



WEEKLY TALLAHASSEE UPDATE

By the time you are reading this update the 2022 Florida Legislative Session has already reached its halfway point. Remember, the annual session is 60 calendar days, meaning that there are only 30 days left in the regular session. As I have previously mentioned, sometimes Florida's Legislative Session comes down to some last minute (sometimes quite literally) negotiations involving the FL House, FL Senate, and the Governor of FL. That being said, there are some bills the Florida Chamber has identified as "Pro-Business" that have been moving through their respective chambers that I will outline in this Week 5 Tallahassee Weekly Update - remember, we are still taking name suggestions.

Florida Senate Bill 434 - Florida Tourism Marketing, sponsored by Senator Ed Hooper, has passed favorably through the full Florida Senate with a 36 to 1 vote. It is expected that the Florida House companion bill will be addressed next week, well before the final stretch of this year's session. As I mentioned last week, this legislation extends the VISIT Florida program through October 1, 2031. Studies show that for every dollar spent on advertising through VISIT Florida, \$3.27 was returned in additional tax revenue to Florida's economy.

HB 943 - Preemption of Local Government Wage Mandates, sponsored by Representative Joe Harding, and SB 1124 - Preemption of Local Government Wage Mandates, sponsored by Senator Joe Gruters both moved through committees this past week. CS/SB 1124 is summarized as "amending the state's current preemption to prohibit political subdivisions from enacting, maintaining, or enforcing, by any means, a wage mandate in an amount greater than the state or federal minimum wage rate, with some exceptions." The analysis summary from the Florida Senate website goes further to explain "a wage mandate is defined as any requirement enacted by a political subdivision which requires an employer to pay any or all of its employees a wage rate not otherwise required under state or federal law. This bill provides that any wage mandate in conflict with the state or federal minimum wage rate is void." For these bills to make it out of committee hearings, HB 943 has one more committee stop left, and SB 1124 has two committee stops left. The Florida Chamber supports these bills to help protect taxpayers in Florida from an "inflated patchwork of wages" throughout the State of Florida.

The following bills are working to address issues that many homeowners in Florida are facing with their property insurance. HB 1307 - Citizens Property Insurance Corporation, is a bill that is sponsored by the Insurance and Banking Subcommittee. Citizens Property Insurance Corporation (Citizens) is "state-created, not-for-profit, tax-exempt government entity that is an integral part of the state, whose public purpose is to provide property insurance to those unable to find affordable coverage in the private market. Citizens is overseen by a board of directors and operated by an executive director. Citizens writes both personal and commercial property policies." HB 1307 aims to establish that the Office of Insurance Regulation must approve of the method that Citizens uses to value dwelling replacement costs and establishes that Citizens must charge policyholders a surcharge to offset a projected deficit according to a schedule based upon the number of Citizens' policyholders. This is a complex bill that might see more changes if it continues to make its way through to the full Florida House of Representatives, so I am not going to go too deep into a summary. If you believe this might impact your industry or you have an interest, I would recommend reading more about it on MyFloridaHouse.gov. The main tenets of HB 1307 are that it will allow private companies to take out policies from Citizens at renewal if they have comparable coverage and the new policy is within five percent of premium cost during 2023. It also will slowly increase the premium threshold to twenty percent by 2026.

Talking about home insurance, SB 1728 - Property Insurance, sponsored by Senator Boyd, "addresses contractor solicitations related to property insurance roof claims, the type of homeowners' insurance coverage that must offer for roof



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losses, and various aspects of the Citizens Property Insurance Corporation.” The three main tenets of this bill are that the consumer is responsible for payment of any insurance deductible, it is insurance fraud punishable as a felony of the third degree for a contractor to pay, waive, or rebate all or part of an insurance deductible applicable to payment to the contractor for repairs to the property covered by a property insurance policy, and it is also insurance fraud punishable as a felony of the third degree to intentionally file an insurance claim containing any false, incomplete or misleading information. This bill will also allow for “residential property insurers to offer only homeowners’ insurance policies that reimburse roof losses on a depreciated value or actual cash value basis using a roof surface type reimbursement schedule, rather than on the basis of replacement costs. This would create an exception to the requirement that an insurer must offer a homeowners policy that reimburses losses to the dwelling on the basis of replacement costs, and also provided law and ordinance coverage. Again, these bills are complex and I would recommend reading more about them if you are interested.

The Florida Senate Finance and Tax Committee passed two pieces of legislation that have been publicly supported by the Florida Chamber. SB 1090 - Corporate Income Tax, sponsored by Senator Joe Gruters, aims to "avoid an estimated \$1.2 billion corporate income tax increase by addressing the federal tax base broadening measures that were included in the 2017 Tax Cuts and Jobs Act.” The second bill, SB 952 - Taxation, sponsored by Senator Joe Gruters, contains “two tax proposals that are identified by the Florida Chamber as necessary changes to improve Florida’s competitiveness. This bill aims to increase the cap for the state Research and Development Tax Credit from \$9 million to \$50 million. The bill would also aim to exempt businesses from paying a documentary stamp tax on federal emergency loans, such as the Paycheck Protection Program or Economic Injury Disaster Loan Program.

Last week the Florida House of Representatives and the Florida Senate released preliminary versions of their annual budgets. I will be discussing aspects of those budgets in the following weeks. Thank you for reading this week’s update and I look forward to providing you with another next week.

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Sources:

myfloridahouse.gov

flsenate.gov

flchamber.com