

ASSOCIATED INDUSTRIES OF FLORIDA
**LEGISLATIVE
DAILY BRIEF**



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ECONOMIC DEVELOPMENT

We reported to you last week that CS/SB 2328, sponsored by Senator Burt Saunders (R-Naples) passed out off the Senate Committee on Commerce, Economic Opportunities and Consumer Services. This bill provides economic development tax incentives for companies that purchase equipment and machinery, including molds and dies, that are used for research and development.

Today CS/SB 2328 was before the Senate Comprehensive Planning Committee. There was one amendment, by Senator Lee Constantine (R-Altamonte Springs), which the committee passed. It mandates that Enterprise Florida coordinate with local and regional economic development organizations to help provide the seed money for "start-up businesses and technology innovations." After some debate, the bill passed unanimously.

AIF supports CS/SB 2328. Florida should exempt from the sales and use tax all items of tangible personal property that are purchased specifically for use in research and development activities. Legislation of this nature pays big dividends to Florida, because it makes the state's business climate much more attractive to high-paying high-tech industries.

MINIMUM WAGE

The Senate Comprehensive Planning Committee heard SB 54, sponsored by Senator Lee Constantine (R-Altamonte Springs), the local government minimum-wage bill about which we advised you last Monday.

This bill prohibits political subdivisions of the state from requiring employers to pay a minimum wage other than the federal minimum wage. Likewise, the bill prohibits local governments from requiring employers to apply a federal minimum wage to wages that are exempt under federal law. Political subdivisions may, however, continue to establish minimum-wage levels for its own employees, for employees of private companies that contract with the political subdivision, and for employees of employers receiving direct tax abatements or subsidies from the local governments.

Today Senator Constantine offered two new amendments, both of which passed without debate. One amendment sets out a series of definitions for terms used in the bill. The other amendment sets forth an exception to the statutory prohibition against local government minimum wage laws, namely, situations in which federal funding is jeopardized. In such situations, the bill would sanction a so-called "living wage" ordinance " to the extent necessary to allow receipt of the federal funds or to eliminate the inconsistency with such federal requirements."

SB 54 does not affect any current agreements or ordinances already in place, an important concession for supporters of local government that currently have living-wage mandates in place. The bill passed unanimously.

On balance, SB 54 represents an important step in the right direction, especially for the hospitality industry in Florida. As a matter of principle, however, AIF continues to oppose all costly living-wage mandates at the local level including those that are limited to commercial transactions involving local government entities.

MEDICAL MALPRACTICE

Today, the Senate Judiciary Committee was scheduled to hold a big meeting on medical malpractice with seven different bills and a number of proposed committee substitutes on the agenda. At the commencement of the meeting, however, the Committee Chair Alex Villalobos (R-Miami) announced that consideration of the bills would be postponed to the next meeting, because of some “late amendments” that committee members (and others) had not had time to read. He further stated that a special meeting might be scheduled later in the week to take up the malpractice issue.

Capitol observers opine that there is more to this situation than meets the eye. There is reason to believe that Senate leaders have been huddling behind the scenes, in an attempt to fine tune the Senate position — and perhaps to proffer some stronger legislation (from the doctors’ perspective) than what is now pending in the Judiciary Committee.

Only time will tell.

AIF supports a comprehensive package of measures designed to alleviate Florida’s medical liability crisis, including, most notably, a \$250,000 cap on noneconomic damages and necessary revision to Florida’s bad-faith insurance law. Vulnerability to large jury awards is why insurers have left the state. Many doctors, especially in the high-risk specialties, are leaving too. Now is the time for the Legislature to act decisively to provide immediate and lasting relief.

CHARTER SCHOOLS

Last Friday we provided you with a summary of several charter school bills that are moving through the Legislature this year.

Today, the House Education K-20 Committee heard HB 1279, sponsored by Representative Dennis Baxley (R- Ocala). This bill provides guiding principles for the establishment and operation of charter schools. It is identical to Senate bill, SB 2242, sponsored by Senator Daniel Webster (R-Winter Garden).

The House committee mirrored the Senate’s committee action last week. An amendment was filed removing the funding formula. The bill as filed, would have removed the current formula for funding capital outlay for charter schools, and would have prioritized funding to schools with tax-exempt bonds issued by local governments and to schools with long-term financing. The committee voted and passed the bill with the amendment.

The bill does the following:

- provides that a state university or community college may sponsor a charter school either on its own or in partnership with a nonpublic educational institution.
- modifies the charter school application and review process
- requires that a primary focus of charter school curriculum is reading, and also that curriculum and instructional strategies are consistent with the Sunshine State Standards

- requires that internal audits be compared with the financial projections contained in the charter application, and requires auditors to notify the charter school governing board, the sponsor, and the Department of Education if the audit reveals a deficit
- adds failure to participate in the state's education accountability system to the list of causes for non-renewal or termination of a charter
- requires charter school's annual progress reports to include specific information on performance data, financial status data, data on current and planned facilities, and information on school personnel, including the proportion of personnel that hold professional or temporary certificates
- repeals the cap on the number of charter schools that may operate in any county
- replaces the Charter School Review Panel with a Charter School Accountability and Funding Authority whose responsibilities will include recommending funding allocations for charter schools

Charter schools are cost-efficient, educationally effective, and are often located at or near an employer's place of business. AIF supports the expansion and development of charter schools in Florida.

UNEMPLOYMENT COMPENSATION

The House Subcommittee on Workforce and Economic Development heard HB 857, sponsored by Representative Dan Gelber (D-Miami Beach) regarding unemployment compensation.

HB 857 waives the one-week waiting period for persons eligible to receive unemployment compensation benefits. It also calls for an increase in the weekly benefit amount of \$25 or 15 percent, whichever is greater.

- Individuals with a weekly benefit of \$32 to \$166 would realize an increased weekly benefit of \$25.
- Individuals with a weekly benefit of \$167 to \$275 would have their weekly amount increase by 15 percent.

In sum, the bill raises unemployment benefits from the current \$32 minimum and \$275 maximum to a \$57 minimum and \$316 maximum weekly benefit amount. However, the higher benefit schedule is temporary. It expires on June 30, 2005.

Last week we reported that the Senate companion bill, SB 470, sponsored by Senator Debbie Wasserman Schultz (D-Pembroke Pines) and Senator Alex Diaz de la Portilla (R-Miami) passed through the Senate Banking and Insurance Committee with the same benefits as mentioned above. Today, the House committee members accepted an amendment to conform the House bill to the language in SB 470. The bill then passed with a five to zero vote.

AIF opposes any diversion of funds from the unemployment compensation trust fund and any legislation to permanently increase benefits in a manner that negatively affects solvency of the fund. Although HB 857 and SB 470, in their present form, are not so egregious, they still raise concerns for the business community. As such, these bills will be closely monitored by AIF.

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.