

ASSOCIATED INDUSTRIES OF FLORIDA  
**LEGISLATIVE  
WEEKLY UPDATE**



P.O. Box 784 • Tallahassee, FL 32302 • Phone: (850) 224-7173 • Fax: (850) 224-6532 • Internet: <http://aif.com> • [fbnnet.com](http://fbnnet.com)

**FOR THE WEEK OF APRIL 17th-21th, 2000**

**Health Care Issues Move Slowly this Week**

On Monday, April 17, the House Committee on Health Care Services passed PCB-HCS 00-09 which deals with the manner in which HMOs pay claims submitted by doctors, hospitals, and other health care providers. The language in the House version is now identical to [SB 1508, \*Health Maintenance Organizations\*](#), by [Sen. Ginny Brown-Waite \(R-Brooksville\)](#), the companion measure that received Senate committee approval last week. Last year the legislature created a task force chaired by Ruben King-Shaw, director of the Agency for Health Care Administration, to look into the whole issue of the submission and payment of health insurance claims. Both bills codify the task force's findings. The product adopted by the House committee is a consensus piece of legislation agreed to by all the parties including the doctors, hospitals, and the Agency for Health Care Administration. AIF supports this bill.

The Senate Committee on Banking and Insurance passed [SB 2154, \*Health Care\*](#), by [Sen. Jack Latvala \(R-Palm Harbor\)](#) on Monday, April 17. This legislation contains a civil remedy provision creating new causes of action whereby health plans, and potentially employers, could be sued. AIF is adamantly opposed to this bill because it will do nothing to raise the standard of care but it will limit the availability of affordable health insurance coverage. The leadership of House remains firmly in opposition to it, telling AIF they will not pass or accept any legislation from the Senate containing this type of provision. This bill now moves to the Senate Committee on Health, Aging and Long-Term Care.

The full House voted on Wednesday, April 19, to withdraw HB 2339, *the Patient Protection Act of 2000*, by Reps. Tom Feeney (R-Oviedo), Durell Peaden (R-Crestview), Leslie Waters (R-Largo), and Mike Fasano (R-New Port Richey) from its final committee of reference, (Health and Human Services Appropriations). The action puts HB 2339 on the House calendar for consideration. This procedural vote passed 77 to 36. proposal AIF strongly supports this bill that will promote consumer awareness of subscriber protections while increasing the affordability and availability of health care.

**House Begins to Move on Tax Package**

The House Finance & Taxation Committee passed several tax-exemption bills this week, setting the stage for the passage of meaningful tax reform this year. The Finance & Taxation Committee approved CS/HB 67, *Intangible Personal Property*, by [Rep. Mike Fasano](#). The bill, part of the continuing effort to complete the repeal of Florida's intangibles tax, would (for the second year in a row) reduce the amount of that tax that Floridians pay on stocks and bonds.

The bill also provides for the repeal of the intangibles tax on accounts receivable. Both businesses and individuals will benefit by having lower taxes on their wealth and investments, as well as a normal operating expense such as outstanding invoices. As the intangibles tax decreases, Florida's chances of attracting new businesses increase, which, of course, benefits the entire state economy. That is why AIF continues to pursue the total repeal of the intangibles tax.

The committee also passed F&T-PCB 00-01, *Tax Administration*, the Department of Revenue's administration bill, which includes the following three of AIF's tax glitch proposals:

(1) defining the *de minimis* use standard on the amount of residual oil used in boilers at 15 percent so that if 15 percent or less of the fuel consumed to generate energy is produced by the burning of residual fuel, the full exemption for non-residual fuel would apply

(2) including bioaugmentation products and specialty chemicals in the tax exemption for pollution control processes

(3) correcting the error that left SIC code 35 out of the 1999 bill that exempts from sales tax the repair parts and labor for machinery and equipment used in manufacturing.

Also gaining approval were three other tax bills supported by AIF. [HB 263, Taxation](#), by [Rep. Bob Starks \(R-Casselberry\)](#) would automatically qualify all 501(c)(3) charitable organizations for exemption from payment of state and local sales and use taxes. Exempting all 501 (c)(3) organizations will cost the state less in lost revenue than it currently costs the Legislature to assist these organizations to reach 501(c)(3) status. [HB 695, Alcoholic Beverage Surcharge](#), by [Rep. Dave Bitner \(R-Port Charlotte\)](#) and [HB 1165, Alcoholic Beverage Surcharge Exemption](#), by [Rep. Rick Minton \(D-Ft. Pierce\)](#) would reduce the surcharge on alcoholic beverages consumed on the premises of licensed retailers by one-third this year, with a total repeal of the remaining surcharge by September 1, 2002.

The committee passed two other bill that AIF is monitoring: [HB 819, Motor Vehicle Emissions Inspection](#), by [Rep. Jim Fuller \(R-Jacksonville\)](#) and [HB 473 Motor Vehicle Emission Testing](#), [Rep. Curt Levine \(D-Boca Raton\)](#). AIF wants to make certain that the elimination of the emissions testing of automobiles in certain areas will not cause the assessment of additional pollution control requirements or standards on industry.

The [House Finance & Taxation Committee](#) is planning one more meeting next week to vote on and pass any other legislation that might be included in this year's tax reform package. AIF has been meeting with leaders of the House and Senate to urge them to include tax relief for Florida's manufacturers, which will help create more high paying jobs for Florida's citizens. The business community must continue its call for reform of our current tax system by creating exemptions that will remove tariffs on manufacturing inputs, thus encouraging business expansion and capital formation.

Right now the House's tax cut plan stands at about \$600 million while Senate wants cuts of only \$262 million. When the negotiations are completed, the final amount will be somewhere in the middle. All business people should contact their Senators and Representatives to urge that tax cuts come closer to the House plan.

### **Unemployment Compensation Alternative Base Rate Stalls in House**

[HB 617, \*Unemployment Compensation Base Rate\*](#), by [Rep. Willie Logan \(D-Opa Locka\)](#) received a tie vote this week in the House Transportation & Economic Development Appropriations Committee. A motion to reconsider the bill, however, left the matter pending, which means it may be brought back to the committee for further action.

The bill would expand qualify for unemployment compensation benefits. AIF is strongly opposed to this legislation. The Unemployment Compensation Trust Fund is not actuarially sound and any effort to expand demands on the fund will only worsen the situation. In an economic downturn, when money is already tight, the business community will not be able to afford a requisite rate increase to replenish the fund. AIF will continue to lobby against this legislation during the final two weeks of the session.

### **Workers' Compensation Issues Stall, But Compromise Reached**

This week both the House and Senate temporary passed [SB 2532 \*Workers' Compensation Net Premiums\*](#) by [Sen. Pat Thomas \(D-Tallahassee\)](#) and PCB INS 00-04 *Workers' Compensation* by the House Committee on Insurance. This legislation attempts to correct the funding mechanism for the Division of Workers' Compensation. The problem occurred when large employers purchased large deductible policies to cover their workers' compensation exposure and when carriers deducted ceded premiums for reinsurance from the definition of net written premium.

AIF has been in negotiations with the Governor's Office and the Division of Workers Compensation on this issue all week and has now reached a compromise. ([A detailed summary of this compromise is available](#)) This compromise will be taken up on Monday, April 24<sup>th</sup> in the Senate Banking and Insurance Committee and the House Insurance Committee. Please call you legislators and ask them to support this compromise.

This compromise could not have been accomplished without the support of Senators Pat Thomas and Jim Scott (R-Ft. Lauderdale), Rep.s Tom Feeney (R-Oviedo), Johnnie Byrd (R-Plant City), Jerry Melvin (R-Ft. Walton Beach), Doug Wiles (D-St. Augustine), John Cosgrove (D-Miami) and Art Argenio (R-Stuart).

### **Other Issues AIF Supports**

The Senate Committee on Fiscal Resources voted in favor of CS/SB 436, *Recovered Materials Dealers*, by [Sen. Jim Hargrett \(D-Tampa\)](#). This bill clarifies legislative intent and prohibits local governments from charging franchise fees to recovered material dealers. Under this bill, the local government could not charge more than the cost of administration of a registration fee for a recovered material dealer. This bill is now available for the Senate calendar.

The Senate Committee on Governmental Oversight and Productivity gave an unanimous vote in favor of [CS/SB 1290, \*Solid Waste Management Services\*](#), by [Sen. Jim King \(R-Jacksonville\)](#). This bill will keep local governments from unfairly competing against private companies that provide solid waste collection services. It addresses displacement, annexation, and incorporation situations as well.

A strike-everything amendment added language to the bill. At the request of the Department of Environmental Protection, language was added to change the terminology used to describe action taken to close a hazardous waste storage, treatment, or disposal facility. It replaced the current "closure permit" with either a "post-closure permit" or a "clean closure plan." Each new option provides the same level of protection as the current closure permit, while giving additional flexibility to the regulated entity. Additionally, by better aligning the terminology used by Florida's hazardous waste regulatory program with the terminology of the federal hazardous waste program, the amendment will enhance the department's flexibility in implementing the delegated program. Also, language was added that allows local governments, at their discretion, to grant a solid-waste fee waiver to non-profit organizations that are engaged in the collection of donated goods for charitable purposes and that have a recycling or reuse rate of 50 percent or better. This bill is now available for the Senate calendar.

The House Committee on Health and Human Services Appropriations approved [CS/HB 433, \*Pharmacist Licensure by Endorsement\*](#), by [Rep. Adam Putnam \(R-Lakeland\)](#). There is currently a shortage of pharmacists in the state of Florida. The situation is so severe that drug stores cannot plan to open new facilities until they find qualified people. This is especially difficult for pharmacies that would like operate 24-hour facilities but cannot do so because they lack the qualified manpower.

This bill would allow a pharmacist who is licensed in another state become a pharmacist in Florida without having to take the national licensure examination at the time of application. This is called "licensure by endorsement" and is currently applicable in 48 states; only Florida and California do not allow licensure by

endorsement. A pharmacist in another state wishing to come to Florida to work must submit proof of the "active licensed practice of pharmacy" in two of the immediately preceding five years, or evidence of successful completion of either board-approved postgraduate training or a board-approved clinical competency examination within the year preceding application. The bill prohibits the Department of Health from issuing a license to any applicant who is being investigated for acts that would violate regulations applicable to Florida-licensed pharmacists until the investigation is complete, or to any pharmacist whose license has been suspended or revoked in another state, or to any applicant whose license to practice pharmacy is currently the subject of any disciplinary proceeding. CS/HB 433 is now ready for the House calendar. The bill is supported by the business community and the Board of Pharmacy

Stay tuned to our daily brief and to our web site at [www.fbnet.com](http://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](mailto: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.