



## **LEGISLATIVE UPDATE**

This month, we continue our summary of the bills approved during the recent Session of the Florida Legislature. Most of these bills are awaiting action by the Governor. Look for more Legislative Updates next month, too. For copies or more information on any of these bills, please call Karen, Lance or Cameron at 800-262-4483.

### **Construction Issues:**

**Jessica Lunsford Act (JLA) (Senate Bill 988).** This law was passed in 2005 and requires contractors doing business with Florida schools to be fingerprinted and undergo background checks. This year, the Legislature re-wrote portions of the JLA to ease the burden on contractors. More specifically, the bill:

- Exempts contractors from background checks if they are working behind a 6-foot chain link fence and in an area where students are not permitted
- Limits the number of background checks to just one, no matter how many school districts the contractor works in
- Limits the offenses which prevent a contractor from working on school grounds to sexual crimes, terrorism, murder and kidnapping

**Owner-Controlled Insurance Programs (OCIP's) (Senate Bill 1624).** This bill modifies the law for OCIP's to prevent some public entities from "bundling" together projects to raise the dollar value to qualify the work for use of an OCIP. In addition, the bill requires that these OCIP's include 10 years of completed operations coverage.

**Construction Industry Licensing Board (House Bill 7163).** This bill specifies that the Construction Industry Licensing Board (CILB) can require contractors to take 1 hour of "laws and rules" continuing education.

**Regulation of Home Inspectors (Senate Bill 2234).** This bill creates regulation and licensure for persons engaged as home inspectors or mold assessor/remediators. The bill also specifies that home inspections and mold assessments are subject to home warranty requirements. The legislation contains clear exemptions for licensed contractors performing work within their respective scope of work.

**Housing & Construction Industry (Senate Bill 404).** This bill more clearly defines the types of criminal offenses that can result in denial of an application for a contractor's license. The bill also allows one-half of the net worth requirements for a contractor's license (\$20,000 for Division I contractors; \$10,000 for Division II contractors) to be waived if the applicant completes a 14-hour course in financial responsibility.

### **Agriculture:**

**Sales Tax Exemption (House Bill 1199).** This bill broadens the current sales tax exemption for electricity used in the production or processing of agriculture products by including in the exemption electricity used directly or indirectly. Currently, the exemption is only for electricity used directly in processing agriculture products. To qualify for the tax exemption, the electricity still is required to be separately metered.

## **Taxes:**

### **Tax-Free Sales for Hurricane**

**Preparedness (House Bill 211).** This bill creates a period of 12 days from June 1, 2007 through June 12, 2007 during which certain items relating to hurricane preparedness will be exempt from the state sales tax. Tax-free items include flashlights selling for \$20 or less; weather-band radios selling for \$75 or less; tarps or waterproof sheeting selling for \$50 or less; storm shutter devices selling for \$200 or less; coolers selling for \$30 or less; cell phone batteries selling for \$60 or less; cell phone chargers selling for \$40 or less.

## **Retail:**

**Retail Theft (Senate Bill 1644).** This bill increases the penalty for retail theft when a person, acting alone or with others, coordinates an effort to steal more than \$3,000 in retail property.

### **Designated Drivers (Senate Bill 282).**

This bill prohibits licensed retail alcohol beverage establishments (bars and restaurants with liquor licenses) from refusing to serve a person who does not purchase alcohol on the grounds that he or she is the designated driver for one or more people who are drinking at the establishment.

## **AVOID LATE FEES BY PAYING YOUR WORKERS' COMP INVOICES TIMELY**

If you get your workers' comp insurance through FUBA Workers' Comp (also known as the Florida Citrus, Business & Industries Fund), please be aware that the Fund is now charging late fees on delinquent premium payments. Payments are due each month on the 15<sup>th</sup>. If you pay your monthly invoice more than 5 days late and are put into cancellation, you will be assessed a \$25 late fee on your next invoice.

## **DO YOU NEED HELP CONTROLLING YOUR WORKERS' COMP PREMIUM?**

FUBA Workers' Comp offers its members a program to help them monitor their workers' comp premium called Quarterly Self-Reporting (QSR). QSR allows members to provide us with accurate information on payroll and subcontractor payments on a quarterly basis rather than just once a year during your premium audit. Through the QSR program, our staff helps you with the following questions so that you do not have to pay workers' comp on your subs.

- How do I make sure my subcontractor has workers' comp insurance?
- How can I tell if the policy is valid?
- How do I check a subcontractor's exemption?

If you would like to sign up for the QSR program, or if you are currently participating in our QSR program and would like to continue, please call Dana or Corinna in our Audit Department at 888-262-4483. Just a reminder to those of you in QSR: we will be mailing the first request for your UCT and Sub Reporting Form in mid-July.

## **CORRECTION FROM LAST MONTH**

In last month's newsletter, we told you that the threshold for reporting sales tax electronically had been lowered to \$25,000. This number is incorrect; the new threshold is \$20,000. Starting July 1, 2007, all businesses that collect \$20,000 annually in state sales tax will have to report and remit the tax electronically to the State of Florida.

## **REMINDER – NO INTANGIBLE TAX**

Starting this year, Florida taxpayers no longer have to pay the state intangible tax. The tax was abolished effective January 1, 2007. Previously, Florida residents and businesses had to pay the tax on the value of stocks, bonds, mutual funds and other financial assets, and the tax was due June 30<sup>th</sup> of each year.