

ASSOCIATED INDUSTRIES OF FLORIDA
**LEGISLATIVE
DAILY BRIEF**



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APRIL 20, 2004

SUBSTITUTE COMMUNICATIONS TAX

Today the Senate Committee on Finance & Tax adopted an amendment offered by Senator Bill Posey (R-Rockledge) which substantially changed the nature of SB 2302's original language. Before being amended, the bill would have repealed a sales tax on substitute communication systems that could cost businesses millions of dollars in Florida. According to Florida Statutes, a *substitute communications system* is a stand alone system providing its own exclusive communications service rather than having those services provided through a third party communications service dealer. Examples include: two-way radios, two or more computers networked together in an office or household environment, an intercom system, and PDAs if administered through a company rather than a third party service provider.

The bill is now titled the "Florida Substitute Communication Relief Act" and suspends the collection of the substitute communications tax until December 31, 2005. The bill was also expanded to create the Florida Communications Policy Task Force which will be housed within the Public Service Commission for administrative purposes. This task force will have nine members, equally appointed by the Governor, the Senate President and the House Speaker. The qualification for the appointees is "any non-legislative member shall possess expertise in state or national telecommunications policy, taxation, law or technology." However a person who works directly for or who performs contract work for a telecommunications company or any entity or agency that has appeared before the Commission on a docketed telecommunications matter in the past two years may not be appointed. The task force shall hold its organizational meeting by July 15, 2004 and will be dissolved by June 30, 2005.

Now, instead of just looking at the substitute communications tax, the task force will review and evaluate existing national and state regulatory and tax policies relating to the communications industry and make recommendations to the legislature on other areas such as the impact of the Tele-Competition and Innovation Act of 2003 along with Lifeline Assistance. The task force will also look at the impact on competition by emerging technologies including Voice Over Internet Protocol (VOIP), wireless and any other developing technology that provides similar end-to-end communications service. Their report is due to the Governor, Senate President and House Speaker by January 15, 2005.

AIF supports legislation to repeal this "new" tax which would harm the ability of businesses in Florida to compete. AIF will keep looking at other options and amendments to permanently do away with this unnecessary tax.

CIVIL JUSTICE

The Senate Committee on Banking and Insurance passed SB 2092 relating to the Financial Protection for Elderly Act by Senator Alex Villalobos (R-Miami). This bill would create a civil cause of action against banks, insurers and other financial institutions for so called financial exploitation of any person over 60 years old. Punitive damages would be capped at \$1 million and half of this award shall be deposited into the Elder Victims Trust Fund.

Linked to SB 2092 is SB 2090, also by Senator Villalobos, which creates the Elder Victims Trust Fund within the Department of Elder Affairs to be used to investigate, prosecute and educate against financial exploitation of elderly persons. Both bills passed the committee uncontested and will be heard next by the Senate Appropriations Subcommittee on Criminal Justice. Its House companion, HB 1287 by Representative Marco Rubio (R-Miami) was temporarily postponed last week at the request of the sponsor thereby killing the proposal in the House.

AIF is always in favor of providing the maximum protection by law for Florida's elderly population, however, AIF opposes this legislation at this time because of its overly broad language which encourages speculative lawsuits against financial institutions that do business with the elderly.

HEALTH CARE

The Senate Appropriations Committee passed SB 2910 by Senator Durell Peaden (R-Crestview). This is the health insurance package which came about as a result of the Governor's Task Force on Access to Affordable Health Insurance and the House Select Committee on Affordable Health Care hearings that were held across the state earlier this year. During the meeting the Committee passed a series of amendments to conform it to the House bill, HB 1629 by Representative Frank Farkas (R-St. Petersburg). The bill addresses a number of health care issues and expands the Patients Bill of Rights to: provide access to health care facility data including charge estimates, creating the Florida Health Insurance Plan (a high risk pool for uninsurable medical risks), expanding Health Flex Programs statewide, and addressing issues of patient safety.

SB 2910 will be heard next on the Senate floor. The House bill is currently scheduled for floor action as well.

AIF supports legislation that allows employers to provide or expand access to high-quality, affordable health benefits for their employees without additional government intrusion or expensive mandates. Programs such as Health Flex provide a way to address the health care needs of Florida's working poor.

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.