

ASSOCIATED INDUSTRIES OF FLORIDA
**LEGISLATIVE
DAILY BRIEF**



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Workers' Compensation Reform

A good workers compensation bill, CS/SB 1926 by *Sen. Jim King (R-Jacksonville)*, was approved unanimously Monday by the Senate Banking and Insurance Committee. *Committee Chairman Jack Latvala (R-Palm Harbor)* worked diligently to assure that the bill included measures necessary to control costs and resolves cases expeditiously. Chairman Latvala and Senator King demonstrated an unusual understanding of the very complicated issues related to workers' compensation and moved through the bill and its amendments with ease and certitude. It was a welcome sight for the business community.

Both Senators invoked the "no controversial" amendments rule to insure that those types of issues would not be added to the bill. The more controversial reforms will be addressed next week, according to a statement made by Sen. Jack Latvala.

CS/SB 1926 changes the way medical reports are filed by the carriers with the division; allows qualified rehabilitation providers access to medical records; authorizes the division to contract with a private entity to perform its policy information data collection; authorizes carriers to electronically transfer benefits to the injured workers' requires the judicial nominating commission for the judges of compensation claims to consider certain statutory requirements (including time limits and reporting requirements in evaluating the performance of a judge); allows appointments by the Governor to fill vacancies for a 120 day period; authorizes judges of compensation claims to dismiss portions of a petition; requires the First District Court of Appeal to hear workers' compensation cases before a specialized panel; excludes child support and alimony claims for the exemption of workers' compensation benefits from claims of creditors and authorizes judges when reviewing settlements to consider the interests of the worker and the worker's family when approving settlements; authorizes the WCJUA to use a policyholder surplus from any year to eliminate deficits; and changes security deposits for individual self insured employers.

The committee adopted the following amendments: eliminate the requirement that managed care be mandatory; reauthorized the division to implement a rating plan to include discounts for safety (a provision that was deleted when the Division of Safety and its rules were eliminated last year); allows a sports official for an entity sponsoring an interscholastic sports event for a public or private entity that sponsors an amateur sports event; provides that when a claimant is represented by a counsel that the claimant can waive all rights to any and all benefits by settling their case and the judge of compensation claims shall approve only that portion that relates to attorneys fees; provides that payments under this settlement provision is due within 14 days rather than the current 7 days; and clarifies that if the carrier uses 120 days to investigate a claim that the time for payment of the claims is within 14 days from receiving the notice of injury.

The committee also approved on a 6-5 vote SB 2224 by Sen. Charlie Clary (R-Destin) to transfer the Division of Workers Compensation to the Department of Insurance. Committee Democrats voted no after the AFL-CIO and the American Federation of State, County and Municipal Employees objected that the bill did not do enough to protect the jobs of the division's employees. The Legislature moved all other divisions except Workers Compensation out of the Department of Labor and Employment Security last year in a move to abolish the department.

Opponents of the bill complained that *all* the positions would not be automatically transferred. Some positions will be eliminated. With the moving of the Division to the Department of Insurance, this makes fiscal sense. It is important to remember this is not general revenue money. *It is employer funded off of its premiums.* Fortunately, the Republicans on the committee held firm with Senators Carlton, Clary, Constantine, King, Posey and Latvala voting for it. Voting with the unions to protect a few duplicative or redundant positions were Senators Dawson, Geller, Rossin, Wasserman-Schultz and Holzendorf.

Service First – State Civil Service Reform

The state employee union, the American Federation of State, County and Municipal Employees (AFSCME), held a rally today in opposition to the Governor's Service First proposal which will be considered tomorrow in the Senate Governmental Oversight and Productivity Committee. The bill, embracing most of the Governor's original proposal, is SB 466 by Sen. Rudy Garcia (R-Miami). The rally presented the usual staples of a union rally with professionally designed placards, well-rhymed chants that would make Walt Whitman proud, bull horns, a 45 foot AFSCME banner and a podium for dignitaries to address the crowd. The comments to the Capitol press were predictable and had nothing really to do with the Governor's proposal. Individuals at the protest threatened to "go on welfare" if the Governor's proposal was adopted and claimed that they were receiving no respect.

The bill does not immediately fire all the state's employees once it becomes law. The bill provides for more discretion in hiring and firing for the state's employees, similar to what many employees already have in certain state jobs and everyone faces in the private sector. In addition, the bill does nothing to eliminate any of the protections already provided for under current law with regards to cronyism or political patronage. As far as the "respect" issue goes, the Governor received input from over 8000 state employees on this issue.

Given the multiple number of protests AFCSME has staged since last year on One Florida, the presidential elections and this proposal, it is very likely these state employees were unavailable when the Governor was trying to get their input. They've been up here so much, the bus drivers know most of them by name. Florida's employers have nary the time to launch such repeated protests. Where does this small but loud coterie of state employees find this time? We appreciate the state employees who stayed at work and got the job done for Florida's citizens.

Unemployment Compensation for Birth & Adoption

Another bill approved by today, CS/SB 500 by Sen. Debbie Wasserman Schultz (D-Pembroke Pines), would dip into the unemployment compensation trust fund to finance up to six weeks paid leave for parents of newborns. The measure passed 7-4 despite objections that the measure would raise unemployment costs to employers. The bill goes next to the Senate Finance and Tax Committee chaired by Sen. Lisa Carlton (R-Osprey) who spoke against the measure.

AIF is opposed to CS/SB 500. While well intended, it seeks to establish another social benefit and fund it through the unemployment compensation trust fund. Adequate federal and state law is available to accommodate employees who adopt or welcome a newborn home. Worse yet, the current federal law provides for an exemption for employers with 50 or less employees in such matters. The bill captures these small employers. Why is it that when certain legislators want to help their constituents, the proposal usually costs Florida's employers money?

Communications Services Tax Simplification

SB 1878 by *Senator Jim Horne (R-Orange Park)* was adopted by the Senate Finance & Taxation Committee today. The bill establishes a unified communications services tax.

The current laws governing taxation of communications services in Florida are not keeping pace with converging industries, advancing technology and bundling of services. When most of the laws were written, there was one telecommunications company providing all your communications needs. But, there have been many changes since then. Instead of one monopoly provider, there are many different companies providing a varied array of electronic communications services. New technologies like the Internet and wireless service, as well as cable TV companies offering telephone service, make the existing statutes difficult at best to administer. Not all competing providers are taxed the same and some services are not taxed at all, even though the service they offer is effectively the same as one being taxed. Companies are bundling services together in a single package for a single price when the component services are all taxed differently.

What is the solution? A single, unified tax imposed by the State and administered by the Department of Revenue on all electronic communications services. This would include wire line and wireless telecommunications, paging, data communications, cable TV, and satellite TV.

The 2000 Legislature actually passed the unified communications tax, but the 2001 Legislature will have to pass the new tax rate. AIF supports the effort to establish a unified communications tax statewide.

The new unified tax is intended to be revenue neutral for the state and local government. Customer bills will be easier for consumers to understand since there is but one state tax and not five different ones, each with a different tax base.

A unification of the communications tax base under one simplified services tax would provide equity among the telecommunications service providers, a tax process the consumer can understand and a more predictable revenue stream for the state and local governments.

This report was prepared by Curt Leonard, Manager – Governmental Affairs at Associated Industries of Florida (AIF) and Jere Moore, AIF Reporter. Please send your comments or suggestions to us at aif@aif.com or call the Governmental Affairs department at (850)224-7173.

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