

ASSOCIATED INDUSTRIES OF FLORIDA
**LEGISLATIVE
WEEKLY UPDATE**



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FOR THE WEEK OF MAY 1ST - 5TH, 2000

ON TUESDAY, MAY 2ND

The House passed and sent to the Governor a bill, SB 932, to eliminate the additional registration fee charged to sales tax dealers with more than \$30,000 taxable sales a year.

The Senate approved and sent to the Governor the bill, [CS/HB 1425](#), which puts limits on municipal governments moving their solid waste collection services into areas served by private companies.

ON WEDNESDAY, MAY 3RD

The Senate passed on Wednesday and sent to the Governor a significant bill on workers' compensation, CS/SB 2132. It reorganizes the Agency for Health Care Administration, makes it a department, and gives the agency exclusive jurisdiction over workers' compensation managed care arrangements.

ON THURSDAY, MAY 4TH

The House gave final legislative approval and sent to the Governor bills on taxation and health care.

The most significant was the bill, [CS/SB 1338](#), to simplify and equalize taxes on telecommunications services. Taxes on cell phones are likely to go up and those on cable service go down. Total tax income will be unchanged. Rates will be determined by the Revenue Estimating Conference composed of representatives of the Governor's Office, House and Senate and will go into effect Oct. 1, 2001. It passed 108-0.

Another tax bill passed by the House, [SB 388](#), would simplify and expand sales tax exemptions for non-profit organizations by giving the exemption to all that are exempt from federal tax under 501 (c) 3 of the IRS Code.

Three health-care measures sent to the Governor were:

[SB 1508](#), the HMO prompt pay bill, which includes other regulations on health care organizations. .

[CS/SB 2086](#) which allows small business for form alliances and negotiate for health insurance, replacing CHIPAs.

[CS/SB 1300](#) which is aimed at increasing availability and reducing cost of health insurance for small businesses by encouraging more companies to compete in the market. Among other things, it allows insurers to reduce or raise rates 10 percent without approval of the Department of Insurance.

FRIDAY, MAY 5TH,It's Over

Legislative sessions are like arena football since most scoring comes in the fourth quarter when the defense is tired. Indoor football came recently to Tallahassee, but last-minute legislating was the same in the Y2K session as in the previous millennium.

Important bills passed on the last day of the session Friday included the Patient Protection Act, [CS/HB 2339](#), improving HMO requirements without giving patients a right to sue, and enhancement to workers' compensation, [CS/SB 2532](#), that appeared dead in the morning. The Legislature also took another step toward elimination of the intangibles tax, granted another sales tax holiday for back-to-school clothing, and approved a statewide building code to increase hurricane protection.

If signed by Gov. Bush, the HMO bill will require that decisions to deny care be made by a doctor. The measure, endorsed by Associated Industries of Florida, is designed to bring accountability and reasonably affordable costs to HMOs and protect employers from unreasonable insurance costs.

The workers' compensation bill would clarify the definitions of "net premiums written" and "net premiums collected." Other bills passed would reorganize the Agency for Health Care Administration, make it a department, and give it jurisdiction over workers' compensation managed care, **HB2037**, and give the Division of Workers' Compensation authority to write rules to regulate self-insurance groups, **SB2084**.

A slew of tax-breaks died without final action, but the intangible tax bill, [CS/HB's 67, 187](#), was approved. It would eliminate the tax on accounts receivable and cut the rate to 1 mill from 1.5. The one-week sales tax holiday bill, **HB 161**, would eliminate the tax on clothing valued at less than \$100 bought between July 29 and Aug. 6, 2000.

The Department of Revenue's package, which included a number of Associated Industries issues, [HB 2433](#), received final legislative approval from the Senate in the final hour. In addition to limiting the time for DOR audits to three years after July 1, 2002, the bill clarifies a sales tax exemption on residual fuels, corrects the omission of SIC Code 35 items from the exemption granted last year for

equipment repairs, and includes among items for exemption as anti-pollution equipment specialty chemical and bioaugmentation products.

The building code measure, **HB 219**, would require hurricane protection such as shutters on structures subject to 120-mile-an-hour winds throughout Florida except in the Panhandle where the requirement would go only one mile inland.

Other tax bills passed included:

SB 290 to require consideration of a value adjustment board's cuts the previous year in assessing tangible personal property and delay until next year the requirement to include social security numbers in homestead exemptions.

HB 349 to eliminate sales tax on concessionaires leases in sports arenas and similar facilities.

HB 389 to increase distribution of phosphate severance tax revenue to counties and research and reduce the amount going to the state general fund.

HB 411 to reduce tax on asphalt in federal as well as state and local projects by 20 percent retroactive to July 1, 1999 and 40 percent on July 1, 2000.

[HB 1105](#) to expand the reduced sales tax on farm equipment to additional machinery and to leases as well as purchases.

HB 1535 to create a tax reform task force to determine if the tax structure is adequate to meet the needs of the state. The last time Florida had one of these it wound up with a sales tax on services.

Other last-day bills passed included:

HB 219 to restore the Everglades.

HB 701 to restrict counties' ability to impose impact fees for schools.

SB 862 a major transportation program for economic development.

HB 2263 to implement the Constitutional amendment on establishing a state board of education appointed by the governor, having it appoint the education commissioner, giving it jurisdiction over all education from kindergarten through graduate school and sunseting the Board of Regents, meaning it will be abolished on Jan. 1, 2003 unless it can come up with a plan to change the Legislature's minds.

SB 2365 to require wetlands mitigation standards.

The House and Senate also worked out a compromise means to protect the state's interest in receiving the tobacco settlement dollars.

Workers' compensation rules and other matters should receive lots of management attention in the next year since a legislative tangle left it as the only division in the Department of Labor and Employment Security.

Stay tuned to our daily brief and to our web site at www.fbnnet.com as the legislature makes some very important decisions on the state's economy. These decisions will have a major impact on the business community and AIF will be reporting to you everything that happens.

This report was prepared by Curt Leonard, Manager – Governmental Affairs at Associated Industries of Florida (AIF). 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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