

ASSOCIATED INDUSTRIES OF FLORIDA
**LEGISLATIVE
DAILY BRIEF**



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BREAKING NEWS

With only two days remaining in the session it is now clear that workers' compensation and medical malpractice reform legislation will not be enacted at this time. Governor Jeb Bush is meeting tomorrow (Thursday) morning with Senate President Jim King (R-Jacksonville) and House Speaker Johnnie Byrd (R-Plant City) to discuss the timing of a special session. We anticipate that the special session will commence as early as next Wednesday. It is almost certain that workers' compensation and medical malpractice, along with the budget, will be included as special session issues.

AUTOMOBILE INSURANCE: PIP REFORM

CS/SB 1202, by Senator JD Alexander (R-Winter Haven), relating to Florida's no-fault motor vehicle insurance law, was debated on the Senate floor today. CS/SB 1202 will reduce the cost of insurance premiums while establishing stronger provisions against fraud and abuse. Several amendments passed, some were withdrawn, and a few were left pending. One amendment was passed that removed a key provision establishing a fee schedule of 200 percent of Medicare reimbursement of doctor services, thereby gutting the bill. The bill awaits action on the pending amendments and a third reading.

The House companion, HB 1819, sponsored by the House Insurance Committee and Representative Kim Berfield (R-Clearwater), was read a second time today. Amendments were introduced from the floor but failed to be adopted. The bill was ordered engrossed. This is a weaker bill than what the Senate took up today. One provision of this House bill, will sunset no fault insurance in two years. By incorporating this provision into the bill, the House feels that it will provide an incentive to resolve the no-fault issue within the next year.

In the early evening Senate President Jim King announced that a compromise has been reached on PIP reform. The Senate will vote on the new compromise tomorrow (Thursday) morning.

AIF favors reform of Florida's automobile insurance law to return stability to the no-fault insurance market by reducing unnecessary litigation over medical and lost-wage benefits.

SMOKE-FREE WORKPLACE

As originally written, SB 742, sponsored by Senator Alex Diaz de la Portilla (R-Miami), the Senate Appropriations Subcommittee on General Government and the Senate Regulated Industries Committee, would have allowed smoking in free-standing bars that receive no more than 30 percent of their business from the sale of food. Smoking would be banned in all restaurants, lobbies of hotels, and in airports. The House companion, HB 1757, sponsored by the House Business Regulation Committee and Representative Manuel Prieguez (R-Miami), would require businesses to develop and implement no-smoking policies, which may include procedures to take when a customer violates the no-smoking law and must include a prohibition on employee smoking in the workplace. The House bill differed from the approach being taken by the Senate, which most notably allowed smoking in stand-alone bars, and even bars that sell some food.

On April 1, the House passed HB 1757 with a 93 to 23 vote. The bill was immediately certified.

Today, the Senate read CS/CS/SB 742 a second time. After discussion and adoption of a few amendments, the bill was laid on the table and substituted with the House bill, HB 1757. As amended, HB 1757 would prohibit smoking in enclosed indoor workplaces, public places, and other designated public areas. Smoking would be allowed in private residences; retail tobacco shops; designated smoking guest rooms in hotels; stand-alone bars with less than 12 percent of gross revenue from the sale of food; smoking cessation programs; medical or scientific research; and certain entertainment industry projects.

Although the constitutional amendment leaves little room for doubt as to the ultimate impact on most all workplaces in this state, AIF supports legislation that clarifies the legal obligation of employers to comply with the constitutional mandate.

CONSTITUTIONAL AMENDMENTS

Today, CS/CS/SB 1172, sponsored by Senator Anna Cowin (R-Leesburg), was read a third time. After debate concluded, the bill was defeated with 17 yeas and 21 nays. This bill would have restricted any proposed amendment or revision to the state constitution from being placed on the ballot unless the Florida Supreme Court determined that it met the stipulated criteria. The majority opposed this bill because they believe that the constitution belongs to the people of Florida who have the right to propose amendments. This bill would have made it harder for citizens to amend the constitution. Also, there was concern that the bill would have vested too much discretion in the Florida Supreme Court to approve or reject proposed constitutional amendments

AIF supports measures that strengthen the integrity of the constitutional amendment process, provided that the people retain the ultimate right to alter or revise the state constitution in accordance with fundamental precepts of democratic rule.

TAXATION

Today, SB 1776, co-sponsored by the Senate Appropriations Committee, the Senate Finance & Taxation Committee, and Senator Evelyn Lynn (R-Ormond Beach) was read a third time and passed on a 40 to 0 vote. This is the streamlined sales-and-use tax bill, which is an effort created by several state governments, with input from municipalities and the private sector, to simplify and modernize sales-and-use tax collection and administration. It pertains mainly to Internet sales and other "remote sellers" of goods to retail purchasers in Florida. This bill is unlikely to achieve final passage, however, since the House chamber does not have a similar bill, nor have the members heard this proposed legislation.

AIF believes that the State of Florida could equalize the treatment of all retail vendors regarding the assessment and collection of state sales tax if a uniform national collection system is developed. Furthermore, the state treasury would benefit since the use tax, currently levied but not collected on catalog and Internet sales, would be remitted to the state treasury.

HB 1839, sponsored by the House Finance and Tax Committee and Representative Randy Johnson (R-Winter Garden), passed the House on April 25 on a 113 to 0 vote. This bill updates the Florida Income Tax Code to reflect 2002 changes to the U.S. Internal Revenue Code. The Senate companion, SB 1002, by Senator Walter Campbell (D-Tamarac), was on the special order calendar for today. The Senate laid its bill on the table and substituted it with HB 1839. After the bill was read a second and third time, it passed 40 to 0.

AIF supports “piggybacking” of state income tax laws on the Federal IRS Code, as it simplifies compliance costs for corporations doing business in Florida.

There were two bills before the legislature relating to tax exemptions for fuels purchased by utilities: HB 329, sponsored by Representative Ken Littlefield (R-Zephyrhills); and SB 1430 by J.D. Alexander (R-Winter Haven). The Senate passed SB 1430 on a 37 to 0 vote on April 16. Today, the House read HB 329, laid it on the table and substituted it with SB 1430. After being read a second then third time the House passed SB 1430 with a 113 to 0 vote. The bill returned to the Senate floor where it was ordered enrolled. This bill provides an exemption from gross receipts tax for the sale of manufactured gas to a public or private utility for use in the generation of electricity and an exemption from the public service tax.

AIF supports legislation that removes taxes on manufacturing processes, which act as tariffs and diminish the competitive ability of Florida made goods.

PRIVATE PROPERTY RIGHTS

HB 113, sponsored by Representative Jeff Kottkamp (R-Cape Coral), and SB 1164, by Senator Ken Pruitt (R-Port St. Lucie), relate to the Bert J. Harris Private Property Rights Protection Act (Harris Act). This bill corrects a circuit court decision that undermined the original intent of the law dealing with certain issues relating to the statute of limitations and sovereign immunity. On April 23, CS/SB 1164 passed the Senate on a 35 to 2 vote. Today, HB 113 was heard on the House special order calendar where it was laid on the table and substituted with CS/SB 1164. The bill was read a second time with a few amendments being adopted. The bill awaits a third reading.

AIF supports legislation that protects private property rights. The Harris Act provides an avenue for a property owner to take against government overreaching on property rights. This legislation is necessary to ensure that the Harris Act continues to work to protect Florida citizens and businesses from government over-regulation.

EDUCATION

On April 23, the Senate passed SB 2242, sponsored by Senator Daniel Webster (R-Winter Garden) on a 35 to 2 vote. This bill would ensure greater accountability for existing and future charter schools. The House companion, HB 1279, by Representative Dennis Baxley (R-Ocala), was on the House special order calendar today. This House bill was laid on the table and substituted with the Senate bill. The House read SB 2242 a second time then adopted an amendment. The bill awaits a third reading.

AIF supports the expansion and development of charter schools in Florida. Charter schools are a cost-efficient and educationally effective way to improve the quality of education in the state.

HOMELAND DEFENSE

The bill establishing the Secure Airports for Florida's Economy (SAFE) Council, HB 1833, co-sponsored by the House Transportation Committee and Representative David Russell (R-Spring Hill), was read a third time and passed on a 118 to 0 vote. The Senate companion, SB 2578, by Senator Jim Sebesta (R-St. Petersburg), is on the special order calendar for Thursday, May 1.

AIF supports legislation to promote homeland security in the State of Florida.

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.