

ASSOCIATED INDUSTRIES OF FLORIDA
**LEGISLATIVE
DAILY BRIEF**



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Workers' Compensation

SOURCE: Mary Ann Stiles and Tamela I. Perdue, Stiles, Taylor, and Grace, P.A.

Today, the business community finally received some good news on workers' compensation. The House Committee on State Administration passed a committee substitute to HB 1837, which contains most of the workers' compensation provisions supported by AIF and the Coalition of Business and Insurance Industry.

Representative Don Brown (R-DeFuniak Springs) explained that this bill "substantially enhances injured workers' benefits without the expensive costs of litigation."

The bill eliminates hourly attorney fees and reduces the current contingency fee schedule. It also eliminates the Social Security criteria from the definition of catastrophic injury for purposes of determining permanent-total disability. The bill also eliminates all exemptions in the construction industry except for up to three corporate officers who each own at least 10 percent of the corporation.

Impairment income benefits to injured workers were increased to 75 percent of the compensation rate, up from the current 50-percent level. Funeral expenses and death benefits were been increased by 50 percent.

The amendment to HB 1837, which placed these provisions into the bill was sponsored by the committee's chairman Connie Mack (R-Ft. Lauderdale), and Representatives Brown, Dennis Ross (R-Tampa), and Kim Berfield (R-Tampa). The next step for this bill is the House floor. You should let your representative know that you support this bill.

A workers' compensation bill is also scheduled to be heard tomorrow in the Senate Committee on Banking and Insurance. It is rumored that the Senate bill will look like "fair care," which is a concept that received a lot of attention from the governor's commission. Fair care is merely the name for a number of nebulous measures that will probably do little to bring down costs.

Please go to <http://www.aif.com/taxmedia.htm> to view Representative Don Brown's interview on this issue.

Please go to <http://www.aif.com/taxmedia.htm> to view Representative Connie Mack's interview on this issue.

AIF supports legislation that controls medical expenses, reduces litigation, and corrects inefficiencies in the workers' compensation system. Above all, AIF supports remedial legislation that will provide fairer benefits to injured workers and lower costs to employers.

TAXATION

Today, the House Subcommittee on Workforce and Economic Development heard HB 1173, sponsored by Representative James Harper (D-West Palm Beach). This bill, which creates a work opportunity tax credit, was passed favorably with one amendment.

As amended, this bill provides corporate tax credits for employers who hire persons from the following qualified targeted groups having high unemployment rates or special employment needs:

- ex-felons released from prison within the last three years
- persons under community control
- recipients of Supplemental Security Income

The primary intent of the bill is to help ex-felons offset the cost of community control. The hiring of this group is made more attractive because their employers would receive a tax credit. This should result in fewer ex-felons defaulting on the cost of community control while assisting them to participate in society.

Corporate tax credits provide tangible incentives for companies to hire certain “hard to place” persons. This legislation benefits state government, private employers, and affected employees. As such, AIF supports HB 1173.

CONSTITUTIONAL AMENDMENTS

The Senate Judiciary Committee heard two bills today relating to constitutional amendments: SB 1172, by Senator Anna Cowin (R-Leesburg) and SB 1672, by Senator Bill Posey (R-Rockledge). Both bills provide for an increase in the threshold for ratification of proposed constitutional amendments from a simple majority to an extraordinary majority.

Today, however, the bill sponsors agreed to a different approach for addressing the problem of ill-conceived constitutional amendments. Instead of increasing the percentage required for ratification, they substituted a solution that focuses on the substance of proposed amendments. The new language provides that a proposed amendment or revision to the state constitution shall not be placed on the ballot unless the Florida Supreme Court determines that it meets one of the following criteria:

- seeks to alter, amend, or repeal an existing provision in the constitution
- addresses a fundamental right of the citizens of this state
- seeks to create, implement, or otherwise change a basic structure of state government.

Committee members quickly embraced the amendments, the two bills were combined into one, and CS/CS/SB 1172 and 1672 was passed without any dissenting votes.

The people retain the ultimate right to alter or revise the state constitution in accordance with fundamental precepts of democratic rule. AIF supports measures that strengthen the integrity of the constitutional amendment process.

ENVIRONMENT

The Senate Committee on Natural Resources gave a favorable vote to SB 2726, sponsored by Senator Nancy Argenziano (R-Crystal River), regarding contaminated site cleanup. This is the Senate's version of CS/HB 1123, sponsored by Representative Donna Clarke (R-Sarasota), on which we reported to you last week when it passed the House Finance and Tax Committee.

Currently, risked-based-corrective action (RBCA) is used in the clean up of brownfields, dry-cleaning solvent, and petroleum contamination sites. If this legislation passes, the same standard will be used when cleaning up other contaminated sites and will make more property environmentally safe and suitable for development.

AIF supports SB 2726 and CS/HB 1123 because this legislation establishes a reasonable standard for remediation of contaminated property.

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.