1795 local workforce development board and the one-stop partner are
 1796 unable to come to an agreement regarding infrastructure costs by
 1797 July 1, 2016, the costs shall be allocated pursuant to a policy
 1798 established by the Governor.

1799 (3) Local Regional workforce development boards shall enter
 1800 into a memorandum of understanding with the Department of
 1801 Economic Opportunity for the delivery of employment services

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1802 authorized by the federal Wagner-Peyser Act. This memorandum of
 1803 understanding must be performance based.

1804 (a) Unless otherwise required by federal law, at least 90
 1805 percent of the Wagner-Peyser funding must go into direct
 1806 customer service costs.

1807 (b) Employment services must be provided through the one-
 1808 stop delivery system, under the guidance of one-stop delivery
 1809 system operators. One-stop delivery system operators shall have
 1810 overall authority for directing the staff of the workforce
 1811 system. Personnel matters shall remain under the ultimate
 1812 authority of the department. However, the one-stop delivery
 1813 system operator shall submit to the department information
 1814 concerning the job performance of employees of the department
 1815 who deliver employment services. The department shall consider
 1816 any such information submitted by the one-stop delivery system
 1817 operator in conducting performance appraisals of the employees.

1818 (c) The department shall retain fiscal responsibility and
 1819 accountability for the administration of funds allocated to the
 1820 state under the Wagner-Peyser Act. An employee of the department
 1821 who is providing services authorized under the Wagner-Peyser Act
 1822 shall be paid using Wagner-Peyser Act funds.

1823 (4) One-stop delivery system partners shall enter into a
 1824 memorandum of understanding pursuant to Pub. L. No. 113-128 ~~105-~~
 1825 ~~220~~, Title I, s. 121, with the local ~~regional~~ workforce
 1826 development board. Failure of a local partner to participate
 1827 cannot unilaterally block the majority of partners from moving
 1828 forward with their one-stop delivery system, and CareerSource
 1829 Florida, Inc., pursuant to s. 445.004(5)(e), may make
 1830 notification of a local partner that fails to participate.

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1831 (5) To the extent possible, local ~~regional~~ workforce
 1832 development boards shall include as partners in the local one-
 1833 stop delivery system entities that provide programs or
 1834 activities designed to meet the needs of homeless persons.

1835 (6) (a) To the extent possible, core services, as defined by
 1836 Pub. L. No. 113-128 ~~105-220~~, shall be provided electronically,
 1837 using existing systems. These electronic systems shall be linked
 1838 and integrated into a comprehensive service system to simplify
 1839 access to core services by:

1840 1. Maintaining staff to serve as the first point of contact
 1841 with the public seeking access to employment services who are
 1842 knowledgeable about each program located in each one-stop
 1843 delivery system center as well as related services. An initial
 1844 determination of the programs for which a customer is likely to
 1845 be eligible and any referral for a more thorough eligibility
 1846 determination must be made at this first point of contact; and

1847 2. Establishing an automated, integrated intake screening
 1848 and eligibility process where customers will provide information
 1849 through a self-service intake process that may be accessed by
 1850 staff from any participating program.

1851 (b) To expand electronic capabilities, CareerSource
 1852 Florida, Inc., working with local ~~regional~~ workforce development
 1853 boards, shall develop a centralized help center to assist local
 1854 ~~regional~~ workforce development boards in fulfilling core
 1855 services, minimizing the need for fixed-site one-stop delivery
 1856 system centers.

1857 (c) To the extent feasible, core services shall be
 1858 accessible through the Internet. Through this technology, core
 1859 services shall be made available at public libraries, public and

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1860 private educational institutions, community centers, kiosks,
 1861 neighborhood facilities, and satellite one-stop delivery system
 1862 sites. Each local ~~regional~~ workforce development board's web
 1863 page shall serve as a portal for contacting potential employees
 1864 by integrating the placement efforts of universities and private
 1865 companies, including staffing services firms, into the existing
 1866 one-stop delivery system.

1867 (7) Intensive services and training provided pursuant to
 1868 Pub. L. No. 113-128 ~~105-220~~, shall be provided to individuals
 1869 through Intensive Service Accounts and Individual Training
 1870 Accounts. CareerSource Florida, Inc., shall develop an
 1871 implementation plan, including identification of initially
 1872 eligible training providers, transition guidelines, and criteria
 1873 for use of these accounts. Individual Training Accounts must be
 1874 compatible with Individual Development Accounts for education
 1875 allowed in federal and state welfare reform statutes.

1876 (8)

1877 (b) For each approved training program, local ~~regional~~
 1878 workforce development boards, in consultation with training
 1879 providers, shall establish a fair-market purchase price to be
 1880 paid through an Individual Training Account. The purchase price
 1881 must be based on prevailing costs and reflect local economic
 1882 factors, program complexity, and program benefits, including
 1883 time to beginning of training and time to completion. The price
 1884 shall ensure the fair participation of public and nonpublic
 1885 postsecondary educational institutions as authorized service
 1886 providers and shall prohibit the use of unlawful remuneration to
 1887 the student in return for attending an institution. Unlawful
 1888 remuneration does not include student financial assistance

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1889 programs.

1890 (c) CareerSource Florida, Inc., shall periodically review
 1891 Individual Training Account pricing schedules developed by local
 1892 ~~regional~~ workforce development boards and present findings and
 1893 recommendations for process improvement to the President of the
 1894 Senate and the Speaker of the House of Representatives.

1895 (d) To the maximum extent possible, training providers
 1896 shall use funding sources other than the funding provided under
 1897 Pub. L. No. 113-128 ~~105-220~~. CareerSource Florida, Inc., shall
 1898 develop a system to encourage the leveraging of appropriated
 1899 resources for the workforce system and shall report on such
 1900 efforts as part of the required annual report.

1901 (9)

1902 (b) The network shall assure that a uniform method is used
 1903 to determine eligibility for and management of services provided
 1904 by agencies that conduct workforce development activities. The
 1905 Department of Management Services shall develop strategies to
 1906 allow access to the databases and information management systems
 1907 of the following systems in order to link information in those
 1908 databases with the one-stop delivery system:

- 1909 1. The Reemployment Assistance Program under chapter 443.
- 1910 2. The public employment service described in s. 443.181.
- 1911 3. The public assistance information system used by the
 1912 Department of Children and Families ~~FLORIDA System~~ and the
 1913 components related to temporary cash assistance, food
 1914 assistance, and Medicaid eligibility.
- 1915 4. The Student Financial Assistance System of the
 1916 Department of Education.
- 1917 5. Enrollment in the public postsecondary education system.

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1918 6. Other information systems determined appropriate by
 1919 CareerSource Florida, Inc.

1920 (10) To the maximum extent feasible, the one-stop delivery
 1921 system may use private sector staffing services firms in the
 1922 provision of workforce services to individuals and employers in
 1923 the state. Local ~~Regional~~ workforce development boards may
 1924 collaborate with staffing services firms in order to facilitate
 1925 the provision of workforce services. Local ~~Regional~~ workforce
 1926 development boards may contract with private sector staffing
 1927 services firms to design programs that meet the employment needs
 1928 of the local workforce development area ~~region~~. All such
 1929 contracts must be performance-based and require a specific
 1930 period of job tenure before ~~prior to~~ payment.

1931 Section 29. Subsections (1) and (3) of section 445.014,
 1932 Florida Statutes, are amended to read:

1933 445.014 Small business workforce service initiative.—

1934 (1) Subject to legislative appropriation, CareerSource
 1935 Florida, Inc., shall establish a program to encourage local
 1936 ~~regional~~ workforce development boards to establish one-stop
 1937 delivery systems that maximize the provision of workforce and
 1938 human-resource support services to small businesses. Under the
 1939 program, a local ~~regional~~ workforce development board may apply,
 1940 on a competitive basis, for funds to support the provision of
 1941 such services to small businesses through the local workforce
 1942 development area's ~~region's~~ one-stop delivery system.

1943 (3) CareerSource Florida, Inc., shall establish guidelines
 1944 governing the administration of this program and shall establish
 1945 criteria to be used in evaluating applications for funding. Such
 1946 criteria must include, but need not be limited to, a showing

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1947 that the local ~~regional~~ board has in place a detailed plan for
 1948 establishing a one-stop delivery system designed to meet the
 1949 workforce needs of small businesses and for leveraging other
 1950 funding sources in support of such activities.

1951 Section 30. Subsections (3), (4), and (5) of section
 1952 445.017, Florida Statutes, are amended to read:

1953 445.017 Diversion.—

1954 (3) Before finding an applicant family eligible for up-
 1955 front diversion services, the local ~~regional~~ workforce
 1956 development board must determine that all requirements of
 1957 eligibility for diversion services would likely be met.

1958 (4) The local ~~regional~~ workforce development board shall
 1959 screen each family on a case-by-case basis for barriers to
 1960 obtaining or retaining employment. The screening shall identify
 1961 barriers that, if corrected, may prevent the family from
 1962 receiving temporary cash assistance on a regular basis.
 1963 Assistance to overcome a barrier to employment is not limited to
 1964 cash, but may include vouchers or other in-kind benefits.

1965 (5) The family receiving up-front diversion must sign an
 1966 agreement restricting the family from applying for temporary
 1967 cash assistance for 3 months, unless an emergency is
 1968 demonstrated to the local ~~regional~~ workforce development board.
 1969 If a demonstrated emergency forces the family to reapply for
 1970 temporary cash assistance within 3 months after receiving a
 1971 diversion payment, the diversion payment shall be prorated over
 1972 an 8-month period and deducted from any temporary assistance for
 1973 which the family is eligible.

1974 Section 31. Subsection (2) of section 445.021, Florida
 1975 Statutes, is amended to read:

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1976 445.021 Relocation assistance program.—

1977 (2) The relocation assistance program shall involve five
1978 steps by the local regional workforce development board, in
1979 cooperation with the Department of Children and Families:

1980 (a) A determination that the family is receiving temporary
1981 cash assistance or that all requirements of eligibility for
1982 diversion services would likely be met.

1983 (b) A determination that there is a basis for believing
1984 that relocation will contribute to the ability of the applicant
1985 to achieve self-sufficiency. For example, the applicant:

1986 1. Is unlikely to achieve economic self-sufficiency at the
1987 current community of residence;

1988 2. Has secured a job that provides an increased salary or
1989 improved benefits and that requires relocation to another
1990 community;

1991 3. Has a family support network that will contribute to job
1992 retention in another community;

1993 4. Is determined, pursuant to criteria or procedures
1994 established by the board of directors of CareerSource Florida,
1995 Inc., to be a victim of domestic violence who would experience
1996 reduced probability of further incidents through relocation; or

1997 5. Must relocate in order to receive education or training
1998 that is directly related to the applicant's employment or career
1999 advancement.

2000 (c) Establishment of a relocation plan that includes such
2001 requirements as are necessary to prevent abuse of the benefit
2002 and provisions to protect the safety of victims of domestic
2003 violence and avoid provisions that place them in anticipated
2004 danger. The payment to defray relocation expenses shall be

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2005 determined based on criteria approved by the board of directors
2006 of CareerSource Florida, Inc. Participants in the relocation
2007 program shall be eligible for diversion or transitional
2008 benefits.

2009 (d) A determination, pursuant to criteria adopted by the
2010 board of directors of CareerSource Florida, Inc., that a
2011 community receiving a relocated family has the capacity to
2012 provide needed services and employment opportunities.

2013 (e) Monitoring the relocation.

2014 Section 32. Section 445.022, Florida Statutes, is amended
2015 to read:

2016 445.022 Retention Incentive Training Accounts.—To promote
2017 job retention and to enable upward job advancement into higher
2018 skilled, higher paying employment, the board of directors of
2019 CareerSource Florida, Inc., and the local regional workforce
2020 development boards may assemble a list of programs and courses
2021 offered by postsecondary educational institutions which may be
2022 available to participants who have become employed to promote
2023 job retention and advancement.

2024 (1) The board of directors of CareerSource Florida, Inc.,
2025 may establish Retention Incentive Training Accounts (RITAs) to
2026 use Temporary Assistance to Needy Families (TANF) block grant
2027 funds specifically appropriated for this purpose. RITAs must
2028 complement the Individual Training Account required by the
2029 federal Workforce Innovation and Opportunity Investment Act of
2030 ~~1998~~, Pub. L. No. 113-128 ~~105-220~~.

2031 (2) RITAs may pay for tuition, fees, educational materials,
2032 coaching and mentoring, performance incentives, transportation
2033 to and from courses, child care costs during education courses,

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2034 and other such costs as the local ~~regional~~ workforce development
2035 boards determine are necessary to effect successful job
2036 retention and advancement.

2037 (3) Local ~~Regional~~ workforce development boards shall
2038 retain only those courses that continue to meet their
2039 performance standards as established in their local plan.

2040 (4) Local ~~Regional~~ workforce development boards shall
2041 report annually to the Legislature on the measurable retention
2042 and advancement success of each program provider and the
2043 effectiveness of RITAs, making recommendations for any needed
2044 changes or modifications.

2045 Section 33. Subsections (4) and (5) of section 445.024,
2046 Florida Statutes, are amended to read:

2047 445.024 Work requirements.—

2048 (4) PRIORITIZATION OF WORK REQUIREMENTS.—Local ~~Regional~~
2049 workforce development boards shall require participation in work
2050 activities to the maximum extent possible, subject to federal
2051 and state funding. If funds are projected to be insufficient to
2052 allow full-time work activities by all program participants who
2053 are required to participate in work activities, local ~~regional~~
2054 workforce development boards shall screen participants and
2055 assign priority based on the following:

2056 (a) In accordance with federal requirements, at least one
2057 adult in each two-parent family shall be assigned priority for
2058 full-time work activities.

2059 (b) Among single-parent families, a family that has older
2060 preschool children or school-age children shall be assigned
2061 priority for work activities.

2062 (c) A participant who has access to child care services may

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2063 be assigned priority for work activities.

2064 (d) Priority may be assigned based on the amount of time
2065 remaining until the participant reaches the applicable time
2066 limit for program participation or may be based on requirements
2067 of a case plan.
2068

2069 Local ~~Regional~~ workforce development boards may limit a
2070 participant's weekly work requirement to the minimum required to
2071 meet federal work activity requirements. Local ~~Regional~~
2072 workforce development boards may develop screening and
2073 prioritization procedures based on the allocation of resources,
2074 the availability of community resources, the provision of
2075 supportive services, or the work activity needs of the service
2076 area.

2077 (5) USE OF CONTRACTS.—Local ~~Regional~~ workforce development
2078 boards shall provide work activities, training, and other
2079 services, as appropriate, through contracts. In contracting for
2080 work activities, training, or services, the following applies:

2081 (a) A contract must be performance-based. Payment shall be
2082 tied to performance outcomes that include factors such as, but
2083 not limited to, diversion from cash assistance, job entry, job
2084 entry at a target wage, job retention, and connection to
2085 transition services rather than tied to completion of training
2086 or education or any other phase of the program participation
2087 process.

2088 (b) A contract may include performance-based incentive
2089 payments that may vary according to the extent to which the
2090 participant is more difficult to place. Contract payments may be
2091 weighted proportionally to reflect the extent to which the

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 2092 participant has limitations associated with the long-term
 2093 receipt of welfare and difficulty in sustaining employment. The
 2094 factors may include the extent of prior receipt of welfare, lack
 2095 of employment experience, lack of education, lack of job skills,
 2096 and other factors determined appropriate by the local ~~regional~~
 2097 workforce development board.

(c) Notwithstanding the exemption from the competitive
 2098 sealed bid requirements provided in s. 287.057(3)(e) for certain
 2099 contractual services, each contract awarded under this chapter
 2100 must be awarded on the basis of a competitive sealed bid, except
 2101 for a contract with a governmental entity as determined by the
 2102 local ~~regional~~ workforce development board.

(d) Local ~~Regional~~ workforce development boards may
 2104 contract with commercial, charitable, or religious
 2105 organizations. A contract must comply with federal requirements
 2106 with respect to nondiscrimination and other requirements that
 2107 safeguard the rights of participants. Services may be provided
 2108 under contract, certificate, voucher, or other form of
 2109 disbursement.
 2110

(e) The administrative costs associated with a contract for
 2111 services provided under this section may not exceed the
 2112 applicable administrative cost ceiling established in federal
 2113 law. An agency or entity that is awarded a contract under this
 2114 section may not charge more than 7 percent of the value of the
 2115 contract for administration unless an exception is approved by
 2116 the local ~~regional~~ workforce development board. A list of any
 2117 exceptions approved must be submitted to the board of directors
 2118 of CareerSource Florida, Inc., for review, and the board may
 2119 rescind approval of the exception.
 2120

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 2121 (f) Local ~~Regional~~ workforce development boards may enter
 2122 into contracts to provide short-term work experience for the
 2123 chronically unemployed as provided in this section.

(g) A tax-exempt organization under s. 501(c) of the
 2124 Internal Revenue Code of 1986 which receives funds under this
 2125 chapter must disclose receipt of federal funds on any
 2126 advertising, promotional, or other material in accordance with
 2127 federal requirements.
 2128

Section 34. Section 445.025, Florida Statutes, is amended
 2129 to read:
 2130

445.025 Other support services.—Support services shall be
 2131 provided, if resources permit, to assist participants in
 2132 complying with work activity requirements outlined in s.
 2133 445.024. If resources do not permit the provision of needed
 2134 support services, the local ~~regional~~ workforce development board
 2135 may prioritize or otherwise limit provision of support services.
 2136 This section does not constitute an entitlement to support
 2137 services. Lack of provision of support services may be
 2138 considered as a factor in determining whether good cause exists
 2139 for failing to comply with work activity requirements but does
 2140 not automatically constitute good cause for failing to comply
 2141 with work activity requirements, and does not affect any
 2142 applicable time limit on the receipt of temporary cash
 2143 assistance or the provision of services under chapter 414.
 2144 Support services shall include, but need not be limited to:
 2145

(1) TRANSPORTATION.—Transportation expenses may be provided
 2146 to any participant when the assistance is needed to comply with
 2147 work activity requirements or employment requirements, including
 2148 transportation to and from a child care provider. Payment may be
 2149

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2150 made in cash or tokens in advance or through reimbursement paid
 2151 against receipts or invoices. Transportation services may
 2152 include, but are not limited to, cooperative arrangements with
 2153 the following: public transit providers; community
 2154 transportation coordinators designated under chapter 427; school
 2155 districts; churches and community centers; donated motor vehicle
 2156 programs, van pools, and ridesharing programs; small enterprise
 2157 developments and entrepreneurial programs that encourage
 2158 participants to become transportation providers; public and
 2159 private transportation partnerships; and other innovative
 2160 strategies to expand transportation options available to program
 2161 participants.

2162 (a) Local Regional workforce development boards may provide
 2163 payment for vehicle operational and repair expenses, including
 2164 repair expenditures necessary to make a vehicle functional;
 2165 vehicle registration fees; driver license fees; and liability
 2166 insurance for the vehicle for a period of up to 6 months.
 2167 Request for vehicle repairs must be accompanied by an estimate
 2168 of the cost prepared by a repair facility registered under s.
 2169 559.904.

2170 (b) Transportation disadvantaged funds as defined in
 2171 chapter 427 do not include support services funds or funds
 2172 appropriated to assist persons eligible under the Workforce
 2173 Innovation and Opportunity Act ~~Job Training Partnership Act~~. It
 2174 is the intent of the Legislature that local regional workforce
 2175 development boards consult with local community transportation
 2176 coordinators designated under chapter 427 regarding the
 2177 availability and cost of transportation services through the
 2178 coordinated transportation system ~~before~~ ~~prior to~~ contracting

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2179 for comparable transportation services outside the coordinated
 2180 system.

2181 (2) ANCILLARY EXPENSES.—Ancillary expenses such as books,
 2182 tools, clothing, fees, and costs necessary to comply with work
 2183 activity requirements or employment requirements may be
 2184 provided.

2185 (3) MEDICAL SERVICES.—A family that meets the eligibility
 2186 requirements for Medicaid shall receive medical services under
 2187 the Medicaid program.

2188 (4) PERSONAL AND FAMILY COUNSELING AND THERAPY.—Counseling
 2189 may be provided to participants who have a personal or family
 2190 problem or problems caused by substance abuse that is a barrier
 2191 to compliance with work activity requirements or employment
 2192 requirements. In providing these services, local regional
 2193 workforce development boards shall use services that are
 2194 available in the community at no additional cost. If these
 2195 services are not available, local regional workforce development
 2196 boards may use support services funds. Personal or family
 2197 counseling not available through Medicaid may not be considered
 2198 a medical service for purposes of the required statewide
 2199 implementation plan or use of federal funds.

2200 Section 35. Subsection (5) of section 445.026, Florida
 2201 Statutes, is amended to read:

2202 445.026 Cash assistance severance benefit.—An individual
 2203 who meets the criteria listed in this section may choose to
 2204 receive a lump-sum payment in lieu of ongoing cash assistance
 2205 payments, provided the individual:

2206 (5) Provides employment and earnings information to the
 2207 local regional workforce development board, so that the local

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2208 ~~regional~~ workforce development board can ensure that the
 2209 family's eligibility for severance benefits can be evaluated.
 2210
 2211 Such individual may choose to accept a one-time, lump-sum
 2212 payment of \$1,000 in lieu of receiving ongoing cash assistance.
 2213 Such payment shall only count toward the time limitation for the
 2214 month in which the payment is made in lieu of cash assistance. A
 2215 participant choosing to accept such payment shall be terminated
 2216 from cash assistance. However, eligibility for Medicaid, food
 2217 assistance, or child care shall continue, subject to the
 2218 eligibility requirements of those programs.
 2219 Section 36. Subsections (2) and (4) of section 445.030,
 2220 Florida Statutes, are amended to read:
 2221 445.030 Transitional education and training.—In order to
 2222 assist former recipients of temporary cash assistance who are
 2223 working or actively seeking employment in continuing their
 2224 training and upgrading their skills, education, or training,
 2225 support services may be provided for up to 2 years after the
 2226 family is no longer receiving temporary cash assistance. This
 2227 section does not constitute an entitlement to transitional
 2228 education and training. If funds are not sufficient to provide
 2229 services under this section, the board of directors of
 2230 CareerSource Florida, Inc., may limit or otherwise prioritize
 2231 transitional education and training.
 2232 (2) Local ~~Regional~~ workforce development boards may
 2233 authorize child care or other support services in addition to
 2234 services provided in conjunction with employment. For example, a
 2235 participant who is employed full time may receive child care
 2236 services related to that employment and may also receive

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2237 additional child care services in conjunction with training to
 2238 upgrade the participant's skills.
 2239 (4) A local ~~Regional~~ workforce development board may enter
 2240 into an agreement with an employer to share the costs relating
 2241 to upgrading the skills of participants hired by the employer.
 2242 For example, a local ~~regional~~ workforce development board may
 2243 agree to provide support services such as transportation or a
 2244 wage subsidy in conjunction with training opportunities provided
 2245 by the employer.
 2246 Section 37. Section 445.031, Florida Statutes, is amended
 2247 to read:
 2248 445.031 Transitional transportation.—In order to assist
 2249 former recipients of temporary cash assistance in maintaining
 2250 and sustaining employment or educational opportunities,
 2251 transportation may be provided, if funds are available, for up
 2252 to 2 years after the participant is no longer in the program.
 2253 This does not constitute an entitlement to transitional
 2254 transportation. If funds are not sufficient to provide services
 2255 under this section, local ~~regional~~ workforce development boards
 2256 may limit or otherwise prioritize transportation services.
 2257 (1) Transitional transportation must be job or education
 2258 related.
 2259 (2) Transitional transportation may include expenses
 2260 identified in s. 445.025, paid directly or by voucher, as well
 2261 as a vehicle valued at not more than \$8,500 if the vehicle is
 2262 needed for training, employment, or educational purposes.
 2263 Section 38. Subsection (1), paragraph (b) of subsection
 2264 (4), and subsection (5) of section 445.048, Florida Statutes,
 2265 are amended to read:

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2266 445.048 Passport to Economic Progress program.—
 2267 (1) AUTHORIZATION.—Notwithstanding any law to the contrary,
 2268 CareerSource Florida, Inc., in conjunction with the Department
 2269 of Children and Families and the Department of Economic
 2270 Opportunity, shall implement a Passport to Economic Progress
 2271 program consistent with ~~the provisions of~~ this section.
 2272 CareerSource Florida, Inc., may designate local ~~regional~~
 2273 workforce development boards to participate in the program.
 2274 Expenses for the program may come from appropriated revenues or
 2275 from funds otherwise available to a local ~~regional~~ workforce
 2276 development board which may be legally used for such purposes.
 2277 CareerSource Florida, Inc., must consult with the applicable
 2278 local ~~regional~~ workforce development boards and the applicable
 2279 local offices of the Department of Children and Families which
 2280 serve the program areas and must encourage community input into
 2281 the implementation process.
 2282 (4) INCENTIVES TO ECONOMIC SELF-SUFFICIENCY.—
 2283 (b) CareerSource Florida, Inc., in cooperation with the
 2284 Department of Children and Families and the Department of
 2285 Economic Opportunity, shall offer performance-based incentive
 2286 bonuses as a component of the Passport to Economic Progress
 2287 program. The bonuses do not represent a program entitlement and
 2288 are contingent on achieving specific benchmarks prescribed in
 2289 the self-sufficiency plan. If the funds appropriated for this
 2290 purpose are insufficient to provide this financial incentive,
 2291 the board of directors of CareerSource Florida, Inc., may reduce
 2292 or suspend the bonuses in order not to exceed the appropriation
 2293 or may direct the local ~~regional~~ boards to use resources
 2294 otherwise given to the local workforce development board

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2295 ~~regional workforce~~ to pay such bonuses if such payments comply
 2296 with applicable state and federal laws.
 2297 (5) EVALUATIONS AND RECOMMENDATIONS.—CareerSource Florida,
 2298 Inc., in conjunction with the Department of Children and
 2299 Families, the Department of Economic Opportunity, and the local
 2300 ~~regional~~ workforce development boards, shall conduct a
 2301 comprehensive evaluation of the effectiveness of the program
 2302 operated under this section. Evaluations and recommendations for
 2303 the program shall be submitted by CareerSource Florida, Inc., as
 2304 part of its annual report to the Legislature.
 2305 Section 39. Paragraph (b) of subsection (2), paragraph (d)
 2306 of subsection (4), and subsections (6) and (7) of section
 2307 445.051, Florida Statutes, are amended to read:
 2308 445.051 Individual development accounts.—
 2309 (2) As used in this section, the term:
 2310 (b) "Qualified entity" means:
 2311 1. A not-for-profit organization described in s. 501(c) (3)
 2312 of the Internal Revenue Code of 1986, as amended, and exempt
 2313 from taxation under s. 501(a) of such code; or
 2314 2. A state or local government agency acting in cooperation
 2315 with an organization described in subparagraph 1. For purposes
 2316 of this section, a local ~~regional~~ workforce development board is
 2317 a government agency.
 2318 (4)
 2319 (d) Eligible participants may receive matching funds for
 2320 contributions to the individual development account, pursuant to
 2321 the strategic plan for workforce development. When not
 2322 restricted to the contrary, matching funds may be paid from
 2323 state and federal funds under the control of the local ~~regional~~

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2324 workforce development board, from local agencies, or from
2325 private donations.

2326 (6) CareerSource Florida, Inc., shall establish procedures
2327 for local ~~regional~~ workforce development boards to include in
2328 their annual program and financial plan an application to offer
2329 an individual development account program as part of their TANF
2330 allocation. These procedures must include, but need not be
2331 limited to, administrative costs permitted for the fiduciary
2332 organization and policies relative to identifying the match
2333 ratio and limits on the deposits for which the match will be
2334 provided in the application process. CareerSource Florida, Inc.,
2335 shall establish policies and procedures necessary to ensure that
2336 funds held in an individual development account are not
2337 withdrawn except for one or more of the qualified purposes
2338 described in this section.

2339 (7) Fiduciary organizations shall be the local ~~regional~~
2340 workforce development board or other community-based
2341 organizations designated by the local ~~regional~~ workforce
2342 development board to serve as intermediaries between individual
2343 account holders and financial institutions holding accounts.
2344 Responsibilities of such fiduciary organizations may include
2345 marketing participation, soliciting matching contributions,
2346 counseling program participants, and conducting verification and
2347 compliance activities.

2348 Section 40. Paragraph (a) of subsection (1) of section
2349 985.622, Florida Statutes, is amended to read:

2350 985.622 Multiagency plan for career and professional
2351 education (CAPE).-

2352 (1) The Department of Juvenile Justice and the Department

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2353 of Education shall, in consultation with the statewide Workforce
2354 Development Youth Council, school districts, providers, and
2355 others, jointly develop a multiagency plan for career and
2356 professional education (CAPE) that establishes the curriculum,
2357 goals, and outcome measures for CAPE programs in juvenile
2358 justice education programs. The plan must be reviewed annually,
2359 revised as appropriate, and include:

2360 (a) Provisions for maximizing appropriate state and federal
2361 funding sources, including funds under the Workforce Innovation
2362 and Opportunity Act ~~Workforce Investment Act~~ and the Perkins
2363 Act.

2364 Section 41. Paragraph (c) of subsection (4) of section
2365 1002.83, Florida Statutes, is amended to read:

2366 1002.83 Early learning coalitions.-

2367 (4) Each early learning coalition must include the
2368 following member positions; however, in a multicounty coalition,
2369 each ex officio member position may be filled by multiple
2370 nonvoting members but no more than one voting member shall be
2371 seated per member position. If an early learning coalition has
2372 more than one member representing the same entity, only one of
2373 such members may serve as a voting member:

2374 (c) A local ~~regional~~ workforce development board executive
2375 director or his or her permanent designee.

2376 Section 42. Subsections (2) and (3) and paragraph (b) of
2377 subsection (4) of section 1003.491, Florida Statutes, are
2378 amended to read:

2379 1003.491 Florida Career and Professional Education Act.-The
2380 Florida Career and Professional Education Act is created to
2381 provide a statewide planning partnership between the business

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2382 and education communities in order to attract, expand, and
 2383 retain targeted, high-value industry and to sustain a strong,
 2384 knowledge-based economy.

2385 (2) Each district school board shall develop, in
 2386 collaboration with local ~~regional~~ workforce development boards,
 2387 economic development agencies, and postsecondary institutions
 2388 approved to operate in the state, a strategic 3-year plan to
 2389 address and meet local and regional workforce demands. If
 2390 involvement of a local ~~regional~~ workforce development board or
 2391 an economic development agency in the strategic plan development
 2392 is not feasible, the local school board, with the approval of
 2393 the Department of Economic Opportunity, shall collaborate with
 2394 the most appropriate regional business leadership board. Two or
 2395 more school districts may collaborate in the development of the
 2396 strategic plan and offer career-themed courses, as defined in s.
 2397 1003.493(1)(b), or a career and professional academy as a joint
 2398 venture. The strategic plan must describe in detail provisions
 2399 for the efficient transportation of students, the maximum use of
 2400 shared resources, access to courses aligned to state curriculum
 2401 standards through virtual education providers legislatively
 2402 authorized to provide part-time instruction to middle school
 2403 students, and an objective review of proposed career and
 2404 professional academy courses and other career-themed courses to
 2405 determine if the courses will lead to the attainment of industry
 2406 certifications included on the Industry Certified Funding List
 2407 pursuant to rules adopted by the State Board of Education. Each
 2408 strategic plan shall be reviewed, updated, and jointly approved
 2409 every 3 years by the local school district, local ~~regional~~
 2410 workforce development boards, economic development agencies, and

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2411 state-approved postsecondary institutions.

2412 (3) The strategic 3-year plan developed jointly by the
 2413 local school district, local ~~regional~~ workforce development
 2414 boards, economic development agencies, and state-approved
 2415 postsecondary institutions shall be constructed and based on:

2416 (a) Research conducted to objectively determine local and
 2417 regional workforce needs for the ensuing 3 years, using labor
 2418 projections of the United States Department of Labor and the
 2419 Department of Economic Opportunity;

2420 (b) Strategies to develop and implement career academies or
 2421 career-themed courses based on those careers determined to be
 2422 high-wage, high-skill, and high-demand;

2423 (c) Strategies to provide shared, maximum use of private
 2424 sector facilities and personnel;

2425 (d) Strategies that ensure instruction by industry-
 2426 certified faculty and standards and strategies to maintain
 2427 current industry credentials and for recruiting and retaining
 2428 faculty to meet those standards;

2429 (e) Strategies to provide personalized student advisement,
 2430 including a parent-participation component, and coordination
 2431 with middle grades to promote and support career-themed courses
 2432 and education planning as required under s. 1003.4156;

2433 (f) Alignment of requirements for middle school career
 2434 planning under s. 1003.4156(1)(e), middle and high school career
 2435 and professional academies or career-themed courses leading to
 2436 industry certification or postsecondary credit, and high school
 2437 graduation requirements;

2438 (g) Provisions to ensure that career-themed courses and
 2439 courses offered through career and professional academies are

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2440 academically rigorous, meet or exceed appropriate state-adopted
 2441 subject area standards, result in attainment of industry
 2442 certification, and, when appropriate, result in postsecondary
 2443 credit;

2444 (h) Plans to sustain and improve career-themed courses and
 2445 career and professional academies;

2446 (i) Strategies to improve the passage rate for industry
 2447 certification examinations if the rate falls below 50 percent;

2448 (j) Strategies to recruit students into career-themed
 2449 courses and career and professional academies which include
 2450 opportunities for students who have been unsuccessful in
 2451 traditional classrooms but who are interested in enrolling in
 2452 career-themed courses or a career and professional academy.
 2453 School boards shall provide opportunities for students who may
 2454 be deemed as potential dropouts to enroll in career-themed
 2455 courses or participate in career and professional academies;

2456 (k) Strategies to provide sufficient space within academies
 2457 to meet workforce needs and to provide access to all interested
 2458 and qualified students;

2459 (l) Strategies to implement career-themed courses or career
 2460 and professional academy training that lead to industry
 2461 certification in juvenile justice education programs;

2462 (m) Opportunities for high school students to earn weighted
 2463 or dual enrollment credit for higher-level career and technical
 2464 courses;

2465 (n) Promotion of the benefits of the Gold Seal Bright
 2466 Futures Scholarship;

2467 (o) Strategies to ensure the review of district pupil-
 2468 progression plans and to amend such plans to include career-

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2469 themed courses and career and professional academy courses and
 2470 to include courses that may qualify as substitute courses for
 2471 core graduation requirements and those that may be counted as
 2472 elective courses;

2473 (p) Strategies to provide professional development for
 2474 secondary certified school counselors on the benefits of career
 2475 and professional academies and career-themed courses that lead
 2476 to industry certification; and

2477 (q) Strategies to redirect appropriated career funding in
 2478 secondary and postsecondary institutions to support career
 2479 academies and career-themed courses that lead to industry
 2480 certification.

2481 (4) The State Board of Education shall establish a process
 2482 for the continual and uninterrupted review of newly proposed
 2483 core secondary courses and existing courses requested to be
 2484 considered as core courses to ensure that sufficient rigor and
 2485 relevance is provided for workforce skills and postsecondary
 2486 education and aligned to state curriculum standards.

2487 (b) The curriculum review committee shall review newly
 2488 proposed core courses electronically. Each proposed core course
 2489 shall be approved or denied within 30 days after submission by a
 2490 district school board or local regional ~~regional~~ workforce development
 2491 board. All courses approved as core courses for purposes of
 2492 middle school promotion and high school graduation shall be
 2493 immediately added to the Course Code Directory. Approved core
 2494 courses shall also be reviewed and considered for approval for
 2495 dual enrollment credit. The Board of Governors and the
 2496 Commissioner of Education shall jointly recommend an annual
 2497 deadline for approval of new core courses to be included for

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2498 purposes of postsecondary admissions and dual enrollment credit
 2499 the following academic year. The State Board of Education shall
 2500 establish an appeals process in the event that a proposed course
 2501 is denied which shall require a consensus ruling by the
 2502 Department of Economic Opportunity and the Commissioner of
 2503 Education within 15 days.

2504 Section 43. Paragraph (a) of subsection (3) of section
 2505 1003.492, Florida Statutes, is amended to read:

2506 1003.492 Industry-certified career education programs.—

2507 (3) The State Board of Education shall use the expertise of
 2508 CareerSource Florida, Inc., and the Department of Agriculture
 2509 and Consumer Services to develop and adopt rules pursuant to ss.
 2510 120.536(1) and 120.54 for implementing an industry certification
 2511 process.

2512 (a) For nonfarm occupations, industry certification must be
 2513 based upon the highest available national standards for specific
 2514 industry certification to ensure student skill proficiency and
 2515 to address emerging labor market and industry trends. A local
 2516 ~~regional~~ workforce development board or a school principal may
 2517 apply to CareerSource Florida, Inc., to request additions to the
 2518 approved list of industry certifications based on high-skill,
 2519 high-wage, and high-demand job requirements in the local
 2520 ~~regional~~ economy.

2521 Section 44. Subsection (1) and paragraph (d) of subsection
 2522 (4) of section 1003.493, Florida Statutes, are amended to read:

2523 1003.493 Career and professional academies and career-
 2524 themed courses.—

2525 (1) (a) A "career and professional academy" is a research-
 2526 based program that integrates a rigorous academic curriculum

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2527 with an industry-specific curriculum aligned directly to
 2528 priority workforce needs established by the local ~~regional~~
 2529 workforce development board or the Department of Economic
 2530 Opportunity. Career and professional academies shall be offered
 2531 by public schools and school districts. The Florida Virtual
 2532 School is encouraged to develop and offer rigorous career and
 2533 professional courses as appropriate. Students completing career
 2534 and professional academy programs must receive a standard high
 2535 school diploma, the highest available industry certification,
 2536 and opportunities to earn postsecondary credit if the academy
 2537 partners with a postsecondary institution approved to operate in
 2538 the state.

2539 (b) A "career-themed course" is a course, or a course in a
 2540 series of courses, that leads to an industry certification
 2541 identified in the CAPE Industry Certification Funding List
 2542 pursuant to rules adopted by the State Board of Education.
 2543 Career-themed courses have industry-specific curriculum aligned
 2544 directly to priority workforce needs established by the local
 2545 ~~regional~~ workforce development board or the Department of
 2546 Economic Opportunity. School districts shall offer at least two
 2547 career-themed courses, and each secondary school is encouraged
 2548 to offer at least one career-themed course. The Florida Virtual
 2549 School is encouraged to develop and offer rigorous career-themed
 2550 courses as appropriate. Students completing a career-themed
 2551 course must be provided opportunities to earn postsecondary
 2552 credit if the credit for the career-themed course can be
 2553 articulated to a postsecondary institution approved to operate
 2554 in the state.

2555 (4) Each career and professional academy and secondary

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2556 school providing a career-themed course must:

2557 (d) Provide instruction in careers designated as high-
2558 skill, high-wage, and high-demand by the local ~~regional~~
2559 workforce development board, the chamber of commerce, economic
2560 development agencies, or the Department of Economic Opportunity.

2561 Section 45. Subsection (1) of section 1003.4935, Florida
2562 Statutes, is amended to read:

2563 1003.4935 Middle grades career and professional academy
2564 courses and career-themed courses.—

2565 (1) Beginning with the 2011-2012 school year, each district
2566 school board, in collaboration with local ~~regional~~ workforce
2567 development boards, economic development agencies, and state-
2568 approved postsecondary institutions, shall include plans to
2569 implement a career and professional academy or a career-themed
2570 course, as defined in s. 1003.493(1)(b), in at least one middle
2571 school in the district as part of the strategic 3-year plan
2572 pursuant to s. 1003.491(2). The strategic plan must provide
2573 students the opportunity to transfer from a middle school career
2574 and professional academy or a career-themed course to a high
2575 school career and professional academy or a career-themed course
2576 currently operating within the school district. Students who
2577 complete a middle school career and professional academy or a
2578 career-themed course must have the opportunity to earn an
2579 industry certificate and high school credit and participate in
2580 career planning, job shadowing, and business leadership
2581 development activities.

2582 Section 46. Paragraph (a) of subsection (1) of section
2583 1003.52, Florida Statutes, is amended to read:

2584 1003.52 Educational services in Department of Juvenile

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2585 Justice programs.—

2586 (1) The Department of Education shall serve as the lead
2587 agency for juvenile justice education programs, curriculum,
2588 support services, and resources. To this end, the Department of
2589 Education and the Department of Juvenile Justice shall each
2590 designate a Coordinator for Juvenile Justice Education Programs
2591 to serve as the point of contact for resolving issues not
2592 addressed by district school boards and to provide each
2593 department's participation in the following activities:

2594 (a) Training, collaborating, and coordinating with district
2595 school boards, local ~~regional~~ workforce development boards, and
2596 local youth councils, educational contract providers, and
2597 juvenile justice providers, whether state operated or
2598 contracted.

2599
2600 Annually, a cooperative agreement and plan for juvenile justice
2601 education service enhancement shall be developed between the
2602 Department of Juvenile Justice and the Department of Education
2603 and submitted to the Secretary of Juvenile Justice and the
2604 Commissioner of Education by June 30. The plan shall include, at
2605 a minimum, each agency's role regarding educational program
2606 accountability, technical assistance, training, and coordination
2607 of services.

2608 Section 47. Paragraph (a) of subsection (3) and paragraph
2609 (e) of subsection (4) of section 1004.93, Florida Statutes, are
2610 amended to read:

2611 1004.93 Adult general education.—

2612 (3)(a) Each district school board or Florida College System
2613 institution board of trustees shall negotiate with the local

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2614 ~~regional~~ workforce development board for basic and functional
 2615 literacy skills assessments for participants in the welfare
 2616 transition employment and training programs. Such assessments
 2617 shall be conducted at a site mutually acceptable to the district
 2618 school board or Florida College System institution board of
 2619 trustees and the local ~~regional~~ workforce development board.

(4)

2621 (e) A district school board or a Florida College System
 2622 institution board of trustees may negotiate a contract with the
 2623 local ~~regional~~ workforce development board for specialized
 2624 services for participants in the welfare transition program,
 2625 beyond what is routinely provided for the general public, to be
 2626 funded by the local ~~regional~~ workforce development board.

2627 Section 48. Paragraph (b) of subsection (1) of section
 2628 1006.261, Florida Statutes, is amended to read:

2629 1006.261 Use of school buses for public purposes.—

(1)

2631 (b) Each district school board may enter into agreements
 2632 with local ~~regional~~ workforce development boards for the
 2633 provision of transportation services to participants in the
 2634 welfare transition program. Agreements must provide for
 2635 reimbursement in full or in part for the proportionate share of
 2636 fixed and operating costs incurred by the district school board
 2637 attributable to the use of buses in accordance with the
 2638 agreement.

2639 Section 49. Paragraph (e) of subsection (1) of section
 2640 1009.25, Florida Statutes, is amended to read:

2641 1009.25 Fee exemptions.—

2642 (1) The following students are exempt from the payment of

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2643 tuition and fees, including lab fees, at a school district that
 2644 provides workforce education programs, Florida College System
 2645 institution, or state university:

2646 (e) A student enrolled in an employment and training
 2647 program under the welfare transition program. The local ~~regional~~
 2648 workforce development board shall pay the state university,
 2649 Florida College System institution, or school district for costs
 2650 incurred for welfare transition program participants.

2651 Section 50. This act shall take effect July 1, 2016.

2652

Page 92 of 92

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

THE FLORIDA SENATE

APPEARANCE RECORD

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

2-4-16

Meeting Date

7040

Bill Number (if applicable)

Topic WORK FORCE INNOVATION

Amendment Barcode (if applicable)

Name Theresa King

Job Title President

Address 200 E. College St

Phone 850-228-8940

Tallahassee FL 32301

Email fbt.tking@gmail.com

Speaking: For Against Information only WATCH

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

Representing Florida Building and Construction Trades

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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

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

THE FLORIDA SENATE

APPEARANCE RECORD

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

2/4/16

Meeting Date

7040

Bill Number (if applicable)

Topic Workforce Innovation and Opportunity Act

Amendment Barcode (if applicable)

Name Kelly Mallette

Job Title

Address 104 West Jefferson Street

Phone 850-224-3427

Street

Tallahassee, FL 32301

Email kelly@rlbookpa.com

City

State

Zip

Speaking: [X] For [] Against [] Information

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

Representing Florida Workforce Development Association

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

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

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

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



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:
Education Pre-K - 12, Chair
Ethics and Elections, Vice Chair
Appropriations Subcommittee on Education
Fiscal Policy
Government Oversight and Accountability
Higher Education

SENATOR JOHN LEGG
17th District

Legg.John.web@FLSenate.gov

February 4, 2016

The Honorable Anitere Flores
Committee on Fiscal Policy, Chair
225 Knott Building
404 South Monroe Street
Tallahassee, FL 32399

RE: Excused Absence

Dear Chair Flores:

I am unable to attend the Committee on Fiscal Policy on Thursday, February 4, 2016, and I respectfully request that this absence be excused. My mother has suffered a critical health incident, and my presence is needed at home. Your leadership and consideration are appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "John Legg".

John Legg
State Senator, District 17

Handwritten initials in black ink, possibly "AF".

cc: Jennifer Hrdlicka, Staff Director
Tamra Lyon, Administrative Assistant

REPLY TO:

- 262 Crystal Grove Boulevard, Lutz, Florida 33548 (813) 909-9919
- 316 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5017

Senate's Website: www.flsenate.gov

ANDY GARDINER
President of the Senate

GARRETT RICHTER
President Pro Tempore



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:

Higher Education, *Vice Chair*
Appropriations Subcommittee on Transportation,
Tourism, and Economic Development
Communications, Energy, and Public Utilities
Fiscal Policy
Military and Veterans Affairs, Space, and
Domestic Security
Regulated Industries

SENATOR MARIA LORTS SACHS

Deputy Democratic Whip
34th District

February 3, 2016

Anitere Flores, Chairman Committee
Committee on Fiscal Policy
225 Knott Building
404 S. Monroe Street
Tallahassee, FL 32399-1100

Dear Chair Flores,

Please excuse Senator Maria Sachs from the Committee on Fiscal Policy on February 4, 2016 due to a commitment in her district.

Sincerely,

A handwritten signature in black ink, appearing to read "Maria Sachs".

Senator Maria Sachs
District 34

Handwritten initials "AF" in black ink.

REPLY TO:

- Delray Beach City Hall, 100 NW 1st Avenue, Delray Beach, Florida 33444 (561) 279-1427 FAX: (561) 279-1429
- 216 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5034

Senate's Website: www.flsenate.gov

ANDY GARDINER
President of the Senate

GARRETT RICHTER
President Pro Tempore

CourtSmart Tag Report

Room: KN 412

Caption: Senate Fiscal Policy Committee

Case No.:

Judge:

Type:

Started: 2/4/2016 9:07:37 AM

Ends: 2/4/2016 10:55:19 AM

Length: 01:47:43

9:07:35 AM Recording Paused
9:07:41 AM Recording Resumed
9:07:45 AM Meeting called to order
9:08:45 AM Roll call
9:08:49 AM Quorum present
9:09:12 AM Tab 8 SB 996 presented by Senator Negron
9:09:47 AM Roll call on SB 996
9:10:17 AM SB 996 reported favorably
9:10:36 AM Tab 2 SB 586 presented by Senator Stargel
9:10:59 AM Shari Hickey with FL Medical Association waives in support
9:11:27 AM Roll call on SB 586
9:11:37 AM SB 586 reported favorably
9:11:56 AM Tab 6 SB 956 presented by Senator Stargel
9:12:15 AM Senator Hays recognized with a question for Senator Stargel
9:13:15 AM Senator Stargel with response for Senator Hays
9:13:51 AM Roll call on SB 956
9:14:12 AM SB 956 reported favorably
9:14:30 AM Tab 9 SB 1202 presented by Senator Abruzzo
9:14:52 AM Justin Day waives in support
9:15:47 AM Colonel Mike Pendergast waives in support
9:15:49 AM Roll call on SB 1202
9:16:06 AM SB 1202 reported favorably
9:16:26 AM Tab 3 CS/SB 698 presented by Senator Bradley
9:17:36 AM Amendment 618046 presented by Senator Bradley
9:18:43 AM Mark Delegal with City of West Palm Beach waives in support of the amendment
9:19:28 AM Amendment 618046 adopted
9:19:32 AM Amendment 166462 presented by Senator Bradley
9:19:43 AM Rebecca O'Hara with FL League of Cities waives in support of the amendment
9:20:28 AM Amendment 166462 adopted
9:20:34 AM Amendment 820114 presented by Senator Bradley
9:20:46 AM Amendment 820114 adopted
9:21:02 AM Amendment 122384 presented by Senator Bradley
9:21:13 AM Melissa Ramba with FL Retail Federation waives in support of the amendment
9:21:54 AM Amendment 122384 adopted
9:22:01 AM Richard Turner waives in support
9:22:19 AM Melanie Becker waives in support
9:22:25 AM Jon Costello waives in support
9:22:34 AM Leticia Adams waives in support
9:22:39 AM Roll call of CS/CS/SB 698
9:22:59 AM CS/CS/SB 698 reported favorably
9:23:09 AM Tab 10 SB 7040 presented by Senator Detert
9:23:57 AM Amendment 241658 presented by Senator Detert
9:25:01 AM Amendment 241658 adopted
9:25:27 AM Kelly Mallette with FL Workforce Development Association waives in support
9:25:39 AM Roll call on CS/SB 7040
9:25:55 AM CS/SB 7040 reported favorably
9:26:04 AM Tab 4 CS/CS/SB 828 presented by Senator Bean
9:26:38 AM Robert Reyes w/ FL Workers Compensation Insurance Guaranty Fund waives support
9:27:32 AM Roll call on CS/CS/SB 828
9:27:45 AM CS/CS/SB 828 reported favorably
9:28:00 AM Tab 5 CS/CS/SB 940 presented by Senator Bradley
9:28:27 AM Roll call on CS/CS/SB 940

9:28:59 AM CS/CS/SB 940 reported favorably
9:29:20 AM Tab 1 SB 460 presented by Senator Bradley
9:29:39 AM Amendment 466428 withdrawn by Senator Bradley
9:29:58 AM Amendment 555404 presented by Senator Abruzzo
9:30:40 AM Senator Margolis recognized
9:31:17 AM Senator Bradley recognized in debate
9:31:41 AM Senator Flores recognized in debate
9:33:05 AM Amendment 555404 not adopted
9:34:07 AM Amendment 151192 late filed amendment introduced
9:34:24 AM Amendment 151192 presented by Senator Clemens
9:34:54 AM Senator Margolis recognized with question
9:35:21 AM Senator Hays recognized with a question
9:36:43 AM Senator Bradley with response for Senator Hays
9:39:47 AM Senator Abruzzo recognized
9:40:52 AM Senator Hays recognized in debate
9:42:42 AM Senator Stargel recognized in debate
9:44:06 AM Senator Flores recognized in debate
9:46:41 AM Senator Margolis recognized in debate
9:47:46 AM Senator Hays recognized in debate
9:50:16 AM Jodi James with FL CAN recognized to speak on Amendment 151192
9:54:25 AM Senator Abruzzo recognized in debate on the amendment
9:55:24 AM Senator Clemens recognized to close on Amendment 151192
9:59:30 AM Amendment 151192 not adopted
10:00:33 AM Amendment 293140 introduced
10:00:45 AM Amendment 293140 presented by Senator Clemens
10:00:52 AM Senator Bradley recognized in debate
10:01:26 AM Senator Clemens recognized to close on Amendment 293140
10:01:38 AM Amendment 293140 not adopted
10:02:39 AM Amendment 917446 introduced
10:02:52 AM Amendment 917446 presented by Senator Clemens
10:03:25 AM Senator Abruzzo recognized in debate on the amendment
10:04:31 AM Senator Bradley recognized in debate on the amendment
10:05:29 AM Senator Clemens recognized to close on Amendment 917446
10:06:29 AM Amendment 917446 not adopted
10:07:40 AM Dennis Deckerhoff recognized to speak
10:13:27 AM Senator Clemens with comment
10:14:47 AM Senator Abruzzo with question for Senator Bradley
10:15:47 AM Senator Bradley recognized to respond to Senator Abruzzo
10:17:03 AM Jodi James with FL CAN recognized to speak
10:20:36 AM Josephine Cannella-Krehl recognized to speak
10:25:09 AM Michael Krehl waives in support
10:26:09 AM Ron Watson with Alt Med recognized to speak
10:32:37 AM Louis Rotundo with FL Medical Cannabis Association recognized to speak
10:36:23 AM Senator Abruzzo recognized in debate on the bill
10:37:23 AM Senator Stargel recognized in debate on the bill
10:40:07 AM Senator Clemens recognized in debate on the bill
10:43:05 AM Senator Margolis recognized in debate on the bill
10:44:36 AM Senator Bradley recognized to close on SB 460
10:45:46 AM Roll call on SB 460
10:46:46 AM SB 460 reported favorably
10:47:03 AM Tab 7 SB 974 presented by Senator Sobel
10:48:07 AM Amendment 355200 late-filed, introduced
10:49:07 AM Senator Hays with a question for Senator Sobel
10:49:43 AM Senator Sobel with response for Senator Hays
10:50:05 AM Senator Hays with follow-up
10:51:05 AM Senator Sobel with response
10:51:24 AM Jenn Gavia with Neograft waives in support of the amendment
10:52:23 AM Amendment 355200 adopted
10:52:47 AM Ron Book with International Society of Hair Transplant Surgery recognized to speak
10:53:09 AM Senator Abruzzo recognized in debate
10:53:57 AM Senator Sobel recognized to close on SB 974
10:54:16 AM Roll call on CS/SB 974

10:54:28 AM CS/SB 974 reported favorably
10:54:42 AM Senator Bean with motion to be reported voting favorably for various bills
10:55:09 AM Senator Abruzzo with motion to be reported voting favorably for various bills
10:55:12 AM Meeting adjourned