

ASSOCIATED INDUSTRIES OF FLORIDA
**LEGISLATIVE
WEEKLY UPDATE**



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**SPECIAL SESSION 'B'
FROM THE WEEK OF DECEMBER 5 – 8, 2005**

AIF closely followed and reported on the following bills during Special Session “B”:

SB 18B FLORIDA MINIMUM WAGE ACT

On November 2, 2004 voters in Florida approved a Constitutional amendment creating a state minimum wage. The wage was set at \$6.15 an hour and is subject to annual adjustments indexed to the Consumer Price Index (CPI). SB 18B by Sen. JD Alexander (R-Lake Wales) incorporates provisions from the amendment and essentially puts them into statute.

The bill also includes some provisions which were not spelled out in the original ballot language:

- It codifies the use of the U.S. CPI for the South Region as the applicable index for determining the annual adjustments.
- It requires employees to notify employers and give them 15 days to resolve any claims for unpaid minimum wages before filing suit.
- It limits damages to those specified in the amendment.
- It provides guidelines for notice (posters, letters) to employers so that the wage is clearly displayed at job sites.

An almost identical bill was filed during the 2005 session and was passed by the House of Representatives so legislators were familiar with the provisions of the bill. Of particular importance to the business community is the bill’s 15 day right-to-cure provision which gives employers enough time to settle an employee’s claim that money is owed to them. Under the Constitutional amendment’s original ballot language employees could technically sue employers immediately after a wage dispute.

There is one outstanding issue which is the creation of a “state poster” similar to the Federal minimum wage posters currently found in all places of employment. Sen. Alexander indicated that this is an issue that may be revisited during the 2006 regular session.

AIF supports efforts to put into statute the provisions of Florida’s Minimum Wage amendment. Although the jury is still out on the effects of raising Florida’s minimum wage on the business environment of our state, it is important to implement certain safe guards like the 15 day right-to-cure provision for the protection of both employers and employees.

Effective Date: Upon becoming law.
Senate Vote: 39-0
House Vote: 117-2

HB 15B AD VALOREM PROPERTY TAXES

Currently, property taxes on a person's home or business are due and payable in November and are delinquent on April 1 of the following year. Discounts are available to taxpayers for early payments. HB 15B by Rep. Adam Hasner (R-Delray Beach) would allow a county, that was declared a major disaster area by a named storm in 2005, to extend the time in which property tax payment made by property owner qualifies for early-payment discount. The bill establishes the following discount provisions:

- Four percent for taxes paid by 1/31/06
- Three percent for taxes paid by 2/28/06
- Two percent for taxes paid by 3/31/06

Local governments and municipalities still have the final say on whether to enact this type of discount. Emergency ordinances would have to be voted on before this policy could take effect. Businesses in cities affected by the 2005 storms can benefit from this bill tremendously by paying less (if paying early) in property taxes.

AIF supports giving businesses the opportunity to pay less in property taxes if they suffered through one of Florida's recent hurricanes. HB 15B provides some breathing room for businesses to get back on their feet.

Effective Date: Upon becoming law.
Senate Vote: 39-0
House Vote: 119-0

HB 3B MEDICAID REFORM

HB 3B by Rep. Holly Benson (R-Pensacola) picks up where last session's SB 838 left off. SB 838 was passed during the 2005 session and became Florida's new Medicaid Reform Plan. The language in SB 838 required the legislature to pass an additional implementing bill before Agency for Healthcare Administration (AHCA) can implement the changes to Medicaid approved by the Federal government. HB 3B is now that implementing bill

HB 3B did not pass unanimously, quite the contrary, there was much debate by members of both chambers and when the final votes were tallied, you could see the division among party lines. This reform plan, which will begin next July in Broward and Duval counties, puts the state on a five-year course to enroll nearly all of its Medicaid recipients into HMO-like managed-care companies.

These companies will have an unprecedented say in defining benefits that the government now controls. The two groups that will be enrolled first are the TANF (Temporary Assistance for Needy Families) and SSI (Supplementary Security Income) populations.

In both Broward and Duval counties there are approximately 191,000 people that have become eligible for this new program. Within this new Medicaid plan there is a provision where participants may choose to “opt-out” and go with an employer sponsored health plan rather than a Medicaid-certified plan. If Medicaid recipients remain in their employer sponsored plan, after a specified amount of time which is to be determined by a CMS (Centers for Medicare and Medicaid Services) waiver, the recipients shall remain in that employer program for at least:

- one year or,
- a time when the recipient no longer has access to employer sponsored health insurance or,
- when the re-enrollment period comes up or,
- until the recipient is no longer eligible for Medicaid...whichever period of time is shorter.

The cost sharing and any other components of an employer-sponsored health insurance program will continue to be governed by the state. HB 3B allows other health care providers such as Provider Service Networks and Minority-Owned Physician Networks to participate in this new program, thus expanding the program to encompass more than HMOs. AHCA is encouraging other providers to form their own networks in order to participate in this reform program and to enable Medicaid recipients to have more choice for their health care needs.

The new Medicaid reforms are expected to be fully enabled throughout the state by the year 2011.

AIF supports market based reforms to the Medicaid program. Although there are still many questions and concerns with this bill and Medicaid Reform as a whole, HB 3B does lay the groundwork to find the answers to fix such a fragmented health care system for our states' most needy population.

Effective Date: Upon Becoming Law

Senate Vote: 26-14

House Vote: 87-31

OTHER BILLS THAT PASSED DURING SPECIAL SESSION

Some very significant pieces of legislation passed this week and we would like to provide you with a brief summary for each bill:

HB 1B SLOT MACHINE GAMING

The bill authorizes Class III Las Vegas-style slot machines, limits the number of machines that may be operated at a facility to no more than 1,500 per facility, and imposes a flat tax of 50% on slot machine revenue. Slot machine gaming may be conducted up to 16 hours per day year-round. The payout rate is required to be no less than 85 percent per facility per day and players must be at least 21 years of age. Slot machine prize payouts of \$600 or more must be checked against a database of persons owing delinquent child or spousal support before being paid and any such delinquency is deducted from the prize payment.

HB 1B comes as a result of a Constitutional Amendment that was passed allowing citizens of Broward and Dade county to vote by referendum whether or not they supported having Las Vegas-style slot machines in the Indian gaming facilities and pari-mutuels. Of the eight states that have approved slots at pari-mutuels, only two have a higher tax rate-Rhode Island and New York which have set a 61% tax rate. All tax revenue coming in from slots will go toward public schools.

Effective Date: Upon becoming a law

Senate Vote: 33-7

House Vote: 110-8

Final Action: Pending, on the way to the Governor's desk for signature.

ETHICS AND ELECTIONS

Three ethics bills, two of which are related to lobbying reform, were passed this week. The first and least controversial was SB 8B by Sen. Jim King (R-Jacksonville). This bill outlines the manner by which an in-kind contribution to a state or county political party is accepted. Only a party's chairperson or chairperson's designee may accept an in-kind contribution to a state or county political party. The bill requires the donor of an in-kind contribution to provide a signed and dated written notice to the state or county party's chairperson or the chairperson's designee or designees prior to making the contribution. The names of the party chairperson's designee or designees must be on file with either the Secretary of State for a state political party or the county supervisor of elections for a county political party prior to the date of the donor's written notice. The bill provides an exemption from the prior notice requirement as long as the in-kind contribution is for food and beverage, consumed at a single sitting or event, does not exceed an aggregate sum of \$1,500, and the party's chairperson or the chairperson's designee or designees accepts the in-kind contribution before the in-kind contribution is made.

Effective Date: February 1, 2006

Senate Vote: 39-0

House Vote: 116-2

Final Action: Pending, on the way to the Governor's desk for signature.

SB 6B and 40B, both by Sen. Jim Sebesta (R-St. Petersburg), deal with the issue of lobbyist reform. SB 6B enacts a gift ban and establishes a zero-tolerance policy for expenditures by lobbyists on behalf of legislators. This legislation is one of the strictest ethics laws in the nation. According to National Conference of State Legislators only three other states South Carolina, Massachusetts, and Wisconsin have similar laws in place. In addition to outlawing any gifts (drinks, dinners, sports tickets, trips, etc.); the bill requires that lobbyists and lobbying firms disclose any and all compensation they receive from their clients.

Effective Date for SB 6B: January 1, 2006

Senate Vote: 36-2

House Vote: 112-6

Final Action: Pending, on the way to the Governor's desk for signature

SB 40B is a public-records exemption bill linked to SB 6B. The bill allows for the storing and access to all new compensation filings.

Effective Date for SB 6B: Contingent

Senate Vote: 39-0

House Vote: 106-9

Final Action: Pending, on the way to the Governor's desk for signature

HB 31B NASCAR LICENSE PLATE

HB 31B by Rep. Pat Patterson (R-Deland) establishes an annual use fee of \$25, to be paid by purchasers of the plate in addition to license taxes and fees. Annual use fees are distributed to the NASCAR Hall of Fame to be used exclusively for the construction and operation of the NASCAR Hall of Fame.

The authorization of the NASCAR license plate is contingent upon the City of Daytona Beach being designated by the National Association for Stock Car Auto Racing, Inc., as the site for the official NASCAR Hall of Fame. Currently there are 4 other cities (Atlanta, Charlotte, Richmond, and Kansas City) being considered as sites for the NASCAR Hall of Fame. It is believed that NASCAR will announce its selection sometime in January of 2006 thus explaining the need for quick action by the legislature.

Effective Date: Contingent on NASCAR picking Daytona as the site for the NASCAR Hall of Fame.

Senate Vote: 39-0

House Vote: 116-3

SB 12B WILTON DEDGE COMPENSATION

This bill appropriates \$2 million to compensate Wilton Dedge for his losses resulting from his wrongful conviction and incarceration. The appropriation under the bill is made to the State Board of Administration (SBA). Payment to Mr. Dedge is contingent on Mr. Dedge and his parents satisfying the following conditions by March 6, 2006:

- the dismissal with prejudice of the lawsuit that Wilton Dedge and his parents have filed against the state; and
- the waiver of any claims against the state and its employees that Wilton Dedge and his parents may have as a result of this wrongful conviction and incarceration.

If the conditions above are satisfied, payments shall be made from the appropriated funds in accordance with the terms of a letter of agreement between Wilton Dedge, his parents, and the SBA.

Effective Date: Upon becoming law.

Senate Vote: 39-0

House Vote: 117-2

Final Action: Pending, on the way to the Governor's desk for signature.

HB 41 JUDGES

In 2005, the legislature approved funding for a series of new judges and staff to be placed throughout the state. The previous legislation failed to provide for the needs of the Twentieth Circuit. HB 41B increases the number of circuit judges for the Twentieth Circuit from 23 to 25 and increases the number of county court judges for Collier County from 3 to 5. The bill authorizes 9 positions and provides General Revenue funds to the State Courts System to cover the cost of the new judges and associated support staff. Support staff consists of a law clerk and 2 judicial assistants for the circuit court and 2 judicial assistants for the county court. Judges will be appointed by the Governor and take office on January 2, 2006. The bill also includes 2 positions and General Revenue funds to the State Attorney in the twentieth judicial circuit for increased workload associated with the new judges.

Effective Date: Upon becoming law except as otherwise provided.

Senate Vote: 38-0

House Vote: 119-0

Final Action: Pending, on the way to the Governor's desk for signature.

COMMITTEE REPORTS/NON-SPECIAL SESSION BILLS

House and Senate committees took advantage of legislators being in town this past week and debated other issues and bills for the upcoming 2006 legislative session. You can read the report on the other interim committee meetings by going to <http://www.fbnet.com/ir051212.html>

- 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.