

By the Committee on Banking and Insurance and Senator Clary

311-1799A-98

1 A bill to be entitled
2 An act relating to workers' compensation;
3 amending s. 440.02, F.S.; defining the terms
4 "corporate officer," "partner," and "sole
5 proprietor," as used in ch. 440, F.S.; amending
6 s. 440.05, F.S.; authorizing the Division of
7 Workers' Compensation of the Department of
8 Labor and Employment Security to approve and
9 revoke certificates of exemption; specifying
10 requirements for notices of election to be
11 exempt; providing for renewal of exemption
12 certificates; requiring notice on election
13 forms that providing false information is a
14 felony; revising fees for exemptions and
15 specifying use of fees by the division;
16 amending s. 440.09, F.S.; conforming references
17 to judges of compensation claims and
18 administrative law judges; amending s. 440.10,
19 F.S.; revising documentation establishing
20 conclusive presumption of independent
21 contractor status and ineligibility for
22 workers' compensation benefits; amending s.
23 440.105, F.S.; providing penalties; providing a
24 time limitation for bringing an action under s.
25 440.105(4), F.S.; amending s. 440.107, F.S.;
26 providing legislative findings related to
27 noncompliance with workers' compensation
28 coverage requirements; authorizing the division
29 to enter and inspect places of business for
30 investigating compliance; requiring employers
31 to maintain records required by the division by

1 rule; authorizing the division to require sworn
2 reports from employers, to administer oaths,
3 and to issue subpoenas to enforce compliance;
4 providing penalties for refusal to obey a
5 subpoena; amending s. 440.45, F.S.; revising
6 term of office, qualifications, and method of
7 nomination for the Chief Judge of the Office of
8 the Judges of Compensation Claims; providing
9 for expiration of term of office for members of
10 the statewide nominating commission for judges
11 of compensation claims; providing for new
12 appointments to the nominating commission and
13 staggered terms; revising the procedures for
14 nominating commission regarding performance of
15 sitting judges and regarding nominations of
16 applicants; providing for expiration of the
17 term of office and reappointment of the Chief
18 Judge of Compensation Claims; providing an
19 effective date.

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

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23 Section 1. Section 440.02, Florida Statutes, is
24 amended to read:

25 440.02 Definitions.--When used in this chapter, unless
26 the context clearly requires otherwise, the following terms
27 shall have the following meanings:

28 (1) "Accident" means only an unexpected or unusual
29 event or result that happens suddenly. A mental or nervous
30 injury due to stress, fright, or excitement only, or
31 disability or death due to the accidental acceleration or

1 aggravation of a venereal disease or of a disease due to the
2 habitual use of alcohol or controlled substances or narcotic
3 drugs, or a disease that manifests itself in the fear of or
4 dislike for an individual because of the individual's race,
5 color, religion, sex, national origin, age, or handicap is not
6 an injury by accident arising out of the employment. If a
7 preexisting disease or anomaly is accelerated or aggravated by
8 an accident arising out of and in the course of employment,
9 only acceleration of death or acceleration or aggravation of
10 the preexisting condition reasonably attributable to the
11 accident is compensable, with respect to death or permanent
12 impairment.

13 (2) "Adoption" or "adopted" means legal adoption prior
14 to the time of the injury.

15 (3) "Carrier" means any person or fund authorized
16 under s. 440.38 to insure under this chapter and includes a
17 self-insurer, and a commercial self-insurance fund authorized
18 under s. 624.462.

19 (4) "Casual" as used in this section shall be taken to
20 refer only to employments when the work contemplated is to be
21 completed in not exceeding 10 working days, without regard to
22 the number of persons employed, and when the total labor cost
23 of such work is less than \$100.

24 (5) "Child" includes a posthumous child, a child
25 legally adopted prior to the injury of the employee, and a
26 stepchild or acknowledged child born out of wedlock dependent
27 upon the deceased, but does not include married children
28 unless wholly dependent on the employee. "Grandchild" means a
29 child as above defined of a child as above defined. "Brother"
30 and "sister" include stepbrothers and stepsisters, half
31 brothers and half sisters, and brothers and sisters by

1 adoption, but does not include married brothers or married
2 sisters unless wholly dependent on the employee. "Child,"
3 "grandchild," "brother," and "sister" include only persons who
4 at the time of the death of the deceased employees are under
5 18 years of age, or under 22 years of age if a full-time
6 student in an accredited educational institution.

7 (6) "Compensation" means the money allowance payable
8 to an employee or to his or her dependents as provided for in
9 this chapter.

10 (7) "Construction industry" means for-profit
11 activities involving the carrying out of any building,
12 clearing, filling, excavation, or substantial improvement in
13 the size or use of any structure or the appearance of any
14 land. When appropriate to the context, "construction" refers
15 to the act of construction or the result of construction.
16 However, "construction" shall not mean a landowner's act of
17 construction or the result of a construction upon his or her
18 own premises, provided such premises are not intended to be
19 sold or resold.

20 (8) "Corporate officer or officer of a corporation"
21 means any person who fills an office provided for in the
22 corporate charter or articles of incorporation filed with the
23 Division of Corporations of the Department of State or as
24 permitted or required by chapter 607.

25 (9)~~(8)~~ "Date of maximum medical improvement" means the
26 date after which further recovery from, or lasting improvement
27 to, an injury or disease can no longer reasonably be
28 anticipated, based upon reasonable medical probability.

29 (10)~~(9)~~ "Death" as a basis for a right to compensation
30 means only death resulting from an injury.

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1 (11)~~(10)~~ "Department" means the Department of Labor
2 and Employment Security.

3 (12)~~(11)~~ "Disability" means incapacity because of the
4 injury to earn in the same or any other employment the wages
5 which the employee was receiving at the time of the injury.

6 (13)~~(12)~~ "Division" means the Division of Workers'
7 Compensation of the Department of Labor and Employment
8 Security.

9 (14)~~(13)~~(a) "Employee" means any person engaged in any
10 employment under any appointment or contract of hire or
11 apprenticeship, express or implied, oral or written, whether
12 lawfully or unlawfully employed, and includes, but is not
13 limited to, aliens and minors.

14 (b) "Employee" includes any person who is an officer
15 of a corporation and who performs services for remuneration
16 for such corporation within this state, whether or not such
17 services are continuous.

18 1. Any officer of a corporation may elect to be exempt
19 from this chapter by filing written notice of the election
20 with the division as provided in s. 440.05.

21 2. As to officers of a corporation who are actively
22 engaged in the construction industry, no more than three
23 officers may elect to be exempt from this chapter by filing
24 written notice of the election with the division as provided
25 in s. 440.05.

26 3. An officer of a corporation who elects to be exempt
27 from this chapter by filing a written notice of the election
28 with the division as provided in s. 440.05 is not an employee.

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1 Services are presumed to have been rendered to the corporation
2 if the officer is compensated by other than dividends upon
3 shares of stock of the corporation which the officer owns.

4 (c) "Employee" includes a sole proprietor or a partner
5 who devotes full time to the proprietorship or partnership
6 and, except as provided in this paragraph, elects to be
7 included in the definition of employee by filing notice
8 thereof as provided in s. 440.05. Partners or sole proprietors
9 actively engaged in the construction industry are considered
10 employees unless they elect to be excluded from the definition
11 of employee by filing written notice of the election with the
12 division as provided in s. 440.05. However, no more than three
13 partners in a partnership that is actively engaged in the
14 construction industry may elect to be excluded. A sole
15 proprietor or partner who is actively engaged in the
16 construction industry and who elects to be exempt from this
17 chapter by filing a written notice of the election with the
18 division as provided in s. 440.05 is not an employee. For
19 purposes of this chapter, an independent contractor is an
20 employee unless he or she meets all of the conditions set
21 forth in subparagraph (d)1.

22 (d) "Employee" does not include:

23 1. An independent contractor, if:

24 a. The independent contractor maintains a separate
25 business with his or her own work facility, truck, equipment,
26 materials, or similar accommodations;

27 b. The independent contractor holds or has applied for
28 a federal employer identification number, unless the
29 independent contractor is a sole proprietor who is not
30 required to obtain a federal employer identification number
31 under state or federal requirements;

1 c. The independent contractor performs or agrees to
2 perform specific services or work for specific amounts of
3 money and controls the means of performing the services or
4 work;

5 d. The independent contractor incurs the principal
6 expenses related to the service or work that he or she
7 performs or agrees to perform;

8 e. The independent contractor is responsible for the
9 satisfactory completion of work or services that he or she
10 performs or agrees to perform and is or could be held liable
11 for a failure to complete the work or services;

12 f. The independent contractor receives compensation
13 for work or services performed for a commission or on a
14 per-job or competitive-bid basis and not on any other basis;

15 g. The independent contractor may realize a profit or
16 suffer a loss in connection with performing work or services;

17 h. The independent contractor has continuing or
18 recurring business liabilities or obligations; and

19 i. The success or failure of the independent
20 contractor's business depends on the relationship of business
21 receipts to expenditures.

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23 However, the determination as to whether an individual
24 included in the Standard Industrial Classification Manual of
25 1987, Industry Numbers 0711, 0721, 0722, 0751, 0761, 0762,
26 0781, 0782, 0783, 0811, 0831, 0851, 2411, 2421, 2435, 2436,
27 2448, or 2449, or a newspaper delivery person, is an
28 independent contractor is governed not by the criteria in this
29 paragraph but by common-law principles, giving due
30 consideration to the business activity of the individual.

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1 2. A real estate salesperson or agent, if that person
2 agrees, in writing, to perform for remuneration solely by way
3 of commission.

4 3. Bands, orchestras, and musical and theatrical
5 performers, including disk jockeys, performing in licensed
6 premises as defined in chapter 562, if a written contract
7 evidencing an independent contractor relationship is entered
8 into before the commencement of such entertainment.

9 4. An owner-operator of a motor vehicle who transports
10 property under a written contract with a motor carrier which
11 evidences a relationship by which the owner-operator assumes
12 the responsibility of an employer for the performance of the
13 contract, if the owner-operator is required to furnish the
14 necessary motor vehicle equipment and all costs incidental to
15 the performance of the contract, including, but not limited
16 to, fuel, taxes, licenses, repairs, and hired help; and the
17 owner-operator is paid a commission for transportation service
18 and is not paid by the hour or on some other time-measured
19 basis.

20 5. A person whose employment is both casual and not in
21 the course of the trade, business, profession, or occupation
22 of the employer.

23 6. A volunteer, except a volunteer worker for the
24 state or a county, municipality, or other governmental entity.
25 A person who does not receive monetary remuneration for
26 services is presumed to be a volunteer unless there is
27 substantial evidence that a valuable consideration was
28 intended by both employer and employee. For purposes of this
29 chapter, the term "volunteer" includes, but is not limited to:

30 a. Persons who serve in private nonprofit agencies and
31 who receive no compensation other than expenses in an amount

1 less than or equivalent to the standard mileage and per diem
2 expenses provided to salaried employees in the same agency or,
3 if such agency does not have salaried employees who receive
4 mileage and per diem, then such volunteers who receive no
5 compensation other than expenses in an amount less than or
6 equivalent to the customary mileage and per diem paid to
7 salaried workers in the community as determined by the
8 division; and

9 b. Volunteers participating in federal programs
10 established under Pub. L. No. 93-113.

11 7. Any officer of a corporation who elects to be
12 exempt from this chapter.

13 8. A sole proprietor or officer of a corporation who
14 actively engages in the construction industry, and a partner
15 in a partnership that is actively engaged in the construction
16 industry, who elects to be exempt from the provisions of this
17 chapter. Such sole proprietor, officer, or partner is not an
18 employee for any reason until the notice of revocation of
19 election filed pursuant to s. 440.05 is effective.

20 9. An exercise rider who does not work for a single
21 horse farm or breeder, and who is compensated for riding on a
22 case-by-case basis, provided a written contract is entered
23 into prior to the commencement of such activity which
24 evidences that an employee/employer relationship does not
25 exist.

26 10. A taxicab, limousine, or other passenger
27 vehicle-for-hire driver who operates said vehicles pursuant to
28 a written agreement with a company which provides any
29 dispatch, marketing, insurance, communications, or other
30 services under which the driver and any fees or charges paid
31 by the driver to the company for such services are not

1 conditioned upon, or expressed as a proportion of, fare
2 revenues.

3 (15)~~(14)~~ "Employer" means the state and all political
4 subdivisions thereof, all public and quasi-public corporations
5 therein, every person carrying on any employment, and the
6 legal representative of a deceased person or the receiver or
7 trustees of any person. If the employer is a corporation,
8 parties in actual control of the corporation, including, but
9 not limited to, the president, officers who exercise broad
10 corporate powers, directors, and all shareholders who directly
11 or indirectly own a controlling interest in the corporation,
12 are considered the employer for the purposes of ss. 440.105
13 and 440.106.

14 (16)~~(15)~~(a) "Employment," subject to the other
15 provisions of this chapter, means any service performed by an
16 employee for the person employing him or her.

17 (b) "Employment" includes:

18 1. Employment by the state and all political
19 subdivisions thereof and all public and quasi-public
20 corporations therein, including officers elected at the polls.

21 2. All private employments in which four or more
22 employees are employed by the same employer or, with respect
23 to the construction industry, all private employment in which
24 one or more employees are employed by the same employer.

25 3. Volunteer firefighters responding to or assisting
26 with fire or medical emergencies whether or not the
27 firefighters are on duty.

28 (c) "Employment" does not include service performed by
29 or as:

30 1. Domestic servants in private homes.

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1 2. Agricultural labor performed on a farm in the
2 employ of a bona fide farmer, or association of farmers, who
3 employs 5 or fewer regular employees and who employs fewer
4 than 12 other employees at one time for seasonal agricultural
5 labor that is completed in less than 30 days, provided such
6 seasonal employment does not exceed 45 days in the same
7 calendar year. The term "farm" includes stock, dairy, poultry,
8 fruit, fur-bearing animals, fish, and truck farms, ranches,
9 nurseries, and orchards. The term "agricultural labor"
10 includes field foremen, timekeepers, checkers, and other farm
11 labor supervisory personnel.

12 3. Professional athletes, such as professional boxers,
13 wrestlers, baseball, football, basketball, hockey, polo,
14 tennis, jai alai, and similar players, and motorsports teams
15 competing in a motor racing event as defined in s. 549.08.

16 4. Labor under a sentence of a court to perform
17 community services as provided in s. 316.193.

18 (17)~~(16)~~ "Misconduct" includes, but is not limited to,
19 the following, which shall not be construed in pari materia
20 with each other:

21 (a) Conduct evincing such willful or wanton disregard
22 of an employer's interests as is found in deliberate violation
23 or disregard of standards of behavior which the employer has
24 the right to expect of the employee; or

25 (b) Carelessness or negligence of such a degree or
26 recurrence as to manifest culpability, wrongful intent, or
27 evil design, or to show an intentional and substantial
28 disregard of an employer's interests or of the employee's
29 duties and obligations to the employer.

30 (18)~~(17)~~ "Injury" means personal injury or death by
31 accident arising out of and in the course of employment, and

1 such diseases or infection as naturally or unavoidably result
2 from such injury. Damage to dentures, eyeglasses, prosthetic
3 devices, and artificial limbs may be included in this
4 definition only when the damage is shown to be part of, or in
5 conjunction with, an accident. This damage must specifically
6 occur as the result of an accident in the normal course of
7 employment.

8 (19)~~(18)~~ "Parent" includes stepparents and parents by
9 adoption, parents-in-law, and any persons who for more than 3
10 years prior to the death of the deceased employee stood in the
11 place of a parent to him or her and were dependent on the
12 injured employee.

13 (20) "Partner" means any person who is a member of a
14 partnership that is formed by two or more persons to carry on
15 as coowners of a business with the understanding that there
16 will be a proportional sharing of the profits and losses
17 between them. For the purposes of this chapter, a partner is a
18 person who participates fully in the management of the
19 partnership and who is personally liable for its debts.

20 (21)~~(19)~~ "Permanent impairment" means any anatomic or
21 functional abnormality or loss determined as a percentage of
22 the body as a whole, existing after the date of maximum
23 medical improvement, which results from the injury.

24 (22)~~(20)~~ "Person" means individual, partnership,
25 association, or corporation, including any public service
26 corporation.

27 (23)~~(21)~~ "Self-insurer" means:

28 (a) Any employer who has secured payment of
29 compensation pursuant to s. 440.38(1)(b) or (6) as an
30 individual self-insurer;

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1 (b) Any employer who has secured payment of
2 compensation through a group self-insurance fund under s.
3 624.4621;

4 (c) Any group self-insurance fund established under s.
5 624.4621;

6 (d) A public utility as defined in s. 364.02 or s.
7 366.02 that has assumed by contract the liabilities of
8 contractors or subcontractors pursuant to s. 440.571; or

9 (e) Any local government self-insurance fund
10 established under s. 624.4622.

11 (24) "Sole proprietor" means a natural person who owns
12 a form of business in which that person owns all the assets of
13 the business and is solely liable for all the debts of the
14 business.

15 (25)~~(22)~~ "Spouse" includes only a spouse substantially
16 dependent for financial support upon the decedent and living
17 with the decedent at the time of the decedent's injury and
18 death, or substantially dependent upon the decedent for
19 financial support and living apart at that time for
20 justifiable cause.

21 (26)~~(23)~~ "Time of injury" means the time of the
22 occurrence of the accident resulting in the injury.

23 (27)~~(24)~~ "Wages" means the money rate at which the
24 service rendered is recompensed under the contract of hiring
25 in force at the time of the injury and includes only the wages
26 earned and reported for federal income tax purposes on the job
27 where the employee is injured and any other concurrent
28 employment where he or she is also subject to workers'
29 compensation coverage and benefits, together with the
30 reasonable value of housing furnished to the employee by the
31 employer which is the permanent year-round residence of the

1 employee, and gratuities to the extent reported to the
2 employer in writing as taxable income received in the course
3 of employment from others than the employer and employer
4 contributions for health insurance for the employee or the
5 employee's dependents. However, housing furnished to migrant
6 workers shall be included in wages unless provided after the
7 time of injury. In employment in which an employee receives
8 consideration for housing, the reasonable value of such
9 housing compensation shall be the actual cost to the employer
10 or based upon the Fair Market Rent Survey promulgated pursuant
11 to s. 8 of the Housing and Urban Development Act of 1974,
12 whichever is less. However, if employer contributions for
13 housing or health insurance are continued after the time of
14 the injury, the contributions are not "wages" for the purpose
15 of calculating an employee's average weekly wage.

16 (28)~~(25)~~ "Weekly compensation rate" means and refers
17 to the amount of compensation payable for a period of 7
18 consecutive days, including any Saturdays, Sundays, holidays,
19 and other nonworking days which fall within such period of 7
20 consecutive days. When Saturdays, Sundays, holidays, or other
21 nonworking days immediately follow the first 7 days of
22 disability or occur at the end of a period of disability as
23 the last day or days of such period, such nonworking days
24 constitute a part of the period of disability with respect to
25 which compensation is payable.

26 (29)~~(26)~~ "Construction design professional" means an
27 architect, professional engineer, landscape architect, or
28 surveyor and mapper, or any corporation, professional or
29 general, that has a certificate to practice in the
30 construction design field from the Department of Business and
31 Professional Regulation.

1 ~~(30)(27)~~ "Individual self-insurer" means any employer
2 who has secured payment of compensation pursuant to s.
3 440.38(1)(b) as an individual self-insurer.

4 ~~(31)(28)~~ "Domestic individual self-insurer" means an
5 individual self-insurer:

6 (a) Which is a corporation formed under the laws of
7 this state;

8 (b) Who is an individual who is a resident of this
9 state or whose primary place of business is located in this
10 state; or

11 (c) Which is a partnership whose principals are
12 residents of this state or whose primary place of business is
13 located in this state.

14 ~~(32)(29)~~ "Foreign individual self-insurer" means an
15 individual self-insurer:

16 (a) Which is a corporation formed under the laws of
17 any state, district, territory, or commonwealth of the United
18 States other than this state;

19 (b) Who is an individual who is not a resident of this
20 state and whose primary place of business is not located in
21 this state; or

22 (c) Which is a partnership whose principals are not
23 residents of this state and whose primary place of business is
24 not located in this state.

25 ~~(33)(30)~~ "Insolvent member" means an individual
26 self-insurer which is a member of the Florida Self-Insurers
27 Guaranty Association, Incorporated, or which was a member and
28 has withdrawn pursuant to s. 440.385(1)(b), and which has been
29 found insolvent, as defined in paragraph~~(34)(a)(31)(a)~~,
30 paragraph~~(34)(b)(31)(b)~~, or paragraph~~(34)(c)(31)(c)~~, by a
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1 court of competent jurisdiction in this or any other state, or
2 meets the definition of paragraph (34)(d) ~~(31)(d)~~.

3 (34) ~~(31)~~ "Insolvency" or "insolvent" means:

4 (a) With respect to an individual self-insurer:

5 1. That all assets of the individual self-insurer, if
6 made immediately available, would not be sufficient to meet
7 all the individual self-insurer's liabilities;

8 2. That the individual self-insurer is unable to pay
9 its debts as they become due in the usual course of business;

10 3. That the individual self-insurer has substantially
11 ceased or suspended the payment of compensation to its
12 employees as required in this chapter; or

13 4. That the individual self-insurer has sought
14 protection under the United States Bankruptcy Code or has been
15 brought under the jurisdiction of a court of bankruptcy as a
16 debtor pursuant to the United States Bankruptcy Code.

17 (b) With respect to an employee claiming insolvency
18 pursuant to s. 440.25(5), a person is insolvent who:

19 1. Has ceased to pay his or her debts in the ordinary
20 course of business and cannot pay his or her debts as they
21 become due; or

22 2. Has been adjudicated insolvent pursuant to the
23 federal bankruptcy law.

24 (35) ~~(32)~~ "Arising out of" pertains to occupational
25 causation. An accidental injury or death arises out of
26 employment if work performed in the course and scope of
27 employment is the major contributing cause of the injury or
28 death.

29 (36) ~~(33)~~ "Soft-tissue injury" means an injury that
30 produces damage to the soft tissues, rather than to the
31 skeletal tissues or soft organs.

1 (37)~~(34)~~ "Catastrophic injury" means a permanent
2 impairment constituted by:

3 (a) Spinal cord injury involving severe paralysis of
4 an arm, a leg, or the trunk;

5 (b) Amputation of an arm, a hand, a foot, or a leg
6 involving the effective loss of use of that appendage;

7 (c) Severe brain or closed-head injury as evidenced
8 by:

9 1. Severe sensory or motor disturbances;

10 2. Severe communication disturbances;

11 3. Severe complex integrated disturbances of cerebral
12 function;

13 4. Severe episodic neurological disorders; or

14 5. Other severe brain and closed-head injury
15 conditions at least as severe in nature as any condition
16 provided in subparagraphs 1.-4.;

17 (d) Second-degree or third-degree burns of 25 percent
18 or more of the total body surface or third-degree burns of 5
19 percent or more to the face and hands;

20 (e) Total or industrial blindness; or

21 (f) Any other injury that would otherwise qualify
22 under this chapter of a nature and severity that would qualify
23 an employee to receive disability income benefits under Title
24 II or supplemental security income benefits under Title XVI of
25 the federal Social Security Act as the Social Security Act
26 existed on July 1, 1992, without regard to any time
27 limitations provided under that act.

28 (38)~~(35)~~ "Insurer" means a group self-insurers' fund
29 authorized by s. 624.4621, an individual self-insurer
30 authorized by s. 440.38, a commercial self-insurance fund
31 authorized by s. 624.462, an assessable mutual insurer

1 authorized by s. 628.6011, and an insurer licensed to write
2 workers' compensation and employer's liability insurance in
3 this state. The term "carrier," as used in this chapter, means
4 an insurer as defined in this subsection.

5 (39)~~(36)~~ "Statement," for the purposes of ss. 440.105
6 and 440.106, includes, but is not limited to, any notice,
7 representation, statement, proof of injury, bill for services,
8 diagnosis, prescription, hospital or doctor record, X ray,
9 test result, or other evidence of loss, injury, or expense.

10 Section 2. Section 440.05, Florida Statutes, is
11 amended to read:

12 440.05 Election of exemption; revocation of election;
13 notice; certification.--

14 (1) Each corporate officer who elects not to accept
15 the provisions of this chapter or who, after electing such
16 exemption, revokes that exemption shall mail to the division
17 in Tallahassee notice to such effect in accordance with a form
18 to be prescribed by the division.

19 (2) Each sole proprietor or partner who elects to be
20 included in the definition of "employee" or who, after such
21 election, revokes that election must mail to the division in
22 Tallahassee notice to such effect, in accordance with a form
23 to be prescribed by the division.

24 (3) Each sole proprietor, partner, or officer of a
25 corporation who is actively engaged in the construction
26 industry and who elects an exemption from this chapter or who,
27 after electing such exemption, revokes that exemption, must
28 mail a written notice to such effect to the division on a form
29 prescribed by the division. The notice of election to be
30 exempt from the provisions of this chapter must be notarized
31 and under oath. The notice of election to be exempt which is

1 submitted to the division by the sole proprietor, partner, or
2 officer of a corporation must list the name, federal tax
3 identification number, social security number, and all
4 certified or registered licenses issued pursuant to chapter
5 489 held by the person seeking the exemption, a copy of
6 relevant documentation as to employment status filed with the
7 IRS as specified by the division, a copy of the relevant
8 occupational license in the primary jurisdiction of the
9 business, and, for corporate officers and partners, the
10 registration number of the corporation or partnership filed
11 with the Division of Corporations of the Department of State.
12 The notice of election to be exempt ~~form~~ must identify each
13 sole proprietorship, partnership, or corporation that employs
14 the person electing the exemption and must list the social
15 security number or federal tax identification number of each
16 such employer and the additional documentation required by
17 this section. In addition, the notice of election to be exempt
18 ~~form~~ must provide that the sole proprietor, partner, or
19 officer electing an exemption is not entitled to benefits
20 under this chapter, must provide that the election does not
21 exceed exemption limits for officers and partnerships provided
22 in s. 440.02, and must certify that any employees of the sole
23 proprietor, partner, or officer electing an exemption are
24 covered by workers' compensation insurance. Upon receipt of
25 the notice of the election to be exempt, receipt of all
26 application fees, and a determination by the division that the
27 notice meets the requirements of this subsection, the division
28 shall issue a certification of the election to the sole
29 proprietor, partner, or officer, unless the division
30 determines that the information contained in the notice is
31 invalid. The division shall revoke a certificate of election

1 to be exempt from coverage upon a determination by the
2 division that the person does not meet the requirements for
3 exemption or that the information contained in the notice of
4 election to be exempt is invalid.The certificate of election
5 must list the names of the sole proprietorship, partnership,
6 or corporation listed in the request for exemption. A new
7 certificate of election must be obtained each time the person
8 is employed by a new sole proprietorship, partnership, or
9 corporation that is not listed on the certificate of election.
10 A copy of the certificate of election must be sent to each
11 workers' compensation carrier identified in the request for
12 exemption. ~~The certification of the election is valid until~~
13 ~~the sole proprietor, partner, or officer revokes her or his~~
14 ~~election.~~Upon filing a notice of revocation of election, a
15 sole proprietor, partner, or officer who is a subcontractor
16 must notify her or his contractor.

17 (4) The notice of election to be exempt from the
18 provisions of this chapter must contain a notice that clearly
19 states in substance the following: "Any person who, knowingly
20 and with intent to injure, defraud, or deceive the division or
21 any employer or employee, insurance company, or self-insured
22 program, files a notice of election to be exempt containing
23 any false or misleading information is guilty of a felony of
24 the third degree." Each person filing a notice of election to
25 be exempt shall personally sign the notice and attest that he
26 or she has reviewed, understands, and acknowledges the
27 foregoing notice.

28 (5)(4) A notice given under subsection (1), subsection
29 (2), or subsection (3) shall become effective when issued by
30 the division or 30 days after an application for an exemption
31 is received by the division, whichever occurs first ~~is not~~

1 ~~effective until 30 days after the date it is mailed to the~~
2 ~~division in Tallahassee.~~ However, if an accident or
3 occupational disease occurs less than 30 days after the
4 effective date of the insurance policy under which the payment
5 of compensation is secured or the date the employer qualified
6 as a self-insurer, such notice is effective as of 12:01 a.m.
7 of the day following the date it is mailed to the division in
8 Tallahassee.

9 (6) A certificate of election to be exempt which is
10 issued in accordance with this section must be in effect for 2
11 years after the effective date stated thereon. Both the
12 effective date and the expiration date must be listed on the
13 face of the certificate by the division. The certificate must
14 expire at midnight, 2 years from its issue date, as noted on
15 the face of the exemption certificate. Any person who has
16 received from the division a certificate of election to be
17 exempt which is in effect on September 30, 1998, shall file a
18 new notice of election to be exempt by the last day in his or
19 her birth month following September 30, 1998. A certificate of
20 election to be exempt may be revoked before its expiration by
21 the sole proprietor, partner, or officer for whom it was
22 issued or by the division for the reasons stated in this
23 section.

24 ~~(7)(5)~~ Any contractor responsible for compensation
25 under s. 440.10 may register in writing with the workers'
26 compensation carrier for any subcontractor and shall
27 thereafter be entitled to receive written notice from the
28 carrier of any cancellation or nonrenewal of the policy.

29 (8)(a)(6) The division must ~~may~~ assess a fee of, ~~not~~
30 ~~to exceed~~ \$50, with each request for election or renewal of
31

1 election under this section to be included in the definition
2 of employee.

3 (b) The division must assess a fee of \$100, with each
4 request for election or renewal of election to be exempt under
5 this section.

6 (c) The funds collected by the division shall be used
7 to administer this section, and to audit the businesses that
8 pay the fee for compliance with any requirements of this
9 chapter, and to enforce compliance with the provisions of this
10 chapter.

11 Section 3. Subsection (4) of section 440.09, Florida
12 Statutes, is amended to read:

13 440.09 Coverage.--

14 (4) An employee shall not be entitled to compensation
15 or benefits under this chapter if any judge of compensation
16 claims, administrative law judge hearing officer, court, or
17 jury convened in this state determines that the employee has
18 knowingly or intentionally engaged in any of the acts
19 described in s. 440.105 for the purpose of securing workers'
20 compensation benefits.

21 Section 4. Paragraph (g) of subsection (1) of section
22 440.10, Florida Statutes, is amended to read:

23 440.10 Liability for compensation.--

24 (1)

25 (g) For purposes of this section, a person is
26 conclusively presumed to be an independent contractor if:

27 1. The independent contractor provides the general
28 contractor with an affidavit stating that he or she meets all
29 the requirements of s. 440.02(14)(d)~~s. 440.02(13)(d)~~; and

30 2. The independent contractor provides the general
31 contractor with a valid certificate of workers' compensation

1 insurance covering each employee of the independent contractor
2 ~~or a valid certificate of exemption issued by the division.~~

3
4 A sole proprietor, ~~independent contractor,~~ partner, or officer
5 of a corporation who elects exemption from this chapter by
6 filing a certificate of election under s. 440.05, or an
7 independent contractor who provides an affidavit stating that
8 he or she meets all the requirements of s. 440.02(14)(d) may
9 not recover benefits or compensation under this chapter.

10 Section 5. Section 440.105, Florida Statutes, is
11 amended to read:

12 440.105 Prohibited activities; penalties;
13 limitations.--

14 (1)(a) Any insurance carrier, any individual
15 self-insured, any commercial or group self-insurance fund, any
16 professional practitioner licensed or regulated by the
17 Department of Business and Professional Regulation, except as
18 otherwise provided by law, any medical review committee as
19 defined in s. 766.101, any private medical review committee,
20 and any insurer, agent, or other person licensed under the
21 insurance code, or any employee thereof, having knowledge or
22 who believes that a fraudulent act or any other act or
23 practice which, upon conviction, constitutes a felony or
24 misdemeanor under this chapter is being or has been committed
25 shall send to the Division of Insurance Fraud, Bureau of
26 Workers' Compensation Fraud, a report or information pertinent
27 to such knowledge or belief and such additional information
28 relative thereto as the bureau may require. The bureau shall
29 review such information or reports and select such information
30 or reports as, in its judgment, may require further
31 investigation. It shall then cause an independent examination

1 of the facts surrounding such information or report to be made
2 to determine the extent, if any, to which a fraudulent act or
3 any other act or practice which, upon conviction, constitutes
4 a felony or a misdemeanor under this chapter is being
5 committed. The bureau shall report any alleged violations of
6 law which its investigations disclose to the appropriate
7 licensing agency and state attorney or other prosecuting
8 agency having jurisdiction with respect to any such violations
9 of this chapter. If prosecution by the state attorney or other
10 prosecuting agency having jurisdiction with respect to such
11 violation is not begun within 60 days of the bureau's report,
12 the state attorney or other prosecuting agency having
13 jurisdiction with respect to such violation shall inform the
14 bureau of the reasons for the lack of prosecution.

15 (b) In the absence of fraud or bad faith, a person is
16 not subject to civil liability for libel, slander, or any
17 other relevant tort by virtue of filing reports, without
18 malice, or furnishing other information, without malice,
19 required by this section or required by the bureau, and no
20 civil cause of action of any nature shall arise against such
21 person:

22 1. For any information relating to suspected
23 fraudulent acts furnished to or received from law enforcement
24 officials, their agents, or employees;

25 2. For any information relating to suspected
26 fraudulent acts furnished to or received from other persons
27 subject to the provisions of this chapter; or

28 3. For any such information relating to suspected
29 fraudulent acts furnished in reports to the bureau, or the
30 National Association of Insurance Commissioners.

31

1 (2) Whoever violates any provision of this subsection
2 commits a misdemeanor of the second degree, punishable as
3 provided in s. 775.082 or s. 775.083.

4 (a) It is ~~shall be~~ unlawful for any employer to
5 knowingly:

6 1. Coerce or attempt to coerce, as a precondition to
7 employment or otherwise, an employee to obtain a certificate
8 of election of exemption pursuant to s. 440.05.

9 2. Discharge or refuse to hire an employee or job
10 applicant because the employee or applicant has filed a claim
11 for benefits under this chapter.

12 3. Discharge, discipline, or take any other adverse
13 personnel action against any employee for disclosing
14 information to the division or any law enforcement agency
15 relating to any violation or suspected violation of any of the
16 provisions of this chapter or rules promulgated hereunder.

17 4. Violate a stop-work order issued by the division
18 pursuant to s. 440.107.

19 (b) It is ~~shall be~~ unlawful for any insurance entity
20 to revoke or cancel a workers' compensation insurance policy
21 or membership because an employer has returned an employee to
22 work or hired an employee who has filed a workers'
23 compensation claim.

24 (3) Whoever violates any provision of this subsection
25 commits a misdemeanor of the first degree, punishable as
26 provided in s. 775.082 or s. 775.083.

27 (a) It is ~~shall be~~ unlawful for any employer to
28 knowingly fail to update applications for coverage as required
29 by s. 440.381(1) and Department of Insurance rules, or to post
30 notice of coverage pursuant to s. 440.40.

31

1 (b) It is ~~shall be~~ unlawful for any attorney or other
2 person, in his or her individual capacity or in his or her
3 capacity as a public or private employee, or for any firm,
4 corporation, partnership, or association to receive any fee or
5 other consideration or any gratuity from a person on account
6 of services rendered for a person in connection with any
7 proceedings arising under this chapter, unless such fee,
8 consideration, or gratuity is approved by a judge of
9 compensation claims or by the Chief Judge of Compensation
10 Claims.

11 (4)(a) Whoever violates any provision of this
12 subsection commits insurance fraud. If the value of any
13 property involved in violation of this subsection:

14 1. Is less than \$20,000, the offender commits a felony
15 of the third degree, punishable as provided in s. 775.082, s.
16 775.083, or s. 775.084.

17 2. Is \$20,000 or more, but less than \$100,000, the
18 offender commits a felony of the second degree, punishable as
19 provided in s. 775.082, s. 775.083, or s. 775.084.

20 3. Is \$100,000 or more, the offender commits a felony
21 of the first degree, punishable as provided in s. 775.082, s.
22 775.083, or s. 775.084.

23 (b)(a) It is ~~shall be~~ unlawful for any employer to
24 knowingly:

25 1. Present or cause to be presented any false,
26 fraudulent, or misleading oral or written statement to any
27 person as evidence of compliance with s. 440.38.

28 2. Make a deduction from the pay of any employee
29 entitled to the benefits of this chapter for the purpose of
30 requiring the employee to pay any portion of premium paid by
31 the employer to a carrier or to contribute to a benefit fund

1 or department maintained by such employer for the purpose of
2 providing compensation or medical services and supplies as
3 required by this chapter.

4 3. Fail to secure payment of compensation if required
5 to do so by this chapter.

6 (c)~~(b)~~ It is ~~shall be~~ unlawful for any person:

7 1. To knowingly make, or cause to be made, any false,
8 fraudulent, or misleading oral or written statement for the
9 purpose of obtaining or denying any benefit or payment under
10 this chapter.

11 2. To present or cause to be presented any written or
12 oral statement as part of, or in support of, a claim for
13 payment or ~~of~~ other benefit pursuant to any provision of this
14 chapter, knowing that such statement contains any false,
15 incomplete, or misleading information concerning any fact or
16 thing material to such claim.

17 3. To prepare or cause to be prepared any written or
18 oral statement that is intended to be presented to any
19 employer, insurance company, or self-insured program in
20 connection with, or in support of, any claim for payment or
21 other benefit pursuant to any provision of this chapter,
22 knowing that such statement contains any false, incomplete, or
23 misleading information concerning any fact or thing material
24 to such claim.

25 4. To knowingly assist, conspire with, or urge any
26 person to engage in activity prohibited by this section.

27 5. To knowingly make any false, fraudulent, or
28 misleading oral or written statement, or to knowingly omit or
29 conceal material information, required by s. 440.185 or s.
30 440.381, for the purpose of obtaining workers' compensation
31 coverage or for the purpose of avoiding, delaying, or

1 diminishing the amount of payment of any workers' compensation
2 premiums.

3 6. To knowingly misrepresent or conceal payroll,
4 classification of workers, or information regarding an
5 employer's loss history which would be material to the
6 computation and application of an experience rating
7 modification factor for the purpose of avoiding or diminishing
8 the amount of payment of any workers' compensation premiums.

9 7. To knowingly present or cause to be presented any
10 false, fraudulent, or misleading oral or written statement to
11 any person as evidence of compliance with s. 440.38 or as
12 evidence of eligibility for a certificate of exemption under
13 s. 440.05.

14 ~~(d)(c)~~ It is ~~shall be~~ unlawful for any physician
15 licensed under chapter 458, osteopathic physician licensed
16 under chapter 459, chiropractic physician licensed under
17 chapter 460, podiatric physician licensed under chapter 461,
18 optometric physician licensed under chapter 463, or any other
19 practitioner licensed under the laws of this state to
20 knowingly and willfully assist, conspire with, or urge any
21 person to fraudulently violate any of the provisions of this
22 chapter.

23 ~~(e)(d)~~ It is ~~shall be~~ unlawful for any person or
24 governmental entity licensed under chapter 395 to maintain or
25 operate a hospital in such a manner so that such person or
26 governmental entity knowingly and willfully allows the use of
27 the facilities of such hospital by any person, in a scheme or
28 conspiracy to fraudulently violate any of the provisions of
29 this chapter.

30 ~~(f)(e)~~ It is ~~shall be~~ unlawful for any attorney or
31 other person, in his or her individual capacity or in his or

1 her capacity as a public or private employee, or any firm,
2 corporation, partnership, or association, to knowingly assist,
3 conspire with, or urge any person to fraudulently violate any
4 of the provisions of this chapter.

5 (g)~~(f)~~ It is ~~shall be~~ unlawful for any attorney or
6 other person, in his or her individual capacity or in his or
7 her capacity as a public or private employee or for any firm,
8 corporation, partnership, or association, to unlawfully
9 solicit any business in and about city or county hospitals,
10 courts, or any public institution or public place; in and
11 about private hospitals or sanitariums; in and about any
12 private institution; or upon private property of any character
13 whatsoever for the purpose of making workers' compensation
14 claims.

15 (5) This section does ~~shall not be construed to~~
16 preclude the applicability of any other provision of criminal
17 law which ~~that~~ applies or may apply to any transaction.

18 (6) For the purpose of the section, the term:

19 (a) "Statement" includes, but is not limited to, any
20 notice, representation, statement, proof of injury, bill for
21 services, diagnosis, prescription, hospital or doctor records,
22 X ray, test result, or other evidence of loss, injury, or
23 expense.

24 (b) "Property" means property as defined in s.
25 812.012.

26 (c) "Value" means value as defined in s. 812.012.

27 (7) Notwithstanding any other provision of law, a
28 proceeding under subsection (4) may be commenced at any time
29 within 5 years after the cause of action accrues; however, in
30 such a proceeding, the period of limitation is tolled whenever
31 the defendant is continuously absent from this state or is

1 without a reasonably ascertainable place of residence or work
2 within this state, but such a period of limitation may not be
3 extended by more than 1 year. If a criminal prosecution,
4 action, or other proceeding is brought, or intervened in, to
5 punish, prevent, or restrain any violation of subsection (4),
6 the running of the period of limitation prescribed by this
7 section, which is based in whole or in part upon any matter
8 complained of in any such prosecution, action, or proceeding,
9 is tolled during the pendency of the prosecution, action, or
10 proceeding and for 2 years following the termination of the
11 prosecution, action, or proceeding.

12 (8)(7) All claim forms ~~as~~ provided for in this chapter
13 must ~~shall~~ contain a notice that clearly states in substance
14 the following: "Any person who, knowingly and with intent to
15 injure, defraud, or deceive any employer or employee,
16 insurance company, or self-insured program, files a statement
17 of claim containing any false or misleading information is
18 guilty of a felony of the third degree." Each claimant shall
19 personally sign the claim form and attest that he or she has
20 reviewed, understands, and acknowledges the foregoing notice.

21 Section 6. Present subsections (1) through (7) of
22 section 440.107, Florida Statutes, are redesignated as
23 subsections (5) through (11), respectively, and new
24 subsections (1), (2), (3), and (4) are added to that section
25 to read:

26 440.107 Division powers to enforce employer compliance
27 with coverage requirements.--

28 (1) The Legislature finds that the failure of an
29 employer to comply with the workers' compensation coverage
30 requirements under chapter 440 poses an immediate danger to
31 public health, safety, and welfare. The Legislature authorizes

1 the division to secure employer compliance with the workers'
2 compensation coverage requirements and authorizes the division
3 to conduct investigations for the purpose of ensuring employer
4 compliance.

5 (2) The division and its authorized representatives
6 may enter and inspect any place of business at any reasonable
7 time for the limited purpose of investigating compliance with
8 workers' compensation coverage requirements under this
9 chapter. Each employer shall keep true and accurate business
10 records that contain such information as the division
11 prescribes by rule. The business records must contain
12 information necessary for the division to determine compliance
13 with workers' compensation coverage requirements and must be
14 maintained within this state by the business, in such a manner
15 as to be accessible within a reasonable time upon request by
16 the division. The business records must be open to inspection
17 and be available for copying by the division at any reasonable
18 time and place and as often as necessary. The division may
19 require from any employer any sworn or unsworn reports,
20 pertaining to persons employed by that employer, deemed
21 necessary for the effective administration of the workers'
22 compensation coverage requirements.

23 (3) In discharging its duties, the division may
24 administer oaths and affirmations, certify to official acts,
25 issue subpoenas to compel the attendance of witnesses and the
26 production of books, papers, correspondence, memoranda, and
27 other records deemed necessary by the division as evidence in
28 order to ensure proper compliance with the coverage provisions
29 of this chapter.

30 (4) If a person has refused to obey a subpoena to
31 appear before the division or its authorized representative

1 and produce evidence requested by the division or to give
2 testimony about the matter that is under investigation, a
3 court has jurisdiction to issue an order requiring compliance
4 with the subpoena if the court has jurisdiction in the
5 geographical area where the inquiry is being carried on or in
6 the area where the person who has refused the subpoena is
7 found, resides, or transacts business. Failure to obey such a
8 court order may be punished by the court as contempt.

9 Section 7. Section 440.45, Florida Statutes, is
10 amended to read:

11 440.45 Office of the Judges of Compensation Claims.--

12 (1) There is hereby created the Office of the Judges
13 of Compensation Claims within the Department of Labor and
14 Employment Security. The Office of the Judges of Compensation
15 Claims shall be headed by a Chief Judge ~~who shall serve at the~~
16 ~~pleasure of the Governor and Cabinet.~~ The Chief Judge shall
17 be appointed by the Governor for a term of 4 years and
18 ~~confirmed by the Cabinet~~ from a list of three ~~two~~ names
19 submitted by the statewide nominating commission created under
20 subsection (2) each of the District Court Judicial Nominating
21 ~~Commissions created by s. 2, Art. V of the State Constitution~~
22 ~~and s. 43.29.~~ The Chief Judge must possess the same
23 qualifications for appointment as a judge of compensation
24 claims, and the procedure for reappointment of the Chief Judge
25 will be the same as for reappointment of a judge of
26 compensation claims.The office shall be a separate budget
27 entity and the Chief Judge shall be its agency head for all
28 purposes. The Department of Labor and Employment Security
29 shall provide administrative support and service to the office
30 to the extent requested by the Chief Judge but shall not
31 direct, supervise, or control the Office of the Judges of

1 Compensation Claims in any manner, including but not limited
2 to personnel, purchasing, budgetary matters, or property
3 transactions. The operating budget of the Office of the Judges
4 of Compensation Claims shall be paid out of the Workers'
5 Compensation Administration Trust Fund established in s.
6 440.50.

7 (2)(a) The Governor shall appoint full-time judges of
8 compensation claims to conduct proceedings as required by this
9 chapter or other law. No person may be nominated to serve
10 ~~appointed~~ as a judge of compensation claims unless he or she
11 has been a member of The Florida Bar in good standing ~~for the~~
12 ~~preceding 5 years~~ and is knowledgeable in the practice of law
13 of workers' compensation. No judge of compensation claims
14 shall engage in the private practice of law during a term of
15 office.

16 (b) Except as provided in paragraph (c), the Governor
17 shall ~~initially~~ appoint a judge of compensation claims from a
18 list of three persons nominated by a statewide nominating
19 commission. The statewide nominating commission shall be
20 composed of the following:

21 1. Five ~~5~~ members, at least one of whom must be a
22 member of a minority group as defined in s. 288.703(3), one of
23 each who resides in each of the territorial jurisdictions of
24 the district courts of appeal, appointed by the Board of
25 Governors of The Florida Bar from among The Florida Bar
26 members who are engaged in the practice of law. On July 1,
27 1999, the term of office of each person appointed by the Board
28 of Governors of The Florida Bar to the commission expires. The
29 Board of Governors shall appoint members who reside in the
30 odd-numbered district court of appeal jurisdictions to 4-year
31 terms each, beginning July 1, 1999, and members who reside in

1 the even-numbered district court of appeal jurisdictions to
2 2-year terms each, beginning July 1, 1999. Thereafter, each
3 member shall be appointed for a 4-year term;

4 2. Five ~~5~~ electors, at least one of whom must be a
5 member of a minority group as defined in s. 288.703(3), one of
6 each who resides in each of the territorial jurisdictions of
7 the district courts of appeal, appointed by the Governor. On
8 July 1, 1999, the term of office of each person appointed by
9 the Governor to the commission expires. The Governor shall
10 appoint members who reside in the odd-numbered district court
11 of appeal jurisdictions to 2-year terms each, beginning July
12 1, 1999, and members who reside in the even-numbered district
13 court of appeal jurisdictions to 4-year terms each, beginning
14 July 1, 1999. Thereafter, each member shall be appointed for a
15 4-year term; and

16 3. Five ~~5~~ electors, at least one of whom must be a
17 member of a minority group as defined in s. 288.703(3), one of
18 each who resides in the territorial jurisdictions of the
19 district courts of appeal, selected and appointed by a
20 majority vote of the other 10 members of the commission. On
21 October 1, 1999, the term of office of each person appointed
22 to the commission by its other members expires. A majority of
23 the other members of the commission shall appoint members who
24 reside in the odd-numbered district court of appeal
25 jurisdictions to 2-year terms each, beginning October 1, 1999,
26 and members who reside in the even-numbered district court of
27 appeal jurisdictions to 4-year terms each, beginning October
28 1, 1999. Thereafter, each member shall be appointed for a
29 4-year term.

30
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1 A vacancy occurring on the commission shall be filled by the
2 original appointing authority for the unexpired balance of the
3 term.No attorney who appears before any judge of compensation
4 claims more than four times a year is eligible to serve on the
5 statewide nominating commission. The meetings and
6 determinations of the nominating commission as to the judges
7 of compensation claims shall be open to the ~~general~~ public.
8 (c) Each judge of compensation claims shall be
9 appointed for a term of 4 years, but during the term of office
10 may be removed by the Governor for cause. Prior to the
11 expiration of a judge's term of office, the statewide
12 nominating commission shall review the judge's conduct and
13 determine whether the judge's performance is satisfactory. If
14 the judge's performance is deemed satisfactory,the commission
15 shall report its finding to the Governor no later than 6
16 months prior to the expiration of the judge's term of office.
17 The Governor shall review the commission's report and may
18 reappoint the judge for an additional 4-year term. If the
19 Governor does not reappoint the judge, the Governor shall
20 inform the commission. The judge shall remain in office until
21 the Governor has appointed a successor judge in accordance
22 with paragraphs (a) and (b).~~The report of the commission~~
23 ~~shall include a list of three candidates for appointment. The~~
24 ~~candidates shall include the judge whose term is expiring, if~~
25 ~~that judge desires reappointment and the judge's performance~~
26 ~~is satisfactory upon review by the commission.~~If a vacancy
27 occurs during a judge's unexpired term, the statewide
28 nominating commission does not find the judge's performance is
29 satisfactory, or the governor does not reappoint the judge,
30 the commission shall issue a report to the Governor shall
31 appoint a successor judge for a term of 4 years in accordance

1 ~~with paragraph (b) which includes a list of three candidates~~
2 ~~for appointment. The Governor shall review the commission's~~
3 ~~report, and may select one of the listed candidates. If no~~
4 ~~candidate is selected, the Governor shall so inform the~~
5 ~~commission, which shall within 2 months issue a report to the~~
6 ~~Governor which includes a list of three different candidates~~
7 ~~for appointment.~~

8 (3) The Chief Judge shall select from among the full
9 time judges of the office two or more judges to rotate as
10 docketing judges. Docketing judges shall review all claims for
11 benefits for consistency with the requirements of this chapter
12 and the rules of procedure, including but not limited to
13 specificity requirements, and shall dismiss any claim that
14 fails to comport with such rules and requirements. The
15 docketing judge shall not dismiss any claim with prejudice
16 without offering the parties an opportunity to appear and
17 present argument. The Chief Judge may as he or she deems
18 appropriate expand the duties of the docketing judges to
19 include resolution without hearing of other types of
20 procedural and substantive matters, including resolution of
21 fee disputes.

22 (4) The Chief Judge shall have the discretion to
23 require mediation and to designate qualified persons to act as
24 mediators in any dispute pending before the judges of
25 compensation claims and the division. The Chief Judge shall
26 coordinate with the Director of the Division of Workers'
27 Compensation to establish a mandatory mediation program to
28 facilitate early and efficient resolution of disputes arising
29 under this chapter and to establish training and continuing
30 education for new and sitting judges.

31

1 (5) The Office of the Judges of Compensation Claims
2 shall promulgate rules to effect the purposes of this section.
3 Such rules shall include procedural rules applicable to
4 workers' compensation claim resolution and uniform criteria
5 for measuring the performance of the office, including but not
6 limited to the number of cases assigned and disposed, the age
7 of pending and disposed cases, timeliness of decisionmaking,
8 extraordinary fee awards and other performance indicators. The
9 workers' compensation rules of procedure approved by the
10 Supreme Court shall apply until the rules promulgated by the
11 Office of the Judges of Compensation Claims pursuant to this
12 section become effective.

13 (6) Not later than December 1 of each year, the Office
14 of the Judges of Compensation Claims and the Division of
15 Workers' Compensation shall jointly issue a written report to
16 the Governor, the House of Representatives, and the Senate
17 summarizing the amount, cost, and outcome of all litigation
18 resolved in the prior year, summarizing the disposition of
19 applications and motions for mediation conferences and
20 recommending changes or improvements to the dispute resolution
21 elements of the Workers' Compensation Law and regulations.

22 Section 8. On July 1, 1999, the term of office of the
23 Chief Judge of Compensation Claims expires. The statewide
24 nominating commission is directed to submit a list of three
25 names to the Governor pursuant to section 440.45(1), Florida
26 Statutes, by March 1, 1999.

27 Section 9. The revised process for nomination and
28 appointment of judges of compensation claims, as provided in
29 the amendments to section 440.45(2)(c), Florida Statutes,
30 shall take effect on July 1, 1999.

31

1 Section 10. Any member of the statewide nominating
2 commission whose term of office expires as a result of the
3 amendment of section 440.45, Florida Statutes, by this act is
4 eligible for reappointment.

5 Section 11. This act shall take effect October 1,
6 1998.

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1 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
2 COMMITTEE SUBSTITUTE FOR
3 Senate Bill 1406

4 Provides legislative intent and specific authority for the
5 Division of Workers' Compensation (Department of Labor and
6 Employment Security) to enter an employer's work site and
inspect records to ensure compliance with the workers'
compensation insurance laws under ch. 440, F.S.

7 Defines sole proprietor, partner and corporate officer for the
8 purposes of workers' compensation laws.

9 Removes the criminal penalty provision for persons who fail to
10 comply with subpoenas issued by the division and deletes the
immunity provision.

11 Increases the fees paid to the division by persons electing to
12 be exempt from workers' compensation coverage requirements
13 from a maximum \$50 fee to a mandatory \$100 fee. Requires
relevant documentation as to employment status to be submitted
to the division by persons electing to be exempt from coverage
requirements.

14 Authorizes the division to revoke a person's certificate of
15 election to be exempt upon determining the person either does
16 not meet the requirements for exemption or the information
contained in the exemption notice is not valid.

17 Provides that a fraudulent statement on an exemption notice is
18 a third-degree felony, and requires a warning on the exemption
notice to this effect.

19 Provides that judges of compensation claims and administrative
20 law judges may deny workers' compensation benefits if the
employee has intentionally committed fraud.

21 Revises the documentation that must be presented to a general
22 contractor in order for a person to be conclusively presumed
to be an independent contractor.

23 Revises the terms of office for members of the Statewide
24 Nominating Commission which nominates persons to be judges of
25 compensation claims; bifurcates the nomination process for
judges of compensation claims; and revises the terms of
office, qualifications, and method of nomination for the Chief
Judge of the Office of Compensation Claims.