

ASSOCIATED INDUSTRIES OF FLORIDA
**LEGISLATIVE
WEEKLY UPDATE**



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FOR THE WEEK OF APRIL 3RD-7TH, 2000

(Note: New this week... ["Notes From Washington"](#))

HOUSE REPUBLICANS RELEASE HEALTH CARE PLAN

On Thursday, April 6, the House Republican Leadership, (led by Speaker [John Thrasher \(R-Jacksonville\)](#)), unveiled their comprehensive health care reform package, the "[Patient Protection Act of 2000.](#)" This proposal is very close to the Subscribers' Bill of Benefits we presented to the Legislature for consideration at the beginning of session.

AIF will be working very closely with the sponsors, [Rep. Leslie Waters \(R-Largo\)](#) and [Rep. Durell Peaden \(R-Crestview\)](#), and with legislative leaders to try and pass this package, which goes a long way toward making certain that health care is available and affordable to all Floridians.

In the [press release from AIF](#), President & CEO Jon Shebel stated, "In the long run everyone will benefit from "The Patient Protection Act of 2000." The employer will not have to face cost increases as a result of government intervention and employees will be guaranteed high quality health care through employer sponsored health programs."

MEANWHILE, OTHER HEALTH CARE BILLS CONTINUE THROUGH COMMITTEES

The [Senate Committee on Banking and Insurance](#) passed two bills relating to "Prompt Pay" in their April 3rd meeting. One of the proposals, [SB 1508 Health Maintenance Organizations](#) by [Sen. Brown-Waite \(R-Brooksville\)](#), reflects the recommendations made by an Agency for Health Care Administration (AHCA) chaired task force. AHCA Secretary, Ruben King-Shaw, testified in favor of SB 1508 and for its relatively fair approach. This is a reasonable measure, which AIF can support. It streamlines the process for the submission and handling of claims without dismantling the ability to detect fraud and errors in billing.

The other bill, [SB 706 Health Maintenance Organizations](#) by [Sen. Burt Saunders \(R-Naples\)](#) and [Sen. John Laurent \(R-Bartow\)](#), was drafted by the hospitals and doctors as a result of them not obtaining everything they wanted out of the Prompt Pay Task Force recommendations. It destroys the ability of the payer to limit fraud and errors by requiring claims to be paid first and verified later. The high cost of fraud and errors would be passed on to the employers by way of their premiums. Therefore AIF does not support this bill.

Fair Competition Bills Move in House & Senate

Two bills dealing with "Fair Competition", [SB 1290 Solid Waste Management Services](#) filed by [Sen. Jim King \(R-Jacksonville\)](#) and [HB 1425](#) by [Rep. Rudy Garcia \(R-Hialeah\)](#), received unanimous approval in their assigned committees this week. In a re-write of the bill from its original form, local governments are more comfortable with the new language. The following is an outline of the bill as amended:

- Requires local governments who provide solid waste collection services in direct competition with a private solid waste collection company to abide by the same local environmental, health and safety standards that are also applicable to the private company.
- Prohibits local governments from enacting or enforcing any license, permit, registration procedure or associated fee that does not apply to the local government and would give the local government a material advantage in its ability to compete with the private company.

AIF strongly supports this legislation so that private companies can fairly compete with local governments.

Tax Bills Pass the Senate

The Senate passed several tax exemption bills this week that will be favorable to both Florida's businesses and individual citizens. Senators passed [CS/SB 60, Intangible Personal Property](#), by [Sen. Tom Lee \(R-Brandon\)](#) which would continue the efforts of eliminating Florida's intangibles tax. It would cut the intangibles tax Floridians pay on stocks and bonds for the second year in a row.

The bill also provides that the accounts receivable be totally exempt from the tax. Both business and individuals will benefit by having lower taxes due to the reduction in tax rate and the exemption of accounts receivable from the intangible tax. The lower we can get the intangibles tax, the better chance Florida has to attracting new businesses. Getting new companies to come to Florida will of course benefit the entire state economy. That's why this reduction is so important and furthermore, a total repeal of the intangibles tax is being pursued by AIF.

Also this week, the Senate passed [CS/SB 1070, Tax Administration](#), by [Sen. Jim Home \(R-Orange Park\)](#), the Department of Revenue Administration bill, which includes three of AIF's tax glitch issues. AIF's tax glitches consist of the following three issues:

(1) Defining the de-minimis use standard and set the top end limit to 15% so that if it is determined that 15% or less of all fuel consumed to generate energy is produced by the burning of residual fuel, then the full exemption would apply, rather than being pro-rated;

(2) Include the use of bioaugmentation products and specialty chemicals to be exempt from taxation when used in the pollution control process, and;

(3) During the 1999 Session, a law was passed to exempt from sales tax the repair parts and labor for machinery and equipment used in manufacturing. The exemption was provided by using Standard Industrial Codes (SIC) for qualification and SIC code 35 was inadvertently left out. This just adds it back into the current statute as was intended by last year's legislation

The Senate also passed the following tax bills that AIF supports: [SB 388 Tax Exemptions](#) by Senate Fiscal Resources Committee. This bill would allow all 501(c)(3) charitable organizations to automatically qualify for exemption from payment of state and local sales and use taxes. The benefits to taxpayers and the State from exempting all 501 (c)(3) organizations surpass the fiscal costs to the General Revenue Fund in which the Legislature dips into, to assist these organizations to reach 501(c)(3) status. SB 770 & [SB 286 Alcoholic Beverage Surcharge](#) by [Sen. Jack Latvala R-\(Palm Harbor\)](#) and [Sen. Steven Geller \(D-Hallandale\)](#) would reduce the surcharge on alcoholic beverages consumed on the premises of licensed retailers by one-third this year and further would repeal the remaining surcharge by September 1, 2002.

Other Tax Issues

HB 1535 *State Tax Reform Task Force* by [Rep. George Albright \(R-Ocala\)](#) and SB 1332 *State Tax Reform Task Force* by [Sen. Jim Horne \(R-Jacksonville\)](#) passed their respective committee's this week. These bills create the State Tax Reform Task Force. The purpose of this task force is to evaluate the state's tax structure and make recommendations to the Governor and the Legislature on how the state's tax structure can be improved to warrant a constant revenue base that is capable of funding the state's needs.

The task force will consist of 15 members appointed by the Governor, President of the Senate, and the Speaker of the House of Representatives; the task force also includes the Executive Director of the Department of Revenue or his or her designee. The difference between the two bills is that the House bills reduces the number of appointees of the Speaker, President and the Governor to four and adds the Chair of the House Finance & Taxation Committee and the Chair of the Senate Fiscal Resource Committee.

The task force shall consider the tax structure's effectiveness, efficiency and equity, as well as, other state's methods in treating tax issues. In addition, the task force shall provide an analysis of alternative tax sources. AIF will be extremely involved in this task force over the next several years while it reviews Florida's current tax structure and makes recommendations on how Florida's tax base can be improved and broadened.

Budget Talks Continue

The House and Senate both passed their respective budgets this week and will now go to conference to hammer out the differences. On tax issues, the House leaders plan to cut taxes by \$600 million, while the Senate plan calls for only a \$262 million tax cut. These proposals are extremely lower than last years \$1 billion tax cut.

Unemployment Compensation Domestic Violence

[SB 1442 Unemployment Compensation Domestic Violence](#) by [Sen. Richard Mitchell \(D-Jasper\)](#) as originally filed would have paid victims of domestic violence from unemployment compensation funds and the employer's record would have been charged. As previously reported, this is no longer true. Funds are now coming out of the State General Revenue and limited to \$200,000. However, it will be considered good cause when an employee separates from work as a result of the individual being a victim of domestic violence. But, the employer's account will not be charged.

Sen. Richard Mitchell (D-Jasper) worked closely with AIF to insure that the abuser and the abused were not living together prior to being able to collect such funds. There is now a specific prohibition against such cohabitation. AIF felt very strongly that an abuser should not be allowed to live with the abused and benefit from the benefits collected by the abused. This bill passed the [Senate Committee on Commerce and Economic Opportunities](#) on April 4, 2000 by a 7-0 vote. In that there is now no negative impact on the employer's unemployment compensation experience, AIF supports this legislation.

Wage Discrimination Pay Equity Comparable Worth

SB 1090 *Fair Pay Act* by [Sen. Mandy Dawson \(D-Ft. Lauderdale\)](#) creates the "Fair Pay Act" to include any discrimination by an employer against an employee on the basis of sex, race, color, religion, national origin, age, handicap, or marital status by the payment of wages to employees at a rate less than the rate at which an employer pays wages to employees of the opposite sex, of a different race, color, religion, national origin, age or marital status, or without handicap for equal work on jobs which require equal skill, effort and performed under similar working conditions.

Under this bill, an employer with 15 or more employees would be required to:

1. provide each employee a written statement to inform the employee of his or her job title, wage rate, and the manner or method in which the wage was calculated; and
2. preserve and report on records that document the wages paid to employees and that document and support the method, system, calculation, and other bases used to establish, adjust and determine the wage rates paid to the employee.

A violation by an employer of the wage disclosure, record-keeping or reporting requirements gives rise to a cause of action for relief and damages. A complaint could be filed with the Human Relations Commission within 365 days after the alleged violation.

This bill would enable an employee to sue an employer when a salary is not paid based on the value of a position rather than on the person. This state civil law suit against the employer would be in addition to relief provided under Title VII of the Civil Rights Act of 1964, as amended, which prohibits employment discrimination based on race, color, religion, sex, and national origin.

Employees are also allowed to sue employers under The Equal Pay Act of 1963, which is part of the Fair Labor Act of 1938. It prohibits discrimination on the basis of sex in the payment of wages or benefits where men and women perform work of similar skill, effort, and responsibility for the same employer under similar working conditions.

AIF testified that it disapproves of any discrimination at the work place. However, we feel there are sufficient laws on the books to address abuses by employers.

The bill was defeated by a 3-4 vote with Senators. Mandy Dawson, Betty Holzendorf (D-Jacksonville) and George Kirkpatrick (R-Gainesville) voting for the bill and Senators. Alex Diaz de la Portilla (R-Miami), John Grant (R-Tampa), Jim King (R-Jacksonville) and Ron Klein (D-Delray Beach) voting against the bill.

NOTES FROM WASHINGTON.....

*The following information is provided by the National Association of Manufactures (NAM).
For additional information go to <http://www.nam.org>*

PURCHASING DATA SHOWS ECONOMY MODERATING

New Purchasing Managers' data for March shows our economy is growing at a more modest rate. While the manufacturing sector grew for the 14th consecutive month, it's cooling off to a more sustainable pace. Further good news: with Europe likely to grow close to 3 percent this year, the U.S. should see a continued recovery in exports, 62 percent of which are manufactured goods.

MORE EVIDENCE OF MODERATING ECONOMY

Tuesday's Conference Board report that the index of leading indicators declined by 0.3 percent in February is more proof that economic growth is moderating. The effect of Fed rate increases that began last year is now showing up in other indicators, such as building permits, which declined sharply. Clearly the Fed does not need to raise interest rates again in order to achieve a soft landing.

MISC. INFO

- Senate Minority Leader Tom Daschle (D-SD) says every Democrat will oppose any attempt to repeal the 4.3 cent per gallon gas tax hike enacted in 1993. At least 10 Republicans also oppose the change.
- The House Ways and Means Committee plans three days of hearings on fundamental tax reform 4/11-13.
- The House Ways and Means Committee unanimously approved H.R. 4163, a bill to improve taxpayer rights. The panel rejected 21-15 an amendment that would have required certain politically active Sec. 527 organizations to report on their fundraising sources.
- At a 4/5 House Oversight Committee hearing, Chair Pete Hoekstra (R-MI) grilled OSHA on its uncertain home-office policy. He and Rep. Tim Roemer (D-IN) sponsor H.R. 4908, which requires OSHA to use regular rulemaking procedures for home-office policy.

Stay tuned to our daily brief and to our web site at www.fbnet.com as the legislature makes some very important decisions on the state's economy. These decisions will have a major impact on the business community and AIF will be reporting to you everything that happens.

This report was prepared by Curt Leonard, Manager – Governmental Affairs at Associated Industries of Florida (AIF). Please send your comments or suggestions to us at aif@aif.com or call the Governmental Affairs department at (850)224-7173.

- For more information on all of the important legislative information concerning the business community, go to our "members only" Florida Business Network web site at <http://fbnet.com>
- Send us your E-mail address and we will begin to send this report to you automatically via E-mail.