

1                                   A bill to be entitled  
 2       An act relating to the Department of Financial  
 3       Services; amending s. 440.02, F.S.; redefining the  
 4       term "employee" for purposes of workers' compensation;  
 5       amending s. 440.05, F.S.; revising requirements for  
 6       submitting a notice of election of exemption; revising  
 7       duties of the Department of Financial Services  
 8       relating to the expiration of certificates of  
 9       exemption; expanding applicability of requirements  
 10      relating to certificates of exemption; repealing s.  
 11      440.59, F.S., relating to the duty of the Department  
 12      of Financial Services to make an annual report on the  
 13      administration of ch. 440, F.S., the Workers'  
 14      Compensation Law, to specified officials; providing  
 15      effective dates.

16  
 17 Be It Enacted by the Legislature of the State of Florida:

18  
 19       Section 1. Paragraph (b) of subsection (15) of section  
 20      440.02, Florida Statutes, is amended to read:

21       440.02 Definitions.—When used in this chapter, unless the  
 22      context clearly requires otherwise, the following terms shall  
 23      have the following meanings:

24       (15)

25       (b) "Employee" includes any person who is an officer of a  
 26      corporation and who performs services for remuneration for such  
 27      corporation within this state, whether or not such services are  
 28      continuous.

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29           1. Any officer of a corporation may elect to be exempt  
30 from this chapter by filing ~~written~~ notice of the election with  
31 the department as provided in s. 440.05.

32           2. As to officers of a corporation who are engaged in the  
33 construction industry, no more than three officers of a  
34 corporation or of any group of affiliated corporations may elect  
35 to be exempt from this chapter by filing ~~written~~ notice of the  
36 election with the department as provided in s. 440.05. Officers  
37 must be shareholders, each owning at least 10 percent of the  
38 stock of such corporation and listed as an officer of such  
39 corporation with the Division of Corporations of the Department  
40 of State, in order to elect exemptions under this chapter. For  
41 purposes of this subparagraph, the term "affiliated" means and  
42 includes one or more corporations or entities, any one of which  
43 is a corporation engaged in the construction industry, under the  
44 same or substantially the same control of a group of business  
45 entities which are connected or associated so that one entity  
46 controls or has the power to control each of the other business  
47 entities. The term "affiliated" includes, but is not limited to,  
48 the officers, directors, executives, shareholders active in  
49 management, employees, and agents of the affiliated corporation.  
50 The ownership by one business entity of a controlling interest  
51 in another business entity or a pooling of equipment or income  
52 among business entities shall be prima facie evidence that one  
53 business is affiliated with the other.

54           3. An officer of a corporation who elects to be exempt  
55 from this chapter by filing a ~~written~~ notice of the election  
56 with the department as provided in s. 440.05 is not an employee.

57  
 58 Services are presumed to have been rendered to the corporation  
 59 if the officer is compensated by other than dividends upon  
 60 shares of stock of the corporation which the officer owns.

61 Section 2. Subsections (3) and (6) of section 440.05,  
 62 Florida Statutes, are amended to read:

63 440.05 Election of exemption; revocation of election;  
 64 notice; certification.-

65 (3) Each officer of a corporation who is engaged in the  
 66 construction industry and who elects an exemption from this  
 67 chapter or who, after electing such exemption, revokes that  
 68 exemption, must electronically submit ~~mail~~ a ~~written~~ notice to  
 69 such effect to the department on a form prescribed by the  
 70 department. ~~The notice of election to be exempt from the~~  
 71 ~~provisions of this chapter must be notarized and under oath.~~ The  
 72 notice of election to be exempt which is electronically  
 73 submitted to the department by the officer of a corporation who  
 74 is allowed to claim an exemption as provided by this chapter  
 75 must list the name, federal tax identification number, date of  
 76 birth, Florida driver license number or Florida identification  
 77 card ~~social security~~ number, all certified or registered  
 78 licenses issued pursuant to chapter 489 held by the person  
 79 seeking the exemption, ~~a copy of relevant documentation as to~~  
 80 ~~employment status filed with the Internal Revenue Service as~~  
 81 ~~specified by the department, a copy of the relevant occupational~~  
 82 ~~license in the primary jurisdiction of the business, and the~~  
 83 registration number of the corporation filed with the Division  
 84 of Corporations of the Department of State, and the percentage

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85 of ownership ~~along with a copy of the stock certificate~~  
86 evidencing the required ownership under this chapter. The notice  
87 of election to be exempt must identify each corporation that  
88 employs the person electing the exemption and must list the  
89 social security number or federal tax identification number of  
90 each such employer and the additional documentation required by  
91 this section. In addition, the notice of election to be exempt  
92 must provide that the officer electing an exemption is not  
93 entitled to benefits under this chapter, must provide that the  
94 election does not exceed exemption limits for officers provided  
95 in s. 440.02, and must certify that any employees of the  
96 corporation whose officer elects an exemption are covered by  
97 workers' compensation insurance. Upon receipt of the notice of  
98 the election to be exempt, receipt of all application fees, and  
99 a determination by the department that the notice meets the  
100 requirements of this subsection, the department shall issue a  
101 certification of the election to the officer, unless the  
102 department determines that the information contained in the  
103 notice is invalid. The department shall revoke a certificate of  
104 election to be exempt from coverage upon a determination by the  
105 department that the person does not meet the requirements for  
106 exemption or that the information contained in the notice of  
107 election to be exempt is invalid. The certificate of election  
108 must list the name of the corporation listed in the request for  
109 exemption. A new certificate of election must be obtained each  
110 time the person is employed by a new or different corporation  
111 that is not listed on the certificate of election. A copy of the  
112 certificate of election must be sent to each workers'

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

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113 compensation carrier identified in the request for exemption.  
 114 Upon filing a notice of revocation of election, an officer who  
 115 is a subcontractor or an officer of a corporate subcontractor  
 116 must notify her or his contractor. Upon revocation of a  
 117 certificate of election of exemption by the department, the  
 118 department shall notify the workers' compensation carriers  
 119 identified in the request for exemption.

120 (6) A construction industry certificate of election to be  
 121 exempt which is issued in accordance with this section shall be  
 122 valid for 2 years after the effective date stated thereon. Both  
 123 the effective date and the expiration date must be listed on the  
 124 face of the certificate by the department. The construction  
 125 industry certificate must expire at midnight, 2 years from its  
 126 issue date, as noted on the face of the exemption certificate. A  
 127 construction industry certificate of election to be exempt may  
 128 be revoked before its expiration by the officer for whom it was  
 129 issued or by the department for the reasons stated in this  
 130 section. At least 60 days before ~~prior to~~ the expiration date of  
 131 a construction industry certificate of exemption ~~issued after~~  
 132 ~~December 1, 1998~~, the department shall send notice of the  
 133 expiration date ~~and an application for renewal~~ to the  
 134 certificateholder at the address on the certificate or to the e-  
 135 mail address on file with the department.

136 Section 3. Effective January 1, 2013, subsection (6) of  
 137 section 440.05, Florida Statutes, as amended by this act, is  
 138 amended to read:

139 440.05 Election of exemption; revocation of election;  
 140 notice; certification.-

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141 (6) A ~~construction industry~~ certificate of election to be  
142 exempt which is issued on or after January 1, 2013, in  
143 accordance with this section shall be valid for 2 years after  
144 the effective date stated thereon. Both the effective date and  
145 the expiration date must be listed on the face of the  
146 certificate by the department. The ~~construction industry~~  
147 certificate must expire at midnight, 2 years from its issue  
148 date, as noted on the face of the exemption certificate. A  
149 ~~construction industry~~ certificate of election to be exempt may  
150 be revoked before its expiration by the officer for whom it was  
151 issued or by the department for the reasons stated in this  
152 section. At least 60 days before the expiration date of a  
153 ~~construction industry~~ certificate of exemption, the department  
154 shall send notice of the expiration date to the  
155 certificateholder at the address on the certificate or to the e-  
156 mail address on file with the department.

157 Section 4. Section 440.59, Florida Statutes, is repealed.

158 Section 5. Except as otherwise expressly provided in this  
159 act, this act shall take effect July 1, 2012.