

STORAGE NAME: h0195.go

DATE: November 18, 1999

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
HOUSE GOVERNMENTAL OPERATIONS
ANALYSIS**

BILL #: HB 195

RELATING TO: Drug-free Workplaces

SPONSOR(S): Representative Suarez

TIED BILL(S):

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) GOVERNMENTAL OPERATIONS
 - (2) INSURANCE
 - (3) BUSINESS REGULATION & CONSUMER AFFAIRS
 - (4) TRANSPORTATION & ECONOMIC DEVELOPMENT APPROPRIATIONS
 - (5)
-

I. SUMMARY:

This bill amends s. 440.102, F.S., regarding workers' compensation drug-free workplaces. Currently, drug-free workplace programs are authorized, but not required for all state contracts. This bill amends s. 440.102, F.S., by adding a new subsection (15), which requires certain state contractors with more than three employees to implement a drug-free workplace.

The cost to the private sector would be the implementation of a drug-free workplace, pursuant to the requirements found in s. 440.102, F.S. If an employer implements a drug-free workplace program pursuant to this section, the employer may qualify for a five percent reduction in the employer's workers' compensation insurance premiums.

This bill does not appear to have a fiscal impact on state or local governments.

This bill has an effective date of October 1, 2000.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|---|--|---|
| 1. <u>Less Government</u> | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | N/A <input type="checkbox"/> |
| 2. <u>Lower Taxes</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u> | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | N/A <input type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 5. <u>Family Empowerment</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

This bill does not support less government because it creates new responsibilities and obligations for the agencies involved in maintaining the drug-free workplace program requirements as well as the individual contractors.

This bill does not support individual freedom because it decreases the allowable options of construction contractors to conduct their own affairs by requiring the contractors to implement a drug-free workplace.

B. PRESENT SITUATION:

Section 112.0455, F.S., contains the Drug-Free Workplace Act, however, s. 440.102, F.S., provides employers with the requirements to implement a drug-free workplace, under the employer's workers' compensation coverage. Section 440.102(2), F.S., authorizes, but does not require, an employer to conduct drug testing on employees. If an employer implements a drug-free workplace program pursuant to this section, the employer may qualify for a discount on the employer's workers' compensation insurance premium. The discount is a five percent reduction in the employer's workers' compensation insurance premiums, which is provided in s. 627.0915, F.S.

Section 440, F.S., provides the requirements for workers' compensation coverage. This section requires any employer who has employees for the following employment groups to have workers' compensation coverage: state and all political subdivisions, public and quasi-public corporations, private employment with four or more employees, private employment in the construction industry with one or more employees, and volunteer firefighters.

Contractors within Part I and Part II of Chapter 489, F.S., involved in construction work must have workers' compensation coverage if one or more employees are employed. Employers are not required, only authorized, to apply a drug-free workplace program to these employees.

C. EFFECT OF PROPOSED CHANGES:

This bill amends s. 40.102, F.S., by adding a new subsection (15) regarding implementation of a drug-free workplace program. This bill requires building construction contractors and electrical and alarm system contractors, as defined in Part I or Part II of Chapter 489, F.S., who employ more than three employees in performing construction work pursuant to certain state contracts, to implement a drug-free workplace program. This requirement specifically relates

to state contracts in excess of \$10,000 where construction work is performed on public school system facilities, public property, and publicly owned buildings, or state correctional system facilities.

D. SECTION-BY-SECTION ANALYSIS:

This section need be completed only in the discretion of the Committee.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

N/A

2. Expenditures:

N/A

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

N/A

2. Expenditures:

N/A

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The cost to the private sector would only be incurred by the state contractors implementing a drug-free workplace. This cost includes administrative costs, such as policy determination, notification and application, as well as costs for the actual drug-testing.

The direct private sector benefits include a drug-free workplace which will result in fewer work related accidents, increased productivity and a five percent reduction in workers' compensation insurance premiums.

This bill will have a positive effect on competition, private enterprise and employment markets. Employers implementing a drug-free workplace program will enhance their positions in the workplace. The cost of compliance will be offset by the five percent reduction in workers' compensation insurance premiums. In addition, the savings in workers' compensation insurance premiums may be passed on to the state in terms of lower bids on state contracts.

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D. FISCAL COMMENTS:

None

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentage of a state tax shared with counties or municipalities.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

N/A

B. RULE-MAKING AUTHORITY:

N/A

C. OTHER COMMENTS:

This bill will impose a greater burden on state construction contractors to implement the drug-free workplace program requirements. However, a five percent reduction in workers' compensation insurance premiums will offset this burden.

This bill will impact the private sector only in both costs and benefits.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

N/A

VII. SIGNATURES:

COMMITTEE ON HOUSE GOVERNMENTAL OPERATIONS:

Prepared by:

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