



MARCH 9, 2005

SUBSTITUTE COMMUNICATIONS SYSTEM TAX

The Florida House of Representatives took another step today in passing HB 49 on second reading by Representative John Stargel (R-Lakeland), the bill to repeal the substitute communications systems tax. The bill was one of only 5 bills considered by the House today. Thursday morning, the House will take final action and vote on the passage of this legislation.

Now it is up to the Florida Senate to consider this important legislation. If this bill is not passed by the legislature this session, the Department of Revenue (DOR) will continue with the rule making process and could feasibly begin taxing their version of a “substitute communications systems” since the current definition is so vague. DOR may include items such as two-way radio communications; business and home computer networks, PDAs, and intercom systems as taxable items if this legislation is not passed.

AIF would like to thank Representatives John Stargel (R-Lakeland), Jeff Kottkamp (R-Cape Coral), Chris Smith (D-Ft. Lauderdale) and Jack Seiler (D-Pompano Beach) for their leadership on this issue.

AIF supports repeal of the substitute communications system tax because as the law is now written, any business with a computer network or an in-house telephone system may become subject to the communications services tax.

BANKING AND INSURANCE

The Senate Banking and Insurance Committee decided to temporarily postpone SB 318 by Senator Gwen Margolis (D-Miami Beach) which would require health insurers to cover all home health care for policyholders with cystic fibrosis even if not medically necessary as long as their doctor orders the care. Former Miami Dolphins quarterback, Jay Fiedler testified on behalf of the bill, but it was postponed after much debate over additional costs to the system.

AIF consistently opposes additional mandated coverages because the resultant cost increases could force some insurers out of the marketplace and raise the minimum price of health care insurance for employers and businesses.

CONSTITUTIONAL AMENDMENTS

The House Judiciary Committee held a workshop today and will meet again tomorrow to discuss implementation of Amendments 7 and 8 to the Florida Constitution passed last November. Amendment 7 also known as the “Patient’s Right to Know About Adverse Medical Incidents Act” allows citizens access to medical information which in theory would allow them to make better healthcare decisions based on a health care facility or doctor’s track record regarding incidents of malpractice. Amendment 8 or the “Three Strikes, Your Out” amendment would take away a physician’s license to practice medicine after being found to have committed 3 incidents of medical malpractice.

Chairman David Simmons (R-Altamonte Springs) presented the implementation language for amendments 7 and 8 and gave the committee an extensive presentation on the reasoning behind the language for both implementing bills. Chairman Simmons stressed that this was only the starting point and that he encourage all interested parties to submit any amendments to the implementation bills which would improve them.

Testimony was heard from Paul Jess of the Academy of Florida Trial Lawyers, who laid out several problems and concerns he had with the implementing bills, as well as representatives from the Florida Medical Association and the Florida Hospital Association who spoke in favor of the bills.

This exchange between proponents and opponents on these issues brought forth a comment from Representative Jack Seiler (D-Pompano Beach) who expressed his frustration by saying that he felt caught in the middle of a “food fight” between members of the trial bar and the FMA.

The committee also heard a presentation by Representative Joe Pickens (R-Palatka) on several proposed joint resolutions dealing with Constitutional amendment process. These included:

1. Changing the voting threshold necessary for the adoption of a Constitutional Amendment or revision to the Florida Constitution to at least 60% of those electors voting on a proposal.
2. Requiring that any amendment or revision proposed by citizen initiative that imposes a cost on the state, municipal or local government greater than one-tenth of one percent of the state budget must pass by at least 2/3 of those electors voting on the proposal, which is the same vote margin required for the legislature.
3. Limiting the subject matter of Constitutional amendments and revisions that can be placed on the ballot to include only those measures that:
 - Amend or repeal an existing section of the Constitution on the same subject and matter;
 - Address a right of a citizen of the state related to Article I of the Florida Constitution; or
 - Change the basic structure of state government as established in Articles II through V of the Florida Constitution

All three of these joint resolutions should sound very familiar since they were brought up and debated during last year’s legislative session only to die on the floor the last week of session. Representative Pickens ran out of time and the bulk of the debate on these issues will be heard during tomorrow’s meeting. It is also expected that the committee will vote on the implementing bills for amendments 7 and 8.

AIF supports reforms to the process for amending the state Constitution by citizen initiative. Florida’s Constitution is too easily manipulated by special interests, subverting the deliberation of public policy decisions and threatening the business community with the enactment of economically destructive programs and mandates.

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.