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**W**ith the House having passed its redistricting plans last week, the focus on the redrawing of legislative and Congressional boundaries shifts to the Senate this week, the fifth of the 9-week session. The Senate is also planning to release its budget allocations this week, which will allow its committees to start crafting their spending plans.

The House, meanwhile, passed its budget, with amendments, out of the full appropriations committee last week, so that spending plan now goes before the full House this week or next for debate and a vote.

Substantive legislation continues to grind its way through the committee process. This week, the Senate Pre-K-12 Education Committee takes up a massive charter-school bill that would allow state colleges offering approved teacher-preparation programs to operate one K-12 charter school. The bill, SB 1852, already has 14 amendments filed.

Additionally, the House Government Operations subcommittee will take up HB 495, which would give state universities a sixth-vendor choice when opting for a pension plan other than the Florida Retirement System. The panel also plans to hear HB 1417, which would reduce funds in the Lawton Chiles Endowment earmarked for biomedical research, while expanding the percentage of endowment funds that can be parked in alternative investments. For more information on other legislation, please see Spotlight on Bills.

Vice President Joe Biden will visit Florida State University this morning to discuss the importance of dealing with rising college costs, according to the White House.

Finally, the state capitol will be awash in Garnet and Gold tonight and tomorrow. Please plan to attend the much-anticipated FSU Day at the Capitol and help us show our Seminole spirit! For more information, please see the related story.

A reminder that the Florida Channel, local cable channel 4, telecasts daily legislative action live.

Please feel free to contact me if you need copies of bills, amendments, bill analysis or budget items. I can be reached at **(850) 644-4453** or **kdaly@fsu.edu**.

*Kathleen*



### **TOMORROW IS FSU DAY AT THE CAPITOL**

Our big day is almost here! After months of planning, FSU Day at the Capitol for 2012 takes place tomorrow and promises to be another great event. As in the past, FSU Day emphasizes the university's proud heritage and spotlights the extraordinary accomplishments of our students and faculty.

Please join us from 10:00 am to 2:00 pm for informative displays on the plaza level and second and third floor rotundas. During the lunch hour, appearances by FSU celebrities and members of the Seminole legislative caucus, and performances by the pep band, cheerleaders and Flying High Circus will begin at 11:30 in the capitol courtyard, with refreshments available for all to enjoy.

In addition, our second annual "Seminole Evening" reception will be held tonight from 5:30 to 7:30 on the 22nd floor of the capitol. Come by for this meet-and-greet with our legislators.

We look forward to seeing you this evening and tomorrow in your Garnet and Gold!

# SPOTLIGHT ON **BILLS**

## **HB 5009 -- Health Insurance Benefits for State Employees by Representative Denise Grimsley (R – Sebring),**

codifies the Health Savings Account employer contributions in permanent law rather than in the annual appropriations process. The bill provides that the Department of Management Services (DMS) may implement a 90-day supply limit program for certain maintenance drugs for retail pharmacies participating in the program if DMS finds it is in the best interest of the state. The bill is waiting to be heard by the full House. A comparable bill in the Senate, **SB 1510 by Senator Bill Montford (D – Tallahassee, FSU Alum)** has been referred to the Governmental Oversight and Accountability, the Health Regulation, and the Budget committees.

## **HB 591 -- Archeological Sites and Specimens by Representative Metz (R – Eustis, FSU Alum),**

expands the prohibited archaeological practices and penalties to include state sovereignty submerged land and land owned by political subdivisions. Any specimens, objects and materials collected in violation of the law are forfeited to the state. The bill also amends s. 267.12, F.S., to provide the Division of Historical Resources with the authority to issue permits for archaeological research permits at these locations. The bill is now in Economic Affairs Committee. The Senate companion, **SB 868 by Senator Alan Hays (R – Umatilla)** will be heard in the Governmental Oversight and Accountability Committee tomorrow.

**CS/HB 525 -- Florida Retirement System by Representative Ritch Workman (R – Melbourne),** makes changes to the FRS; however, changes impacting member benefits do not apply to those persons who have already retired from FRS employment:

- The bill revises the definition of “vesting” to clarify that the vesting schedule solely applies to pension plan members. It also revises the definition of “normal retirement date” to clarify that normal retire-

ment age for pension plan members is attained on the normal retirement date of the member. It further clarifies that the normal retirement age for investment plan members is the later of the date a member attains his or her normal retirement age, or is vested under the investment plan as provided by law.

- The bill revises the definition of normal retirement date for Special Risk Class members to retroactively apply to members hired on or after July 1, 2011. Such members attain normal retirement age and vest on the first day of the month the member:

- Attains age 55 and completes the required years of service for vesting;

- Attains age 50 and completes 25 years of creditable service in the Special Risk Class; or

- Completes 25 years of creditable service and attains age 52, which may include a maximum of four years of military service.

- For members initially enrolled in the FRS on or after July 1, 2012, the bill increases the length of creditable service needed to vest in the pension plan from eight to 11 years. It also increases the years of service for the disability retirement benefit for members initially enrolled on or after July 1, 2012, to conform to the changes for vesting in the pension plan.

- The bill provides that an employee hired on or after July 1, 2012, by an employer who participates in the FRS, automatically defaults into the investment plan. The employee maintains the opportunity to elect to participate in the pension plan, but this election must be made by the last business day of the fifth month after the employee’s month of hire. If the employee fails to elect to participate in the pension plan during the prescribed period, then that option is deemed to be forfeited.

- The bill provides that a member of the Senior Management Service Optional

Annuity Program (SMSOAP), the State University System Optional Retirement Program (SUSORP), or the State Community College System Optional Retirement Program (SCCSORP) may receive a distribution of up to 10 percent of his or her benefit after termination for one calendar month. This provision aligns the optional retirement programs with the investment plan.

- For purposes of the SMSOAP, the SUSORP, and the SCCSORP, the bill clarifies that the current prohibition on hardship loans does not apply to:

- A requested distribution for retirement;

- A mandatory de minis distribution authorized by the administrator; or

- A required minimum distribution provided pursuant to the Internal Revenue Code.

- The bill makes it clear that a retiree of the SMSOAP, the SUSORP, or the SCCSORP who is reemployed on or after July 1, 2010, is prohibited from being reenrolled as a renewed member of a state-administered retirement system.

- The bill clarifies that a member of the SUSORP may receive payment of benefits from either annuity contracts or investment contracts. Additionally, it provides that the term benefit, for purposes of the SUSORP, means a distribution taken by the member, or surviving beneficiary, funded in part or in whole by employer and employee contributions. A rollover distribution to another qualified plan qualifies as a distribution. A member of the SUSORP may not receive benefits funded by voluntary personal contributions until after termination from employment for three calendar months.

- The bill revises the required contribution rates for the pension plan and the required employer contribution rates to fund the unfunded actuarial liability of such plan.

The bill reported favorably in the Governmental Operations Committee last week. A comparable bill in the Senate, **SB 2024 by Senator Jeremy Ring (D – Margate)**, is now in the Budget Committee.

**PCB HHSC 1202 – State Group Insurance Program by the Health and Human Services Committee**, revises the duties of the Department of Management Services as they relate to the state group health insurance program. The bill provides for plan years that begin prior to January 1, 2014, all persons participating in the state group insurance program may be required to contribute towards a total state group health premium that may vary depending upon the plan and coverage tier selected and the level of state contribution authorized by the legislature. The bill also provides that for plan year 2014 the state's contribution shall be no less than 90 percent of benefits covered in the 2012 plan year for an individual and 85 percent for a family plan. If the state's contribution is less than the premium cost of the health plan selected by the employee, the employee shall make salary reduction arrangement contributions to cover the remainder of the premium cost. However, if the state's contribution is more than the premium cost the employee may elect to have the balance credited to the employee's flexible spending account, credited to the employee's health saving account, or used to increase the employee's salary by the difference between the premium cost for the selected plan and the

state contribution. The bill has been filed as a Committee Bill by Health & Human Services Committee. There is no Senate companion at this time.

**SB 7206 – Internet Sales Tax by Senator Jim Norman (R – Tampa)**, expands the definition of dealer, for the purpose of sales tax collection, to include any person, other than a common carrier, who maintains or uses a warehouse or other place of business in Florida. This bill also expands the list of activities that subjects a dealer to nexus in Florida and amends the current definition of "mail order sale" to include the sale of tangible personal property through the Internet. This bill requires sales tax collection by dealers that have relationships with persons in this state who conduct activities on the dealer's behalf that are significantly associated with the dealer's ability to establish and maintain a market for sales in Florida. Additionally, the bill also includes a "click-through" nexus provision by extending Florida sales tax to dealers who enter into agreements with residents of this state and the residents receive commissions for referring customers by a link on an Internet website, or by other means, to the dealer. This bill provides that the Legislature shall return the amount of sales taxes collected as a result of establishing sales tax holidays or other tax relief measures. The bill was submitted as a committee bill last week. There is no House companion at this time.

**CS/SB 1514 -- Tax on Sales, Use, and Other Transactions by Senator Nancy Detert (R – Venice)**, requires an out-of-state retailer that conducts business over the Internet to collect and remit Florida sales tax on sales made to Florida customers. The bill revises the definition of "dealer." Specifically, the bill creates two new situations under which an out-of-state retailer may be required to collect and remit Florida sales tax:

- 1. When a person with substantial nexus to Florida does one of a number of acts, including selling a similar line of products as a dealer or operates under the same name and uses similar trademarks as a dealer, then the dealer must collect and remit Florida sales and use tax.
- 2. If the dealer enters into an agreement with one or more Floridians, under which the person directly or indirectly refers potential customers to the dealer for a commission or other consideration, and the cumulative gross receipts for referrals are in excess of \$10,000 during the previous 12 months, then a rebuttable presumption arises that the dealer must collect and remit Florida sales and use tax.

The bill reported favorably in the Commerce and Tourism Committee last week. A comparable bill in the House, **HB 861 by Representative Mike Horner (R – Kissimmee)** is now in Finance and Tax Committee.

## SESSION SCHEDULE

### SENATE SESSION

**TUESDAY, FEBRUARY 7, 10:30 a.m. TO 12:30 p.m.**  
**WEDNESDAY, FEBRUARY 8, 9:00 a.m. TO 10:00 a.m.**  
**REUNION SESSION, 10: a.m. TO 11:00 a.m.**

### HOUSE SESSION

**WEDNESDAY, FEBRUARY 8, 10:45 a.m. TO 7:00 p.m.**  
**THURSDAY, FEBRUARY 9, 9:00 a.m. TO 3:00 p.m.**



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