



Policy Council

TUESDAY, MARCH 23, 2010

2:00 – 4:00 PM

MORRIS HALL

MEETING PACKET

**Larry Cretul
Speaker**

**Rep. Marcelo Llorente
Chair**

Council Meeting Notice
HOUSE OF REPRESENTATIVES

Policy Council

Start Date and Time: Tuesday, March 23, 2010 02:00 pm
End Date and Time: Tuesday, March 23, 2010 04:00 pm
Location: Morris Hall (17 HOB)
Duration: 2.00 hrs

Consideration of the following bill(s):

CS/HB 637 Admissions Tax by Finance & Tax Council, Dorworth
HB 885 Life Insurance by Tobia
CS/HB 1003 Veterans by Agriculture & Natural Resources Policy Committee, Drake

Pursuant to rule 7.13, the deadline for amendments to bills on the agenda by non-appointed members is 6:00 p.m., Monday, March 22, 2010.

By request of the chair, all council members are asked to have amendments to bills on the agenda submitted to staff by 6:00 p.m., Monday, March 22, 2010.

NOTICE FINALIZED on 03/19/2010 16:27 by Glatfelter.Sukie

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 637 Admissions Tax
SPONSOR(S): Finance & Tax Council; Dorworth
TIED BILLS: IDEN./SIM. BILLS: SB 1128

	REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1)	Finance & Tax Council	16 Y, 0 N, As CS	Aldridge	Langston
2)	Policy Council		Varn <i>[Signature]</i>	Cicccone <i>[Signature]</i>
3)	Economic Development & Community Affairs Policy Council			
4)				
5)				

SUMMARY ANALYSIS

Council Substitute for House Bill 637 creates a new exemption from sales tax on admissions to:

- A National Basketball Association All-Star game
- A National Hockey League All-Star game
- The Home Run Derby held by Major League Baseball prior to the Major League Baseball all-star game
- The National Football League's Pro Bowl
- The National Basketball Association's Rookie Challenge, Celebrity Game, 3-Point Shooting Contest, and Slam Dunk Challenge

The Revenue Estimating Conference has estimated that the bill has no revenue impact in FY 2010-11, and has a recurring negative indeterminate impact on state and local government revenues in later years.

The bill provides an effective date of July 1, 2010.

HOUSE PRINCIPLES

Members are encouraged to evaluate proposed legislation in light of the following guiding principles of the House of Representatives

- Balance the state budget.
- Create a legal and regulatory environment that fosters economic growth and job creation.
- Lower the tax burden on families and businesses.
- Reverse or restrain the growth of government.
- Promote public safety.
- Promote educational accountability, excellence, and choice.
- Foster respect for the family and for innocent human life.
- Protect Florida's natural beauty.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

CURRENT SITUATION

Section 212.04, F.S., imposes a six percent sales tax on admissions. Section 212.04(2)(a), provides exemptions from the sales tax on admissions. Among these are exemptions for admissions to:

- The National Football League championship game
- Any semifinal game or championship game of a national collegiate tournament
- A Major League Baseball all-star game
- Any postseason collegiate football game sanctioned by the National Collegiate Athletic Association

Background

The state of Florida has hosted the following events:

<u>Year</u>	<u>Event</u>	<u>Location</u>	<u>Attendance</u>
1990	NBA All-Star Game	Miami	14,810
1992	NBA All-Star Game	Orlando	14,272
1999	NHL All-Star Game	Tampa	19,758
2003	NHL All-Star Game	Sunrise	19,250
2010	NFL Pro Bowl	Miami Gardens	70,697

The Orlando Business Journal has reported that Orange County is in the bidding process for the 2012 National Basketball Association All-Star Game.¹

Currently five states, Arizona, Florida, Michigan, Minnesota, and Texas provide tax exemptions for Super Bowl tickets.²

¹" 2012 NBA All-Star Game may come to Orlando's Amway Center," Orlando Business Journal, Dec 11, 2009, <http://orlando.bizjournals.com/orlando/stories/2009/12/14/story1.html>

PROPOSED CHANGES

CS/HB 637 provides that admissions to the following events are also exempt from sales tax:

- A National Basketball Association All-Star game
- A National Hockey League All-Star game
- The Home Run Derby held by Major League Baseball prior to the Major League Baseball All-Star Game
- The National Football League's Pro Bowl
- The National Basketball Association's Rookie Challenge, Celebrity Game, 3-Point Shooting Contest, and Slam Dunk Challenge

B. SECTION DIRECTORY:

Section 1. Amends s. 212.04(2)(a)4., F.S., providing an exemption from the sales tax on admissions for specified events.

Section 2. Provides an effective date of July 1, 2010.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The Revenue Estimating Conference has estimated that the bill has no revenue impact in FY 2010-11, and has a recurring negative indeterminate impact on state government revenues in later years.

2. Expenditures:

The Department of Revenue estimates an insignificant operational impact.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

The Revenue Estimating Conference has estimated that the bill has no revenue impact in FY 2010-11, and has a recurring negative indeterminate impact on local government revenues in later years.

2. Expenditures:

The Department of Revenue estimates an insignificant operational impact.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

If the bill encourages the newly exempt events to be held in Florida, then positive job and income impacts can be expected in the communities in which such events may be held.

D. FISCAL COMMENTS:

None.

² Email from Bert L. Waisanen, Program Principal, Fiscal Affairs, National Conference of State Legislatures, March 18, 2010, on file with the Policy Council.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The bill reduces the authority that municipalities or counties have to raise revenues in the aggregate through local option sales taxes. Though the Revenue Estimating Conference has estimated the local government revenue impact of the bill to be negative indeterminate, historical information considered by the conference suggests that the impact on local governments in aggregate will be insignificant. Therefore, it is not expected that the bill is a mandate, requiring a 2/3ds vote of the membership of each house.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COUNCIL OR COMMITTEE SUBSTITUTE CHANGES

On March 11, 2010, the Finance and Tax Council adopted one amendment removing language from the original bill that provided the sales tax exemption to "the events surrounding the all-star games for the National Basketball Association and the National Hockey League" and replaced it with clarifying language in the Council Substitute that those events are "The National Basketball Association's Rookie Challenge, Celebrity Game, 3-Point Shooting Contest, and Slam Dunk Challenge."

The bill passed favorably as a Council Substitute. The analysis reflects the Council Substitute.

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1 A bill to be entitled
 2 An act relating to the admissions tax; amending s. 212.04,
 3 F.S.; expanding an exemption from the tax for certain
 4 sports championship or all-star games, certain other
 5 professional sporting events, and certain professional
 6 sport sponsored events; providing an effective date.

7
 8 Be It Enacted by the Legislature of the State of Florida:

9
 10 Section 1. Paragraph (a) of subsection (2) of section
 11 212.04, Florida Statutes, is amended to read:

12 212.04 Admissions tax; rate, procedure, enforcement.—

13 (2)(a)1. No tax shall be levied on admissions to athletic
 14 or other events sponsored by elementary schools, junior high
 15 schools, middle schools, high schools, community colleges,
 16 public or private colleges and universities, deaf and blind
 17 schools, facilities of the youth services programs of the
 18 Department of Children and Family Services, and state
 19 correctional institutions when only student, faculty, or inmate
 20 talent is used. However, this exemption shall not apply to
 21 admission to athletic events sponsored by a state university,
 22 and the proceeds of the tax collected on such admissions shall
 23 be retained and used by each institution to support women's
 24 athletics as provided in s. 1006.71(2)(c).

25 2.a. No tax shall be levied on dues, membership fees, and
 26 admission charges imposed by not-for-profit sponsoring
 27 organizations. To receive this exemption, the sponsoring
 28 organization must qualify as a not-for-profit entity under the

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29 provisions of s. 501(c)(3) of the Internal Revenue Code of 1954,
 30 as amended.

31 b. No tax shall be levied on admission charges to an event
 32 sponsored by a governmental entity, sports authority, or sports
 33 commission when held in a convention hall, exhibition hall,
 34 auditorium, stadium, theater, arena, civic center, performing
 35 arts center, or publicly owned recreational facility and when
 36 100 percent of the risk of success or failure lies with the
 37 sponsor of the event and 100 percent of the funds at risk for
 38 the event belong to the sponsor, and student or faculty talent
 39 is not exclusively used. As used in this sub-subparagraph, the
 40 terms "sports authority" and "sports commission" mean a
 41 nonprofit organization that is exempt from federal income tax
 42 under s. 501(c)(3) of the Internal Revenue Code and that
 43 contracts with a county or municipal government for the purpose
 44 of promoting and attracting sports-tourism events to the
 45 community with which it contracts. This sub-subparagraph is
 46 repealed July 1, 2009.

47 3. No tax shall be levied on an admission paid by a
 48 student, or on the student's behalf, to any required place of
 49 sport or recreation if the student's participation in the sport
 50 or recreational activity is required as a part of a program or
 51 activity sponsored by, and under the jurisdiction of, the
 52 student's educational institution, provided his or her
 53 attendance is as a participant and not as a spectator.

54 4. No tax shall be levied on admissions to the National
 55 Football League championship game, on admissions to any
 56 semifinal game or championship game of a national collegiate

57 | tournament, or on admissions to a Major League Baseball,
 58 | National Basketball Association, or National Hockey League all-
 59 | star game, to the Home Run Derby held by Major League Baseball
 60 | prior to the Major League Baseball All-Star Game, to the
 61 | National Football League's Pro Bowl, and the National Basketball
 62 | Association's Rookie Challenge, Celebrity Game, 3-Point Shooting
 63 | Contest, and Slam Dunk Challenge.

64 | 5. A participation fee or sponsorship fee imposed by a
 65 | governmental entity as described in s. 212.08(6) for an athletic
 66 | or recreational program is exempt when the governmental entity
 67 | by itself, or in conjunction with an organization exempt under
 68 | s. 501(c)(3) of the Internal Revenue Code of 1954, as amended,
 69 | sponsors, administers, plans, supervises, directs, and controls
 70 | the athletic or recreational program.

71 | 6. Also exempt from the tax imposed by this section to the
 72 | extent provided in this subparagraph are admissions to live
 73 | theater, live opera, or live ballet productions in this state
 74 | which are sponsored by an organization that has received a
 75 | determination from the Internal Revenue Service that the
 76 | organization is exempt from federal income tax under s.
 77 | 501(c)(3) of the Internal Revenue Code of 1954, as amended, if
 78 | the organization actively participates in planning and
 79 | conducting the event, is responsible for the safety and success
 80 | of the event, is organized for the purpose of sponsoring live
 81 | theater, live opera, or live ballet productions in this state,
 82 | has more than 10,000 subscribing members and has among the
 83 | stated purposes in its charter the promotion of arts education
 84 | in the communities which it serves, and will receive at least 20

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85 | percent of the net profits, if any, of the events which the
 86 | organization sponsors and will bear the risk of at least 20
 87 | percent of the losses, if any, from the events which it sponsors
 88 | if the organization employs other persons as agents to provide
 89 | services in connection with a sponsored event. Prior to March 1
 90 | of each year, such organization may apply to the department for
 91 | a certificate of exemption for admissions to such events
 92 | sponsored in this state by the organization during the
 93 | immediately following state fiscal year. The application shall
 94 | state the total dollar amount of admissions receipts collected
 95 | by the organization or its agents from such events in this state
 96 | sponsored by the organization or its agents in the year
 97 | immediately preceding the year in which the organization applies
 98 | for the exemption. Such organization shall receive the exemption
 99 | only to the extent of \$1.5 million multiplied by the ratio that
 100 | such receipts bear to the total of such receipts of all
 101 | organizations applying for the exemption in such year; however,
 102 | in no event shall such exemption granted to any organization
 103 | exceed 6 percent of such admissions receipts collected by the
 104 | organization or its agents in the year immediately preceding the
 105 | year in which the organization applies for the exemption. Each
 106 | organization receiving the exemption shall report each month to
 107 | the department the total admissions receipts collected from such
 108 | events sponsored by the organization during the preceding month
 109 | and shall remit to the department an amount equal to 6 percent
 110 | of such receipts reduced by any amount remaining under the
 111 | exemption. Tickets for such events sold by such organizations
 112 | shall not reflect the tax otherwise imposed under this section.

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113 7. Also exempt from the tax imposed by this section are
114 entry fees for participation in freshwater fishing tournaments.

115 8. Also exempt from the tax imposed by this section are
116 participation or entry fees charged to participants in a game,
117 race, or other sport or recreational event if spectators are
118 charged a taxable admission to such event.

119 9. No tax shall be levied on admissions to any postseason
120 collegiate football game sanctioned by the National Collegiate
121 Athletic Association.

122 Section 2. This act shall take effect July 1, 2010.

Amendment No.

CHAMBER ACTION

Senate

House

1 Representative(s) Zapata offered the following:

2

3 **Amendment**

4 Remove line 63 and insert:

5 Contest, and Slam Dunk Challenge, or the season finale at

6 Homestead-Miami Speedway for all three of NASCAR's major series,

7 the NASCAR Camping World Truck Series, the Nationwide Series and

8 the Sprint Cup Series.

HB 885

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 885

Life Insurance

SPONSOR(S): Tobia

TIED BILLS:

IDEN./SIM. BILLS: SB 1364

	REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1)	Insurance, Business & Financial Affairs Policy Committee	11 Y, 0 N	Reilly	Cooper
2)	Policy Council		Liepshutz <i>MM</i>	Ciccone <i>JC</i>
3)	General Government Policy Council			
4)				
5)				

SUMMARY ANALYSIS

An insurer that sells a life insurance policy that will replace an existing policy owned by a person must send notice of the replacement policy to the current insurer. House Bill 885 provides that an insurer is not required to send notice of replacement of a life insurance policy to the current insurer when the replacement policy is issued by the same insurer or an affiliated insurer of the policy that is to be replaced. Specifically, such notice is not required for transactions involving:

- An application to the current insurer that issued the current policy when a contractual change or conversion privilege is being exercised.
- A current policy is being replaced by the same insurer pursuant to a program approved by the Office of Insurance Regulation.
- A term conversion privilege is being exercised among corporate affiliates.

Under current law, an employee covered by a group life insurance policy may insure their spouse and/or dependent children under the policy for up to 50% of the amount for which the employee is insured. The bill removes this cap, and allows coverage of spouses and dependent children under a group life insurance policy up to the amount for which the employee is insured under the policy.

The bill takes effect upon becoming law and does not appear to have a fiscal impact on state or local governments.

HOUSE PRINCIPLES

Members are encouraged to evaluate proposed legislation in light of the following guiding principles of the House of Representatives

- Balance the state budget.
- Create a legal and regulatory environment that fosters economic growth and job creation.
- Lower the tax burden on families and businesses.
- Reverse or restrain the growth of government.
- Promote public safety.
- Promote educational accountability, excellence, and choice.
- Foster respect for the family and for innocent human life.
- Protect Florida's natural beauty.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Replacement of Life Insurance

An insurer that sells a life insurance policy that will replace an existing policy owned by a person must send notice of the replacement policy to the current insurer, among other responsibilities.¹ The notice is intended to give the current insurer the opportunity to contact the policyholder to discuss the current policy before it is canceled.²

House Bill 885 creates s. 627.4605, F.S. The section provides that an insurer is not required to send notice of replacement life insurance to the current insurer when the replacement policy is issued by the same insurer or an affiliate of the insurer of the policy that is to be replaced. Specifically, notice of replacement life insurance does not need to be sent to the current insurer for transactions involving:

- An application to the current insurer that issued the current policy when a contractual change or conversion privilege is being exercised.
- A current policy is being replaced by the same insurer pursuant to a program approved by the Office of Insurance Regulation.
- A term conversion privilege is being exercised among corporate affiliates.

This section is consistent with model standards adopted by the National Association of Insurance Commissioners (NAIC).³

¹ Rule 690-151.007, F.A.C., implementing ss. 624.307(1), 626.9521, 626.9541, 626.9641, 626.99, F.S. The insurer is also required to provide certain information to the prospective purchaser of the replacement policy.

² Correspondence between representatives of the life insurance industry (Paul Sanford) and staff of the Insurance, Business & Financial Affairs (IBFA) Policy Committee. On file with the IBFA Policy Committee.

³ National Association of Insurance Commissioners, "Life Insurance and Annuities Replacement Regulation" (July 2006). Available from the NAIC website: <http://www.naic.org>.

Dependent Coverage under Group Life Insurance Policies

Thirty-five states have statutory provisions relating to coverage of spouses and dependent children under group life insurance policies.⁴ Twenty of these states do not specify a coverage limitation;⁵ 12 allow coverage up to the amount for which the employee is insured under the group policy;⁶ and three states, including Florida under s. 627.5575(3), F.S.,⁷ allow coverage of up to 50% of the amount for which the employee is insured under the group life insurance policy. The NAIC model, which was adopted in the 1980s, limits coverage for spouses and dependent children under group life insurance policies to 50% of the amount for which the employee is insured.⁸

The bill removes the 50% cap, and allows spouses and dependent children to be insured under a group life insurance policy up to the amount for which the employee is insured.

B. SECTION DIRECTORY:

Section 1. Creates s. 627.4605, F.S., "Replacement notice."

Section 2. Amends s. 627.5575, F.S., "Group life insurance for dependents."

Section 3. Provides for the bill to become effective upon becoming law.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The bill may make increased coverage available to spouses and dependent children under group life insurance policies.

⁴ See American Council of Life Insurers, "Law Survey: Dependent Caps on Group Life Insurance" (July 2009). A copy of the survey is on file with the IBFA Policy Committee.

⁵ Arkansas, Delaware, Georgia, Idaho, Indiana, Iowa, Kentucky, Louisiana, Maine, Missouri, Montana, New Hampshire, New Mexico, North Carolina, Ohio, Oklahoma, Pennsylvania, South Carolina, South Dakota, and Utah.

⁶ Arizona, California, Hawaii, Illinois, Maryland, New Jersey, Texas, Vermont, Virginia, Washington, and West Virginia. New York permits the spouse to be insured for up to 100% of the amount for which the employee is insured under the group life policy, but limits coverage for a dependent child to a maximum of \$25,000.

⁷ Kansas and Nebraska also provide a 50% limitation.

⁸ Correspondence between representatives of the life insurance industry (Paul Sanford) and IBFA Policy Committee staff. On file with the IBFA Policy Committee.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

This bill does not require counties or municipalities to spend funds or take an action requiring the expenditure of funds. The bill does not reduce the percentage of a state tax shared with counties or municipalities. The bill does not reduce the authority that municipalities have to raise revenue.

2. Other:

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

IV. AMENDMENTS/COUNCIL OR COMMITTEE SUBSTITUTE CHANGES

1 A bill to be entitled
 2 An act relating to life insurance; creating s. 627.4605,
 3 F.S.; specifying nonapplication of a required notice to a
 4 current insurer of a policy replacement under certain
 5 circumstances; amending s. 627.5575, F.S.; revising the
 6 limitation on the amount of insurance for spouses of
 7 dependent children of employees of members under a group
 8 life insurance policy; providing an effective date.

9
 10 Be It Enacted by the Legislature of the State of Florida:

11
 12 Section 1. Section 627.4605, Florida Statutes, is created
 13 to read:

14 627.4605 Replacement notice.—A notice to a current insurer
 15 of a replacement of a current life insurance policy is not
 16 required in a transaction involving:

17 (1) An application to the current insurer that issued the
 18 current policy or contract when a contractual change or
 19 conversion privilege is being exercised;

20 (2) A current policy or contract is being replaced by the
 21 same insurer pursuant to a program filed with and approved by
 22 the office; or

23 (3) A term conversion privilege is being exercised among
 24 corporate affiliates.

25 Section 2. Subsection (3) of section 627.5575, Florida
 26 Statutes, is amended to read:

27 627.5575 Group life insurance for dependents.—Except for a
 28 policy issued under s. 627.553, a group life insurance policy

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29 | may be extended to insure the employees or members against loss
30 | due to the deaths of their spouses and dependent children or any
31 | class or classes thereof, subject to the following:

32 | (3) The amounts of insurance for any covered spouse or
33 | dependent child under the policy may not exceed ~~50 percent of~~
34 | the amount of insurance for which the employee or member is
35 | insured.

36 | Section 3. This act shall take effect upon becoming a law.

CS/HB 1003

HOUSE PRINCIPLES

Members are encouraged to evaluate proposed legislation in light of the following guiding principles of the House of Representatives

- Balance the state budget.
- Create a legal and regulatory environment that fosters economic growth and job creation.
- Lower the tax burden on families and businesses.
- Reverse or restrain the growth of government.
- Promote public safety.
- Promote educational accountability, excellence, and choice.
- Foster respect for the family and for innocent human life.
- Protect Florida's natural beauty.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Charitable Organizations

Chapter 496, F.S. requires charitable organizations that solicit funds in Florida to register with the Department of Agriculture and Consumer Services (DACS) and provide certain financial and background information. Before engaging in solicitation, they are required to file an initial registration statement, an annual renewal statement, and an annual financial report with the DACS.¹ Registration statements must contain prescribed information² and be accompanied by the appropriate fee.³

Every charitable organization -- or its parent organization filing on behalf of one or more chapters, branches, or affiliates that is required to register -- must pay a single registration fee. A parent organization must total all contributions received by the chapters, branches, or affiliates included in the registration statement to determine registration fees. Fees are assessed as follows:

Ten dollars:

- if contributions received during the last fiscal or calendar year were less than \$5K; or
- if the contributions from the public during the immediately preceding fiscal year were no more than \$25K, and
 - fundraising was carried on by volunteers, members, officers, or permanent employees, who were not compensated, primarily to solicit contributions, and
 - none of the organization's assets or income inured to the benefit of any of its officers or members or any professional fundraising consultant, professional solicitor, or commercial co-venturer;

¹ s. 496.405(1), F.S.

² s. 496.405(2), F.S.

³ s. 496.405(4)(a), F.S.

However, if a registrant does not meet the conditions for paying the ten dollar registration fee, then the applicable fee depends on the total contributions raised during the last fiscal year:

- Seventy-five dollars, if contributions were \$5K or more, but less than \$100K;
- One hundred twenty-five dollars, if contributions were \$100K or more, but less than \$200K;
- Two hundred dollars, if contributions were \$200K or more, but less than \$500K;
- Three hundred dollars, if contributions were \$500K or more, but less than \$1M ;
- Three hundred fifty dollars, if contributions were \$1M or more, but less than \$10M ; or,
- Four hundred dollars, if the contributions were \$10M or more.

A charitable organization may be assessed a \$25 fee for each month of late filing after the date on which the annual renewal statement and financial report were due to be filed with the DACS.⁴

Currently, there are three types of fundraising activities that are exempt from the registration and reporting requirements of Chapter 496:

- Applying for a grant or award from the government or from certain other groups that are tax exempt under the Internal Revenue Service Code (IRS Code);⁵
- Soliciting for the benefit of a named individual (i.e., raising money for an individual's transplant operation);⁶
- Soliciting by an organization that is limited solely to seeking contributions from its own membership.⁷

Title 36 Organizations

Currently, Title 36, Subtitle II, Part B of the U .S. Code lists national or patriotic non-profit corporations who have been granted corporate charters by act of Congress and whose primary purpose is to promote patriotic, charitable, educational, or other eleemosynary activities. Generally, these chartered organizations are referred to under any of three terms: "Congressionally chartered organizations;" "Title 36 corporations;" and "patriotic societies." The corporations listed in Title 36 are not agencies of the United States, and the charter does not assign any governmental attributes.⁸ Many of these organizations are military veteran services oriented organizations.

Currently, federal supervision of congressionally chartered nonprofit organizations is limited. All "private corporations established under federal law," as defined and listed in Subtitle II, are required to have independent audits annually, and to have the reports of the audits submitted to Congress.⁹ Such organizations are also required to submit annual reports of their activities to Congress.

⁴ s. 496.405(4)(b), F.S.

⁵ s. 496.405(20), F.S.; see, "flush-left" language at end of subsection.

⁶ s. 496.406(1), F.S.

⁷ s. 496.406(2), F.S.

⁸ CRS Report for Congress, Congressionally Charters Nonprofit Organizations ("Title 36 Corporations"): What They Are and how Congress Treats Them; Updated April 8, 2004; Ronald C. Moe, Consultant in American National Government

⁹ 36 U.S.C. 10101

Disabled Veterans

The intent of the Florida Service-Disabled Veteran Business Enterprise Opportunity Act¹⁰ (Act) is to rectify the economic disadvantage of service-disabled veterans by providing opportunities for service-disabled veteran business enterprises. In order to qualify for such opportunities, a service-disabled veteran who is a permanent Florida resident must have suffered a service-connected disability of 10 percent or greater as determined by the United States Department of Veterans Affairs.

The Veterans' Domiciliary Home of Florida¹¹ (Veterans' Home) is for veterans who served in wartime service or peacetime service.¹² The Veterans' Home, essentially an assisted living facility, is maintained for the use of those veterans who do not hospitalization or nursing home care. To be eligible for residency in the Veterans' Home, a veteran must meet certain service-related criteria.

The purpose of the Veterans' Nursing Home of Florida Act¹³ is to establish basic standards for the operation of skilled nursing homes for veterans in need services who possess an honorable discharge and have served in specified campaigns.¹⁴ To be eligible for residency in any of the four skilled nursing homes, a veteran must meet certain service-related criteria.

Proposed Changes

The effect of this proposal clarifies several sections of Florida law pertaining to Veterans' services, and reduces duplicate fundraising requirements for Veterans' Services Organizations. As a result, Florida veterans should be provided a more efficient system of health and long term care, and Veterans' Services organizations should be able to fundraise more efficiently.

CS/HB 1003

- Amends s. 496.406, F.S., to exempt any division, department, post, or chapter of a veterans' service organization that has been granted a federal charter under Title 36, U.S.C.;
- Deletes the eligibility requirement that service-disabled veterans must have suffered a 10% or greater service-connected disability in order to be eligible to receive any of the benefits provided for under the Florida Service-Disabled Veteran Business Enterprise Opportunity Act;
- Codifies the Florida Department of Veterans Affairs' current policy that to be eligible for residency in the Veterans' Domiciliary Home of Florida (assisted living) or any of the four Veterans' Nursing Homes of Florida (skilled nursing), a veteran must have been approved as eligible for care and treatment by the U.S. Department of Veterans Affairs; and,
- Revises the eligibility requirements for residency in any of the Veterans' Nursing Homes of Florida to also include veterans with peacetime service, not just those with wartime service.

B. SECTION DIRECTORY:

Section 1. Amends s. 496.406, F.S., exempting any division, department, post, or chapter of a veterans' service organization granted a federal charter under Title 36, U.S.C., from the requirements to register with the Department of Agriculture and Consumer Services.

¹⁰ s. 295.187, F.S.

¹¹ Chapter 296, Part I

¹² s. 296.02, F.S.

¹³ Chapter 296, Part II

¹⁴ s. 1.01(14), F.S.

Section 2. Amends s. 295.187, F.S., revising the definition of the term "service-disabled veteran" for eligibility purposes provided for under the Florida Service-Disabled Veteran Business Enterprise Opportunity Act.

Section 3. Amends s. 296.06, F.S., revising eligibility requirements for residency in the Veterans' Domiciliary Home of Florida.

Section 4. Amends s. 296.36, F.S., revising eligibility requirements for admittance into a licensed health care facility operated by the Department of Veterans' Affairs.

Section 5. Provides an effective date of July 1, 2010.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

According to the DACS, in Fiscal Year 2008-09, military veterans' organizations that were registered with the DACS paid annual registration fees totaling \$41,660. Exempting these organizations from registration requirements may create a loss of state revenue.

2. Expenditures:

According to the Department of Veterans' Affairs (DVA), the bill will have no fiscal impact. DVA currently admits wartime and peacetime veterans, a policy which is not clear in current statute. The proposed legislation clarifies existing DVA policy.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None

2. Expenditures:

None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

See Fiscal Comments below.

D. FISCAL COMMENTS:

Making the eligibility more inclusive for the Florida Service-Disabled Veteran Business Enterprise Opportunity Act may help to rectify the economic disadvantage of additional veterans and as a result, have a positive fiscal impact on the private sector.

To the extent that the bill may improve the health of service-disabled veterans in Florida by providing additional access to medical care through more inclusive domiciliary and nursing home eligibility requirements, associated medical and insurance costs to the private sector may be decreased.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to: require counties or municipalities to spend funds or take an action requiring the expenditure of funds; reduce the authority that counties or municipalities have to raise revenues in the aggregate; or reduce the percentage of a state tax shared with counties or municipalities.

2. Other:

None

B. RULE-MAKING AUTHORITY:

None

C. DRAFTING ISSUES OR OTHER COMMENTS:

None

IV. AMENDMENTS/COUNCIL OR COMMITTEE SUBSTITUTE CHANGES

On March 11, 2010, the Agriculture and Natural Resources Policy Committee adopted one amendment to the bill. The amendment:

- Exempts any division, department, post, or chapter of a veterans' service organization that has been granted a federal charter by act of Congress. The original bill exempted reputable military veterans' associations or organizations that are registered with the Department of Veterans' Affairs (DAV). Since those veterans' groups currently do not register with the DVA, the original bill would not have accomplished its purpose of exempting them from the registration requirements of Chapter 496.
- Revises the definition of the term "service-disabled veteran" in the Florida Service-Disabled Veteran Business Enterprise Opportunity Act by deleting the service-connected disability constraint of 10% or greater.
- Codifies the Florida Department of Veterans Affairs' current policy that to be eligible for residency in the Veterans' Domiciliary Home of Florida (assisted living) or any of the four Veterans' Nursing Homes of Florida (skilled nursing), a veteran must have been approved as eligible for care and treatment by the U.S. Department of Veterans Affairs; and,
- Revises the eligibility requirements for residency in any of the Veterans' Nursing Homes of Florida to also include veterans with peacetime service, not just those with wartime service.

The bill was reported favorably as a Committee Substitute. The analysis reflects the Committee substitute.

1 A bill to be entitled
 2 An act relating to veterans; amending s. 496.406, F.S.;
 3 exempting certain veterans' organizations from
 4 requirements to file registration statements with the
 5 Department of Agriculture and Consumer Services; amending
 6 s. 295.187, F.S.; revising the definition of the term
 7 "service-disabled veteran" for purposes of the Florida
 8 Service-Disabled Veteran Business Enterprise Opportunity
 9 Act; amending s. 296.06, F.S.; revising eligibility
 10 requirements for residency in the Veterans' Domiciliary
 11 Home of Florida; amending s. 296.36, F.S.; revising
 12 eligibility requirements for admittance into a licensed
 13 health care facility operated by the Department of
 14 Veterans' Affairs; providing an effective date.

15
 16 Be It Enacted by the Legislature of the State of Florida:

17
 18 Section 1. Section 496.406, Florida Statutes, is amended
 19 to read:

20 496.406 Exemption from registration.—The following
 21 charitable organizations and sponsors are exempt from the
 22 requirements of s. 496.405:

23 (1) A person who is soliciting for a named individual,
 24 provided that all the contributions collected without any
 25 deductions whatsoever are turned over to the beneficiary for her
 26 or his use and provided that the person has complied with the
 27 requirements of s. 496.413.

28 (2) A charitable organization or sponsor which limits

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29 solicitation of contributions to the membership of the
 30 charitable organization or sponsor. For the purposes of this
 31 paragraph, the term "membership" does not include those persons
 32 who are granted a membership upon making a contribution as a
 33 result of a solicitation.

34 (3) Any division, department, post, or chapter of a
 35 veterans' service organization granted a federal charter under
 36 Title 36, U.S.C.

37 Section 2. Paragraph (b) of subsection (3) of section
 38 295.187, Florida Statutes, is amended to read:

39 295.187 Florida Service-Disabled Veteran Business
 40 Enterprise Opportunity Act.—

41 (3) DEFINITIONS.—For the purpose of this section, the
 42 term:

43 (b) "Service-disabled veteran" means a veteran who is a
 44 permanent Florida resident with a service-connected disability
 45 ~~of 10 percent or greater~~ as determined by the United States
 46 Department of Veterans Affairs or who has been terminated from
 47 military service by reason of disability by the United States
 48 Department of Defense.

49 Section 3. Subsection (2) of section 296.06, Florida
 50 Statutes, is amended to read:

51 296.06 State policy; eligibility requirements.—

52 (2) To be eligible for residency in the home, a veteran
 53 must:

54 (a) Have wartime service as provided in s. 1.01(14) or
 55 peacetime service as defined in s. ss. 1.01(14) and 296.02.

56 (b) Have been a resident of the state for 1 year

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57 immediately preceding application and be a resident of the state
 58 at the time of application.

59 (c) Not be mentally ill, habitually inebriated, or
 60 addicted to drugs.

61 (d) Not owe money to the department for services rendered
 62 during any previous stay at a department facility.

63 (e) Have applied for all financial assistance reasonably
 64 available through governmental sources.

65 (f) Have been approved as eligible for care and treatment
 66 by the United States Department of Veterans Affairs.

67 Section 4. Subsection (1) of section 296.36, Florida
 68 Statutes, is amended to read:

69 296.36 Eligibility and priority of admittance.—

70 (1) To be eligible for admittance to the home, the person
 71 must be a veteran as provided ~~defined~~ in s. 1.01(14) or have
 72 eligible peacetime service as defined in s. 296.02 and must:

73 (a) Be in need of nursing home care.

74 (b) Have been a resident of the state for 1 year
 75 immediately preceding, and at the time of application for,
 76 admission to the home.

77 (c) Not owe money to the department for services rendered
 78 during any previous stay at a department facility.

79 (d) Have applied for all financial assistance reasonably
 80 available through governmental sources.

81 (e) Have been approved as eligible for care and treatment
 82 by the United States Department of Veterans Affairs.

83 Section 5. This act shall take effect July 1, 2010.