



The Voice of Small Business®

## **Memorandum: NFIB/Florida's 2012 Legislative Priorities**

The 2012 Florida Legislative Session begins Tuesday, January 10, 2012. The 60-day session will once again be dominated by the state budget, as the Florida Constitution requires it to be balanced every year. Due to a projected shortfall of approximately \$2 billion for the 2012-2013 fiscal year, the Governor and the Florida Legislature will be faced with some tough decisions again this year.

In addition to the budget, legislative session will focus on two important issues. Firstly, every ten years, lawmakers are required to redraw, and agree upon, updated Congressional and state legislative boundaries based on population shifts around the state. Equally contentious, the Florida Legislature is also considering proposals to allow an expansion of gaming in certain parts of the state by establishing destination resorts, as well as the creation of a state gaming commission.

But here at NFIB, we will be engaging only on issues that equate to job creation, economy recovery and fostering a more business-friendly environment here in Florida.

Our four priorities for the 2012 Legislative Session aim to tackle the issues that are truly standing in the way of job creation and stifling the growth and prosperity of Florida's small businesses.

### **Priority #1: Workers' Compensation**

***NFIB/FL supports relieving the unnecessarily high workers' compensation rates small businesses are facing by supporting efforts to cap the amount doctors can charge for directly dispensing prescription drugs.***

Small business owners are currently paying exorbitant workers' compensation rates due to rising medical care and prescription drug costs. Currently, pharmacies are capped at the price that they can get reimbursed by Medicare for prescription drugs required by beneficiaries of workers' compensation. However, under current state law, physicians are not limited to any caps or amounts that they can charge for prescription drugs as long as they are "repackaged" and directly dispensed to the patients. The extra costs absorbed by Medicare, because of higher "repackaging" reimbursement rates, has an effect on small business owners because it increases workers' compensation rates that they have to pay into the system.

NFIB seeks to relieve this burden on small business owners by supporting Senate Bill 668, sponsored by Senator Alan Hays and House Bill 511 by Representative Matt Hudson. This bill will cap the reimbursement amount to the wholesale price plus a \$4.18 dispensing fee, which will essentially help reduce workers' compensation rates.

### **Priority #2: Unemployment Compensation**

***NFIB/FL supports easing the load of continually rising unemployment tax rates by supporting efforts to reconfigure the state system and reduce unemployment compensation fraud.***

The economic impact caused by the souring economy of the last few years depleted Florida's unemployment trust fund. As a result, Florida currently owes the federal government \$1.7 billion in borrowed funds, and it will still be several years before the fund is solvent. Consequently, small business owners have been affected by higher unemployment tax rates caused by these soaring unemployment rates and NFIB is working to support any efforts that will ease the load of a higher unemployment tax.

NFIB supports the recent proposal made by the Business and Consumer Affairs Subcommittee which recommend changing all references of “unemployment compensation” to “reemployment assistance” in state law, and seeks mandatory workforce training for unemployment compensation recipients that score low on a proficiency exam given to all applicants. More importantly, NFIB is urging the Legislature to decrease the taxable wage base per worker from \$8,500 to \$7,000 and lengthen the time, from three to six years, for the recovery of trust fund deficits. These efforts will help create jobs by lessening the tax load on small businesses caused by the unemployment tax. Additionally, it helps reduce waste caused by fraud by expanding the ability for the state to penalize those convicted of fraud through the garnishment of wages and the extension of the statute of limitations.

### **Priority # 3: Tort Reform**

***NFIB/FL supports reforming harmful and ambiguous “bad faith” laws to stop trial lawyers from filing needless lawsuits and claims that inflict rising insurance premiums on business owners.***

Florida’s current civil laws allow individuals to bring forth lawsuits for damages that may have occurred as a result of “bad faith” action by insurers that are unable to resolve claims in a timely manner. The current law was intended to keep fair and reasonable standards for the insured who may have incurred damages, while still protecting insurers from massive and unfair demands. However, the ambiguity in the “bad faith” law has allowed for trial lawyers who wish to circumvent insurance limits to bring forth third-party complaints. Unnecessary lawsuits and claims against insurers have caused rising premium rates and have created further financial burden for small business owners.

NFIB supports Senate Bill 1224, sponsored by Senator Steve Oelrich, and House Bill 427, sponsored by Representative Kathleen Passidomo, which will mandate that any potential violation due to “bad faith” action must first be filed with the Florida Department of Insurance Regulation. These bills also set guidelines to guard against frivolous claims due to untimely claim settlements. Reform of “bad faith” laws will encourage a business-friendly environment by curbing the mounting insurance costs that small business owners pay in premium rates.

### **Priority #4: Tangible Personal Property Tax Relief**

***NFIB/FL supports raising the tangible personal property tax exemption, which would eliminate the burdensome tax completely for the majority of small businesses.***

In Florida, owners of tangible personal property, including landowners, proprietorships, partnerships and other contractors, are required to file with the Florida Department of Revenue and pay taxes on ownership. There is currently a \$25,000 ad valorem tax exemption. Although significant, there must be further tax relief in order to promote Florida as a business-friendly state.

NFIB/FL led the charge for the \$25,000 in 2007, and is fighting to give even more tax relief to small business owners by supporting Senate Bill 1064, sponsored by Senator Nancy Detert, and House Bill 1003, sponsored by Representative Eric Eisnagle. These bills will remove the \$25,000 cap on the ad valorem tax exemption and permit the Florida Legislature to have more flexibility in allowing a higher exemption for tangible personal property owners. NFIB also supports Governor Rick Scott’s proposal for a referendum to exempt business from paying the tangible personal property tax, if the value is less than \$50,000. This would completely eliminate the tax for almost all NFIB members.

Your NFIB/Florida team in Tallahassee is ready to hit the halls of the Capitol to deliver these priorities to you. For more information, follow us on Facebook at [www.facebook.com/NFIB.FL](http://www.facebook.com/NFIB.FL), Twitter at [www.twitter.com/NFIB\\_FL](http://www.twitter.com/NFIB_FL) or stop by our website: [www.NFIB.com/FL](http://www.NFIB.com/FL).