


ASSOCIATED INDUSTRIES OF FLORIDA

LEGISLATIVE DAILY BRIEF



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

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As usual, many issues remain to be resolved in the final day of the legislative session.

Workers Compensation

Under the expert direction of Sen. Jack Latvala (R-Palm Harbor), the Senate approved an effective workers compensation bill to simultaneously increase benefits to injured workers and reduce costs to employers. Senate Majority Leader, Jim King (R-Jacksonville) also assisted on the floor. Sen. Walter "Skip" Campbell (D-Tamarac) offered a series of good amendments to establish a higher burden of proof for claims of occupational disease and repetitive stress injuries. The Senate substituted the House bill, HB 1927, for its SB 1188 and amended the Senate measure onto it in preparation for a final vote Friday. The Senate rejected an amendment, vigorously advocated by Sen. Ron Silver (D-Miami), to remove from the bill limits on hourly attorneys' fees after Sen. Latvala pointed out the nauseating abuses in the present system. In answer to amendments by Sen. Betty Holzendorf (D-Jacksonville) to continue the current construction industry exemptions, Sen. Latvala amended the bill to reduce the number of corporate officers subject to the exemption from three to two on Jan. 1, 2002, and end all exemptions by Jan. 1, 2004. The amendment by Latvala also places more stringent documentation requirements on employers who wish to qualify for the exemptions.

As mentioned above, the bill will roll over to third reading tomorrow for final consideration by the Senate. The bill will then be sent to the House, which can either pass the bill as is and send it to the Governor, or amend it further and send it back to the Senate while the clock on this year's session quietly winds down.

Capitol watchers and pundits predicted that no workers' compensation reform legislation would get out of the committee hearing process this year, let alone move to the floor for final consideration on the last day. What people did not anticipate was the commitment and tenacity of a few legislators in both chambers and the willingness to press ahead by the House and Senate leadership. The facility with which Sen. Latvala and Rep. Dennis Ross have handled the varied and complex issues related to workers' compensation on the floor, with dozens of amendments under consideration bouncing from one section of the law to the next has been genuinely impressive. At the end of the day tomorrow, we are confident that the leadership in both chambers, Senators Latvala and King and Reps. Dennis Ross (R-Lakeland), Leslie Waters (R-Largo) and J. D. Alexander (R-Winter Haven) will agree on a bill that: limits attorneys' fees; limits the fraud and abuse of the construction exemptions; speeds the administrative and hearing process; tightens the qualifications for permanent & total disability and increases benefits to injured workers.

The Senate earlier approved 39-0 CS/HB 1803, the non-controversial changes to speed administration of the workers compensation process. Also pending for a final vote Friday is CS/CS/SB 2224 to transfer the Division of Workers Compensation to the Department of

Insurance and the judges of compensation claims to the Division of Administrative Hearings. Then all three bills will go to conference, formal or informal, for resolution of the House and Senate differences.

Education Governance

The Senate passed 28-12 CS/CS/SB 2108 by the Education Committee and Sen. Ken Pruitt (R-Port St. Lucie) to establish a seamless governance system for education from kindergarten through graduate school under an appointed Florida Board of Education as required by the 1998 constitutional revision. The House bill, HB 1533 by the Council for Lifelong Learning and Rep. Evelyn Lynn (R-Ormond Beach) is pending on the House calendar. Differences in the bills are not major.

AIF supports these efforts to implement reform of our education system. Florida's employers need high quality, trained, and equipped people. These reforms are an important first step in improving the quality of potential employees for the business community and they brighten the future for all of Florida's citizens.

Tax Cuts

The Senate and House continued efforts to implement the details of their previously agreed upon \$170 million in tax cuts for the 2001-02 fiscal year. The Senate amended HB 21 by Rep. Mike Fasano (R-New Port Richey) to reduce intangibles tax by raising the exemptions from \$20,000 to \$250,000 for individuals and \$40,000 to \$500,000 for married couples and add a \$250,000 exemption for corporations. The House would version would cut the rate from 1 to .75 mil. The Senate also amended HB 251 by Rep. Beverly Kilmer (R-Marianna) to give a *nine-day sales tax holiday*, July 28-Aug. 5, for clothing costing less than \$50 and school supplies costing less than \$10. The House would give a six-day holiday, Aug. 1-6, on clothing costing less than \$100. Obviously, these details will have to get hashed out tomorrow.

AIF salutes the House and Senate leadership for further chipping away at the intangibles tax – a relic of the Depression Era that is punitive, inhibits the movement of capital, penalizes saving and investment, is double if not triple taxation and provides an enormous disincentive for corporate officers to relocate their companies to Florida.

Court Reform

The Senate amended the Judicial Nominating Commission bill, CS/CS/SB 1470 by Sen. Anna Cowin (R-Leesburg), on her recommendation. The amended version provides the following: Each judicial nominating commission shall be composed of the following members: Four members of the Florida Bar, appointed by the Governor, who are engaged in the practice of law, each of whom is a resident of the territorial jurisdiction served by the commission to which the member is appointed. The Board of Governors of the Florida Bar shall submit to the Governor three recommended nominees for each position. The Governor shall select the appointee from the list of nominees recommended for that position, but the Governor may reject all of the nominees recommended for a position and request that the Board of Governors submit a new list of three different recommended nominees for that position who have not been previously recommended by the Board of Governors. Five members appointed directly by the Governor, each of whom is a resident of the territorial jurisdiction served by the commission to which the member is appointed, of which at least two are members of the Florida Bar engaged in the

practice of law. A justice or judge may not be a member of a judicial nominating commission. A member of a judicial nominating commission may hold public office other than judicial office. A member of a judicial nominating commission is not eligible for appointment, during his or her term of office and for a period of 2 years thereafter, to any state judicial office for which that commission has the authority to make nominations. All acts of a judicial nominating commission must be made with a concurrence of a majority of its members.

The bill's Rubik's Cube judicial nominating process is a little confusing. Suffice to say, this is a dramatically weakened version of the original bill and obviously weaker than the House version. The House bill, CS/HB 367 by Rep. Fred Brummer (R-Apopka) would give the governor a free hand on all nine appointments. The House plan is linear, simple and provides the unquestioned accountability of an elected official, the governor. As we have said before, the Florida Bar is not some neutral public policy think tank high on a hill thinking of ways to improve or lives. It is a special interest with a political agenda and particular opinions about the law and legal policy that can be and often is at odds with the popular will of the people. That is how we have a court system that is so utterly out of touch with the common man and seemingly at odds with the most fundamental values of free enterprise and fair play. We support the House plan, which, it is worth remembering, is largely how the judicial selection process is administered by the Presidency and our federal courts.

Service First

The House passed its version of Gov. Jeb Bush's Service First plan, by taking the Senate bill, CS/SB 466 by Sen. Rudy Garcia (R-Miami) and amending its own version onto the bill. The bill has now returned to the Senate for further consideration. Conferees from both chambers have been named to sort out the differences between the two bills. The House plan is much more faithful to the Governor's original blueprint, recognizing the hundreds, if not thousands of hours the Governor and his staff devoted to researching, soliciting input from state employees, and examining dozens and dozens of options before presenting its proposal to the legislature earlier this year.

Reforming the state employment system has been kicked around for 15 years in the legislature, but no serious action has ever been contemplated until Governor Bush took the initiative. Under withering fire from the state employees' union and an unsympathetic local press, Governor Bush has persisted with a plan that, in the end, we believe will breathe new life into a sagging civil service system that does not reward performance, suffocates initiative and simply drives away our brightest lights.

AIF supports the Governor's Service First plan as it is largely written and embraced by the House bill. Not only does it hold the prospect of treating our civil service employees better; it promotes efficiency and accountability within the civil service system. Florida's employers, who interact with the state every day, would benefit tremendously from a motivated, lean and highly professional state employee force. In addition, the savings realized to the state in state employee reductions and added efficiency would save employer's tens, even hundreds of millions of tax dollars in the long term.

Stay tuned to our daily brief and to our web site at www.fbnnet.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://fbnnet.com>
- Send us your E-mail address and we will begin to send this report to you automatically via E-mail.