



MARCH 15, 2004

WORKERS' COMPENSATION

The House Insurance Committee met today and held a workshop on HB 1251 sponsored by Committee Chair, Representative Kim Berfield (R-Clearwater). The bill's intent is to create solutions to the potential deficits in Subplan D of the Florida Workers' Compensation Joint Underwriting Association (FWCJUA).

AIF continues its leadership role in the Coalition of Business and Insurance Industry on this workers' compensation issue as it has in other workers' compensation issues over the past few years. The Coalition strongly believes that the deficits will continue to increase, most likely at the expense of all Florida's employers, unless the Subplan D is required to charge actuarially sound rates to its policyholders. However, Representative Berfield asked the Coalition last week to develop possible solutions to the JUA that would help to eliminate the deficit and prevent those deficits from re-occurring.

Tamela Perdue, on behalf of AIF and the Coalition, presented the Committee with a list of concepts that the Coalition developed to address this issue. To read the details of the concepts go to the full report.

Overall, the Committee members were receptive to the concepts presented by the Coalition. Representative Berfield was specifically concerned with a depopulation plan that would increase rates for employers incurring no loss and demonstrating a commitment to safety and asked the Coalition to work with her in the coming days to develop amendment language that would take care of this concern.

The Committee also asked several questions of the JUA regarding whether these ideas would alleviate the existing deficit and prevent the large deficit in the future.

AIF and the Coalition will continue to work closely with the House Insurance Committee to craft a fair and equitable solution to eliminate the potential deficit in Subplan D while providing fairness to all Florida's employers. The issue is not expected to come up again this week in the House. However, the Senate Banking and Insurance Committee is scheduled to address this issue in its meeting on Wednesday at 2:30 pm.

COMPREHENSIVE PLANNING

The Senate Comprehensive Planning Committee began to discuss, but ran out of time on SB 1174 relating to Developments of Regional Impact (DRIs) by Senator Mike Bennett (R-Bradenton). This bill promises to be controversial because it pits the Association of Florida Community Developers, the Florida Home Builders Association, the Marina industry, and others against local governments as it relates to the permitting process on large-scale developments. The bill reduces the issues that must be included in applications for development approval by local jurisdiction, a process that can stretch out over many months or even years, and revises criteria under which certain marinas and water ports are exempt from review.

It is expected that SB 1174 will be the first bill heard during the Committee's next meeting. Prior to the next meeting, Senator Bennett plans on holding a series of meetings on the proposal with all interested parties.

AIF supports legislation that would cut away red tape and streamline the permitting process for developments that bring much needed economic activity to Florida's cities and neighborhoods.

OTHER BILLS OF INTEREST:

HB 1255

The House Commerce Subcommittee on Workforce and Economic Development passed HB 1255 relating to Hiring Tax Credits by Representative Fred Brummer (R-Apopka). The bill provides for a sales, use, and corporate income tax credit to businesses which hire persons with disabilities on or after July 1, 2004. The business must demonstrate to the Department of Education's Division of Vocational Rehabilitation that a person with a disability was actually hired. The sales and use tax credit may be claimed for no more than five such employees per taxable period and may not exceed \$670 per eligible employee per month. However, a business claiming the sales and use tax credit cannot use the corporate income tax credit.

Representative Brummer explained his bill as an "investment in human capital" as employers hire the disabled at above the minimum wage and get a refund of taxes they have already paid. This bill would appeal to small and medium sized businesses looking to build a loyal work force. The bill passed (4-0) with little debate and will be heard next in the House Commerce Committee.

SB 1924

The Senate Comprehensive Planning Committee begrudgingly passed SB 1924 relating to Tax/College Football Facilities by Senator Gwen Margolis (D-Miami Beach). This bill permits the Orange Bowl Stadium, located in Miami to retain the taxes collected on tickets, food, beverages, and memorabilia in order to pay for future renovations to the stadium. Though the bill passed, Senator Lee Constantine (R-Altamonte Springs) encouraged the sponsor to consider including other football stadiums around the state if she expected the bill to pass in other committees. SB 1925 will now be heard by the Senate Finance and Taxation Committee.

HB 1217

The House Business Regulation Subcommittee on Energy passed HB 1217 by Representative Frank Attkisson (R-Kissimmee) today. The purpose of the bill is to prevent a loss of state revenue by assuring that neither private utilities nor governmental utilities enjoy an unfair competitive advantage in the marketplace as a result of uneven applications of various taxes and fees. Consequently, the bill waives certain tax exemptions that may provide an advantage to governmental utilities over private sector utilities. The bill does not waive the current tax exemptions for governmental utilities already providing services; instead, it makes them unavailable in the future, to governmental authorities that begin to provide services by replacing private utilities currently operating. Utility services are defined to include electric, natural gas, water, waste water, or telecommunications services.

Public testimony was taken from both proponents and opponents to the bill and so the lines are naturally drawn between private and governmental utility providers. Representatives from governmental utilities testified that if these exemptions are lifted it would be the consumers who would end up making up the difference by having to pay higher rates. The bill passed favorably (7-0), although most committee members expressed a strong desire to clean up the bill. HB 1217 will now be heard by the House Business Regulation Committee.

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.