

ASSOCIATED INDUSTRIES OF FLORIDA
**LEGISLATIVE
DAILY BRIEF**



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The 2004 legislative session came to an official close today. This year, legislators were able to conclude within the allotted 60-day period just in time for the beginning of long, political campaign season. The day began with emotional farewell speeches from those members term-limited out or choosing to leave public service and ended with prolonged debate on the budget, especially over school district funding.

Today we will be bringing you details of what happened in both chambers on the final day of session. We will be providing a complete wrap-up next week with a comprehensive look at the final status of the major business bills AIF has been tracking this session.

TAXATION

The Senate took up SB 244/1566 by Senator Anna Cowin (R-Leesburg) and adopted two conforming amendments before substituting it for HB 237 (Florida Sales Tax Relief Act); its House companion bill. While the Senate was not convinced of the effectiveness of this bill, they were compelled to pass it as its cost was already tied into the budget bill and so voting it down may have delayed passage of the budget.

The bill specifies a period of time during which sales of clothing and school supplies, under \$50 dollars are exempt from sales tax. Additionally, it provides an eight-cent decrease in the price of gasoline sales for the month of August.

AIF strongly supports increasing business activity by allowing Floridians to purchase certain clothing, accessories, and school supplies without having to pay sales tax.

WORKERS' COMPENSATION

Today both the Senate and the House unanimously passed HB 1251 relating to the Workers' Compensation Joint Underwriting Association (WCJUA) by Representative Kim Berfield (R-Clearwater). The bill's intent is to create solutions to the potential deficits in Subplan D of the WCJUA. This bill is now on its way to Governor's desk.

AIF supports the proposals in this legislation which addresses solutions to the deficit in Subplan D of the WCJUA.

Also today, the Senate and the House unanimously passed SB 1926 relating to Workers' Compensation Rate Reform by Senator Jeff Atwater (R-North Palm Beach). This bill is the work product of the Joint Select Committee on Workers' Compensation Rate Reform which was chaired by Senator Atwater and met during the interim, prior to session.

This bill will allow the Office of Insurance Regulation (OIR) greater flexibility when approving rate deviations by insurers. This should make coverage available to more employers by private workers' compensation carriers. It also provides incentives for carriers to write coverage for policyholders in the Joint Underwriting Association (JUA or more commonly referred as an "insurer of last resort") so that those employers have additional options for coverage in the voluntary market. The bill also requires the OIR to submit an annual report to the legislature evaluating competition in the workers' compensation market in Florida. SB 1926 is now on its way to the Governor to be signed into law.

AIF supports legislation that increases flexibility in rate making and expands access to workers' compensation coverage.

The House passed HB 1999 relating to Workers' Compensation for First Responders by Representative Sandy Adams (R-Oviedo) by a vote of 114-4. Representatives Dennis Ross (R-Lakeland), Don Brown (R-DeFuniak Springs), Fred Brummer (R-Apopka) and Baxter Troutman (R-Winter Haven) voted against the bill. The bill provides several issues in which any first responders would be provided preferential treatment in the handling of their workers' compensation claims. First responders is defined in the bill as any law enforcement officer, firefighter or EMT/paramedic defined in statute or any volunteer firefighter engaged by a city or county.

The bill was not heard in the Senate as it did not have a Senate companion, was never heard in any Senate committee, and has a fiscal impact that was never considered by an appropriations committee. Senate President Jim King (R-Jacksonville) was very firm today in telling the senators that no House bills in such a posture would be considered by the Senate as these procedural restrictions would not be relaxed for any purpose.

AIF respects the fine work of our first responders, but is opposed to any legislation that increases costs to the workers' compensation system and provides a mechanism to thwart the reforms enacted last year.

CONSTITUTIONAL AMENDMENT REFORM

In our April, 23rd Weekly Session Update we reported that the House of Representatives had substituted their constitutional amendment reform package with the Senate's version with the intention of debating and voting on them during session this week. Below is an update on the fate of these proposals. Only one of the four amendment reforms was passed this session.

Senate Joint Resolution 2392 would amend Article XI, Section 5, and create Article XII, Section 26, of the Florida Constitution, to increase the vote necessary for passage from the current 50% + 1 to 60% of those voting on the proposed amendment. **SJR 2392 died on calendar.**

Senate Joint Resolution 2394 would substantially amend Article IV, Section 10, and Article XI, Section 5, of the Florida Constitution. Any proposed amendment by citizen initiative must be submitted to the Secretary of State by February 1st in the year that the amendment would be voted upon in the November general election. **SJR 2394 was passed today and is on the way to the Governor to be signed into law.**

SJR 2396 would substantially amend Article XI, Section 3, of the Florida Constitution to limit the scope of constitutional amendments and revisions that can be placed on the ballot by citizen initiative to include only those proposed measures that: alter, amend or repeal an existing article or amendment to the Constitution; address the fundamental right of a citizen of Florida; and seek to create, implement or otherwise change the basic structure of state government, as determined by the Florida Supreme Court. **SJR 2396 died on calendar**

SJR 2890 would require that any amendment or revision proposed by any manner to the state Constitution, which imposes a cost on state government greater than an amount greater than \$10 million, must impose and identify a new tax or user fee to sufficiently fund the amendment or revision. Because the amendments would be forced to identify a new tax or user fee they would require a ratification threshold of at least two-thirds of those voting in the election. **SJR 2890 died on calendar.**

Along with these four resolutions were four linked bills (SB 2398, 2400, 2402, and 2898) which would implement an August 31st special election date for voting on these constitutional amendments. **All four of these bills died on calendar.**

AIF supports politically viable initiative reforms aimed at facilitating a more responsible process and at protecting the sanctity and supremacy of the state's Constitution.

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.